

ANNUAL REPORT 2015



MELIÃ HOTELS
INTERNATIONAL

LETTER FROM THE CHAIRMAN

G4-I >



Dear readers,

60 years ago, when I founded what is now called Meliá Hotels International, I was unaware of the magnitude of the path I was setting out on, but I was absolutely certain that I wanted to make a major contribution to developing the incipient tourist industry and thus generating a positive social and economic impact in the community. Today this impact would be called the “creation of shared value”.

Our Group has progressed from having a small leased hotel in the city of Palma to a portfolio comprising **376 hotels** and a presence in **41 countries**; so we have gone from being a modest “start-up” – a term that was not used in the 1950s – to a multinational with more than **42,000 employees**, turnover of around **1.738 billion Euros** and which generates profit of **40.5 million Euros** for its shareholders.

Moreover, we have evolved from a single holiday brand under the name of Sol Hoteles to a broad offering of **7 hotel brands** that are leaders in their respective segments, and which are gaining presence in the main cities worldwide and at the leading tourist destinations: **Gran Meliá Hotels & Resorts**, **Paradisus by Meliá**, **ME by Meliá**, **Meliá Hotels & Resorts**, **INNSIDE by Meliá**, **TRYP by Wyndham** and, of course, the renewed **Sol Hotels & Resorts**, with 4 very differentiated new concepts.

Since the Group was founded, all of us who have pooled our efforts and played an active part in the growth of Meliá, have managed to turn our company into a sector benchmark, and not only from a business standpoint, but also with regard to reputation and leadership. Meliá’s evolution through to current times has always been guided by a set of deeply embedded family **values**, which we have been able to integrate into the daily tasks of this major business project which is Meliá Hotels International. Thus, from our solid principles, coupled with clear long-term view of the business, we have been able to create value for the communities where we currently operate.

2011 was an important year for Meliá as we began to renew our corporate brand, evolving from Sol Meliá to Meliá Hotels International. We believed it appropriate to update and adapt our values to the 21st-century because for us it was essential that these continue to be the backbone that guides the transformation process of Meliá: **service vocation, excellence, innovation, proximity and coherence**.

Today I feel proud to see that these values still guide all of our actions, allowing Meliá to be considered as a responsible company, and one that creates wealth for its surrounding areas and which, just as I dreamt in 1956, has become a key player in the creation of value for our society.

This Annual Report attempts to reflect, in accordance with the Integrated Reporting principles, our strategic vision, how this is reflected in the performance, the Company’s global figures as well as the impact that Meliá generates in the community and our relationship with stakeholders, without overlooking the “social cash flow” of Meliá, which reflects how our Company’s revenue is redistributed in society as a whole.

In summary, dear friends, this Annual Report arrives at a time when, as a consequence of business acumen, efforts and commitment of all those that form part of Meliá, the Group’s financial figures reveal significant progress and our responsible and sustainable model is being acknowledged. However, this is only the beginning. We hope to continue getting closer to the ideal leading and socially relevant company that we have always wanted to be, with the valuable support of all of you, for the next 60 years.

Gabriel Escarrer Juliá

Chairman and Founder of Meliá Hotels International

LETTER FROM THE VICE-CHAIRMAN AND CEO



In 2015, Meliá Hotels International has successfully concluded a strategic cycle that began in 2012 in the midst of a crisis in the Eurozone, and has also marked the new strategic challenges through to 2018. Thus the Group is facing a new period with greater strength and a watchful attitude in a setting in which certain uncertainties persist.

We have taken advantage of these years to continue growing – above all on the international stage – and to consolidate the intense process of organisational, strategic and cultural transformation that we started in 2011, when we bid farewell to our beloved “Sol Meliá” and launched our new corporate brand, Meliá Hotels International.

Thanks to this strategic vision and stringent management, coupled with solid family-based values, we have successfully concluded a complex stage in which we have managed to achieve most of the targets proposed, and can face the future with solvency and optimism.

This fact is clearly shown and substantiated in our performance figures. We closed 2015 with a healthy balance sheet, a **Debt relief of more than 200 million Euros** and a plethora of major acknowledgements awarded this year worldwide.

Staying ahead after so many years is only possible thanks to an ongoing process of innovation and reinvention, in which our brands continue revolutionising the urban hotel business with *lifestyle* concepts and transforming the holiday hotel segment with contemporary products that are adapted to the different profiles of our clients. In this regard, I should like to highlight the new concepts of the Sol Hotels & Resorts brand and our commitment to being at the cutting edge, which now also involves an in-depth digital transformation in our commercial model, which will generate competitive advantages.

The holiday hotel business is thriving across the world, and Meliá boasts the leading mix of holiday hotels in the industry; our brands currently compete for management of the leading hotels of the world, under equal conditions as the major international chains. In Spain, a country that maintains its buoyant position as the third largest recipient of tourists worldwide, Meliá continues to be the leading hotel chain in terms of size and rooms, and I am enormously satisfied to report that, for the third consecutive year, we also continue to spearhead the sector in the issue of Corporate Reputation, according to the prestigious MERCO Empresas Index.

Our major strategic commitments are bearing fruit in abundance. Firstly, our strength and credibility as managers gives us the flexibility and competitive advantage that are essential in tackling our growth and expansion. Secondly, our growing global presence in 41 countries, backed by an international pool of talent and professionalism with more than 32,000 employees located outside Spain, as well as the excellence of our management systems, will enable us to respond to the more than 25 international inaugurations scheduled for 2016.

However, this satisfactory balance would not be complete if I failed to highlight the major headway achieved in issues of corporate responsibility, an aspect that has taken deep root in our strategy, enabling Meliá to maintain and strengthen an excellent reputation that has consolidated itself throughout our history. So, in 2015 we have continued to delve further into the commitment to the employability of young persons, recognised at the 12th UNWTO Awards Forum, celebrated as part of the Tourism Fair that takes place every year in Madrid, Spain. Meliá also collaborates with universities to ensure closer relations between the world of education and the world of business, to ensure the future employability of our young adults.

In harmony with its social positioning in favour of childhood, Meliá has consolidated its international partnership with UNICEF, signed in 2011, to guarantee the rights of children in those countries where we have a presence, with major projects in the Dominican Republic and Mexico, among others. Our commitment to childhood is now more valid and necessary than ever.

I am also proud to point out that our environmental commitment has been reflected in the prestigious CDP 2015 Index, in which Meliá has been included on the “A List” among the Top International Companies, with the highest level of commitment and performance in the fight against climate change.

In 2016 we are addressing new and major challenges, let there be no doubt about that, but we are also aware that we are tackling these challenges from a position that is more solid than ever.

Today, Meliá Hotels International is a young 60-year old company with a long track record which, in the same way as the founding family, has a long-term vocation and the ambition to continue contributing with our activity to breaking down barriers and fostering socio-economic development of the destinations where we operate.

Gabriel Escarrer Jaume
Vice-Chairman and CEO



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MELIÁ IN THE WORLD

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MAIN FIGURES

RESULTS

NET PROFIT

40.5 €M

+27% vs 2014

REDUCTION
DEBT

216 €M

REDUCTION IN
FINANCING COSTS

36 €M

CONSOLIDATED DATA

REVENUES

1,738.2 €M

+16% vs 2014

EBITDA

293.1 €M

+29% vs 2014

OPERATION FIGURES

REVPAR

+15.1%

ARR

+13.5%



22 CONSECUTIVE QUARTERS IMPROVING REVPAR

BRANDS

	PREMIUM	UPSCALE	MIDSCALE	TOTAL
ME BY MELIÁ	12 8 1,457			376 HOTELS 41 COUNTRIES 42,275 EMPLOYEES
PARADISUS BY MELIÁ	11 4 5,825			
GRAN MELIÁ HOTELS & RESORTS	15 8 4,243			
INNSIDE BY MELIÁ		37 14 668		
MELIÁ HOTELS & RESORTS		127 34 18,643		
Sol hotels&resorts		84 9 5,024		
TRYP BY WINDHAM		90 9 3,642		

STRATEGIC IMPULSE

MELIÁ DIGITAL

+28%
DIRECT
SALE

+22%
CLIENTS
MELIÁREWARDS

BRANDS AND INNOVATION

+16%
REVENUES
NEW CONCEPTS
IN F&B

+5.5%
GLOBAL
NPS

INTERNATIONALISATION

25
FIRMS

13
OPENINGS

7
NEW
COUNTRIES

REAL ESTATE

70 €M
REVENUES

10
HOTELS SOLD
MAINTAINING
MANAGEMENT

COMPETITIVE AND EFFICIENT ORGANISATION

+13%
DIVERSITY
OF STAFF

+28%
R&D&I
INVESTMENT

REPUTATION AND RESPONSIBILITY

**TOP
A-LIST**
99A
CDP

91%
PRIDE OF
BELONGING

HISTORY

In 2016 Meliá Hotels International is celebrating its 60th anniversary under the motto “60 years of Hospitality”, which encompasses the success, spirit and will of the Company in its first years of history and which has guided all of its stages of evolution and growth since its foundation in 1956.

At the age of just 21, Gabriel Escarrer opened his first hotel in Palma de Mallorca, having already envisaged a great future for tourist development of the Balearic Islands, and where he still maintains his commitment today. The tourist *boom* that Spain experienced in the 1960s helped to consolidate the new company in Majorca, while the 1970s witnessed the company's introduction in the remaining Spanish coastal areas.

From the 1980s, it began its international expansion, with the opening of its first hotel in Bali in 1985, and in 2015 celebrated the 30th anniversary of the start of the Company's internationalisation. In the 1980s, the Company moved into a new league after it purchased the Meliá and Hotasa chains, becoming the largest hotel group in Spain.

The 1990s was a time of sweeping changes at Sol Meliá, the new corporate brand created in 1987, integrating the Company's first hotel brand, as well as the brand internationally recognised as a consequence of its acquisition. The holiday brand Paradisus was launched during this decade, focusing on the luxury sector and eminently Latin American, and the Company began its foray into the securities market. It should also be highlighted the launch of the first Meliá loyalty scheme as well as the embryonic website sales.

At the start of the 21st century, Sol Meliá undertook extensive expansion in major European cities and launched the cutting edge brands of the Company's current portfolio, ME by Meliá and INNSIDE by Meliá, as well as the Holiday Club business.

Since then, the Company has maintained a rate of constant growth internationally, which has enabled it to position itself in key markets such as Southeast Asia, China, the Middle East and the United States, as well as maintaining its leadership in Europe, Latin America and the Caribbean.

In 2015, the Company reached an essential historic milestone, when it celebrated the 25th anniversary of Meliá's presence in Cuba. Since the opening of the first establishment in Varadero in 1990, the alliance forged between the Chairman Gabriel Escarrer and the Cuban Government has enabled Meliá to play an active part in the country's extraordinary tourist development, which is one of the jewels of the Caribbean.

2016 is therefore a year to look back on all the successes achieved and to reflect on those values that have always been core parts of the Company's identity: its dedication to service, its focus on excellence and innovation, its proximity to its stakeholders and consistency to ensure a future of responsibility and sustainability. These values have kept the essence of Meliá Hotels International intact and have driven its evolution. That is why 2016 is also a year to look to the future, to reinforce the leadership in the sector and to mark the path of hotel innovation from the most profound value: hospitality.

With a wonderful past, Meliá Hotels International is looking to keep writing its history day by day, with the firm commitment of the best professionals and the millions of clients that have placed their trust in the Company for the last 60 years.

COMPANY												
	<p>1956 Founding of the Company</p>		<p>1965 Escarrer established Hoteles Mallorquines to consolidate his different assets</p>		<p>1984 Acquisition of the hotel chain HOTASA. It becomes the largest hotel group in Spain</p>		<p>1987 Acquisition of the hotel chain Meliá</p> <p> Sol Meliá</p> <p>The Company changes its name to Sol Meliá</p>					
					<p>1950 First hotel (Palma de Mallorca, Spain)</p>		<p>1960 Development in the Balearic Islands</p>		<p>1970 Expansion to other important Spanish tourist destinations</p>		<p>1980 Development in the main Spanish cities</p> <p>First international hotel (Bali)</p> <p>First hotel in Africa (Egypt)</p>	
	DEVELOPMENT											

1994



Launch of the loyalty programme (currently Meliá Rewards)

1995



Birth of Paradisus Resorts, specialising in the luxury sector

1996

First European hotel group to be listed on the stock exchange

1997



+350 HOTELS. 35 COUNTRIES
Launch of the bookings website

2000

Acquisition of the hotel chain TRYP.

2004



Launch of the Holiday Club

2006



Launch of ME by Meliá, the most ground-breaking brand in the portfolio

2007



Acquisition of the German brand INNSIDE



Launch of the SAVE project to fight climate change

2008



Approval of a Global Sustainability Policy and inclusion in the FTSE4Good Ibx

2010



Global alliance with Wyndham, creating TRYP by Wyndham

2011



The Company becomes Meliá Hotels International

2012



Launch of the Calvià Beach Resort project for the regeneration of mature tourist destinations (Magañuf, Majorca)

2014



Relaunch of the new Sol brand
Partnerships with the main international investment funds to transform the sector
Meliá Digital Project to transform client relations
Strengthening our management model value proposal



1990

Development in Latin America and the Spanish Caribbean

1999-2009

Presence in the European gateway cities (London, Milan, Paris)

>2010

Entry into the US market: New York, Miami and other
Entry into the English-speaking Caribbean: Bahamas, Jamaica
Consolidation of presence in the Spanish-speaking Caribbean: Cuba, Mexico, Dominican Republic
Entry into the Middle East region: Dubai and Doha
Tripling our portfolio in the Asia-Pacific region
For the first time Meliá is present in 41 countries on 4 continents



Meliá Zanzibar, Tanzania

The Company's strategic focus, with a firm commitment on reinforcing its international presence, has allowed it to increase its hotel portfolio with 25 new establishments, mainly in emerging countries in both the Asia Pacific as well as Latin America.

As a consequence of these efforts, in recent years Meliá has added a new hotel into its pipeline every two weeks, with a balance both in terms of location as well as segment, split between urban and holiday hotels.

The Company is currently present in 41 countries with seven hotel brands in the major cities and holiday destinations. Of particular significance is the progress made in regions such as Asia, where it currently has 10 hotels and are expecting to add a further 20 over the next three years.



Meliá Hanoi, Vietnam

It has also been positive the growth and internationalisation of the INNSIDE, brand, which was initially of German origin, and which is scheduled to be introduced in a further 11 countries, both in consolidated European markets as well as emerging countries of Latin America, Asia Pacific and the Middle East. Meliá focuses significant representation of hotels in countries from whence customers visit its main destinations, such as the case of Germany, with a total of 29 establishments and close to 5,000 rooms.

Elsewhere, Cuba represents Meliá's second largest market in terms of the number of hotels and rooms, after Spain, with close to 15,000 rooms, in an enclave where the attractiveness of the destination is coupled with the thawing of relations with the USA, wonderful news for the island's hotel sector and which will generate a large flow of US tourists to the area's hotels.



ME Cancun, Mexico

These two countries are representative examples of how Meliá is committed to a long-term model that enables it to consolidate its presence with different brands and products and to view new opportunities to increase the portfolio of hotels in countries of major importance for the Company.

As a result of this notable international presence, last year Meliá managed to move up three positions in the 2015 world hotel chain ranking, up to 17th among the leading hotel groups of the world. It maintains its leadership in Spain and has consolidated itself as the third-largest chain in Europe, behind only the British IHG and the French Accor chains.

The Company has a clear international focus, given that 60% of its managed hotels are located outside Spain, accounting for 64% of rooms. This gives the company a competitive advantage given the potential for growth in the different markets and destinations where Meliá is present.

Furthermore, the Company minimises risk by fostering growth using formulas that are asset light, mainly through management contracts and also through strategic agreements with partners that drive the generation of value.

This diversification is giving the Group an increasingly more international flavour, and enables it to attract and develop the best talent and to reinforce the cultural transformation process of the Company.



HOTEL PORTFOLIO

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In recent years, the Company has concentrated its growth strategy using asset-light models, consolidating a portfolio mainly in management, leasing and franchise. These models represent over 85% of the current portfolio of hotels.

In 2015, Meliá opened 13 new hotels, adding a total of 2,167 rooms to the operating portfolio, with 85% of these rooms outside Spain. Of particular importance were the openings of the Meliá Doha, the Company's first hotel in Qatar, underlining our commitment towards the Middle East, and the Sol Beach House Imperial Boat, which adds a new market to the operating portfolio, with the entry into the second most visited country of Southeast Asia, Thailand. This latter deal was signed with the TCC Land Asset World Group, and will enable it to generate new opportunities in coming years.

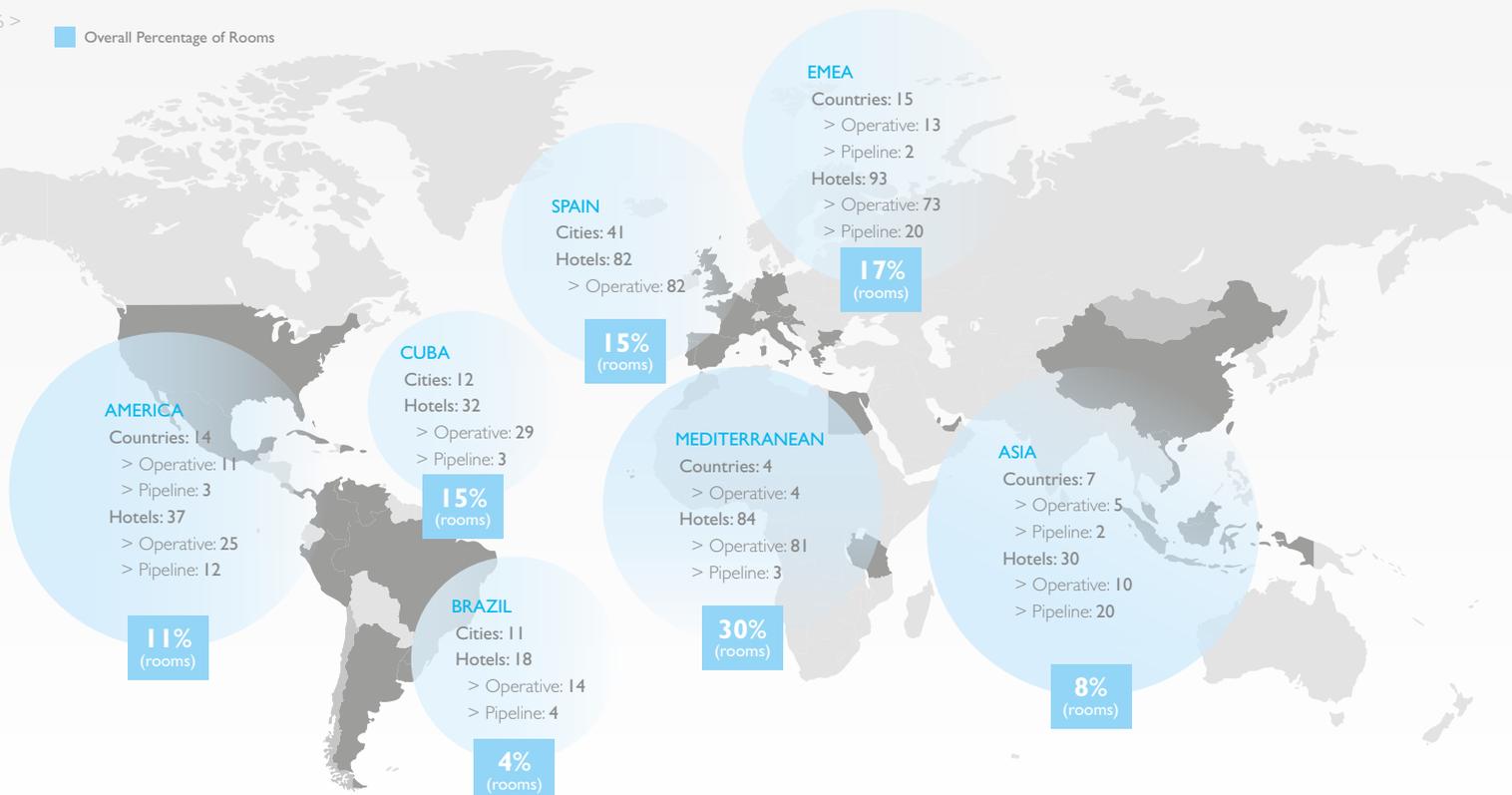
Also worth mentioning are significant openings in consolidated and strategic markets, which reinforce Meliá's commitment to support the presence of other brands or products for different client profiles.

- Meliá Paris La Défense, located in the heart of Paris' financial district, is the largest establishment of its category, and has been open since 2004 in Paris. This hotel represents the first specialised business hotel of the Company in the French capital.
- ME Milán Il Duca, located in Milan's fashion and design district, represents a new milestone in the international consolidation of ME by Meliá as the cutting edge and lifestyle brand of Meliá.
- The INNSIDE Manchester, the first hotel of this brand to be opened in the UK and which showcases the brand's attractiveness and potential for future growth.

Furthermore, 8 hotels were disposed of, with a total of 1,416 rooms, as a consequence of the expiry of management contracts, mainly in Spain.

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Overall Percentage of Rooms



Spain remains the country with the highest number of operating hotels. The company's position in this market is to grow in accordance with selective criteria.

The most significant growth reflects our clear commitment to the continent of Asia, where we expect to open 20 hotels over the next 3 years, to add to the 10 hotels already existing in the region, and to consolidate the European and Middle East markets.

Analysing the evolution of Meliá Hotels International portfolio between 2012-2015, we see that 2015 has been the year with the largest number of hotel inaugurations, reaching the highest international presence in the Company's history, with 41 countries on 4 continents.

Portfolio in accordance with the Management Model

		AMERICA		ASIA		BRAZIL		CUBA		EMEA		SPAIN		MEDITERRANEAN		TOTAL	
		Operative	Pipeline	Operative	Pipeline	Operative	Pipeline										
OWNED PROPERTY	Hotels	14	-	-	-	-	-	-	-	13	-	9	-	12	-	48	-
	Rooms	5,883	-	-	-	-	-	-	-	3,049	-	2,458	-	3,323	-	14,713	-
MANAGEMENT	Hotels	8	11	10	20	14	3	29	3	9	10	16	-	41	2	127	49
	Rooms	2,144	2,013	2,836	4,827	3,216	706	12,552	2,024	2,015	2,138	3,657	-	16,076	1,436	42,496	13,144
LEASED	Hotels	1	1	-	-	-	1	-	-	39	10	42	-	21	1	103	13
	Rooms	236	312	-	-	-	472	-	-	6,606	1,868	7,078	-	6,464	289	20,384	2,941
FRANCHISE	Hotels	2	-	-	-	-	-	-	-	12	-	15	-	7	-	36	-
	Rooms	214	-	-	-	-	-	-	-	1,561	-	1,876	-	2,008	-	5,659	-
TOTAL	Hotels	25	12	10	20	14	4	29	3	73	20	82	-	81	3	314	62
	Rooms	8,477	2,325	2,836	4,827	3,216	1,178	12,552	2,024	13,231	4,006	15,069	-	27,871	1,725	83,252	16,085

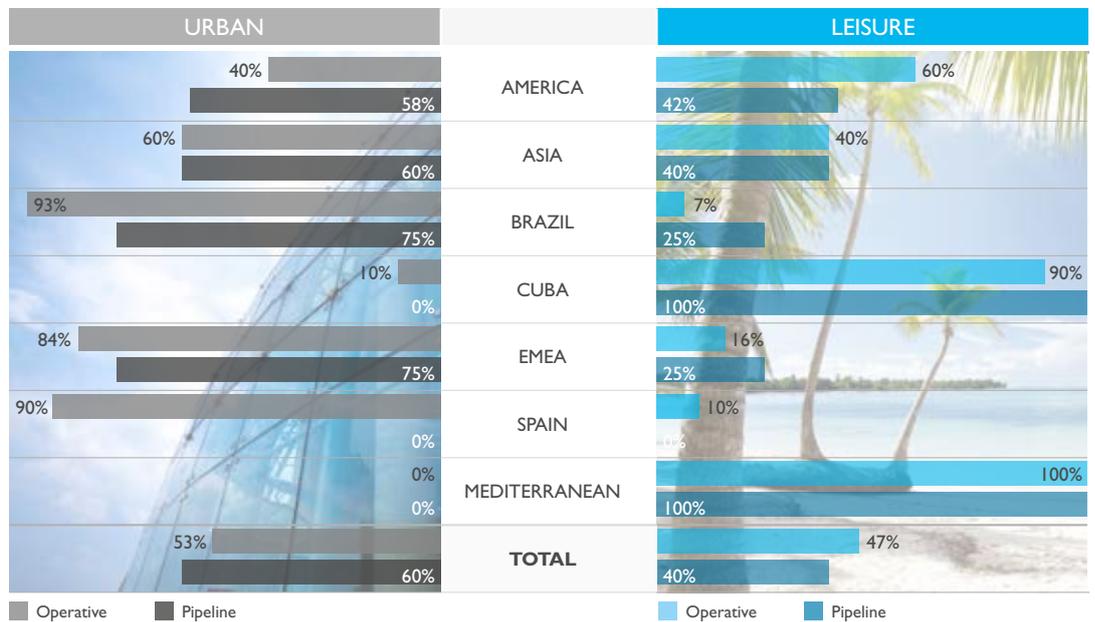
The process of transforming Meliá from an owner company, with hotels under management, to a managing company with hotels under ownership, can be seen in the 2015 portfolio, as 62% of the rooms are under management or franchise contracts and the weight of owned hotels currently represents 13% of the portfolio.



Portfolio Segmentation

Meliá’s mission reflects its aspiration to position itself among the leading hotel groups of the world in the urban segment and to consolidate its leisure leadership. As a consequence of this ambition, Meliá is committed to diversifying its leisure portfolio with the opening of new destinations and with the support of renewed and revamped holiday brands that meet the expectations of ever-more demanding customers.

The Company is also strengthening its recognised experience of more than 60 years in key holiday destinations worldwide and in those European cities with a major leisure component. Today, the Group’s portfolio reflects a balanced pipeline between leisure and urban hotels, adapting some of the more traditional urban brands to a bleisure clientele.



BUSINESS MODEL

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Meliá's growth model is based on asset-light expansion, specialising in hotel management for third parties. This formula allows Meliá to grow and strengthen the brands where it has a presence, and simultaneously adapt itself to its hotel owners' new demands and profiles, facilitating ongoing innovation and minimising risks.

Meliá is currently present in 41 countries, with 85% of its hotels operated through management, leasing or franchise agreements, and the company has relations with more than 400 different owners. Meliá's mid-term target of positioning itself among the 10 principal international hotel management companies is clearly reflected in the planning of the Company's new hotels, represented 100% by hotels with contracts under these types of management.



This business model requires excellence and consistency in the management system, to transfer all of the advantages and strengths of forming part of the Meliá network to the hotels and owners, irrespective of their origins or needs.

To offer close and fluid communication with owners and thus maintain an elevated knowledge of the market, Meliá has operating teams located on a regional scale. So, the support that Meliá provides comes from a global network whose hub is at the Headquarters in Palma de Mallorca (Spain), and which spreads out to the regional offices located in Madrid, Shanghai, Miami, Havana and São Paulo, as well as satellite offices in London, Düsseldorf and Dubai.

The main target of this global network is to achieve the owner's satisfaction, deal with the needs of the property and increase its profitability to the maximum.



Management System: Dedication to service

Meliá's value generation is based on a model of success, which is a result of the company's evolution, its internationalisation and its ongoing efforts in innovation to offer the best global services with criteria of excellence and proximity to the needs and expectations of its stakeholders.

<p>1 DISTRIBUTION AND SALES</p> 	<p>2 LOYALTY</p> 	<p>3 MARKETING</p> 
<p>4 EXPERIENCES</p> 	<p>5 MEETINGS AND EVENTS</p> 	<p>6 HUMAN RESOURCES</p> 
<p>7 TECHNOLOGY</p> 	<p>8 GLOBAL PURCHASING</p> 	<p>9 TECHNICAL SERVICES</p> 
<p>10 RELATION WITH OWNERS</p> 	<p>11 GLOBAL CONTROL AND ADMINISTRATION</p> 	<p>12 SOCIAL RESPONSIBILITY</p> 

Commercial Network

An essential driver to improve hotel performance and foster growth of the average price involves having a regionalised sales model under a global strategy. To achieve these targets, Meliá has extended its commercial network into the main outbound source markets worldwide, having more than 270 professionals located at the Group's 37 sales offices.

It should also be mentioned the strong collaboration strategy with preferential partners, integration with the main search engines, agreements with the key remarketing and auctions in real-time companies, as well as specialists in the marketing and integration of the sector's most important websites.

The company has set up specialised sales teams for each specific segment: *leisure*, business trips, meetings and events, travel agencies and online agencies.



Management Models

Of the various possible ways of managing hotels, Meliá Hotels International is committed to doing so via ownership of properties, management contracts, leasing and, to a lesser extent, franchising. The owned and leased properties offer control over operations and profits generated, as well as over financial obligations for any type of investment. This differs from those hotels run under management and franchise agreements.

The definition of each management model is summarised in the following table:

<p>OWNED PROPERTY</p>	<p>Meliá Hotels International is responsible for the ownership of the hotel and its commercial operation</p>	<p>The owner of the hotel requires Meliá's management services to operate the hotel on its behalf with one of its brands. Meliá receives fees</p>	<p>MANAGEMENT</p>
<p>LEASED</p>	<p>Meliá leases the hotel business and runs its operations. Meliá does not own the hotel and must pay rent to the property owner</p>	<p>Under this system the hotel owners operate under one of the Meliá brands and contract Meliá's marketing services</p>	<p>FRANCHISE</p>

AWARDS

Meliá Hotels International seeks to be acknowledged as a worldwide benchmark in excellence, responsibility and sustainability as the key principles of its business model and for the purpose of positioning itself among the leading hotel groups of the world.

Its values, renewed and adapted in 2011, of excellence and innovation, are key levers in generating the value required by its stakeholders, and where the commitment towards service and proximity are the driving factors in strengthening the Company's leadership.

As a result of the efforts made by the Meliá staff, every year the Company receives many acknowledgements for its work in different spheres of management.



The Company's **CEO and Vice-Chairman**, Gabriel Escarrer Jaume, has been acknowledged in 13th position of **CEOs of the Spanish Stock Market that have excelled** in their position in 2015, as part of the list drawn up by the **FORBES** magazine. He is the sole representative of a hotel business.



In 2015, Meliá Hotels International received the highest distinction of the sector when it was awarded the **Best Hotel Chain in Europe**, at the 6th edition of the **European Hospitality Awards**. This prestigious award is the icing on the cake to its successful track record and also recognises it as the Group with most nominations in the history of these awards.



The Company has also been recognised with the **Executive Award for Brand Internationalisation** to mark the 30-year anniversary of opening its first international hotel on the island of Bali. This award recognises the global and international vocation and commitment of Meliá and its contribution to strengthening the Spain Brand on the international stage.



In **Brazil**, where the Company manages around 4,500 rooms, it was chosen as the **Best Hotel Chain** at the 30th edition of the **Top-10 Tourism Awards** organised by the Travel News Group, the country's main tourism editorial corporation. This award is the highest recognition of the chain's 23 years of entrepreneurship in issues of business performance, innovative management, service quality, design and development of human capital, among other items.



In the area of Corporate Responsibility, Meliá has been recognised as one of the leading hotels of the world for its performance in environmental management, as well as one of the **113 leading companies worldwide in the fight against global warming**, according to the international organisation CDP, which is pushing for a sustainable economy. It has also been included in the **"Top A-List"** with the best performance and transparency for its fight against climate change.



As the leading hotel group in Spain, Meliá has revalidated its title as the sector Company with the **best reputation**, according to the **Corporate Reputation Business Monitor (MERCOS)**, as well as rising 13 positions in the global ranking, up to 18th. This historic ascent represents the highest accolade to the excellence of its business model and corporate responsibility, which over the last three years has enabled the hotel chain not only to resist the global crisis but consolidate its international growth and spearhead innovation in the sector.



It should also be highlighted the award given by the Capital magazine as leading company in the Best Commitment to Innovation category, thanks to the project to transform its Sol Hotels & Resorts brand. The award recognises the Company's contribution to renewing the holiday segment in Spain, with differentiated products that adapt to current demand, and which provide value-added to the client's experience and increase their satisfaction.



Lastly, Meliá Hotels International has reached 20th position as the **Best company to work for in Spain**, according to the 2015 MERCOS Talent index, up 11 positions on the previous year.

Throughout 2015, Meliá has received more than **200 awards and acknowledgements** that support its commitment to quality, an attractive and innovative product and a commitment to service, strengthening relations of trust and consistency with its main stakeholders.

	TripAdvisor's Excellence and Quality recognition awarded 25% to the Company's portfolio.
	Meliá has renewed its permanence on the main sustainability indexes and its public commitments at both international and national level. These include the FTSE4Good Ibex and The Code, among others, and the company continues with its commitment to integrate Sustainable Development Targets in the Company's global undertakings and with regard to its stakeholders.

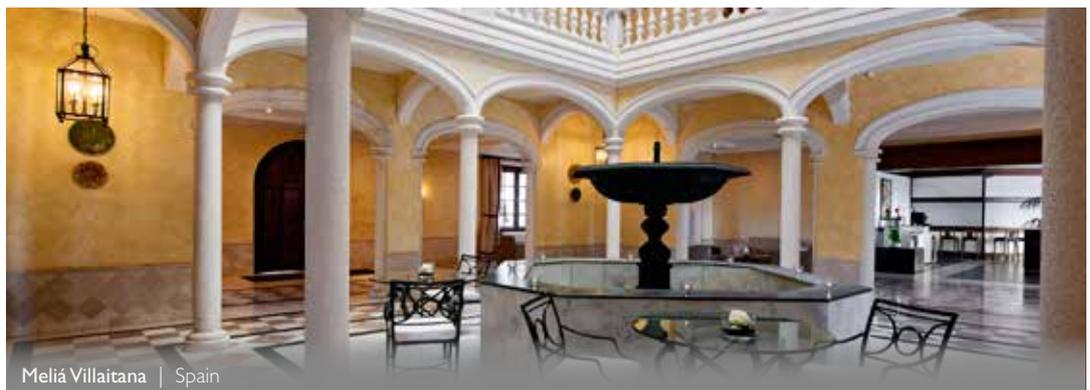
Other Corporate Awards

	Responsibility & Corporate Governance Most Responsible Tourist Company (Top 25)
	II El Confidencial-KPMG Awards to Best Business Practices 2015 Eco-efficiency & Digitalisation Award
	Expansión 50 Best Digital Ideas Award Management of Internal Relations
	AVIESP Best international hotel chain
	Ctrip International Hotel Chain with the Greatest Potential

Hotel Awards

The awards received by a large number of different brand hotels, acknowledge the very highest **standards of quality, excellence and innovation**. All of them represent the guaranteed additional stamp of approval awarded by independent enterprises that reward the search for excellence and the service commitment.

Furthermore, through its management model, Meliá brings together criteria of sustainable development and maintains a key focus on environmental and social aspects that have also been acknowledged.



Throughout 2015, the Company has received a great number of acknowledgements in different categories for each of its brands and in every region where the company is present. The details are set out in the following table.

SEGMENT		
  	Premium	92
 	Upscale	62
 	Midscale	75
REGION		
	America	57
	Asia	34
	Brazil	27
	EMEA	28
	Spain	21
	Mediterranean	62
ENTITY		
	HolidayCheck	19
	Condé Nast	3
	TripAdvisor	82
	Zoover	10
	AAA	7
	Booking	8
	Thomas Cook	5
	Others	95
CATEGORY		
	Service Quality	145
	Product	31
	Environment	18
	F&B	12
	Cultural, Events & Social	11
	Others	12

CORPORATE BRAND



The 2011 launch of the Group's renovated corporate brand, Meliá Hotels International, represented just the beginning of a new stage, following more than two decades under the traditional Sol Meliá ensign. The new brand sought to respond to its global reality and to its leadership position after years of activity, and which in turn enables it to commit itself to future expansion and solidity, increase the value contributed by the group's first international brand and the trust, reliability and recognition that its performance revealed to the market.

For 2016, which will be the Company's 60th Anniversary, the corporate brand is the loyal torchbearer and reflection of the Group's main attributes, attributes that have accompanied Meliá since the very outset and which have enabled us to overcome difficulties, achieve successes and allow the Company to remain committed to the future.

Meliá Hotels International is a lot more than an umbrella for the Company's commercial brands. It is the brand that supports and sustains the Group's reputation, the brand to which its strengths are associated and linked, the hallmark that represents the perceptions of stakeholders and the reflection of the Company's corporate values.

60 years of performance, solidity and experience, united under a corporate brand that mirrors the commitment, attributes and values that Meliá wishes to continue sharing in the future and which represent the basis on which to continue growing in harmony with the Mission and Vision of Meliá Hotels International, which remains in force today.

Meliá's aspiration is to position itself among the leading hotel chains of the world in the midscale and upscale, urban and holiday segment, consolidating its leadership in the latter and being acknowledged as a worldwide benchmark in excellence, responsibility and sustainability

Consolidated Foundations for the Future

<p>ATTRIBUTES.</p>  <p>1956-1986</p>  <p>1987-2010</p>  <p>2011 - FUTURE</p>	<p>The family essence provides stability Listed on the Stock Market since 1996 Long-term vision</p>	<p>Balanced and sustained growth Learning from crises experienced Initial expansion through ownership</p>	<p>The founder's incipient international vocation Start of international growth in the 1980s</p>	<p>Ethical and personal commitment of the founder and his family Commitment to society</p>	<p>More than 42,000 employees in 41 countries Meliá as a school of reference Organisational transformation</p>	<p>Pioneer company in products, services and experiences</p>
	<p>Family-run Business</p>	<p>Solvency</p>	<p>International</p>	<p>Responsible Undertaking</p>	<p>Diversity & Employment</p>	<p>Leadership & Innovation</p>
	<p>Professionalisation of management with solid foundations strengthened by Meliá's history</p>	<p>Evolution towards a management model Greater capacity for growth Capacity to react to economic cycles and country risks</p>	<p>Consolidated at the main destinations Risk diversification Reputation, profitability and growth as a virtuous circle Future priorities considered within the Group's strategy</p>	<p>Integrated CSR strategy Generation of shared value Impact on communities Dialogue and relations with stakeholders</p>	<p>Ongoing recruitment of professionals Efficient, competitive and cross-cutting organisation Employer Brand benchmark Acknowledged commitment with its employees</p>	<p>Innovation as a lever of transformation At the cutting edge of the holiday and urban segments Refocus towards lifestyle and leisure Digital transformation</p>

BRAND PORTFOLIO

G4-4 >

The seven hotel brands of Meliá Hotels International have their own and well-defined positioning strategy, targeted at different types of clients and which are used to support the Company's expansion strategy.

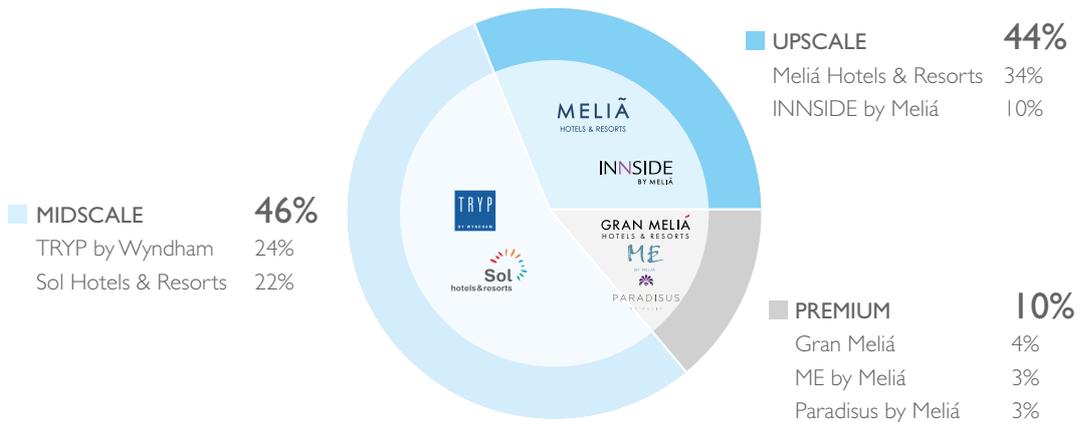
All of them join forces to address the diversity of markets and to respond to the challenges and opportunities these present, as one of the Group's major strengths as an international manager and one of the key attractions for its partners and investors.

Meliá offers differentiated products, attributes and experiences in service categories - *premium*, *upscale* and *midscale* - in both the urban and holiday segment.

Brand positioning is established through attributes, values and our own culture, the consistency and vision of which are guaranteed through ongoing monitoring of the evolution of its main performance indicators, both internal and external.

This brand strategy is also one of the most relevant areas for the Company's stakeholders, and for this reason Meliá constantly reviews and updates its management model not only to improve not only the product and customer experience, but also to address the needs that the sector demands.

Portfolio Composition by Segment



The Company maintains its strategic focus on growth targeted at the premium, midscale and upscale segment, represented by brands pooled together under the *premium* and *upscale* category. As a result of this business strategy, the Company's portfolio, in terms of rooms, currently has an overall weight of 59%, in both segments, and where the INNSIDE and Meliá brands are those with the highest potential for growth.



Gran Meliá De Mar | Spain

Psychographic & Demographic Segmentation

Each of the brands that make up the Meliá portfolio is targeted at clearly defined psychographic profiles and therefore complement each other in response to the needs of today's traveller, adapting to changes and new trends as a result of constant evolution and innovation.

G4-8 >

	+ DEMOGRAPHIC Objective parameters such as age, annual income, gender, number of children, etc.	+ PSYCHOGRAPHIC Attitude profiles considering preferences in music, trends, lifestyle, etc.			
PREMIUM	 PARADISUS BY MELIÁ	 GRAN MELIÁ HOTELS & RESORTS	 ME BY MELIÁ		
UPSCALE	 MELIÁ HOTELS & RESORTS		 INNSIDE BY MELIÁ		
MIDSCALE	 Sol hotels	 Sol KATMANDU park & resort	 TRYP BY WYNDHAM	 Sol house	 Sol beachhouse

Segmentation by Brands

The brand portfolio of Meliá Hotels International comprises three emblematic brands in the *premium* segment, with a total of 9,337 room; two hallmarks of reference in the *upscale* segment, with a total of 34,082 rooms; and a further two brands in the *midscale* segment, with a total of 39,833 rooms.

PREMIUM	11 hotels 3,383 rooms Traditional luxury in an innovative style. Gran Meliá has designed a series of first class hotels and resorts for the most demanding travellers in the most desirable destinations in the world	 GRAN MELIÁ HOTELS & RESORTS	7 hotels 1,523 rooms ME by Meliá, hotels that are meticulously designed to satisfy the needs of the most modern clients for whom travelling represents an extension of their way of life. ME by Meliá. It Becomes You	 ME BY MELIÁ	9 hotels 4,431 rooms An extraordinary experience, all included, in luxury resorts right on the beach	 PARADISUS BY MELIÁ
UPSCALE	103 hotels 31,909 rooms With more than 100 hotels in the best urban and holiday locations worldwide, Meliá Hotels & Resorts represents the passion of Meliá Hotels International and stands out for its ideal combination of design and service	 MELIÁ HOTELS & RESORTS		16 hotels 2,173 rooms Each INNSIDE hotel has its own and unique architectural personality, along with elegant rooms and modern bars and restaurants. The INNSIDE hotels of Meliá represents a fresh and sophisticated option for business travellers seeking a touch of style	 INNSIDE BY MELIÁ	
MIDSCALE	78 hotels 25,353 rooms Hotels and resorts beside the beach in the main tourist destinations of the Mediterranean, the Canary Islands, South-East Asia and the Caribbean. Fresh holidays - from more family-style hotels to experiences for adults only	 Sol hotels & resorts		90 hotels 14,480 rooms At TRYP by Wyndham, the city belongs to you. TRYP by Wyndham welcomes globetrotters to its hotels to explore some of the most attractive and cultural cities of the world, such as Barcelona, Berlin, Buenos Aires, Lisbon, Madrid, Paris, São Paulo and many more. Live the city	 TRYP BY WYNDHAM	

Where each hotel has its own personality, meticulously created to satisfy the psychographic profile of a well-defined client. The hotels are to be found in the main world capitals of culture and *cool*, seducing each client through art, music and gastronomy.

The essential concept is the Aura and it encompasses the entire ME experience. The Aura is a result of the emotional connection between the client, the moment and the brand. This emotional connection is the result of a psychographic vision of the world shared between clientele and the ME team.

ME = YOU

The service culture is expressed in the ME = YOU philosophy which, through the Aura Manager, orchestrates the rhythm of each hotel area, fostering interaction at all levels: professional, social and personal.

ME by Meliá represents a lifestyle where everything is possible. The ME team is devoted to each client, creating discrete complicity that results in a service that anticipates needs and goes beyond their expectations, every time.

Brand Attributes

- ME = YOU
- The Aura
- ME+
- Ying & Yang
- Cutting-edge Technology
- Art & Design
- Aura Experience Manager
- ME Music
- Social Epicentre
- Pet Friendly



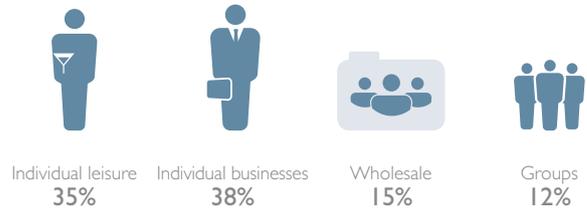
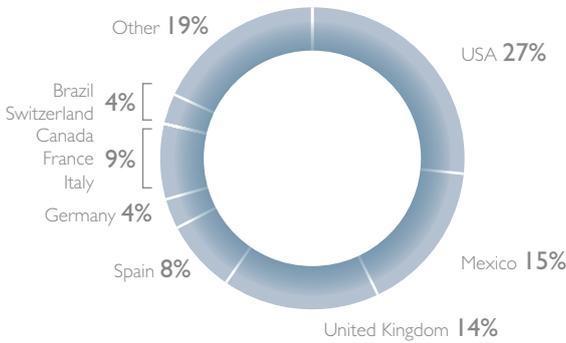
Customer Profile

Instead of treating each client as part of a group, the ME psychographic analysis considers each guest as a unique individual, with their own cognitive processes, feelings, emotions and desires. It begins with information about their social attitudes and values, how they think. ME's customers have a distinct personality and attitude to life.

- They would rather discover than get away
- They feel at home wherever they are
- They are passionate about their work
- They have an open mind
- They are considered to be *trend-setters*
- They appreciate original art, design, international cuisine and music
- They seek experiences and appreciate recognition
- They value quality, innovation and authenticity



Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

The consolidation of the ME Ibiza and ME Majorca resorts inaugurated in 2014 represents this brand's commitment to the holiday segment. This year ME Ibiza has been awarded the **World Luxury Hotel Award** and the **International Property Awards**, as best Sustainable Resort and a member of **Leading Hotels of the World**.

Furthermore, the opening of the ME Milan Il Duca, the brand's first hotel in Italy, located in the heart of Milan's fashion and design district, represents a new milestone in the international consolidation of ME by Meliá as a cult hotel brand for modern and demanding travellers. This hotel won the Luxury Design Hotel of the Year award from the prestigious publication Luxury Travel Guide.

Awards 2015

<p>ME IBIZA Robb Report The Best of the Best 2015 Think Hotel (Spain) Top 10 Hotel Project for Sustainable Rehabilitation</p>	<p>ME MILAN IL DUCA Luxury Travel Guide Luxury Design Hotel of the Year</p>	<p>ME LONDON Cool Venue Awards Coollest Boutique Hotel Award</p>
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Meliá, a Spanish brand of traditional luxury with an avant-garde style is still the doyenne of the global hotel industry thanks to the knowledge and values it has acquired over more than 50 years. Architecturally distinguished and in the most exclusive destinations all over the globe, Gran Meliá's hotels and resorts have been designed to enchant the world's most seasoned travellers.



At the heart of Gran Meliá's *RedGlove Service* is a culture of service that is the brand's essential hallmark. Each Gran Meliá employee greets each guest by name with their hand on their heart.

The origin of this greeting stems from the fans and thus symbolises the intrinsic Spanish heritage of the brand. RED (real and exceptional differences) – as a differentiating value of the brand – brings together over a hundred rituals of service that link the individual to a moment, a memory, and with the brand.

Gran Meliá's *RedGlove Service* is a concept that is unique and exclusive in the hotel industry. *RedLevel* goes a step further, and is boutique hotel within the hotel itself. *RedLevel* guests enjoy additional VIP treatment such as their own butler, *premium* rooms with select amenities, and at our resorts they can enjoy their own private pool area.

Gran Meliá combines its sophisticated rooms that surround guests with luxury and glamour with the latest technology, at the same time captivating the most demanding palates by offering innovative signature cuisine that includes aspects of the local culture so that flavours and a unique setting can be experienced together.

Brand Attributes

- *RedGlove Service*
- *RedLevel*
- *Singular Architecture*
- *Spa Experience*
- *In-Room Experience*
- *Signature Cuisine*
- *RedGlove Meetings & Events*



Gran Meliá Rome Villa Agrippina | Italy

Customer Profile

The Gran Meliá customer profile is well defined and covers a specific range of customers.

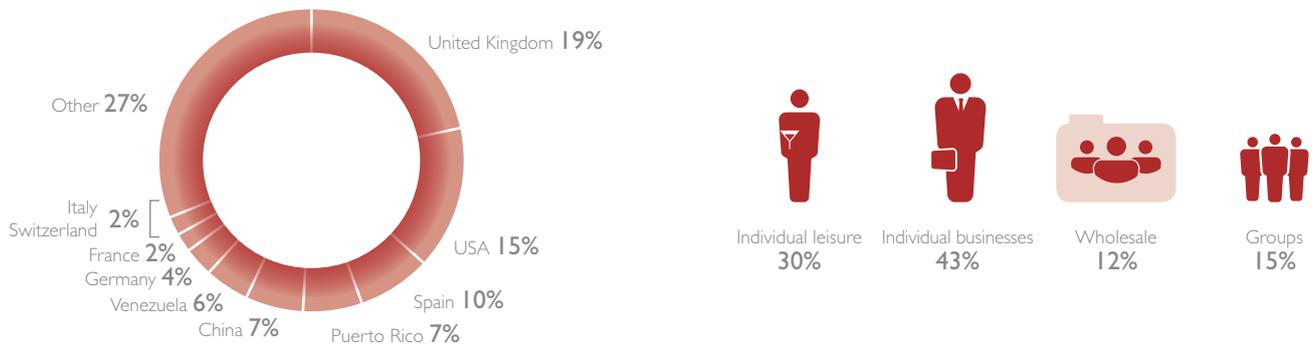
The Expert: *Jetsetters* with a high standard of living who are willing to pay a *premium* for top-quality services and experiences. The expert appreciates the reputation of Gran Meliá's service and amenities and looks beyond the décor to the refined *RedLevel* accommodation and signature cuisine.

Up & Comer: A generation that is somewhat younger than the expert and looking for new and possibly life-changing experiences. They prefer contemporary luxury and technology, choosing Gran Meliá for its authentic cultural experience, distinctive architecture and the modern twist given to classic service.



Gran Meliá Colón | Spain

Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

2015 ended with the long-awaited entry into Rio de Janeiro and the most modern building in Latin America, declared – in his day – to be Oscar Niemeyer's masterpiece. The famous Hotel Nacional will reopen its doors to a completely renovated and luxurious hotel designed for the Gran Meliá brand and will be called the Gran Meliá Nacional Rio.

The inauguration of the hotel, which is a listed building, will coincide with the Olympics – one of the most important sporting events in the world – and will offer the top quality service and standards offered by the outstanding luxury brand Gran Meliá.

In Spain, the Company has increased its presence in Madrid with the luxury hotel Gran Meliá Palacio de los Duques. €19 million were invested to recover and transform one of Madrid's most emblematic hotels in the historical heart of the city. A unique building that is steeped in history and tradition, it will become the ultimate meeting point and place to celebrate events.

The *rebranding* of the Gran Meliá de Mar, the result of the transformation of the iconic Meliá de Mar, will be the new flagship for the brand and it reinforces Meliá's commitment to positioning itself in the luxury segment and on the spot where Gabriel Escarrer founded the Company in 1956.

The consolidation of the Gran Meliá Xian, which opened in 2014, has strengthened the international reputation of the brand and has aroused a growing interest among Asian investors who appreciate the Company's firm commitment to luxury and 5 star hotels. As a result of this positioning, agreements have been signed for two new hotels in Asia where Gran Meliá will undoubtedly shine in the coming years.

Awards 2015



GRAN MELIÁ JAKARTA

TripAdvisor
Hall of Fame



GRAN MELIÁ PALACIO DE ISORA RESORT & SPA

Condé Nast Traveller
Gold List Best Resort



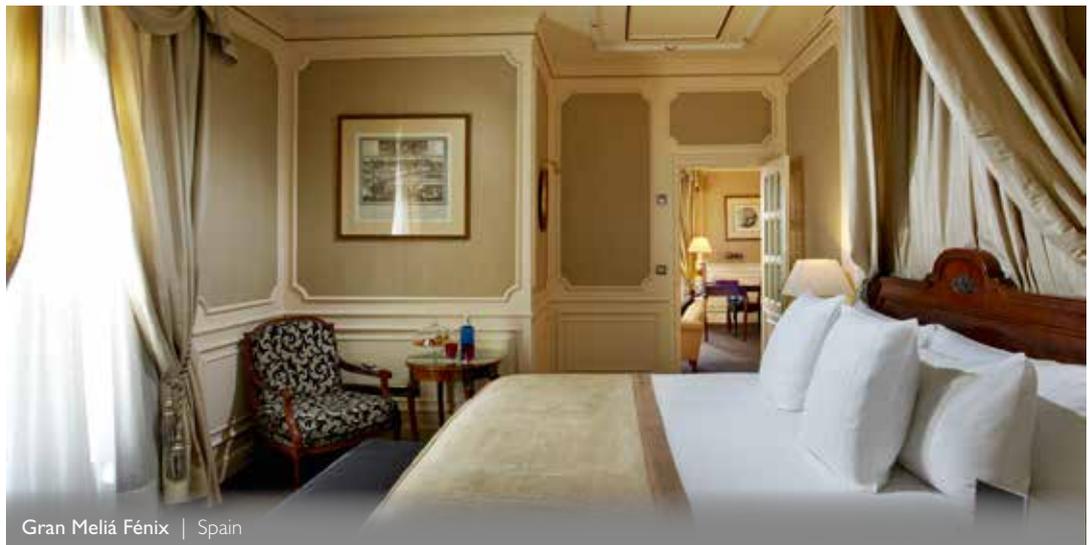
GRAN MELIÁ ROMEVILLA AGRIPPINA

Condé Nast Traveller
Best Urban Hotel in the World



GRAN MELIÁ XIAN

World Luxury Hotel Awards
World Luxury Hotel



Gran Meliá Fénix | Spain



Gran Meliá Palacio de Isora Resort & Spa | Spain



Paradisus by Meliá is where you want to be. It is a brand of all-inclusive luxury resorts right on the sea. The resorts are located in idyllic surroundings in perfect harmony with nature and have forged close ties with the community and its environment. In line with Meliá's philosophy, Paradisus is committed to the health and welfare of both guests and the environment, and is also closely linked to the local cuisine and culture.

Paradisus is a world of luxury and service focused on the life experiences of each guest. It is based on the understanding that what today's proactive, enthusiastic travellers look for is new experiences. Paradisus resorts evoke freedom, romance, elegance, pleasure and spontaneity, and their understated service is always perfectly carried out to surpass every expectation.



The Paradisus experience is topped off with personalised services for guests so that they feel totally at home and completely free to enjoy a true love story.

Royal Service is the hallmark adults-only service offered at Paradisus, complete with with a butler for an exclusive and intimate VIP experience. *Family Concierge* is a special place for families, where both parents and children can experience the feeling of being truly free. *Romance* makes your wish for a unique occasion and a big dream come true; our expert events team will make that happen.

Paradisus will also open your eyes, mind, heart and palate to other cultures, cuisines and traditions to offer guests a memorable experience.

Brand Attributes

- *Royal Service*
- *Family Concierge*
- *Romance*
- *Yhi Spa*
- *Signature Cuisine*
- *All-inclusive Concept*
- *Chill-out Chic Music*
- *Lush Nature*
- *A Range of Water Sports*
- *Fully-Equipped Business Centres*



Paradisus Palma Real Golf & Spa Resort | Dominican Republic .

Customer Profile

Clients of Paradisus seek experiences that enrich their lives in a paradise that is tailored to their desires. Always in elegant beachfront settings, an oasis of architectural richness, incredible landscapes and exuberant details.

They share an interest in well-being and the importance of personal development through life experiences. They value personalised service and attention to enjoy their own feelings and as a means to self-fulfilment.



Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

In 2015 the brand worked on an in-depth positioning strategy. In order to harness the power that brands have and maximise the strength of the portfolio, Meliá has modified its brand architecture by incorporating the by Meliá brand and renewing the brand's image. The main aim of this evolution is to clearly define the brand and increase its value through associating it with the parent Company. The inauguration will take place in 2016.

Paradisus by Meliá thus aims to strengthen its leadership in the *premium* segment by having quality product and service as core values and brand differentiators.

With regard to the product, the brand has consolidated its food and beverage offer with great results in quality and diversity at its points of sale. It also offers a differentiating experience by teaming up with Martin Berasategui to offer Signature Cuisine in its all-inclusive segment.

2015 saw the inauguration of *The Reserve Paradisus Palma Real* (the Dominican Republic). Located right on the beachfront it offers a boutique resort experience within the resort itself and has beautiful tropical gardens and access to a private pool and beach, as well as its own private butler service.

2015 Awards

	<p>PARADISUS PALMA REAL GOLF & SPA RESORT</p> <p>RCI Golden Crown</p>		<p>PARADISUS PLAYA DEL CARMEN LA ESMERALDA</p> <p>Booking.com Award of Excellence</p>
<p>PARADISUS RÍO DE ORO RESORT</p> <p>World Spa Awards Cuba's Best Hotel Spa</p>		<p>PARADISUS PLAYA DEL CARMEN LA PERLA</p> <p>American Automobile Association Five Diamonds Award Passion</p>	

It is the brand that represents the passion of Meliá worldwide. Meliá offers seasoned travellers a fulfilling trip whether for business or pleasure, creating a close relationship with guests via sensations; each hotel is an oasis of well-being where time feels endless.

The brand culture offers a warm welcome, a connection and a surprise focused on the five senses. Meliá Hotels & Resorts is an example of the merger of design and technology coupled with innovation, to enable each hotel to be integrated into local culture, respecting the environment and each individual community.

You are the journey

The brand's philosophy is based on *Life Management*, with every detail having been specially created for each guest, making them feel unique. The culmination of the

Meliá experience revolves around the concept of *The Level*: this is a separate area within the hotel with exclusive rooms and a customised service that makes any stay a truly singular experience. The team at *The Level* will make it easy for you to arrive, but the VIP treatment they offer, catering to guests' every need and desire, makes it hard to leave.

The culinary side of things is delicious, whether you choose fusion food with an Asian twist, designer tapas or the best traditional or international specialities. At Meliá Hotels & Resorts each dish is an experience. The sophisticated evening ambience and cocktails satisfy even the most demanding bon vivants.

Our meeting rooms are equipped with the latest technology and garden areas can be adapted for evening banquets. With the organisational help of Meliá's professional experts, a spectacular reception, a gala dinner, a power meeting, or the event of the year will be an absolute success.

For Meliá's team, it is all about the guest and so they do everything possible to make every trip an unforgettable experience.

Brand Attributes

- *Passion for service*
- *The Level*
- *Gastronomy and Culinary Experiences*
- *Spa & Wellness*
- *Power Meetings & Events*
- *Romance by Meliá*
- *Kids & Co.*
- *Energy for Life Activities*
- *Technology, Comfort and Service*



Customer Profile

The main target customer of Meliá Hotels & Resorts is the experienced traveller.

A customer who enjoys their success and is used to travelling all over the world. For Meliá customers, travelling - whether for business or leisure - is an opportunity to reach personal goals, not only in terms of status but as an authentic pleasure in itself.



Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

2015 was a year of important openings for Meliá Hotels & Resorts. A highlight was the impressive Meliá Doha, the first Spanish five-star hotel in Qatar and, together with the Meliá Dubai, a testament to the brand's commitment to the Middle East. In addition, there were inaugurations in Brazil, Vietnam and Italy, with the Meliá Ibirapuera, the Meliá Danang and the Meliá hotels respectively.

Paris, the world's tourist city par excellence – and home to the largest business district in Europe – now welcomes the Meliá Paris La Défense, the largest Spanish hotel in the French capital. The avant-garde Meliá Paris La Défense reflects the style and design of the brand. A highlight is its cuisine at the Skyline Paris Lounge & Bar: Located on the 19th floor it has stunning views of the city and offers a wide range of cocktails, tapas and snacks, plus live music and a DJ.

In the domestic market, the opening of the Meliá Hacienda del Conde, in a superb location in northwest Tenerife, strengthens the commitment of Meliá Hotel & Resorts to the luxury segment.

2015 Awards

	MELIÁ TORTUGA BEACH World Travel Award Leading Hotel Cabo Verde		MELIÁ JINAN Ctrip Best Business Hotel
	MELIÁ COSTA DEL SOL TripAdvisor 2015 Hall of Fame		MELIÁ SITGES Secretary of State for Tourism Recognition of Commitment, Ongoing Improvement and Quality Services in Tourist Destinations

Characterised by its design and German origin, each hotel of this brand has its own architectural personality, elegant rooms and excellent bars and restaurants with their own style and which are highly popular in the city. This is all for the purpose of satisfying the needs of demanding business travellers. The relationship between guests of INNSIDE and its internal collaborators is based on friendly and efficient service combined with intelligent technology. Starting with the international growth of its portfolio, the INNSIDE brand continues to offer new, fresh and sustainable interpretation of value to business clients worldwide.

The INN-SIDE Values are fundamental to the understanding of the brand.

- INN - spires collaboration with the customer
- INN - formal, intelligent and efficient service
- INN - tegrated in local culture and the surrounding area
- INN - mersed in design and quality culture

The INNSIDE touch

- **The INNSIDE touch** is the essential characteristic transmitted day-to-day in each of the hotels.
- **Intelligent Touch:** The INNSIDE experience has been intelligently created in order to provide access to reliable, fast, flexible and efficient services.
- **Personal Touch:** Establishes a unique proximity to the customer, creating personal and positive encounters.
- **Executive Touch:** Creates relationships of personal collaboration with guests, business clients and suppliers for mutual benefit.
- **Fresh Touch:** This is the sincerity of the INNSIDE team. Authentic and natural hospitality. Feeling good, always with a kind smile.
- **Lifestyle Touch:** INNSIDE represents an alternative, modern and urban style that appeals to the culinary emotions, sustainability principles and general lifestyle of guests.

Maintaining its German essence, the brand adapts its philosophy to new destinations in the world's major and secondary cities.

Brand Attributes

- *Urban lifestyle hotels for business travellers*
- *Rooms and singular suites*
- *Mixology and stylish cuisine*
- *Unlimited soft drinks and wifi*
- *Bathrooms by contemporary brands*
- *Meetings and creative events*
- *Fitness & wellness*
- *Efficiency and quality*

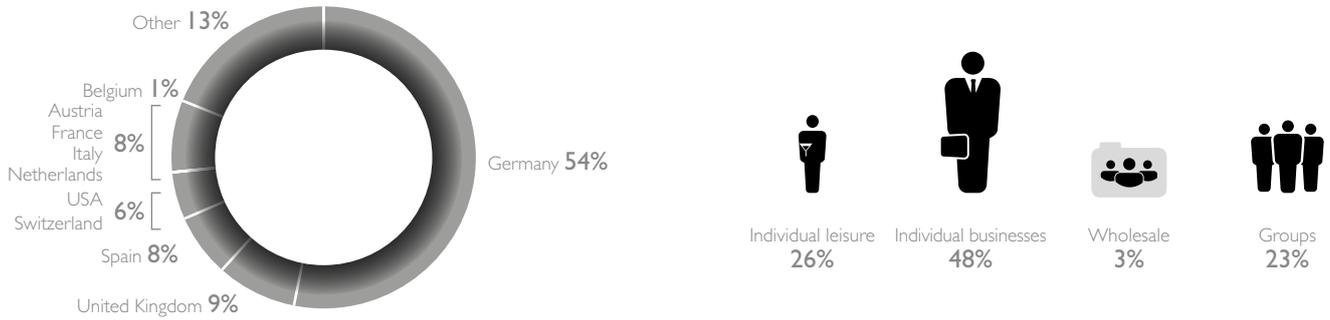


Customer Profile

Business (MICE) or leisure (urban escapes, events) travellers between 30 and 50 years of age, with a medium-high socio-economic level. They value the hotel's location, very close to company or business centres. With their very healthy lifestyle, they appreciate fine cuisine with quality food and drink. They value, recognise and are willing to pay for efficient service.



Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

The inauguration of the INNSIDE Manchester confirms the appeal of the brand and its potential for growth, both in European markets as well as in the main cities in the Americas and in Asia.

It is the brand's prelude for an ambitious series of upcoming openings for the coming years in which the brand will diversify in markets where other Meliá brands that make up the Company's portfolio already operate.

This future presence represents a growth rate of over 50% for the INNSIDE brand.

2015 Awards

	INNSIDE SUITES FRANKFURT EUROTHEUM Hotel.de Award Top Rated Hotel		INNSIDE BREMEN TripAdvisor Certificate of Excellence
INNSIDE DÜSSELDORF HAFEN TripAdvisor Certificate of Excellence		INNSIDE DRESDEN Holiday Check Recognition	

Since 1956, Sol Hotels has been offering unique and unforgettable experiences and creating happy memories. For its millions of guests, Sol holidays are the best holidays ever. Sol Hotels not only sell holidays, but they shape them too. They are the "holiday creators".

At Sol Hotels & Resorts holidays are created for each and every customer, paying attention to the smallest detail to ensure a well-round experience. Whether one is looking for rest, relaxation, excitement or fun, Sol Hotels & Resorts make those holidays a key part of the trip, experience and memory of its guests.

The brand and its identity revolves around 4 concepts that address each of the different segments, from purely family holidays to vacations for couples and friends. The main brand drivers for all the types of Sol Hotels & Resorts are location, unique designer swimming pools, a complete F&B experience, entertainment, and special guest experiences. In addition, each of the exclusive Sol concepts offer additional features and special services to meet customer expectations to ensure the perfect and desired holiday.



FREEDOM TO PLAY

A unique place where guests can stay and have fun at a theme park, just a few steps from the beach.

Guests are free to enjoy the Katmandú Park activities, delving into a mythical world filled with unexpected adventures, thrilling rides, epic 4D encounters and an exciting water park... an unforgettable fun experience.

The customer profile is of young families and couples looking for an all-round, fun and unique adventure on their beach holiday.



A REAL HOLIDAY

This is the classic kind of vacation offering the best holidays in the sun. The slogan *Smart & Simple* makes it a friendly, fresh, bright and fun-filled experience for everyone. From the atmosphere to the shows and the wide range of buffet options, Sol Hotels make their guests' holidays simply unforgettable.

Sol Hotels are welcoming, active and based on entertainment. They are ideal for families and for those seeking the best value-for-money holiday experience. The best locations in the main holiday destinations, with large or designer swimming pools and playgrounds for children.

The customer profile is one of entire families, couples and groups of friends looking for an active holiday experience; and seniors as well, as this is an important segment for the brand during other seasons.



THE NEW COOL

A fresh and affordable hotel experience. This is the house of the sun, modern, light-filled, cosy and imbued with an attractive, *smart, cool design*. Revolving around music, the entertainment is innovative and in an elegant, fresh and original space. From the ambience to the guests' experience, Sol House is fun, contemporary and modern.

Accommodation that is an unprecedented combination of unique style, the ambience is fun, stimulating and casual yet with exciting experiences, outdoor parties, live music and a unique social concierge service.

The customer profile is of a modern traveller looking for a social, modern and fun-filled experience. For Generation Y as well as *Millennials*.



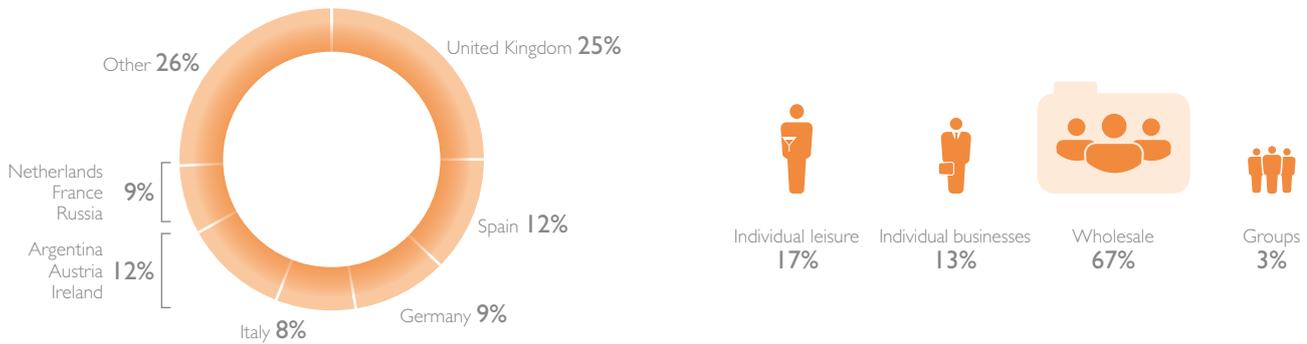
FEED YOUR SOUL

A guest house on the beach, a quiet getaway for guests over 16 looking for a relaxing but stylish holiday, for couples and groups of friends. The Sol Beach House is elegant yet casual, combines rustic elements with modern touches; it has a vintage style background and is set in a fantastic beachfront location full of freedom and nature.

Guests discover new life-changing activities or simply enjoy relaxing on the beach or sunbathing by the pool. It is a place where you can do everything or nothing at all.

It offers activities to balance both body and soul, music at night, barbecues on the beach, hammocks and Bali beds, and a Beach Club.

Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

Sol Hotels & Resorts maintains its level of awards of the past years with over 45 recognitions received from important *partners* in the industry such as Thomas Cook, TripAdvisor and HolidayCheck, in acknowledgement of quality and excellence of service.

Since 2014, when the renovation and *rebranding* of the Sol brand began, it has been enriched with new differential concepts to ensure a good customer experience in other areas such as music, culture sports, etc.

In January 2015, the Calviá 2004 Foundation and the City Council of this municipality, came together once again to change the image of Magaluf and reposition it as a quality destination for families, youngsters and couples from all over Europe. It did so by holding the Magaluf Sol Marathon that has now become an annual event of this attractive town on the island of Majorca (Spain).

The Sol House brand is committed to music as an essential element for those who stay at these hotels. It has therefore launched the Sol House Music Project together with DJ and Spanish producer Carlos Jean to make music a vital part of any stay here, as well as creating the figure of the Resident DJ.

In addition, the new image and experience for *Millennials* that is reflected in the Sol House Aloha – Costa del Sol – is the adaptation of the "Sol House", aimed at a young public, in a vibrant, social and musical environment.

Moreover, this brand continues to harness the power of social networks by creating a virtual community thanks to the launch of *Flirtie*, a mobile app for meeting people at their hotels in Majorca, making it easy for guests to interact and have fun, make new friends, enjoy experiences and surprises of all kinds.

The Company is continuing the process of transforming its holiday portfolio. It has extended its new Sol Beach House brand to Ibiza and Menorca, as a reflection of its commitment to innovation, differentiation and personalisation of experiences

Sol Hotels & Resorts has signed a collaboration agreement with the well-known Spanish fashion brand Desigual. This will bring the best of the colours of the Mediterranean and the characteristic touches that this designer is famous for to the interior design of the hotels and the uniforms of the employees.



2015 Awards



SOL DON MARCO

TripAdvisor
Certificate of Excellence



SOL PUERTO PLAYA

HolidayCheck
Best Rated Hotel



SOL BEACH HOUSE BENOA

TripAdvisor
Hall of Fame

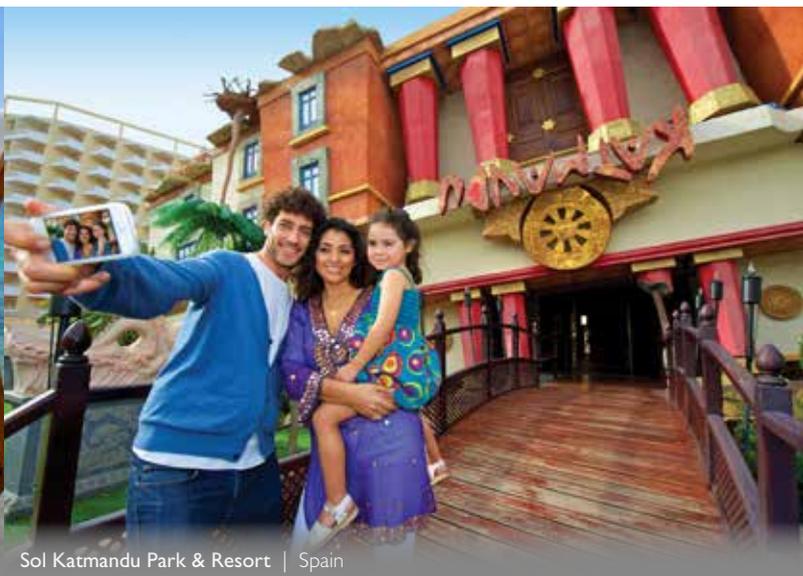


SOL DON PEDRO

Zoover
Recommended Hotel



Sol Beach House Ibiza | Spain



Sol Katmandu Park & Resort | Spain

TRYP by Wyndham welcomes globetrotters to its hotels to explore some of the most attractive and cultural cities of the world, such as Barcelona, Berlin, Buenos Aires, Lisbon, Madrid, Paris, São Paulo and many more. This brand offers everything to ensure that its clients enjoy successful trips, such as an excellent free-of-charge high-speed Wi-Fi connection and an excellent buffet breakfast, with a wide range of healthy and energy-boosting products.

At TRYP by Wyndham our customers feel a real sense of passion and the Mediterranean lifestyle is celebrated every day and night. Before guests retire to enjoy a well-deserved rest, they are invited to enjoy cocktails and tapas in the "Central Plaza" where they can relax with a book or a laptop, or meet friends or other guests who are just as excited to be in the city.

OWN THE CITY

Customers return because the TRYP team know all about the city. "The city is yours" is the culture of service echoed by the brand's main slogan "We love the city and we love you".

The TRYP team are called "TRYP Ambassadors" because of their extensive knowledge of the city. This experience results in greater commitment both before and after the visit of a guest, a memorable stay and the loyalty of lifelong customers. The spirit of the TRYP team can be defined as welcoming, spontaneous, friendly, young and innovative, unpretentious and personalised.

The hotels' architecture has been designed to create comfortable spaces that engage all the senses when it comes to pampering guests. A modern, contemporary design is the hallmark of the Central Plaza, a space that invites guests to relax and interact at any time of day.

Brand Attributes

- Free Wifi
- Central Plaza
- 24/7 Fitness Area
- Signature Breakfast
- Rooms like "You"
- Perfect Meetings & Coffee Breaks
- Cosmopolitan Essence
- Mediterranean Flavour
- Energetic Spirit

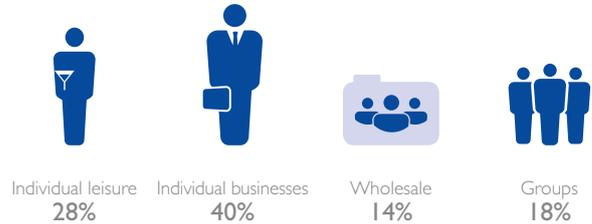
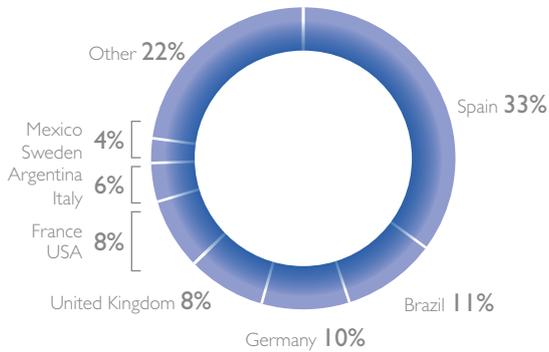


Customer Profile

Generations X and Y are the main potential customers of TRYP. It stands out for its urban character and enjoys the cosmopolitan atmosphere offered by city settings.



Nationalities and segmentation 2015



Main Indicators 2015



Milestones 2015

TRYP by Wyndham has three new franchised hotels: the TRYP Valencia Feria and the TRYP Castellón Center in Spain; and the TRYP Leiria in Portugal.

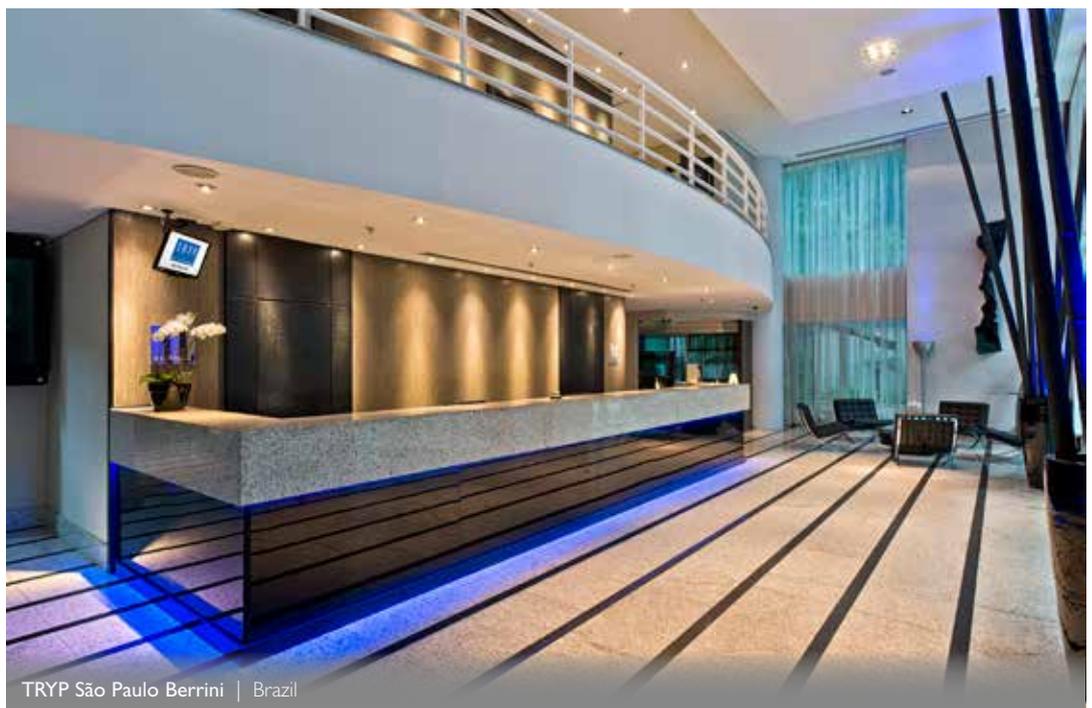
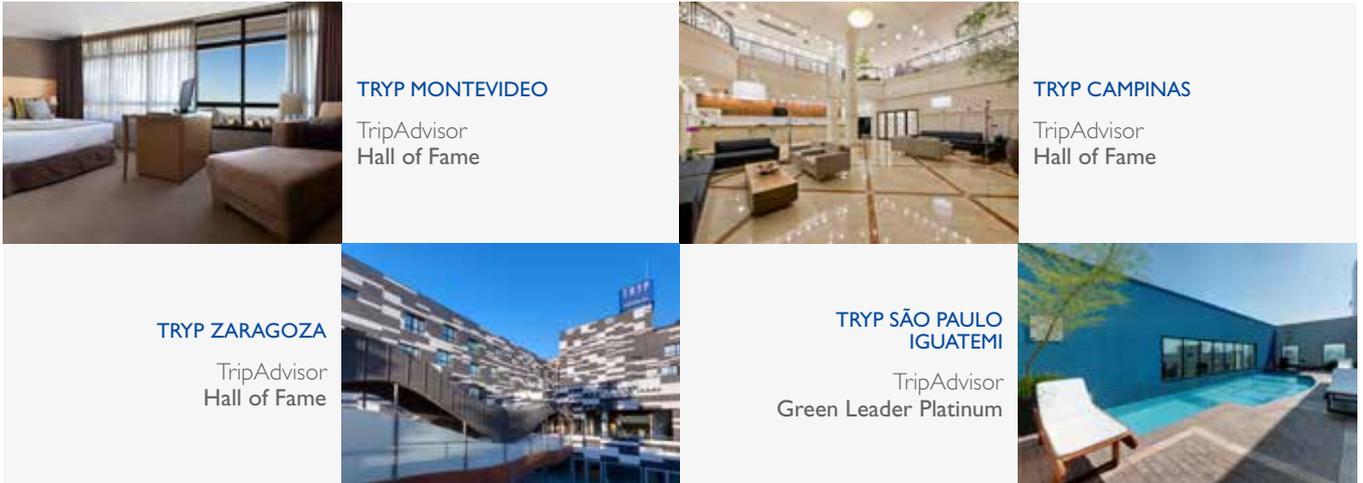
TRYP Hotels celebrated World Book Day by suggesting people exchange books in the hotel lobbies and giving a free stay to guests who were there on 23 April. Guests staying at the hotels, as well as anyone not staying, could take part in this action by leaving a book in the hotel library and taking another in exchange.

2015 saw the modernisation of the brand standards of the Central Plaza, the *Snack Bar* and *Room Service*. In addition, special recipes have been devised to influence the creativity of guests during coffee breaks, business lunches and gala dinners, with a particular focus on so-called *Smart Food*, *Smart Meeting*.



2015 Awards

TRYP by Wyndham maintains its level of awards of the past years with over 30 recognitions received from important *partners* in the industry such as TripAdvisor and HolidayCheck, in acknowledgement of quality, excellent service and environmental leadership.



ECONOMIC & SECTOR SETTING

Tourism Industry
Risks and Opportunities



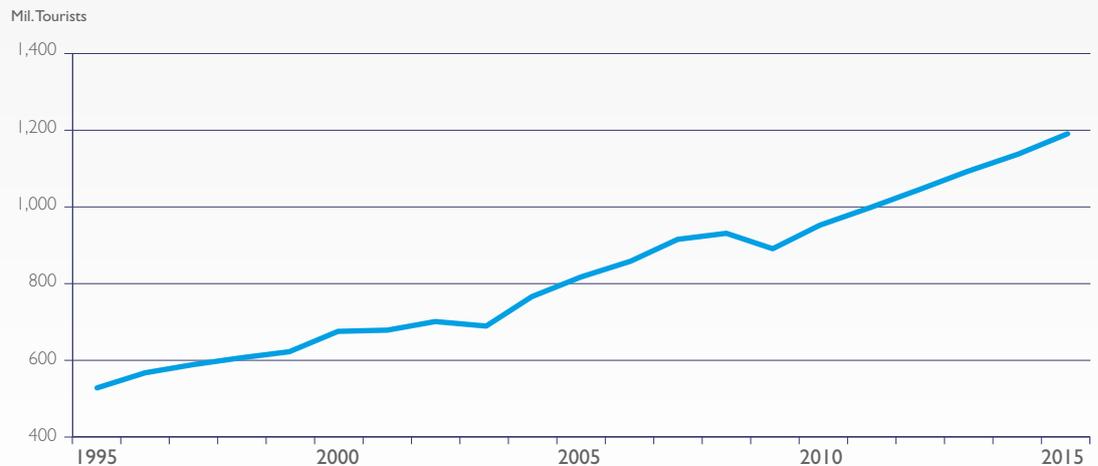
TOURISM INDUSTRY

The tourism industry has, from a historical perspective, played a fundamental role in the development of global economies. Many economies have experienced an increase in prosperity through tourism, a fact that supports the benefits of an industry which, far from entering a cycle of maturity, is one of the boldest and most innovative.

In response to the development of global tourism over the past two decades the industry has seen dramatic growth with an average annual mean growth rate of 4%, higher than the average global GDP growth rate (2.9%).

EVOLUTION OF GLOBAL TOURISM

International Tourist Arrivals



Source: UNWTO World Tourism Barometer, Volume 14, Issue 1

This growth rate – twice the global rate – makes the tourism industry a very dynamic sector which, in times of global economic crisis, has a better and faster chance of recovery than other sectors.

With regard to 2015, this has been a year of very positive figures for the industry, confirming the consolidation of growth that began in the late 20th century. Potential future growth stands at 3.3% (CAGR 2010-2030), validating the good prospects of this industry.

2015 saw the arrival of 1,184 million international tourists, an increase of 50 million compared to 2014 and over 250 million more compared to the years before the crisis began in 2008.

The growth rate for 2015 was 4.4% and the sixth consecutive year of growth above the industry average, compared to the rate of growth of the global economy, which was 2.4%.

Among the macroeconomic triggers that favoured and promoted this growth are the following:

- Growth in consumption levels
- Recovery of domestic economies in the main outbound source markets
- Prevailing feeling of optimism
- Opening of new markets
- Fall in oil prices
- Low interest rates and risk premiums at minimum levels
- Decrease in unemployment

For the tourism industry in general and the hotel industry in particular, 2015 has spelled consolidation in the disruptive trendfuelled by constant innovation that companies like Meliá have as their philosophy, giving a boost to a sector that is in a process of permanent reinvention.

The various transformation processes that focus on the professionalisation of the sector and which use operational excellence criteria, make an impact on improvements in performance. This innovative attitude contributes to sustainable growth and quality in the hotel sector and the tourism industry.

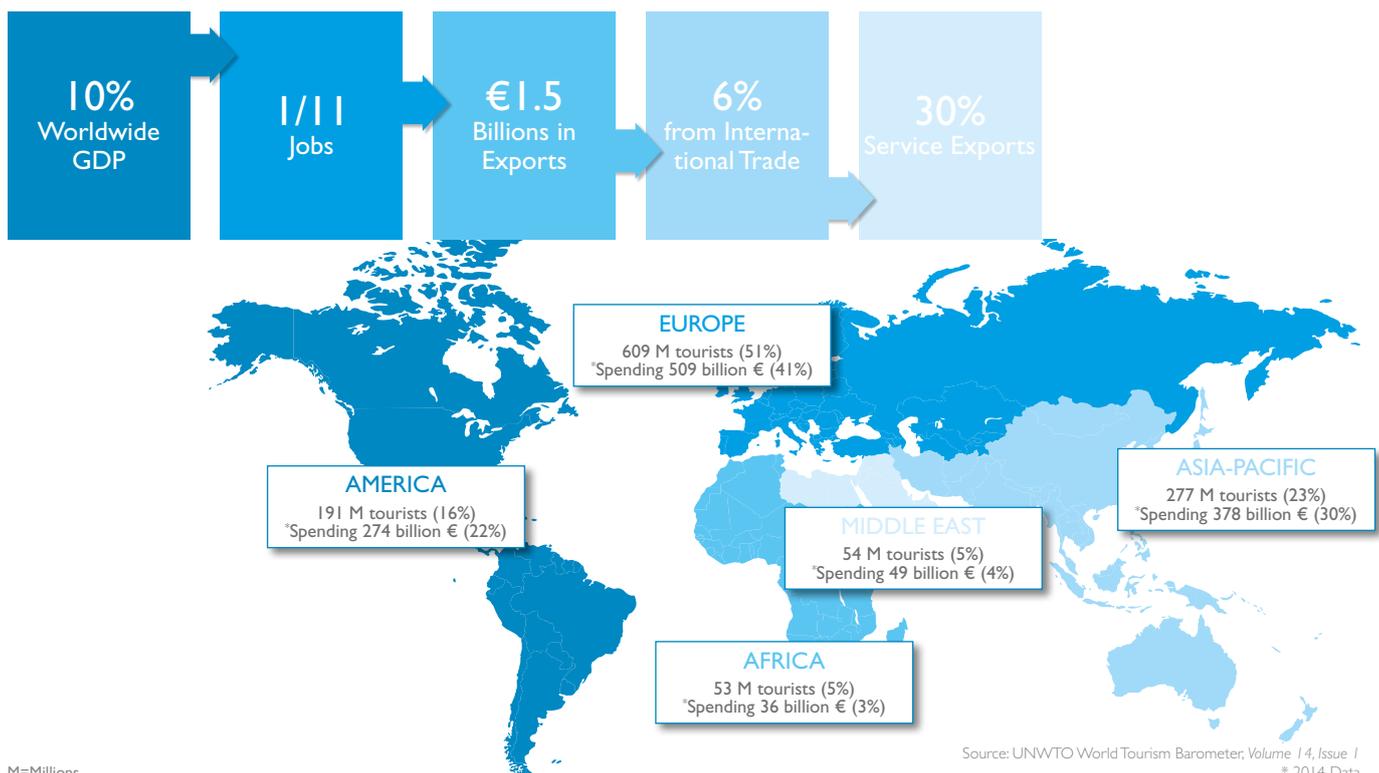
Based on the evolution of the global industry, the United States, United Kingdom and China are the countries that stand out as the major outbound source markets, with growing economies and a strong pound and dollar. China continues to have double-digit growth figures when it comes to spending on tourism, and is the most significant country of outbound tourism in the Asia-Pacific region. In contrast, Brazil and Russia, important sources of outbound tourism over the past years, have seen their economies worsen and their currencies devalued. This has led to them shrinking as outbound source markets, negatively impacting destinations both with regard to stays as well as average tourist spending.

Importantly, developed economies reported growth of 5% in tourism, above the rate of 4% in emerging economies. Political instability and the 2015 terrorist attacks in North Africa impacted negatively on tourism leading to a 3% drop in international tourist arrivals and slowing tourism development in that area. However, other destinations close by – that are more traditional and more secure from a geopolitical standpoint – benefited from the situation.

The estimated growth outlook for 2016 is expected to be somewhere between 3.5% to 4.5% and in both cases is well above expected global economic growth, which will be around 2.9%.

The tourism industry now has to face the challenge of maintaining its growth rates in the coming years.

Below are the main macroeconomic figures for the tourism sector for 2015 showing not only the wealth generated but also how important it is for job creation and exports.



M=Millions

Over recent years, there are three European countries, together with the United States and China, that notably have booked double-digit growth as inbound markets.

Spain remains one of the major players in the tourism sector, ranked third as the most-visited international destination and second for average tourist spending from 2014 to date.



Source: UNWTO World Tourism Barometer, Volume 14, Issue 1
* 2014 Data

Industry Evolution by Region for 2015

	No. OF INTERNATIONAL TOURIST ARRIVALS
<p>AMERICA</p> <p>The Caribbean and Central America had the highest growth in the region thanks to the strength of the US economy and its currency, resulting in international trips over more expensive domestic travel. The most significant of these are Cuba and the Dominican Republic with 18% and 9% tourism growth rates respectively and are the countries with the highest growth rates in the Caribbean.</p>	<p>America Growth</p> <p>2005-2014: 3.5% 2015: 4.9% Expected rate for 2016: Between 4% and 5%</p>
<p>ASIA</p> <p>Oceania took the lead in the region with a growth rate of 7%, with Australia and New Zealand being the main destinations. In Southeast Asia, Thailand and Myanmar stood out with growth rates of 23% and 13% respectively. Indonesia on the other hand had a growth rate of 3% as it tried to recover from the negative impact of the forest fires that affected the country.</p>	<p>Asia Growth</p> <p>2005-2014: 4.4% 2015: 1.6% Expected rate for 2016: Between 2.5% and 5%</p>
<p>EMEA</p> <p>The region shows great disparity in growth; from Europe growing at 5%, the Middle East at 3.1% and Africa at -3.3%. Europe has been an attractive destination and has benefited from a weak Euro against the dollar and pound, with northern and eastern Europe experiencing the highest growth rates. The growth trend for the Middle East continues in line with previous years.</p>	<p>EMEA Growth</p> <p>2005-2014: 3.5% 2015: 4.9% Expected rate for 2016: Between 4% and 5%</p>
<p>SPAIN</p> <p>In the third-ranking country in the world for international tourist arrivals, tourism has proven to be a key driver in the recovery of the economy and job creation, with an upturn in domestic demand that has made up for the fall in Russian tourism, a recovery in business trips, while also benefiting from the events taking place in North Africa and Turkey.</p>	<p>Spain Growth</p> <p>2005-2014: 2% 2015: 4% Expected rate for 2016: Between 3.5% and 5%</p>

Source: UNWTO World Tourism Barometer, Volume 14, Issue 1

RISKS AND OPPORTUNITIES

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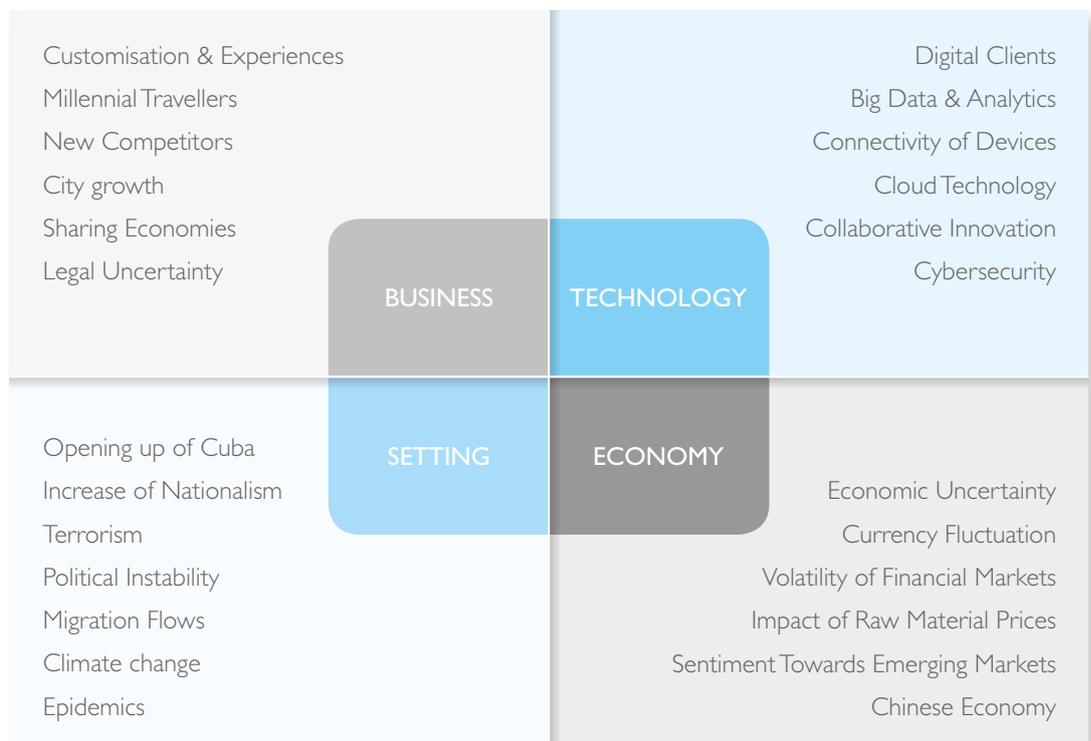
The tourism industry is highly global in scope, and has an important relationship with the real and financial economy, the geopolitical landscape and environmental sustainability. Given the importance of the tourism industry and the energy of the environment in which it operates, Meliá assesses and monitors risks and opportunities on a global level.

In addition, Meliá is fully aware of these risks and opportunities – as well as their impact in the short and medium term – on the design of strategies that will ensure business sustainability over time.

Meliá classifies every kind of risk and groups them, depending on their nature, into four categories: environment, business, economy and technology.

At the same time, and during this analysis, Meliá applies a multidimensional creative approach. As a result of this exercise, Meliá conceptualises the impact of each risk beyond the problems they could entail and approach them from a different perspective that allows the Company to identify the opportunities inherent in each risk.

Meliá highlights the following concepts as those that may shape the future of the global landscape in the coming months. The way the industry responds as a whole will largely determine how it will evolve in the future, bearing in mind that in an increasingly dynamic and changing environment industries that are slower and have a low adaptive capacity will be the ones to suffer. Fortunately, the tourism industry has an excellent track record in this regard, but it must maintain a high adaptive capacity and anticipate future realities.



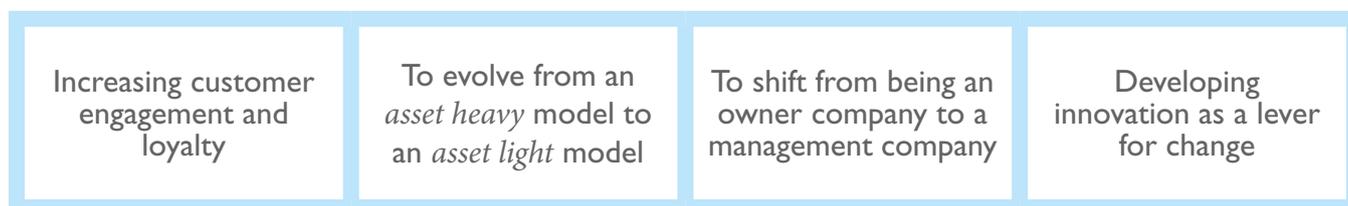
2015 STRATEGIC IMPULSE

Introduction
Meliá Digital
Brands and Innovation
Internationalisation
Real Estate Strategy
Competitive and Efficient Organisation
Reputation and Responsibility
Relevant Indicators

Meliá's aspiration is to position itself among the leading hotel chains of the world in the midscale and upscale, urban and holiday segment, consolidating leadership in the latter and being acknowledged as a worldwide benchmark in excellence, responsibility and sustainability

The current strategy of Meliá comes about in response to the Company's 2020 Vision.

In 2015 this vision is set to continue on the path of the cultural transformation of the Company and will have a direct impact on the business model that will also innovate its value proposal following the strategic focus implemented by the 2012-2014 Strategic Plan that centred on four specific, high impact aspects for improving Meliá's competitiveness.



Meliá closed its 2012-2014 Strategic Plan having very successfully reached its intended goals. 2015 was a year of transition in terms of strategic planning, over which the Company focused on defining the future Strategic Plan which will guide the organisation over the next three years.

Although it has been a period of transition, Meliá has identified seven strategic levers that it has developed over the year within a framework called "2015 Strategic Impulse". These levers have allowed the last Strategic Plan to be consolidated and strengthened and will align the organisation to face the future.



Meliá Digital Enhance the most important sales channel as a key lever to improve performance and ensure RevPAR growth, providing it with an investment plan of over 100 million Euros by applying the most advanced technology

Brands and Innovation Build a portfolio of attractive and competitive brands, generating value for customers, owners and partners that is driven by innovation and the differentiation of experiences and attributes

Internationalisation of the Company Strengthen the positioning of Meliá Hotels International by growing both in emerging markets and in Latin America, as well as in major European cities, with the goal of being leaders in the leisure segment

Real Estate Strategy Develop the property function as owner, creating and realising value for the Group

Organisation Competitiveness and Efficiency Adapt and evolve the model for organisational and cultural transformation that is focused on strengthening an agile, efficient and innovative company, with the support of technology and the talent of our team

Reputation and Responsibility Continue to integrate criteria of responsible and sustainable management in the Meliá business model based on corporate values of consistency and accountability with the firm intention of generating value for stakeholders

The digital challenge is changing the way companies relate with their customers, in particular in the tourism and hotel business where the new digital model plays a greater role.

In Spain, e-commerce in the tourism sector represents almost 20% of business, according to the National Commission for Markets and Competition.

Meliá has spent years spearheading *online* development in the sector, addressing a technological evolution to optimise customer relations, boost customer satisfaction and thus increase the turnover of hotels.

The digital transformation has been conceptualised in the Company with the launch of a major project called **Meliá Digital**, which revolves around three main axes: **customers, employees and hotel investors or owners** and which is aimed at improving *online* sales channels and developing specific apps for its various establishments.

Said project involves a total investment of 100 million Euros to position the Company on the cutting edge of the use of technology and boost its sales channels and *online* distribution.

In fact, **melia.com** has become an essential lever for improving the Company's performance, becoming the main sales channel for Meliá in 2015 and increasing average revenue per available room (RevPAR). Digital channels have increased dramatically with average growth rates of over 25% per year and forecasts predict that it will continue to increase in the coming years.

In the tourism and travel sector, searches on mobile devices is a trend that represents half of Meliá website visits.

Adapting to a multichannel environment also reinforces the goal of offering a complete and customised experience to each customer and strengthen the customer relations model.

In 2015 Meliá strengthened its business to customer interaction model (B2C) to increase customer satisfaction and customise the value proposal. These initiatives have been instrumented using multidevice technology, mobile apps, and predictive engines to make it possible to offer a true customer experience at all times of the so-called *customer journey*.

On the other hand, Meliá has continued to develop its digital marketing strategy, which allows it to maintain two-way communication with customers and adapt more swiftly to your needs.

The multinational group Accenture, leader in digital transformation and consultancy, joined the project in 2014, providing capabilities, technology and experience in digital transformation in the hotel sector on a global level. In 2015 this union has continued to expand and strengthen. On a more tactical level, it is important to note the inclusion of innovative attribution models that have enabled us to find out the contribution to sales of each of the traffic sources used by the customer in the different stages of the purchase process.

Percentage of Centralised Sales

+42%

Direct Sales

+28%
(vs 2014)

Customer Revenue from MeliáRewards

+29%
(vs 2014)

Total Sales via Mobile Devices

+96%
(vs 2014)

By developing this project Meliá aims to evolve its systems to run more efficiently to offer deals with a high degree of customisation and satisfaction for customers. In addition, most sales managers have mobile devices with the new Meliá Sales App application, a tool that allows them to do their work in a more efficient and agile way that is closer to customers.



To achieve the digital transformation goal, Meliá uses the following digital platforms:

- **MELIA.COM:** Focused on improving user experience the current version, in 15 different languages, will be adapted during 2016 to be used on all kinds of devices and platforms and will shift to a **responsive** version. *Big data* solutions will be added to it to enable us to know customers better and to be able to offer deals with a high level of customisation and satisfaction more efficiently.

Different real-time, customized campaigns, based on advanced analytical models, have reduced *time to market* thanks to a more efficient management of content and by improving performance and scalability.

Sales in 2015 via this channel grew by 28%.

- **MOBILE PLATFORM:** With the aim of improving customer relations and helping the Meliá management teams to attract new customers, Meliá has evolved and developed new applications for its hotels that include unique features ranging from booking restaurants and activities, to menu information and checking in.

Meliá has wanted to go a step further with a customised model and a range of services adapted to its most demanding guests, its Meliá Rewards customers
 Enrich each experience, create excitement and offer unforgettable stays
 Meliá Rewards members will enjoy a unique stay, creating feelings and memories that will last a lifetime. This is the Meliá Rewards leitmotiv



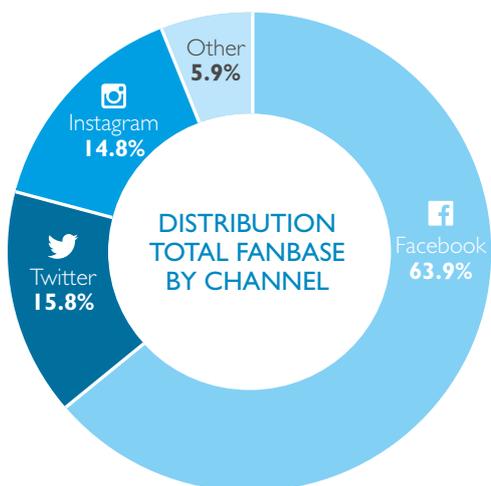
- **MELIÁREWARDS:** Energy, flexibility, proactive listening and innovation are attributes that give impetus to the Company's **MeliáRewards** loyalty programme. Today, this programme already has about 5 million loyal customers, the revenue from which accounts for 30% of total revenue.
- **MELIÁPRO:** This digital transformation also includes reaching out to professional customers (B2B) via the customisation of an *online* tool called **MeliáPro**. This is an indication of the importance that Meliá affords this group and it offers a more flexible and effective way for users to manage their bookings.

Meliá is committed to customisation and uses CRM tools that facilitate segmentation by business field; it thus adapts the product to each agent, creating mutual benefits. In 2015 the programme closed with over 125,000 agents, 20,000 agencies and an increase of 36% in sales via this channel.

- **SOCIAL MEDIA:** The Company has a dedicated team to boost social and marketing strategies and this has enabled it to position itself as one of the most visibly successful hotel names on social networks. Differentiation based on brand and hotel profiles is being developed via well-known platforms such as Facebook, Twitter, Instagram and LinkedIn, YouTube, Google+ and Pinterest.

The Meliá network of **Community Managers** maintains two-way communication, provides information, manages opinions and keeps the activity of each and every one of the brand and hotel profiles going. As a result, it has generated a high level of commitment with its around **two million followers** who interact with the Company via these social media.

In 2015 Meliá became the highest *ranking* company in its sector on **Facebook** with one million three hundred thousand fans and a level of interaction of 224K. It is also the most recommended on this platform with 880K *shares*. On **Twitter**, Meliá is within the TOP 10 companies in the sector with the most followers (54K) and in the TOP 3 for number of interactions (12K).



SOCIAL MEDIA GOALS 2015

Build a Social Media Presence with a Quality Audience	Brand Knowledge and Involvement
Presence on Main Platforms	Influence and Social CRM
Turn Customers into Fans/Followers	Align Social Media Activity with Business Objectives

Meliá Digital is most certainly a cutting-edge and innovative project which requires significant technological drive and the cultural transformation of people when it comes to being digital. It is certainly the project that a global hotel company such as Meliá Hotels International needs to strengthen its leadership into the future.

BRANDS AND INNOVATION

The strategic positioning seven powerful and attractive hotel brands and a process of constant innovation is Meliá's hallmark for it to meet the expectations of its most discerning guests.

Each brand has its own marketing strategy. In 2015, Meliá's marketing strategy included the following actions.

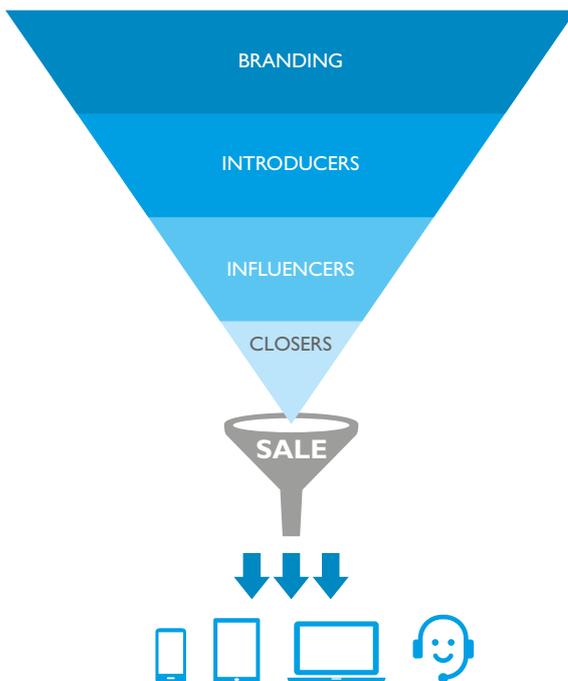
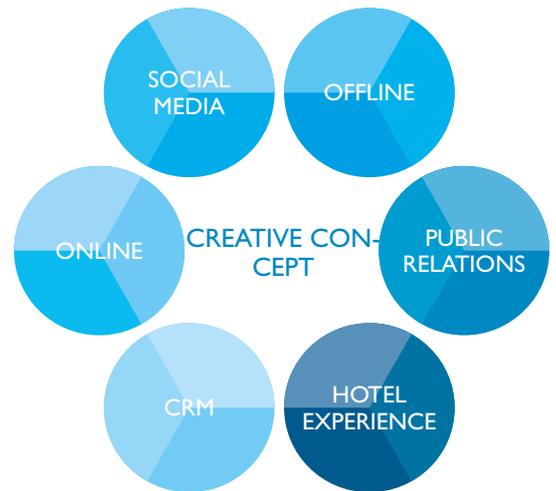
360° Brand Campaigns

Meliá has developed a comprehensive campaign model to create awareness of its brand portfolio, with a strong focus on the performance of B2C and B2B markets to increase awareness in each strategic market.

In addition, Meliá's model of digital promotion is based on the *customer's journey* with the creation of an attribution model of sources for digital sales. This allows us to know where to invest and what sources will provide the greatest benefits to each market.

The Company has created a global and regional integration process of campaigns called *online marketing* which focuses on integrating the tactical line and the branding actions into all *online* and *offline* media as well as into Meliá's other channels and tools.

With this process of 360° campaigns, collaboration with our networks of agencies is strengthened so that increased sales are ensured all round.



Customer Funnel

Meliá currently uses the *customer funnel* model to analyse and increase impact from the first contact with a potential customer to the moment of purchase.

This model enables traceability and enhances the understanding of customer behaviour by providing better information at each stage of the *funnel*.

High points in 2015 were the development of the *premium* brand strategy and the constant innovation of cases such as the successful *rebranding* of the Sol Hotels & Resorts, and the cutting-edge *Hotel Tweet Experience*.

Attracting and gaining the loyalty of Chinese customers

The company aims to boost outbound Chinese tourism to Europe and forecasts that over 200 million tourists are expected by 2020. The great potential for growth goes hand in hand with the traditional values of Asian service and hospitality that are similar to those of Meliá's culture.

To boost the attraction and loyalty of the Chinese market, Meliá has strengthened its *PengYou by Meliá* programme in Europe. This had involved adapting 80 hotels worldwide to the needs and expectations of these customers, including specific training for employees at the destination hotels. The programme is complemented by a marketing strategy to effectively communicate to the Chinese market.

Among other details *PengYou by Meliá* have staff that is fluent in Mandarin, accepts Chinese credit cards, offers television channels in their language – as well as products and services tailored to their tastes and consumption habits – as well as offering translated material.

Meliá has also officially launched accounts on WeChat and Weibo – the main social networks in China – to communicate with its Asian customers, and on Facebook in Indonesia.

The programme was launched in two phases. The first has already been implemented in all the Company's hotels in the Asia-Pacific region as well as in Madrid and Barcelona – the main Spanish cities that receive Chinese tourism – in particular the Meliá Madrid Princesa and the Meliá Barcelona Sarriá hotels. It has also been implemented in an English-speaking star Caribbean destination, the Bahamas, at the Meliá Nassau Beach Hotel.

For the second phase, the programme will be expanded to 80 hotels outside Asia with a special focus on Europe and in particular on Spain, Italy, France, Germany and the United Kingdom – in the cities that receive the greatest influx of tourists from China – to then keep growing in line with the Group's expansion.

Meliá's effort to increase its brand recognition in China has already begun to bear fruit as can be seen by the fact that it was awarded the Ctrip and Qunar prizes, two of the most important online travel portals in China.

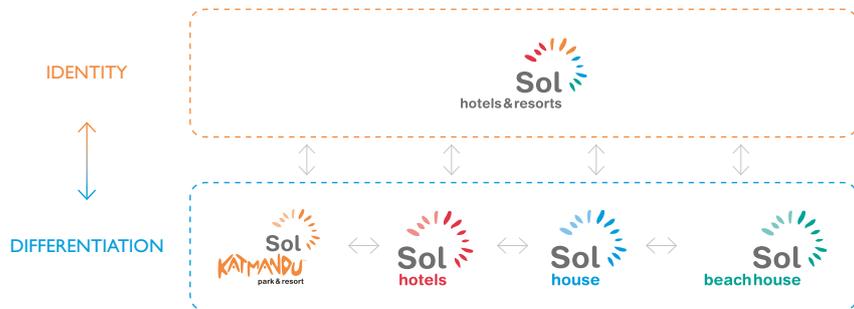


Rebranding Sol Hotels & Resorts

In line with the strategy of offering a portfolio of excellent and differentiated brands to the market that will enable it to fulfil its goals, Meliá has strengthened its leadership in the leisure segment by promoting the renewal of its more traditional family holiday brand Sol Hotels & Resorts. Adapting to new trends and current demand profiles it offers a quality model that will give reinvent new "sun and beach" experiences.

In the current competitive environment and responding to increasing competition from emerging destinations, the renewal of this brand, which is in a *midscale* position, has followed a process of customer orientation thanks to the creation of innovative concepts and differentiating attributes that focus on meeting the real expectations of today's customers.

Sol Hotels & Resorts introduces four new concepts of resort hotels and holiday experiences, focusing on different demand profiles that predict growth for new holiday destinations and integrate the global model of cultural and digital transformation of the Company.



Making your holidays LEGENDARY

A unique family experience. After our third season of activity, this original and unique proposal that combines leisure and an amusement park has established itself as a differentiated offering that is uniquely appealing within the Calviá Beach project in Majorca



Making your holidays VIBRANT

This hotel concept for *Millennials* is primarily social. Following the international success of the Sol Wave House (Majorca), in 2015 the @SolHouse community has become an attribute for all the hotels that make up this brand as it offers the possibility of requesting hotel services and meeting and connecting with other customers.



Making your holidays REAL

Sol Hotels & Resorts remains a benchmark for the classic "sun and beach" holiday model that offers a range of entertainment that makes these holidays in the sun an unforgettable experience.



Making your holidays COOL

Sol Beach House, the concept designed for stylish young adults looking for a relaxing experience, joined forces with the famous Spanish fashion brand Desigual. Together they used the beautiful colours of the Mediterranean to complement the bohemian spirit of the Sun Beach House.

I. Communication and Marketing Strategy

The Company hard in 2015 to disseminate the four new concepts of the Sol Hotels & Resorts brand via the launch of the "Here comes the Sol" campaign. This campaign focused mainly on key outbound markets – Spain and the UK – adapting the *slogan* to each of the new concepts linked to the brand.



The development of this predominantly *online* campaign was also advertised via traditional *offline* activities (television, radio, physical media), together with major travel agencies and of course with a strong presence on social networks.

Hand in hand with this, the new www.sol-hotels.com website has also been launched. This website announces the brand's new positioning, the brand's new concepts, and links users to the various social channels and Sol House's music channel on Spotify.

2. Milestones 2015

Meliá's new concept of the Sol Beach House – a new kind of haven for adults – was the result of the remodelling of old Sol Ibiza, Menorca Sol and Sol Cala Blanca hotels.

The complete overhaul of the Sol Trinidad Hotel (Magaluf, Majorca) – renamed the Sol House Mallorca – is now part of the Calviá Beach project which is part of the transformation of this mature destination in the Balearic Islands.

Other hotels on the Spanish coasts and her islands have also undergone significant refurbishment and rebranding processes that have allowed these new concepts to be introduced in Spain's main holiday destinations. These include the Sol House Aloha on the Costa del Sol (Malaga); the Sol Palmanova in Majorca; and the all-inclusive Sol Lanzarote.

3. Future development

In 2016, the Sol brand will operate in markets that are new for the brand such as Vietnam and Morocco, indicating the appeal and growth potential of the new Sol Hotels & Resorts brand. In addition, the brand will expand its portfolio in Indonesia with three new hotels: the Sol House Kuta Bali; the Sol House Legian; and the Sol House Jimbaran.

4. Tweet Experience Hotel

In 2013, Meliá (@MeliaHotelsInt) began a worldwide pioneering project by linking the hotel experience to the social network Twitter, thus confirming its commitment to innovation and digital transformation. The Sol Wave House Hotel (@SolWaveHouse) in Majorca was the first hotel designed for lovers of Twitter and is called the *Tweet Experience*.

In 2015, this project was extraordinarily successful and saw an increase of 55% in the range of bars on offer, a customer satisfaction index of 95%, and over 1,800 organic followers as well as being very influential as a *trending topic*, a fact that has made given the hotel Company one of the largest followings on Twitter.

During their stay, 70% of guests were active on social media and interacted by sharing their experience with family and friends with ratios of 68%. This initiative has also enabled customer service to be conducted entirely via Twitter, using the hotel account and the *hashtag*.

As part of its constant process of innovation the hotel hired two staff members to be *tweet concierges*, responsible for "listening" and responding to guests' requests on social networks.

This real-time approach helps to eliminate digital communication barriers with hotel guests and thus anticipates customers' needs by enhancing satisfaction and engagement with them.

The resounding success over the last three years of the *tweet experience* at the Sol Wave House enabled Meliá to extend the concept to other hotels that now also offer the *tweet experience*, such as the Sol House Mallorca and Sol House Aloha on the Costa del Sol. In 2016 the initiative will be implemented in new hotels within the new Sol House brand concept.



Sol Wave House | Spain

Food and Beverage Strategy

Cuisine and culinary concepts represent a high added-value experience to what the Meliá hotels offer. The importance of this attribute can be seen by the fact that it accounts for 25% of Meliá's total revenue.

For its premium brands it is even higher, and this is due to the offer of concept and signature cuisine restaurants that are recognised the world over.

Given the growing importance of these concepts, Meliá has refocused its F&B strategy to bring it into line with new trends and customer demand and to contribute to the creation of a differential experience that exceeds expectations and strengthens customer loyalty.



Meliá Paris La Défense | France

Meliá aims to integrate – as part of the attributes and strengths of the brands – innovation and the management of its culinary offer, adapting them to the character of each brand and including the culinary specialities of each region.

Meliá has worked together with partners and experts – on both a global and regional level, including consultants in the F&B field – to design a dining experience that stimulates the senses and offers a wide range of options and styles of bars and restaurants that are in line with the vision of the brands and that add value to hotels.

The overhaul of the Sol Hotels & Resorts brand needed to integrate a dining experience as part of its new concept; one that was adapted to the new customer profile and to the culture and attributes of the new brand, enhancing customers' holiday experience but also attracting a new local clientèle.

Meliá has been a pioneer with regard to some of its recently opened hotels and aims to continue in this vein by developing concepts to design innovative dining experiences. It will do this hand in hand with highly qualified professional teams to offer tempting dishes to suit every possible taste.

The results of this can be seen by the creation of successful products such as: the *Balance by Meliá* food programmes, designed to offer customers healthy, balanced food; menus adapted to our range of different customers or own brands such as El Burladero, Grille and Gabi Beach; and not overlooking food prepared for customers who have special dietary requirements.



In addition, the Company has surrounded himself with internationally renowned cuisine partners who provide a complementary value to the hotels, such as the award-winning chefs Martin Berasategui and the Torres brothers, Javier de las Muelas, Cappuccino Group Café, STK, among others.

This strategic refocusing, initiated in 2015, thanks to the creation of a global F&B division, will show the progress made throughout 2016.



Sustainable Meetings

Meliá encourages constant improvement in customer satisfaction as well as offering a range of services and experiences that exceed their expectations. The *Eco Touch by Meliá* programme was set up in response to the demands of a customer segment that requested that sustainability criteria be included in their meetings.

ecotouch
MEETINGS BY MELIÁ

The mission of Ecotouch is to be an active part in the planning, design and development of work meetings for all those customers who see sustainability and caring for the planet to be a way of life and who wish to apply this attitude to all their professional activities.

Meliá thus wishes to innovate within the MICE segment and strengthen the positioning of the Group's most international brand, Meliá Hotels & Resorts, with a concept which sets it apart from its peers by creating an offering that embraces the essence of attributes linked to sustainability and to minimising one's impact on the environment, as well as offering a variety of healthier food. This initiative undoubtedly completes the value proposal that continuously guides Meliá.

Sustainable Operational Processes

Events Material

Sustainable Cuisine

Eco Touch by Meliá involves the application of a number of attributes:

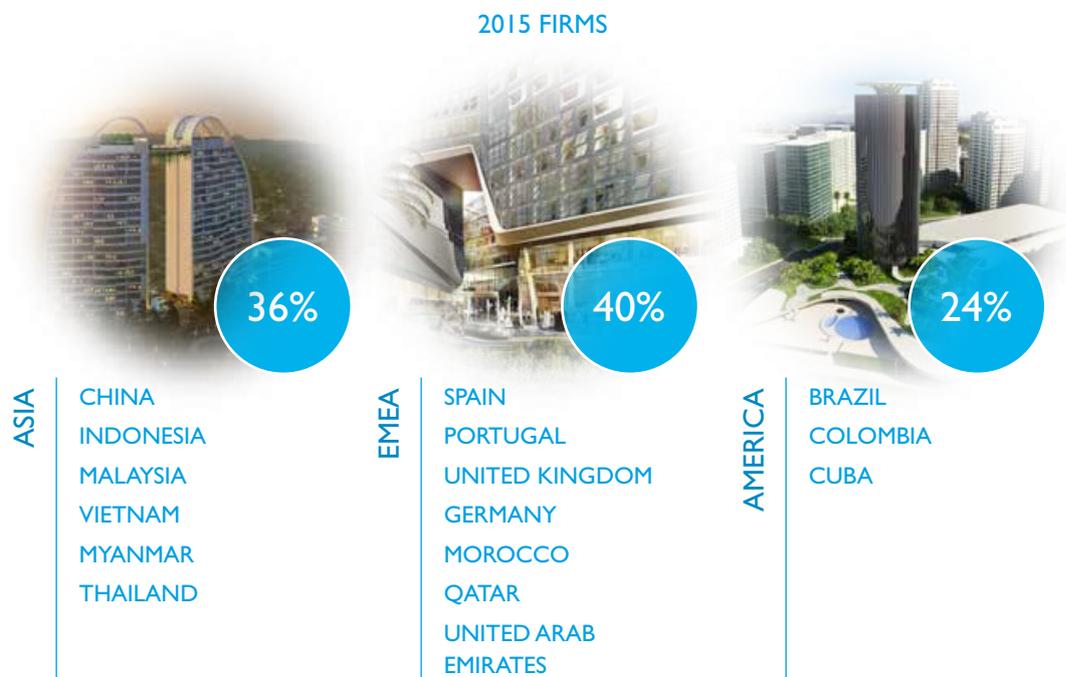
- ... The strategic development of the MICE offer at Meliá Hotels & Resorts
- ... Be innovative in the market with attributes that add value
- ... Have products that differentiate us from the competition
- ... Increase the value of the brand
- ... Provide flexibility to meet customer expectations
- ... Design customised services to generate loyalty towards the Company's products
- ... Convey a sense of security to Meliá Hotels International customers

The concept is already up and running in several hotels in the Meliá Hotels & Resorts brand in Madrid – with regard to the MICE segment – and in 2016 will extend to Europe and America.



INTERNATIONALISATION

Over the past year and following its strong commitment to international growth, Meliá has added 25 new hotels to its portfolio.



This responds to a clear international commitment and revolves around the following lines of action:



Clear examples of leadership in the holiday segment are: the expansion of the portfolio in Southeast Asia with the signing up of six hotels; and the signing up of two hotels in Cuba – the country with the second highest presence of Meliá hotels – as a great holiday destination.

With the signing up of The Imperial Boat House Beach Resort Koh Samui, Meliá has begun to operate in Thailand, second most visited destination in Southeast Asia.

This focus on the holiday segment is directly linked to the *rebranding* and enhancing of the Sol brand and to the diversification of the Paradisus by Meliá brand, thus expanding its presence beyond the Latin American Caribbean.

The Company has signed up hotels in major American and European cities with a high *bleisure* component such as in: Rio de Janeiro, Frankfurt and Lisbon, and also increased its presence in the Middle East with the signing up of two hotels in Doha and Dubai.

Over 2015, Meliá opened thirteen new hotels, adding 2,167 new rooms to its operations portfolio. 85% of these new rooms are outside Spain; of note were the openings of the Meliá La Défense, ME Milan Il Duca (Italy) and the Inside Manchester (UK)

In 2016, Meliá Hotels International will achieve one of its most important milestones in recent years: the opening of the first hotel in New York to be managed by Meliá, the **INNSIDE New York NoMad**, which represents the consolidation of a new and cosmopolitan *lifestyle* brand, and which will make a grand entrance in the Big Apple; and the opening of the **ME by Meliá Miami**, introducing this *lifestyle* brand to the USA. The **ME Miami**, which will open in the spring of 2016, is in one of the most visited and popular destinations in the United States.



INNSIDE New York NoMad | USA



ME Miami | USA

INTERNATIONALISATION



INNSIDE New York NoMad | USA



ME Miami | USA

PIPELINE

AMERICA

To consolidate Meliá's presence in the main tourist destinations, in particular in Mexico, Brazil and Colombia

To diversify and grow in the Anglo-Saxon Caribbean islands

To increase our presence in the USA

To strengthen our presence in the Latin America Caribbean



Gran Meliá Rio de Janeiro | Brazil



Meliá Shanghai | China



Sol House Kuta Bali | Indonesia



Meliá Siracusa | Italy



Meliá Braco Village | Jamaica



Meliá Costa Hollywood | USA



Sol House Taghazout | Morocco

REAL ESTATE STRATEGY

The Meliá's real estate function as an owner of assets continued to grow in 2015, creating and increasing value for the Group. This function is based on four drivers:



Rotation and management of assets based on their sustainable profitability

Using the Group's assets as a lever of growth for the different brands and the development of their standards and attributes

Reinforcing mixed models to facilitate the Company's growth

Optimising the performance value of a m² of real estate

This year, Meliá has made significant progress in consolidating its partnership strategy with investors that have a more institutional, refined and focused profile not only with regard to the reconversion of assets, but also for the creation of partnerships for future expansion.

Rotation and Asset Management

Meliá has developed a proactive management model for its real estate portfolio which takes into account the various sources that generate asset value and propose the best option for their development, not only via hotel operations but also via the inclusion of other commercial uses.

In 2015 ten assets were sold and this has helped to reduce the Group's debt and create new partnerships with high-potential partners. Gains amounted to €47.3 M.

Main Operations 2015

- Closing of the agreement with Starwood Capital Group for the sale of six resort hotels in Spain, for €178.2 M. This transaction generated a capital gain of €40.1 M. The six hotels involved in the transaction represented a total of 2,933 rooms. The operation included the following hotels: Meliá Gorriónes (Fuerteventura), Sol Lanzarote, Sol Príncipe (Malaga), Sol Ibiza, Sol Pinet Playa (Ibiza), Sol Mirlos-Tordos (Palmanova, Majorca).
- Meliá, which still manages these hotels, entered into a Joint Venture with 80% controlled by a subsidiary company of Starwood Capital Group and 20% controlled by Meliá, constituting a growth-oriented vehicle. Over the next two years around €150 M will be invested in the refurbishment of these hotels thus strengthening the brand relaunch of Sol Hotels & Resorts.
- Sale of the Calas de Mallorca resort (3 hotels and 875 rooms) in Majorca (Spain). The transaction was worth €23.6 M and a net capital gain from the operation was €3.3 M. Meliá will continue to manage the resort complex via a variable rent system.
- Sale of the Sol Falcó hotel (450 rooms) in Menorca (Spain) for €20 M with a net capital gain of €3.9 M. Meliá will continue to manage the hotel via a variable rent system.

Group Assets as a Growth Driver

Meliá is boosting the reconversion of its assets to strengthen the recognition of its portfolio of brands and to increase its position in the *premium* and *upscale*-segments.

In 2015 a number of transformation projects were initiated. The emblematic Meliá de Mar hotel in Majorca is being converted to a luxury hotel that will operate under the Gran Meliá *premium* brand.



The old Ambassador Hotel (Madrid) – near the haunts of the artist Velázquez – will open in 2016 as the new five-star Gran Meliá Palacio de los Duques. Following a complete overhaul, the hotel has been admitted as a member of the select club, the Leading Hotels of the World. The layout of this elegant palace, with original features such as the spectacular central staircase and a small private drawing room, has 180 rooms and suites and will pay tribute to the great Spanish painter Velázquez.



The previous facilities of the TRYP Palma Center Hotel have been fully renovated and the hotel is now the new INNSIDE Palma Center. It opened in 2015 in the centre of Palma de Mallorca, positioning itself as a state-of-the-art hotel in the "urban leisure" segment. With 101 rooms over 6 floors, it is the first hotel of the INNSIDE by Meliá brand to open in Majorca.



Growth through Mixed Models

For some years now, the Company's real estate efforts have focused on driving the transformation of some hotels positioned in mature environments through integrated projects with strategic partners and with the collaboration and assistance of public corporations, as line of work.

In 2015 Meliá continued working on its initiative to reposition Magaluf (Majorca, Spain). It has done this by consolidating its relationship with Avenue Capital, a US fund which is the main partner of the Calviá Beach project. Calviá Beach has become an excellent example of the viability of private projects in Spain that are committed to turning mature tourist destinations around and boosting their economic and social sustainability in collaboration with the public sector.

In the future, the Company will continue to identify strategic assets in order to develop new initiatives via *Joint Ventures* and by incorporating new partners and investors.

Optimising the performance value of a m² of real estate

Meliá has a strategy for optimising the performance value per m² of real estate, generating new sources of revenue for the asset. Its activities are based on the following aspects:

- Integration and innovation in new concepts of food and beverage with the incorporation of renowned professionals with development potential.
- Consideration of the public areas of the hotel as commercial spaces, making the most of the pedestrian traffic from guests and seeking upscale brands that complement the hotel options.
- Managing other areas of the hotels, such as shops, car parks, casinos, golf courses and water sports centres.
- Promoting urban hotels places for leisure and entertainment, one of the attributes within the portfolio of brands to encourage external customers to enter and enjoy an attractive space. The ME by Meliá brand, as well as the INNSIDE by Meliá brand, already have numerous examples of these spaces and they are currently being integrated into newly renovated holiday resort hotels.
- Extending alliances with leading brands and groups to other hotels and establish relations with other brands.



COMPETITIVE AND EFFICIENT ORGANISATION

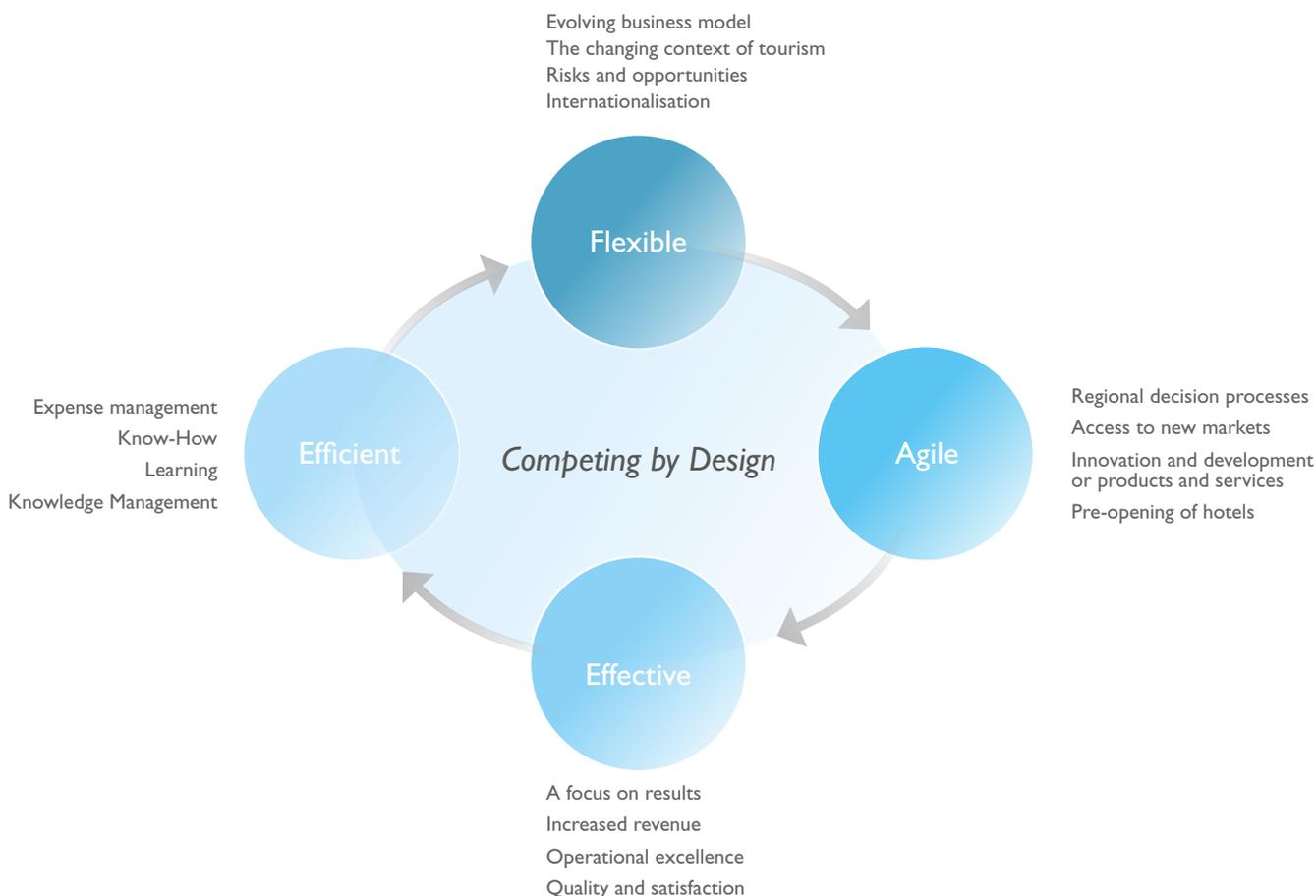
The background of the industry requires organisations to be adaptable

The tourism sector is experiencing a paradigm shift with regard to many aspects: innovation, technology, information and content, new products, traditional competition and new players, constantly changing demands and expectations of tourists, adverse political and economic environments, etc.

Tourism-related businesses should therefore be able to manage their activity in environments of constant change and uncertainty, adapting quickly to these circumstances. Adaptability thus becomes a critical element and structures that are being renovated need to be flexible and continue to be highly adaptable whenever the global context demands it.

With the start of the 2012-2014 Strategic Plan, Meliá initiated a significant process of change, adaptation and evolution from a traditional organisational model to one aimed at creating an agile and efficient company that was in a position to undertake an important process of international growth and the cultural change that Meliá had set as a goal for itself.

The cornerstone of this process was the *Competing by Design* project. This initiative – spearheaded by Meliá's Organisational team – set itself the goal of adapting the organisational structure of the Company to imbue it with agility and excellence; give more autonomy to the different regional divisions of the Group on an international level yet maintain a centralised strategic vision and global control. The result, at the end of the 2012-2014 Strategic Plan, was a lighter, more decentralised global corporate structural model that gave more resources to regional areas; this strengthened the Company's relationship with its customers, its proximity to the business and increased knowledge of each area that has consequently brought added value.



Meliá has thus proven, that in its first 60 years of history, it is an organisation that adapts its structure to economic contexts and the needs of the day. This ability to constantly adapt has enabled the Company to overcome difficult processes, global crises and adverse contexts. Of course, overcoming these adversities is only possible because Meliá has always had teams that are constantly learning; teams that use their full potential to pursue excellence and are very committed to the Group.

Meliá is thus fully able to understand the complexity it faces when operating in 41 countries; of taking on commitments with the various stakeholders that add value and enhance synergies by thanks to well-coordinated teams that work across the board.

Since then and until now, the constant re-engineering of the critical processes that Meliá has worked on has led to improved profitability that has resulted in increasingly agile and competitive management.

Strategic Drive

Strategic Drive in 2015 focused on the following points:



REPUTATION AND RESPONSIBILITY

Leadership rooted management that is globally responsible

Meliá Hotels International is the leading hotel company in Spain and the seventeenth in the world; it has seven renowned hotel brands and operates in 41 countries via 376 hotels.

The Company has consolidated an important reputation that is essential today for creating and conveying trust and strength; and for attracting investment, talent and solvency for its various stakeholders.

The critical thought that is at the core of its reputation is carried out – in the broadest sense of the word – from a strategic perspective; this has allowed the Group to differentiate itself steadily over time allowing it to respond to the expectations that the various stakeholders have of the Company. For Meliá, the management of this intangible asset is vital as it is a concept that is intrinsically linked to the provision of economic and social value.

This important commitment by Meliá is recognised by leading metrics – in which the chain is takes part – that measure Corporate Reputation and for which the Company has demonstrated excellent performance.



MERCOSIA COMPANIES - LEADERS / RANKED 18th Meliá has confirmed its leadership in the sector for the third consecutive year in addition to climbing 13 places to the 18th position in the overall global ranking, being, for the first time ever, among the 20 Top Spanish companies with the best corporate reputation. This historic rise represents the highest recognition of excellence for its business model and corporate responsibility which, for the last three years has enabled Meliá to not only withstand the global crisis, but also to consolidate its international growth and lead innovation in the sector.



MERCOSIA RESPONSIBILITY AND CORPORATE GOVERNANCE / RANKED 21st Meliá has been recognised as one the 100 most responsible Spanish companies that have the best corporate governance in Spain; it climbed 43 places and as a result is now ranked 21. This business monitor involves the input of over 2,000 senior executives and experts as well as 2,500 consumers who, each year, choose and assess the most responsible companies with the best corporate governance.



MERCOSIA TALENT / RANKED 20th Meliá obtained the top place MERCOSIA Talent *ranking* in the Hospitality and Tourism sector. This ranking analyses people management, one of the key criteria for the growth and reputation of companies. The hotel is thus ranked 20th in the overall *ranking* of the best Spanish companies with regard to talent management, climbing 11 places since 2014. This monitor evaluates the work quality, the brand employer and the internal reputation of the most important Spanish companies.



CDP / INCLUSION ON THE "A" LIST in 2015 Meliá was recognised as one of the best hotels in the world for its commitment to environmental management. It was included on the "TOP A-List" which includes companies with the best performance and transparency with regard to climate change. According to the international organisation CDP – whose index was created at the request of over 800 investors who represent more than one third of the capital invested in world markets – these companies are considered leaders in the fight against global warming and promote a more sustainable economy. Each year, only 5% of the more than 2,200 companies assessed by CDP are included on the "A-List", recognising their efforts to bring down emissions and reduce climate change.

Meliá is aware that its reputation is directly related to the link that its stakeholders have with the Company: This is the result of the performance and behaviour shown by the Company since the outset and defines its ability to generate value for them. Meliá therefore works to improve and strengthen its reputation and comply with the commitments it has with each of its stakeholders. The Company is resolute in its aim to improve the perceptions and expectations of its stakeholders while always bearing in mind the core building blocks of reputation.

	Emotional Appeal	Product & Service	Innovation	Ethics & Good Governance	Results	Professional Environment	Citizenship	Meliá Hotels International's commitment with its stakeholders
Customers	✓	✓	✓	✓			✓	Offering our guests the best customised accommodation experience, exceeding their expectations thanks to the excellence of our best services
Company		✓	✓	✓	✓	✓	✓	Actively seeking ways to generate prosperity and sustainable development in the communities where the Company operates in, respecting and promoting their culture, traditions and values, with particular focus on children and the most vulnerable groups
Environment			✓	✓			✓	Helping to preserve the environment and the landscape, ensuring that our activities have no negative impact and promoting awareness of sustainability to all our stakeholders
Suppliers	✓	✓	✓	✓	✓		✓	Bringing our professionalism and know-how to build lasting relationships based on trust, respect and mutual benefit
Employees	✓	✓	✓	✓	✓	✓	✓	Offering the best opportunities for professional development, stemming from the stability offered by a family-run business coupled with the strength of a major international leader that is fair in the way it recognises commitment, talent and achievements.
Shareholders and Investors	✓	✓	✓	✓	✓		✓	Managing the Company according to criteria of transparency, precision and good governance, to achieve profitability and increase value in the medium and long term.
Owners and Partners		✓	✓	✓	✓		✓	Providing comprehensive services for the best return on their investment, managing with professionalism and seriousness, and offering the trust afforded by a large prestigious international brand.

Global Approach and Local Impact

Following the end of the 2012-2014 Strategic Plan Meliá's growing maturity in the face of the constant progress it made in its approach to CSR has been strengthened and it now has a stronger business link to provide social value. The Company has thus been able to structure a global model that will progressively grow on an international level.

By implementing its own global CSR model in the countries where it operates, Meliá aims for the model to be adapted to each regional context, its social needs and challenges, but without overlooking the needs and priorities of the hotel group itself. Understanding each regional context and the unique challenges of each geographical area will, of course, allow the model to provide the enhancement needed to generate shared value in each region.

The model must therefore be aligned with the overall CSR strategy with the adaptability and flexibility required to ensure its proper implementation in each country in order to generate the desired positive impact and respond to local social needs.

Each of the six pillars that make up the model is defined by clear and specific goals designed to generate value and profits for the companies in which the hotel plays an active role; each one is linked to the 17 Sustainable Development Goals (SDG) adopted at the Sustainable Development Summit, held in September 2015, at which the UN member states adopted the 2030 Agenda for Sustainable Development aiming, among other things, to end extreme poverty, combat inequality and injustice, and tackle climate change.



These pillars define the model blueprint: one that adapts to different situations that is already driven by regional businesses and their business units that enjoy a high degree of autonomy which allows them to be actively involved in countless actions of local impact. The important matters of each region, and those to which Meliá wishes to contribute, are outlined in this report in the regionalisation section of this CSR model.



	Aim	Benefits for Society	Benefits for Meliá	Integrated CSR	Recognition
 Human Rights & Infancy	Ensuring respect and the defence of Human Rights in the management of the Company, with special emphasis on protecting situations where childhood is vulnerable and providing society with a safe space	Having a close ally and a key driver of the Guiding Principles for improving social welfare	Having a Framework, an action model with universally recognised guidelines focused on diligent management	Human Resources Risk & Compliance Expansion Hotels	 
 Employability	Contributing to the development of internal talent and improving the way people at risk of social exclusion can access the labour market	Having key allies in the acquisition and reinforcement of abilities and skills that focus on promoting local talent and social integration through employment	Developing and attracting talent to impact positively on the local community as well as on the hotel business	Human Resources Hotels	
 Climate change and Local Development	Enhancing growth and social cohesion to generate value for communities, and to fight against climate change from our position as hotel owners	Ensuring that resources are consumed responsibly and efficiently in order to generate shared value for the whole community	Managing hotel operations responsibly, seeking efficiency and generating added value for the environment	Works & Technical Services Environment Hotels	
 University and Knowledge	Actively participating in two-way communication of knowledge related to tourism, CSR and strategic thinking in academic settings	Having access to expert knowledge and proven experience for the strategic management of tourist services in a dynamic, international and innovative setting	Presence in settings related to academia, research and future talent to enrich current knowledge and future development	Meliá Hotels International	
 Culture	Being cultural ambassadors for the destinations in which the Company operates by integrating their heritage into our hotels and bringing it closer to our customers	Having an ally for showcasing, disseminating and sharing of knowledge of historical, artistic and cultural heritage	Strengthening the tourism value proposal, being involved in continuous learning and direct, constant cultural enrichment	Marketing Hotels	
 Leadership and Recognition	To make Meliá an international benchmark hotel company thanks to the path it has taken, its responsible management, its ability to innovative and its effort to transform	To strengthen destinations with our presence, increasing their reputation, appeal and potential for growth and development	To use Meliá's reputation as a magnet to attract talent, investment, strategic partnerships and innovation	Meliá Hotels International	 

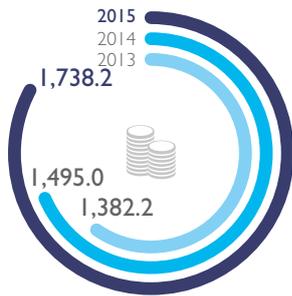


RELEVANT INDICATORS

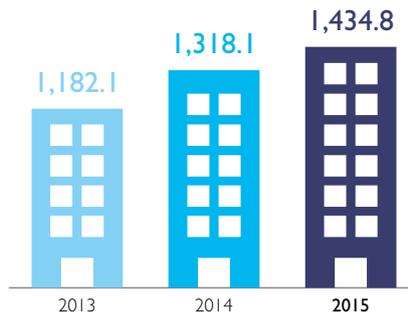
With regard to the measurement of progress of the Company's strategy, a set of indicators are in place that allow the evolution and results of the initiatives introduced to be monitored. In addition to the economic and financial performance indicators of this business sector, other strategic indicators such as those listed below are also monitored.

ECONOMIC-FINANCIAL

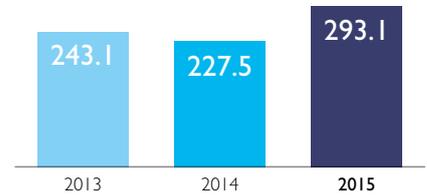
CONSOLIDATED REVENUE (€M)



CONSOLIDATED HOTEL REVENUE (€M)

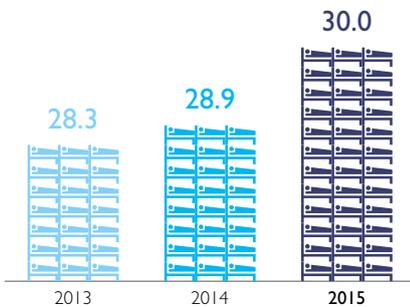


CONSOLIDATED EBITDA (€M)

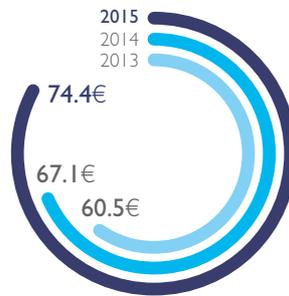


HOTEL MANAGEMENT

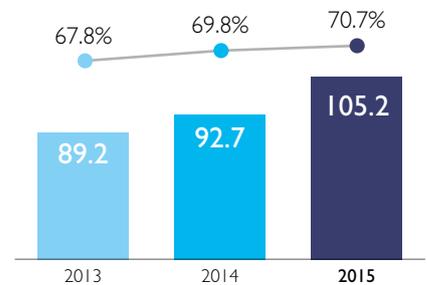
STAYS (M)



CONSOLIDATED RevPAR (€)

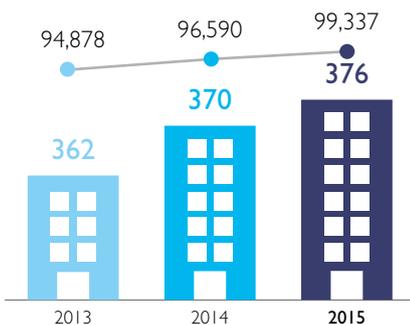


ARR (€) & OCCUPANCY (%) CONSOLIDATED

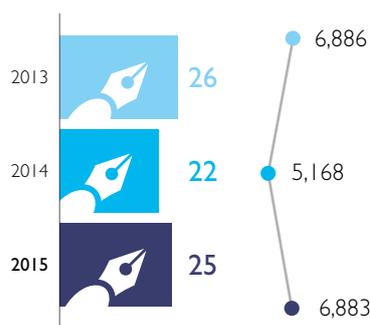


COMPANY'S INTERNATIONALISATION

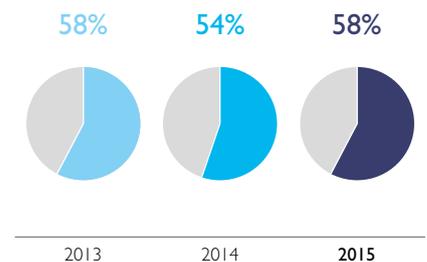
PORTFOLIO (# Hotels/Rooms)



FIRMS (# Hotels/Rooms)



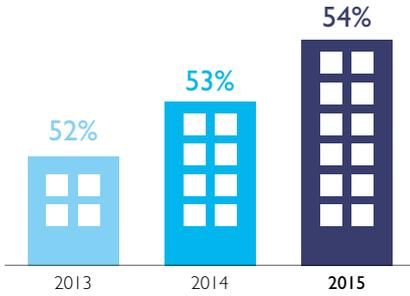
OPERATIVE ROOMS (MANAGEMENT AND FRANCHISE) (%)



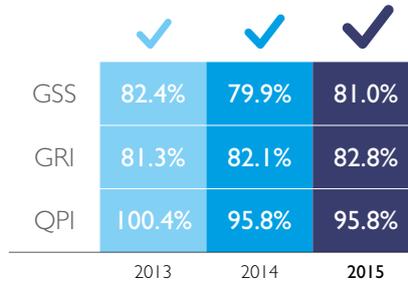
M=Millions

BRANDS AND INNOVATION

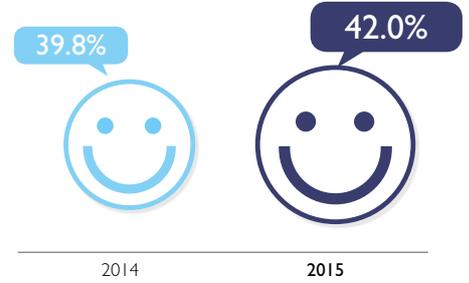
PREMIUM & UPSCALE HOTELS (%)



QUALITY & SATISFACTION (%)

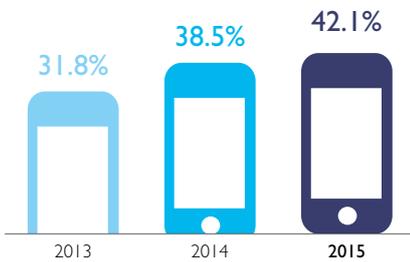


NET PROMOTER SCORE (%)

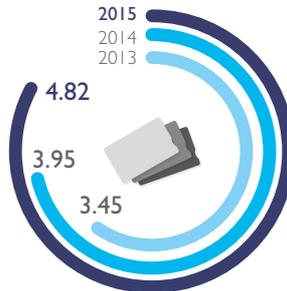


MELIÁ DIGITAL

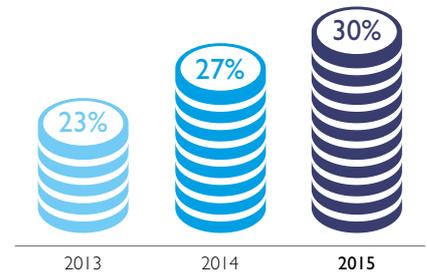
OWN SALES CHANNEL (%)



MELIÁREWARDS CLIENTS (M Clients)

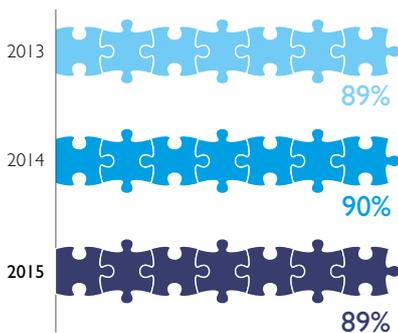


REVENUE FROM MELIÁREWARDS CUSTOMERS (%)

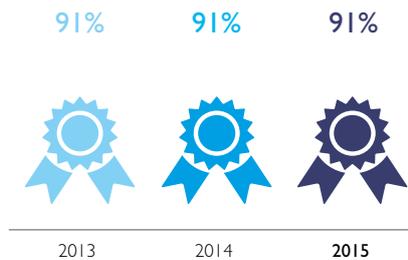


COMPETITIVE AND EFFICIENT ORGANISATION

COMMITMENT INDEX (%)



PRIDE OF BELONGING (%)



AVERAGE STAFF (#)



**BUSINESS
PERFORMANCE**

Management Report



MANAGEMENT REPORT

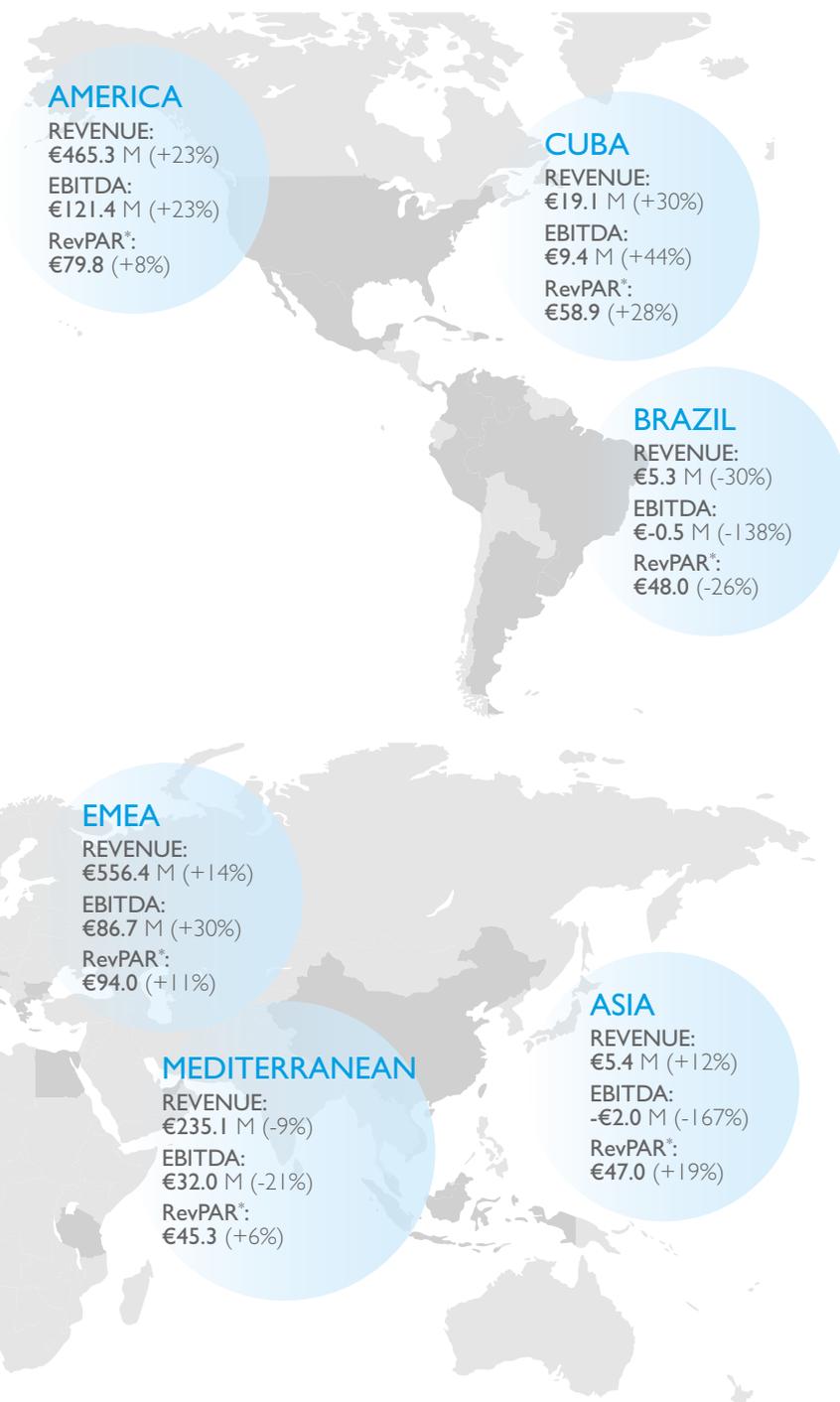
DMA-EC >

CONSOLIDATED DATA

REVENUE	€1,738.2 M (+16%)
EBITDAR	€436.8 M (+24%)
EBITDA	€293.1 M (+29%)
NET PROFIT	€40.5 M (+27%)

OPERATION FIGURES

RevPAR*	€61.8 (+10%)
ARR*	€92.6 (+9%)
OCCUPATION*	66.7% (+1%)



* Information regarding Property, Leasing and Management. Aggregated Data

	ME	GRAN MELIÁ HOTELS & RESORTS	PARADISUS BY MELIÁ	MELIÁ HOTELS & RESORTS	INNINSIDE BY MELIÁ	Sol hotels&resorts	TRYP	TOTAL
Hotels	7	11	9	103	16	78	90	314
Rooms	1,523	3,383	4,431	31,909	2,173	25,353	14,480	83,252
Hotels in Pipeline	5	4	2	24	21	6	-	62
Rooms in Pipeline	878	1,258	1,079	7,631	4,189	1,050	-	16,085

Hotel Business

In 2015 Management revenue included €135.9 million from management fees, of which €54.6 million were generated by third-party hotel management. In 2014 total management fees were €117.3 million, of which €43.5 million were generated by third-party hotel management.

The contribution by management services included €47.2 million in revenue, and €27.8 million in negative EBITDA, which have not been assigned to any of the regional divisions. This compares with €27.2 million in revenue and €13.7 million in negative EBITDA in 2014. These numbers correspond to income and expenses associated with corporate level management.



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Owned and Leased Hotels	1,382.9	1,225.7	12.8%
Contribution from Management	234.2	213.5	9.7%
EBITDA Performance			
Contribution from Owned and Leased Hotels	199.7	150.2	33.0%
Contribution from Management	44.3	54.2	(18.3%)

STATISTICAL FIGURES	2015	2014	Variation
Own Property, Leasing and Management			
% Occupation	66.7%	66.1%	0.9%
RevPAR (€)*	61.8	56.1	10.2%
ARR (€)*	92.6	84.8	9.2%
Owned and Leased			
% Occupation	70.8%	69.7%	1.5%
RevPAR (€)*	74.4	64.6	15.1%
ARR (€)*	105.2	92.7	13.4%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
OWNED PROPERTY	Hotels	48	58	(10)
	Rooms	14,713	18,257	(3,544)
LEASED	Hotels	103	99	4
	Rooms	20,384	19,248	1,136
MANAGEMENT AND FRANCHISE	Hotels	163	152	11
	Rooms	48,155	44,778	3,377
TOTAL	Hotels	314	309	5
	Rooms	83,252	82,283	969

AMERICA

As mentioned in the 2014 consolidated financial statements, in 2014 the Government of Venezuela introduced two new exchange-rate systems known as SICAD I and SICAD II. With regard to the 2014 annual accounts, the Company considered that the most appropriate exchange rate to apply for the consolidation of its Venezuelan operations was SICAD II (49.99 bolivars to the US dollar as of December 31st, 2014). Moreover, in February 2015, the Venezuelan authorities made further reforms to its exchange rate system and created a new system called SIMADI, repealing SICAD II. Since this new system came into force, the exchange rate applied by the Group to consolidate the balance sheets of its Venezuelan subsidiaries has been SIMADI, currently about 200 Venezuelan bolivars per dollar.

Owned and leased hotels have recorded an improvement in average revenue per available room, or RevPAR, of 20.6%, and an improvement of 21.3% in the average price. Stripping out Venezuela, RevPAR improved 24.6% as it was highly influenced by the Euro/Dollar exchange rate. In terms of the dollar, this was an improvement of 3.8%.



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Owned and Leased Hotels	413.3	327.4	26.2%
Contribution from Management	52.0	52.2	(0.4%)
EBITDA Performance			
Contribution from Owned and Leased Hotels	108.3	80.2	35.0%
Contribution from Management	13.1	18.3	(28.3%)

STATISTICAL FIGURES	2015	2014	Variation
Own Property, Leasing and Management			
% Occupation	68.1%	68.9%	(1.2%)
RevPAR (€)*	79.8	74.0	7.9%
ARR (€)*	117.2	107.3	9.2%
Owned and Leased			
% Occupation	71.5%	71.9%	(0.6%)
RevPAR (€)*	84.1	69.7	20.6%
ARR (€)*	117.6	97.0	21.3%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
OWNED PROPERTY	Hotels	14	14	0
	Rooms	5,883	5,903	(20)
LEASED	Hotels	1	-	1
	Rooms	236	-	236
MANAGEMENT AND FRANCHISE	Hotels	10	11	(1)
	Rooms	2,358	2,658	(300)
TOTAL	Hotels	25	25	0
	Rooms	8,477	8,561	(84)

In 2015 Management revenue included €30.3 million from management fees, of which €3.5 million were generated by third-party hotel management. In 2014 total management fees were €27 million, of which €3.5 million were generated by third-party hotel management.

Within the America division, particularly good performance was seen in the hotels in Mexico, especially the contribution by the Paradisus Cancun whose total revenue increased by over 35% since the Company began its hotel rebranding process. The performance of the Playa del Carmen (Paradisus La Perla and Paradisus La Esmeralda) complexes was also noteworthy as in their fourth year of operation they generated more than \$36 million EBITDA, becoming the highest earning hotel on the Group's profit and loss statement.

Just as positive was the revenue from the hotels in the Dominican Republic, whose performance was highly commendable considering that this destination was severely affected by the weakness of the Russian market which fell by about 80% compared to the previous year; and by a general slowdown in the segment of groups that were linked in part to the appreciation of the dollar.

Expansion

The global portfolio of openings including every division – as forecast by the Company (hereinafter, the pipeline) at the end of 2015 – included a total of 62 hotels and some 16,000 rooms, of which 2 already opened in the first months of 2016; one of them is in the America division, the Meliá Braco Village in Jamaica and has 226 rooms managed by Meliá. Our aim is that the opening of the Meliá Braco Village will help to consolidate the presence of the Company in the English-speaking Caribbean, an opening that follows the inauguration of the Meliá Nassau.

At the end of the year, the Company's pipeline in America included 12 hotels and 2,325 rooms, 5 of which are scheduled to open in 2016, including the above-mentioned Meliá Braco Village. The Company will soon also open the Meliá Cartagena in Colombia as well as 3 hotels in the United States: the ME Miami and the Meliá Costa Hollywood in Miami, and the INNSIDE NoMad in New York. The latter represents the only lease contract in the entire America Division pipeline.



ME Miami | USA

EMEA

Hotel business performance in the EMEA region can be summed up by the following indicators:



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Owned and Leased Hotels	511.5	444.9	15.0%
Contribution from Management	44.9	43.8	2.5%
EBITDA Performance			
Contribution from Owned and Leased Hotels	66.9	50.9	31.5%
Contribution from Management	19.8	16.0	23.5%
STATISTICAL FIGURES	2015	2014	Variation
Own Property, Leasing and Management			
% Occupation	67.7%	69.7%	(2.8%)
RevPAR (€)*	94.0	84.6	11.2%
ARR (€)*	138.9	121.4	14.4%
Owned and Leased			
% Occupation	72.8%	72.7%	0.1%
RevPAR (€)*	105.3	94.7	11.2%
ARR (€)*	144.6	130.2	11.0%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
OWNED PROPERTY	Hotels	13	12	1
	Rooms	3,049	2,765	284
LEASED	Hotels	39	38	1
	Rooms	6,606	6,546	60
MANAGEMENT AND FRANCHISE	Hotels	21	22	(1)
	Rooms	3,576	3,582	(6)
TOTAL	Hotels	73	72	1
	Rooms	13,231	12,893	338

In 2015 Management revenue included €31.3 million from management fees, of which €2.7 million were generated by third-party hotel management. In 2014 total management fees were €25.8 million, of which €1.8 million were generated by third-party hotel management.

France

The terrible terrorist attacks that took place in Paris on the 13th November had a negative impact on results reported for the fourth quarter of the year with regard to hotels in this country. Paris recorded a very sharp drop in demand, in particular in the leisure segment. Specifically, the hotels operated by the Company recorded a drop in average revenue of 12%; this contrasts with the 18% drop recorded by the *competitive set*, which due to its characteristics constitute the group via which the Group's results are compared.

Meliá's better performance when compared to the *competitive set* was partly due to the contribution made by the Meliá Paris La Défense; being less dependent on the leisure segment and with more of a slant on the business segment, it helped the Company cushion the fall in demand and booking cancellations.

Germany

Results from our hotels in Germany were very positive throughout 2015, in particular in Düsseldorf, and especially the results from the INNSIDE Düsseldorf Seestern, the INNSIDE Düsseldorf Derendorf, INNSIDE Düsseldorf Hafen, the INNSIDE Wolfsburg and the INNSIDE Munich.

Within the German-speaking area, the Meliá Vienna also performed outstandingly; it is progressively consolidating its position in this market and has had very positive figures since the start of 2016.

Italy

It was an excellent year for the hotel industry in Italy, and the Company's figures were very positive.

It should be highlighted that during 2015, the Milan Expo contributed to all the Company's hotels in the city recording successful figures, in particular the ME Meliá Milano and the ME Milan. In 2015, the latter recorded better-than-expected results for the Company, with an average rate of over €370 per room per night, in line with the country's top hotels.

United Kingdom

Although 2015 was a difficult year for the Company's hotels in the UK, it should be noted that during the last quarter of 2015 a change in trend was apparent and levels of growth recovered with respect to the previous year. This was mainly due to a better performance by the Meliá White House and the ME London hotels, with average rates of £300 per night.

Premium Spain

It should not be forgotten that this division also includes the contribution of a number of hotels in Spain and the segmentation of revenue from them is included in the Premium category.

The EMEA division was also positively affected by the excellent performance of some Spanish resort hotels including the ME Mallorca, the ME Ibiza, Meliá de Mar and the Gran Meliá Palacio de Isora.

Lastly, an important milestone is the fact that in 2015 the Gran Meliá Palacio de Isora became one of the Company's flagships by becoming one of the 5 major revenue contributors for the Group. It had an EBITDA of around €17.5 million which was 20% more than the previous year.

With regard to the list of urban hotels included in this section, the good results achieved by the Gran Meliá Fénix and the Meliá Barcelona Sky hotels are particularly worthy of note.

Expansion

At the end of 2015, the portfolio of deals in EMEA includes 20 hotels and about 4,000 rooms, with a good balance between leased and managed contracts.

Looking ahead to 2016, the Company plans to open 3 hotels under lease in Germany under the umbrella of the INNSIDE brand (the INNSIDE Frankfurt, the INNSIDE Aachen and the INNSIDE Leipzig) as well as two managed hotels, one in Italy and one in Morocco.

MEDITERRANEAN

Hotel business performance in the Mediterranean region can be summed up by the following indicators:



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Owned and Leased Hotels	205.7	227.3	(9.5%)
Contribution from Management	29.4	31.6	(6.8%)
EBITDA Performance			
Contribution from Owned and Leased Hotels	16.5	25.5	(35.3%)
Contribution from Management	15.5	14.9	3.8%

STATISTICAL FIGURES	2015	2014	Variation
Own Property, Leasing and Management			
% Occupation	67.4%	67.1%	0.4%
RevPAR (€)*	45.3	42.7	6.1%
ARR (€)*	67.2	63.6	5.7%
Owned and Leased			
% Occupation	72.4%	71.5%	1.2%
RevPAR (€)*	52.3	48.1	8.7%
ARR (€)*	72.3	67.3	7.5%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
OWNED PROPERTY	Hotels	12	23	(11)
	Rooms	3,323	7,131	(3,808)
LEASED	Hotels	21	18	3
	Rooms	6,464	5,597	867
MANAGEMENT AND FRANCHISE	Hotels	48	40	8
	Rooms	18,084	15,339	2,745
TOTAL	Hotels	81	81	0
	Rooms	27,871	28,067	(196)

In 2015 Management revenue included €25.7 million from management fees, of which €14.3 million were generated by third-party hotel management. In 2014, total management fees were €23.4 million, of which €9.9 million were generated by third-party hotel management.

Given that most of the revenue generated by the Mediterranean division takes place in the third quarter – coinciding with the peak season for resort hotels in Spain – it should be noted that the summer season recorded a sharp increase in tourism demand, both domestic and foreign (except for the slump in the Russian market). This was brought about by the confluence of endogenous factors such as the recovery of the economy and employment in Spain, and exogenous ones, such as the fall in oil prices, the performance of types of interest with regard to the dollar and the pound, and unfortunately, the instability of a number of competitors with sun and beach destinations in the Mediterranean and north Africa.

Together with this favourable situation, the excellent performance of resort hotels reaped the fruits of the Company's firm commitment to product innovation and customer experience, working hard to position the best hotels in each category and enhance the sun and beach experience via innovative food and beverage concepts, leisure activities, shopping, entertainment and wellness.

This is evident from the performance of the average revenue from recently renovated hotels such as the Meliá Cala Galdana and the Sol Beach House Menorca, the Sol House Aloha - Costa del Sol in Malaga, and the Sol House Mallorca which, after their renovation and subsequent rebranding have managed to change segment and have seen significant price increases, and a higher percentage of early bookings.

The most popular destinations were the Balearic Islands – with a remarkable performance in Ibiza and Majorca – recording a marked improvement in segmentation and revenue from hotels in Magaluf (the Calviá Beach Project), as well as the Canary Islands, where the Company achieved record results in 2015.

With regard to the Canary Islands, the fourth quarter of the year saw particularly good performance, and results over the previous year were even better mainly due to disputes between Russia and Turkey, a fact that led to Spain being seen as a "safe" holiday destination.

Expansion

Within the portfolio of scheduled openings at the close of 2015 (62 hotels), one of these hotels in the Mediterranean division – the Sunshine Sol Costa Atlantis – is already up and running. Located in Tenerife, it has 289 rooms under lease and has taken advantage of the momentum in the tourism industry in Spain and the years of experience the Company has in this market.

In the pipeline for this area are 3 hotels and 1,725 rooms, including the aforementioned hotel as well as another 2 managed contracts in Cape Verde, one of which is expected to open in 2016.



Sol Costa Atlantis | Spain

SPAIN

Hotel business performance in Spain can be summed up by the following indicators:



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Owned and Leased Hotels	252.4	226.1	11.6%
Contribution from Management	30.8	31.0	(0.7%)
EBITDA Performance			
Contribution from Owned and Leased Hotels	8.0	(6.5)	223.6%
Contribution from Management	16.2	11.5	41.0%

STATISTICAL FIGURES	2015	2014	Variation
Own Property, Leasing and Management			
% Occupation	64.7%	61.3%	5.7%
RevPAR (€)*	53.2	47.7	11.6%
ARR (€)*	82.2	77.8	5.6%
Owned and Leased			
% Occupation	67.0%	63.9%	4.9%
RevPAR (€)*	53.8	47.6	13.1%
ARR (€)*	80.3	74.5	7.8%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
OWNED PROPERTY	Hotels	9	9	0
	Rooms	2,458	2,458	0
LEASED	Hotels	42	43	(1)
	Rooms	7,078	7,105	(27)
MANAGEMENT AND FRANCHISE	Hotels	31	29	2
	Rooms	5,533	5,440	93
TOTAL	Hotels	82	81	1
	Rooms	15,069	15,003	66

In 2015 Management revenue included €21.6 million from management fees, of which €7.1 million were generated by third-party hotel management. In 2014 total management fees were €18.1 million, of which €5.3 million were generated by third-party hotel management.

The Spain division can attribute its success to the consistent recovery in every segment which has enabled the Company to maintain its number one position in most tourist cities, benefiting from its extensive experience in urban and resort segments where the *bleisure* (*business+leisure*) concept, focused on customers who travel both for leisure and business, has led to optimum occupancy and rates.

The improvement in sales via the melia.com website and the optimisation of our sales strategy resulted in a positive performance, coupled with an intensive programme of reforms, brand changes and the renewal of urban hotels.

Madrid

In 2015, the overall trend has seen a recovery in business in the leisure and business segments, as well as for the MICE segment (meetings, incentives, conferences and events). During the year, there was also an increase in airport business incidents which had a very positive impact on hotels close to Barajas.

We would like to highlight the excellent performance of the Meliá Galgos Hotel, where, following the hotel's refurbishment, the results improved by over 25% compared to the previous year.

Northern Spain

An increase in demand, due in part to better weather conditions in the region, in particular during the third and fourth quarter of the year, together with increased flights to the region and the fact that the Company carried out refurbishments of some hotels, meant that Meliá was able to apply more aggressive revenue strategies with regard to rates. Particularly good results were seen in particular in Bilbao and Zaragoza.

Southern Spain

Good performance in the leisure segment also led to good results in Marbella, Cadiz, Granada and Seville. In addition, Seville benefited from excellent activity in the congress segment as 2015 was a record year thanks to the number of events held.

Eastern Spain

The Company recorded positive results in Catalonia, Valencia, Alicante and Palma de Mallorca, with a special mention for those hotels specialised in the M&E segment (Meeting & Events) which recorded significant improvements. The most outstanding hotels were the Meliá Valencia, Meliá Sitges and the Meliá Palas Atenea.

Expansion

At the close of 2015, no hotel in the Spain Division was included in the portfolio of hotel deals as the only two hotels located in Spain are included in the Mediterranean and EMEA regions, and the fact that one of them is in the *premium* category means that it should be included in the latter division.

This is completely in line with the global expansion strategy of the Group which is primarily focused on the expansion of the Company in international markets and in the *premium* category.



Meliá Palas Atenea | Spain

CUBA

Hotel business performance in Cuba can be summed up by the following indicators:



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Management	19.1	14.6	30.3%
EBITDA Performance			
Contribution from Management	9.4	6.5	43.5%

STATISTICAL FIGURES	2015	2014	Variation
Management			
% Occupation	70.4%	66.7%	5.5%
RevPAR (€)*	58.9	46.1	28.0%
ARR (€)*	83.7	69.0	21.3%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
MANAGEMENT AND FRANCHISE	Hotels	29	29	0
	Rooms	12,552	12,310	242
TOTAL	Hotels	29	29	0
	Rooms	12,552	12,310	242

In 2015 Management revenue included €19.5 million generated by third-party hotel management. In 2014, this heading amounted to €14.2 million.

With nearly 30 hotels, grouped into 23 managed contracts, with a total of 12,000 rooms, the Cuba division had a record revenue of \$435.4 million in 2015 and a total of 5.7 million stays. These results were achieved thanks to significant growth in occupancy levels (an annual average of 70.4%) and the opening of the Meliá Jardines del Rey (with 1,176 rooms) which was the last hotel added to the Company's portfolio at the end of 2014.

Thanks to improved relations with the United States, the performance of urban hotels, whose epicentre in Havana led to significant growth in occupancy (an annual average of almost 89%), was notable, as was the rise in the average revenue of the three managed hotels in this city.

Expansion

In line with the positive global outlook for the industry in the country, the division expects to realise important new projects over the next two years, in particular the opening of the Meliá International Varadero (1,174 rooms in 2018), the refurbishment of the TRYP Habana Libre and its conversion to the Meliá brand (2017-2018), the construction of the Meliá Trinidad (400 rooms in 2018) and the future introduction of new brands such as the INNSIDE and ME for two new projects in the historical centre of Havana.

The Company's portfolio at the end of the year included 3 hotels and some 2,000 rooms.

ASIA

Hotel business performance in the region of Asian can be summed up by the following indicators:



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Management	5.4	4.9	12.0%
EBITDA Performance			
Contribution from Management	(2.0)	(1.0)	(166.6%)
STATISTICAL FIGURES	2015	2014	Variation
Management			
% Occupation	61.2%	65.3%	(6.3%)
RevPAR (€)*	47.0	39.6	18.7%
ARR (€)*	76.8	60.6	26.7%

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM		2015	2014	Variation
MANAGEMENT AND FRANCHISE	Hotels	10	8	2
	Rooms	2,836	2,505	331
TOTAL	Hotels	10	8	2
	Rooms	2,836	2,505	331

In 2015 Management revenue included €3.2 million generated by third-party hotel management, over €2.8 million in 2014.

The results reported by this division were heavily affected by the performance of the exchange rate. If the performance of the division is analysed in dollars, average revenue per available room (RevPAR) improved by 0.2% over 2014.

The main negative deviation was for the Meliá Bali and Gran Meliá Jakarta Hotels. This dollar deviation can be partly explained by the devaluation of the Indonesian rupiah.

On the positive side, the high contribution by the Gran Meliá Xian was notable: this hotel was added to the Company's portfolio in October 2014 and its results were better than those forecast.

Expansion

Today, the Company has 30 hotels in the region – between those that are operational and those that are in the pipeline – and nearly 8,000 rooms, in countries such as China, Mongolia, Malaysia, Vietnam, Myanmar and Indonesia, all operating under a managed hotel model.

According to the Company's 2016-2018 Strategic Plan, this will remain the model and the goal will be to grow by at least 10 hotels per year which would result in the Company having no less than 60 hotels by the end of 2018. However, no strategic moves should be ruled out in the area in the case of key destinations.

BRAZIL

The hotel business performance in Brazil can be summed up by the following indicators:



ECONOMIC FIGURES	2015	2014	Variation
Revenue Performance			
Contribution from Management	5.3	7.6	(29.7%)
EBITDA Performance			
Contribution from Management	(0.5)	1.4	(138.2%)

STATISTICAL FIGURES	2015	2014	Variation
Management			
% Occupation	54.9%	59.7%	(7.9%)
RevPAR (€)*	48.0	65.3	(26.5%)
ARR (€)*	87.4	109.5	(20.2%)

* RevPAR: revenue per available room. ARR: average room rate

PORTFOLIO HOTELS/ROOM	2015	2014	Variation	
MANAGEMENT AND FRANCHISE	Hotels	14	13	1
	Rooms	3,216	2,944	272
TOTAL	Hotels	14	13	1
	Rooms	3,216	2,944	272

In 2015, Management revenue included €4.1 million generated by third-party hotel management. These figures in 2014 were €5.9 million.

2015 was particularly difficult for the Brazil division due to the complicated political and economic situation in the country. Factors such as the decline in levels of investment, falling GDP, rising interest rates, high unemployment rates and the devaluation of almost 40% of the local currency (the real) against the euro and the dollar led to a significant slowdown in domestic consumption. This affected the hotel industry in general, and the Group in particular, as the hotels the Company manages in the country are mainly urban hotels that are heavily exposed to the business segment.

Expansion

The portfolio of scheduled openings at the year's end included 4 hotels and some 1,200 rooms, including two hotels that are expected to open in 2016, including the Gran Meliá Nacional Rio, with 472 rooms.

Real Estate

In 2015, total revenue generated by the Real Estate business unit reached €69.9 million, of which €61.2 million were linked to sales as well as asset revaluations.

Within the framework of asset turnover, the main achievements were:

- The sale of a package of 6 resort hotels in Spain to a joint venture with 80% going to the Starwood Capital Group and 20% to Meliá Hotels International. The selling price was €178.2 million, with a net cash income of €150 million. The net capital gain with regard to EBITDA was €40.1 million.
- The sale of the Calas de Mallorca resort, in Majorca, with 875 rooms. The transaction was for €23.6 million with a net capital gain of €3.3 million.
- The sale of the Sol Falcó in Menorca, with 450 rooms. The selling price was €20 million and it generated a net capital gain of €3.9 million.

All the above-mentioned operations generated total net capital gains of €47.3 million in EBITDA, compared with €14.9 million in 2014 linked to the sale of the Sol Aloha Puerto hotel.

With regard to revenue linked to asset revaluation, in 2015 €2.4 million were generated, while in 2014 revenue of €7.8 million was generated that was mainly linked to shopping centres the Group owns in America.

Looking ahead to 2016, the Company aims to carry out sales of additional assets by taking advantage of real estate cycles in different strategic markets. At the same time it will continue to go forward in the consolidation of joint ventures as a dynamic and vital element for the Group's strategy with the aim of strengthening the role of the Company as a manager of hotels.



Meliá Gorriones | Spain

Club Meliá

Sales generated by Club Meliá grew in 2015, helped by the appreciation of the dollar against the euro as almost all Club Meliá revenue is denominated in dollars.

The number of weeks sold – the main source of income for this holiday club – was slightly below the previous year, partly due to the slowdown in sales in Puerto Rico, as well as a decrease sales to customers from certain emerging markets such as Argentina, Brazil and Venezuela, in order to minimise, to the extent possible, effects associated with country risk.

As for activity in Mexico, the strong appreciation of the US dollar against the Mexican peso greatly affected the local market (the main customer of holiday units in Mexico) as the payment currency is the dollar.

To wrap up the performance of Club Meliá in 2015, it should be noted that, in the third quarter, the Company stopped its sales and marketing activity in Spain. While Club Meliá will continue to serve existing customers, the Company will not sell additional units in Spain. This had significant impact on sales in the fourth quarter of the year and it will also have an impact on expected sales for 2016.

From now on, the 2016-2018 Strategic Plan will focus on the following aspects:

- Redefining the strategy for Club Meliá products and services and its position on the Company's brand map
- Redesigning and implementing lead generation strategy focused on the digital arena
- Refining, optimising and standardising sales processes by creating our own unique system
- Identifying opportunities with strategic partners



Meliá Puerto Vallarta | Mexico

MELIÁ FOR THE WORLD

Governance Model

Corporate Governance

Risk Management

Relations with Stakeholders

Social Cash-Flow

Materiality Analysis

Customers

Owners and Partners

Our team

Suppliers

Shareholders and Investors

Society

Environment

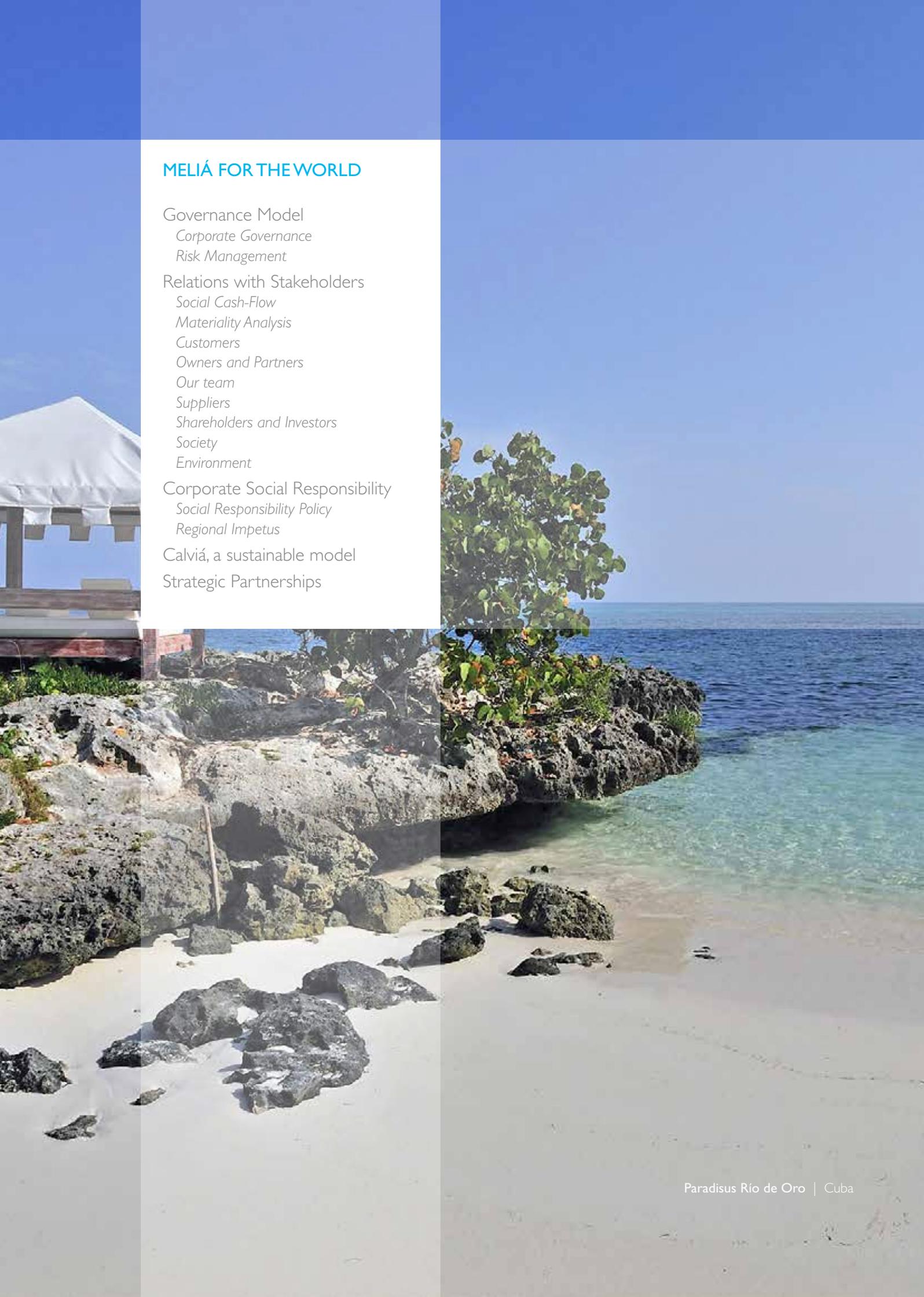
Corporate Social Responsibility

Social Responsibility Policy

Regional Impetus

Calviá, a sustainable model

Strategic Partnerships



GOVERNANCE MODEL

G4-34 >
G4-36 >

Corporate Governance

As a responsible company, Meliá's activity and decisions are guided, among other things, by principles of transparency, diligence and separation of duties between the bodies involved in their adoption, enforcement and monitoring.

The **General Meeting of Shareholders** is the highest decision-making body of the Company and the **Board of Directors** is in charge of management and supervising activities.

In addition, the **CEO and Vice-Chairman**, as well as the Senior Executive Team (**SET**), are part of the organisational structure for the decision-making and enforcement of the resolutions adopted.

The Company's action guidelines in Corporate Governance issues are shaped by the principles, commitments and actions set out in its Code of Ethics, its Internal Rules and Policies it adopted in 2012. As a company listed on the stock exchange, it not only complies scrupulously with current legislation but also works to the implement the recommendations set out in the Code of Good Governance for Listed Companies, adopted by the CNMV on 18th February 2015.

For Meliá and its Group, the fact that it has a framework for the adoption and enforcement of hierarchical, transparent and clearly established decisions reinforces a vision for the medium and long term to ensure the sustainability of its business, to meet the expectations of its stakeholders and to generate economic and social value based on its commitment and corporate values: **vocation for service, excellence, innovation, proximity and coherence.**

Governing Bodies

G4-38 >
G4-39 >

GENERAL MEETING OF SHAREHOLDERS		
<p>MISSION</p> <p>This is the highest decision-making body of the Company and its duties are regulated by Article 30 of the Corporate Bylaws and by Article 3 of the General Meeting of Shareholders' Regulations.</p>	<p>FUNCTIONS</p> <p>Among other, the following stand out:</p> <ul style="list-style-type: none"> ■ It names, re-elects and separates the Board members and the auditors, and exercises social responsibility actions against them ■ It approves individual and consolidated financial statements, the allocation of income and social management ■ It increases or decreases share capital ■ It issues debentures, bonds and other similar securities ■ It transforms, merges, divides, spins off and globally transfers assets and liabilities or liquidates the Company. ■ It approves amendments of the Bylaws ■ It approves the acquisition, sale or contribution to another company of essential assets and the transfer to subsidiaries of essential activities carried out until now by the Company. ■ It approves the Remuneration Policy for the Directors ■ It approves and amends the Regulations of the General Meeting of Shareholders ■ It confers powers to the Board ■ It decides on matters under consideration by the Board ■ It decides what is appropriate regarding matters that are not specifically set out in the Bylaws 	
BOARD OF DIRECTORS		
<p>MISSION</p> <p>It is the highest management and supervisory body of the Company and its functions are governed by Article 34 of the Bylaws and Article 5 of the Regulations regarding the Board of Directors</p>	<p>DUTIES</p> <p>Among other, the following stand out:</p> <ul style="list-style-type: none"> ■ It represents and embodies the personality of the Company ■ it draws up and provides all kinds of contracts, deeds and documents ■ It convenes the Board, enforcing and ensuring that the decisions taken by said body are fulfilled ■ It accepts, should the case arise, the resignations of the members that comprise it ■ It identifies the main risks for the Company ■ It approves Policies 	<p>THE 2015 BOARD OF DIRECTORS</p> <p>10 members:</p> <ul style="list-style-type: none"> ■ 2 Executive Directors (Chairman and Executive Vice Chairman) ■ 3 External Proprietary Directors ■ 4 External Independent Directors ■ 1 External Director with the category of "Other"
<p>Article 6 of the Regulations of the Board of Directors states that the criteria that must prevail at all times with regard to the actions of the Board is to act with diligence, loyalty and good faith and in the best interest of the Company by safeguarding the viability and continuity of the Company and maximising long-term value, and that no shareholder shall receive preferential treatment in relation to the others</p>		

CHIEF EXECUTIVE OFFICER AND COMMITTEES

CHIEF EXECUTIVE OFFICER

Mr Gabriel Escarrer Jaume, as CEO of the Company, has been delegated all the powers of the Board of Directors, except those which are non-delegable, carrying out the usual duties as Chief Executive of the Company

AUDIT AND COMPLIANCE COMMITTEE

Current Composition – 4 members

2 Independent External Directors (one of them being its Chairman), a Proprietary Director and an "Other" External Director

Regulation

- Article 39 bis of the Bylaws
- Article 14 of the Regulations of the Board of Directors:

Allocated Duties

Among other, the following should be highlighted:

- Supervising the process of financial reporting
- Maintaining relations with the external auditors of the Society
- Review of the Company's Accounts
- Examining compliance with the Internal Code of Conduct in Securities Markets, the Board Regulations and, in general, the Company's rules of governance
- Reporting, prior to the Board meeting on all matters covered by Law, the Bylaws, the Board Regulations and in particular: (I) the financial information that the Company must periodically disclose; (II) the creation or acquisition of shares in special purpose entities or domiciled in countries or territories that are considered tax havens and (III) related party transactions

APPOINTMENTS AND REMUNERATION COMMITTEE

Current Composition – 4 members

3 Independent External Directors (one of them being its President), and a Proprietary Director

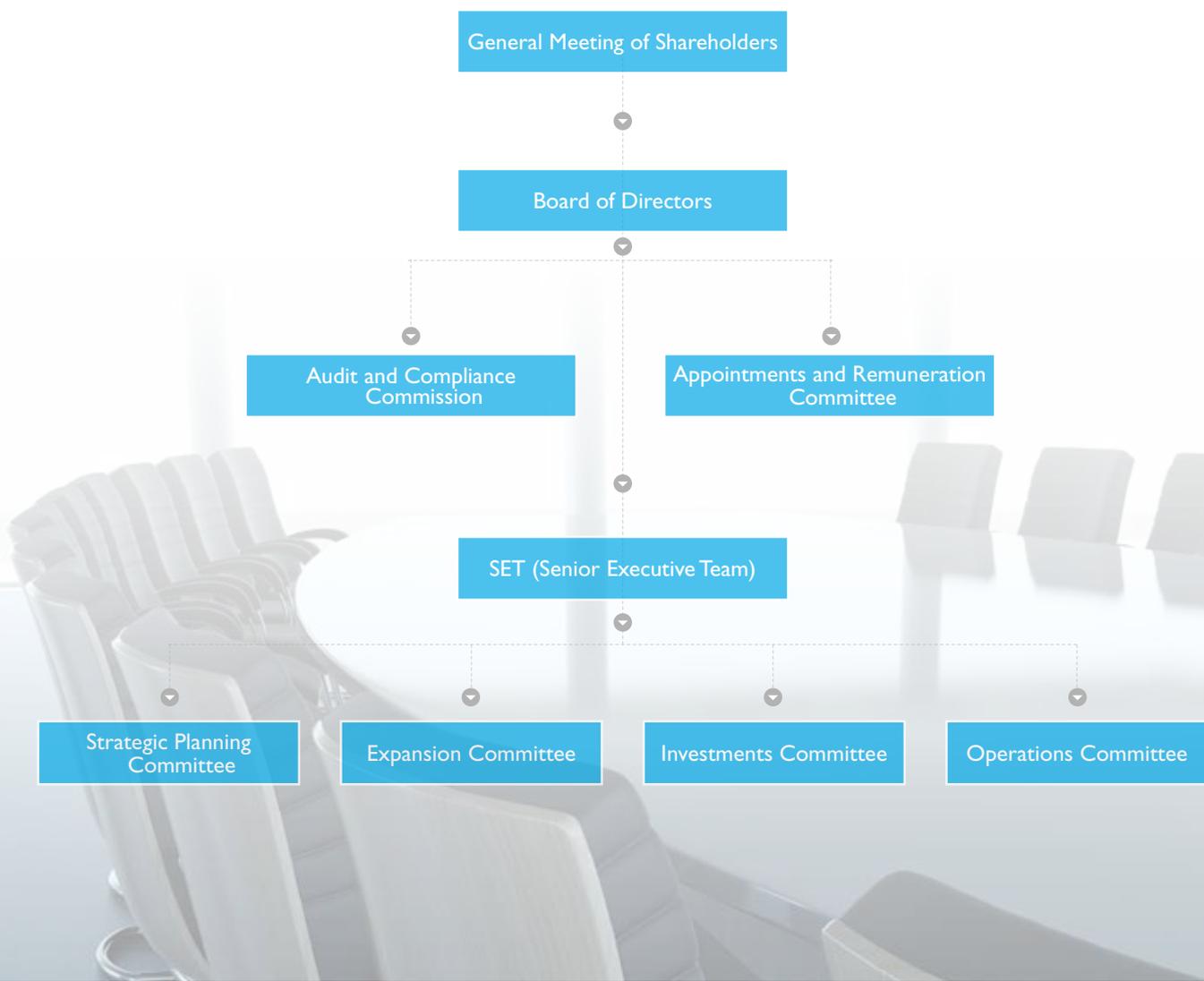
Regulation

- Article 39 Ter of the Bylaws
- Article 15 of the Regulations of the Board of Directors:

Allocated Duties

Among other, the following should be highlighted:

- Formulating and reviewing the criteria to be followed for the composition of the Board
- Putting forward to the Board proposals for the appointment of Independent Directors and reporting the suggested appointment to the other Directors
- Proposing to the Board the members that should be part of each of the Committees
- Putting forward the Remuneration Policy for the Directors
- Reporting on any transactions that involve or may involve conflicts of interest
- Coordinating the report for assessing the quality and efficiency of the Board and the Committees
- Reporting, prior to the Board meeting on all matters covered by Law, the Bylaws and the Board Regulations



Main Modifications 2015

In the context of updating the rules established by Law 31/2014, of 3rd December, which amends the Corporate Enterprises Act for better corporate governance, the following changes to the Company were made in 2015:

- Modification of the **Bylaws and Regulations of the General Meeting of Shareholders** at the General Shareholders' Meeting held on 4th June, 2015.
- Amendments to the **Regulations of the Board of Directors** and the approval of the Revised Text, with the main amendments being the annulment of the Strategy Committee as the said Board of Directors now has the power to decide on relevant matters. The Board of Directors held the meeting on 26th November, 2015
- Appointment of the **Independent Coordinating Director**, as well as the modification of the composition of the **Delegate Committees of the Board**, at the meeting of the Board of Directors on 26th November, 2015.



Executive Committee (Senior Executive Team)

Mark Hoddinott
EVP Real Estate

Gabriel Cánaves
EVP Human Resources

Pilar Dols
EVP Finance &
Administration

Gabriel Escarrer
Vice-Chairman and
CEO

André P. Gerondeau
EVP Hotels

Mr Juan Ignacio Pardo
EVP Legal &
Compliance

G4-S03 >

Internal Control Systems and Audits

Meliá's Internal Audit Board is an independent, internal body with global scope that ensures that the internal controls put in place are appropriate for mitigating risks, that the checking procedures are proper and efficient, and that established rules and procedures are complied with.

Independence is ensured by the organisational structure and the allocated reporting lines.

The activity of the audit is to evaluate the different areas of the organisation that are exposed to any risk and ensure that the operations and the integrity of financial and operational information complies with the Policies, Standards and Procedures of the Company and and the Law or the applicable regulation that applies.

In its control and verification process, it detects opportunities for continuous improvement of control processes such as the integration of future computer systems.

The scope of the work of Internal Audits focuses on the following areas

- Accounting and operations
- Regulations, processes and procedures
- Contracts with third parties
- Changes in hotel management
- Global/Corporate Information Systems and business centres
- Regulatory compliance regarding health and occupational hazards (Spain)
- Protection of Private Data Act
- Internal Control System on Financial Reporting Model (SCIIF)

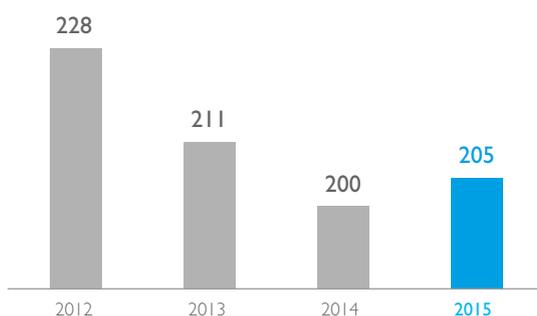
Meliá conducts audits worldwide in both corporate and regional offices as well as for its other businesses:

- Hotels
- Club Meliá
- Other Businesses (casinos, theme parks, etc.)
- Shopping Malls
- Companies

Audit processes take place both in person, at the centre or business unit that is being audited, as well as remotely from audit departments located in Spain and in Mexico.

This management is made possible by the incorporation of the appropriate systems and technology to treat and analyse the data centrally and improve safety and efficiency ratios.

FACE-TO-FACE AUDITS (#)



COUNTRIES AUDITED AND NUMBER OF AUDITS (2015)

Germany	12	Cuba	2	Mexico	12
Austria	3	Spain	142	Panama	1
Bahamas	2	USA	1	Puerto Rico	1
Brazil	2	France	1	United Kingdom	3
Cape Verde	2	Indonesia	2	Dominican Rep.	10
China	1	Italy	1	Thailand	1
Croatia	1	Luxembourg	1	Venezuela	4

G4-EC2 >

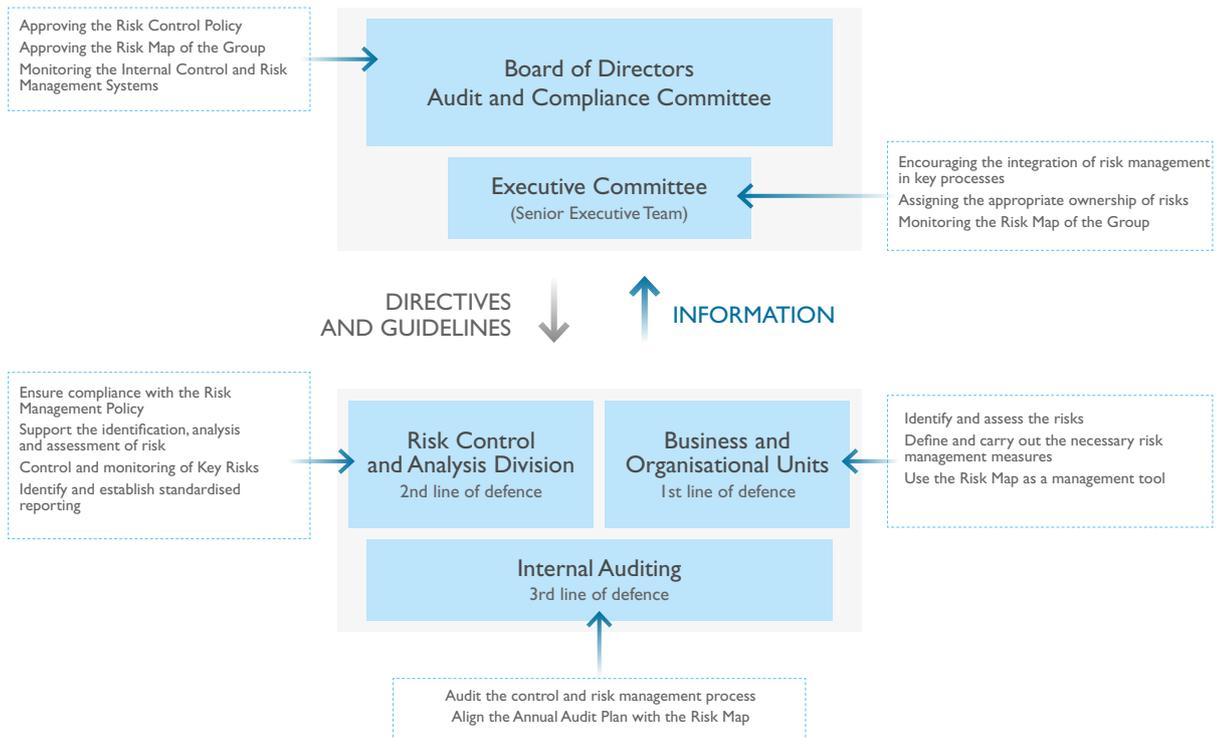
Risk Management

The Group is exposed to various risk factors because, among other things, of the characteristics of the business itself and the various countries and markets in which it operates.

In this regard Meliá is equipped with an Integrated Risk Management Model across all its Groups which allows the main risk factors for the Company to be identified and assessed. This ensures uniformity in the assessment criteria and ensures the implementation of the necessary control measures and action plans.

Risk management at Meliá is considered a differentiating factor and ultimately is aimed to improve the capacity to generate sustainable value and offer security and trust to its different stakeholders. It thus has a number of governing bodies and organisational units that are assigned responsibilities to tackle risk management.

Below is the organisational structure as well as the main functions and responsibilities they are allocated:



The Risk Management Model is based on the international methodological framework COSO II (*Committee of Sponsoring Organizations of the Treadway Commission*).

Different risk events, once they have been identified, analysed and evaluated, are categorised into six main types of risk.

G4-SO4 >

Risk Policy and Rules

The Policy sets out the basic principles that govern risk management and the overall framework for action regarding this issue.

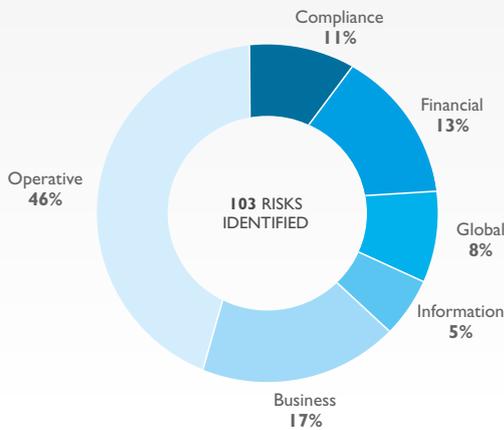
The standard is to develop and establish rules, guidelines or criteria that the risk management model should follow so that it is fully aligned with Company strategy.

Risk Map

The Risk Management model applies to the entire Company. In 2015 a total of 39 managers were involved in the process of drawing up the Risk Map.

A total of 103 risk events were identified, spread over the following categories:

- **Global:** Arising from events beyond the actions of the Company (natural disasters, geopolitical risks, etc.)
- **Financial:** Events affecting financial variables (liquidity, credit, debt, interest rates, etc.)
- **Business:** Consequences of the variables inherent to the business (customers, competitors, suppliers, etc.)
- **Operative:** Events originating from failures in operational management (internal processes, controls, human resources, equipment and systems, etc.)
- **Compliance:** Are due to changes or breaches (regarding both internal and external regulations)
- **Information:** A consequence of the use of information (generation, analysis, communication, etc.)



The value of a risk ranges from 1 to 36 depending on how it is defined by the assessment scale



After reflecting on and analysing the risks identified, variables of probability and impact are assessed using a scale which allows an assessment that takes into account various quantitative and qualitative aspects, including that of reputation.

The average rate of the TOP 20 Risks, understanding the rate of risk as the probability resulting from the impact, has decreased by 7.65% compared to 2014 from an average rate of 12.68 to 11.71 in 2015.

Of the total of identified risks, rate of risk decreased by 66% over the previous year.

In addition to the Group's Risk Map, the model creates individual maps of each organisational unit, allowing each one to manage their own specific risks. In 2015 a total of 48 Risk Maps were created.

These Risk Maps facilitate and assist, among other things, processes of decision making, goal setting and allocation of resources. In this regard, of the Group's key risks identified in 2015, a total of 157 initiatives or action plans aimed at mitigating these risks were designed. Meliá Hotels International keeps track of risks related to climate change and in its list of risks, a number related to this issue have been identified.

Risk Analysis Sheets

The purpose of these sheets is to know and understand, prior to making a decision, the level of risk Meliá is taking with regard to certain critical operations and in terms of certain aspects closely linked to the operation.

A total of five specific risk analysis sheets have been designed that encompass different aspects and risks depending on the type of operation such as: financial transactions, asset rotation or expansion.

5
Risk Analysis Sheets
to analyse risks
in
critical
operations

Crime Detection Protocol

Since 2010 Meliá Hotels International has had a Crime Prevention Model. The model allows the criminal risks to which the organisation is exposed to be identified as well as the established controls and procedures to mitigate such risks.

In 2015 Meliá began reviewing and updating its Crime Prevention Model to ensure that the model gives maximum coverage to the main criminal risks.

In addition, mindful of the importance of risk management, in 2015 Meliá began a project to implement the *SAP GRC Risk Management & Process Control* tool that ensures an integrated management of documentation, evaluation and monitoring of the entire risk management model, with regard to the Risk Map and Crime Detection Protocol.



Annual Risk Investment Plan

The Group's Annual Investment Plan includes a specific amount that is used to carry out investments aimed at mitigating the risks that have been identified in the various establishments.

An established procedure is in place whereby the need for this type of investment is occasionally identified; they are assessed using three criteria and different valuation methodologies and are prioritised to be carried out depending on the results.

In addition to this specific amount, within the scope of other investments such those for refurbishments, the needs of identified risks are also included thereby maximising the efficiency of the Annual Investment Plan in terms of risk mitigation.



RISKS	DESCRIPTION	TREND	MATERIALITY	MANAGEMENT
HR Resource and Talent Management	Opening the job market may lead to: Loss or rotation of key staff Difficulty in drawing or recruiting talent Dependence on key staff for certain positions		People management, drawing and retaining talent	Annual talent potential identification plan and development programmes. Training and development plan for the various <i>Talent Pools</i> Digital environments for knowledge dissemination, learning and continuous improvement Internal promotion policy Programmes of reserves of personnel for key hotel positions Agreements with Universities and Tourism and Business Schools Visibility on reputational, brand and sector employerrankings
Growth and Expansion	Expansion Plan requiring: Resource requirements and capacity to absorb the rate of growth Correct choice of regions, countries and partners		Current presence and future growth	Existence of an Expansion Committee to define, approve and monitor projects Individualised risk analysis for each project
Dependence on Areas and/or Regions	Improve the distribution balance of Meliá's portfolio: Concentration of hotels in some areas Difficulty of adapting certain hotels to the brand's standards		Business evolution and results Brand and product strategy Innovation	Development of the Strategic Expansion Plan Expansion mainly through management models, but also rental and, to a lesser extent, franchising Annual Investment Plan for product and brand improvement
Profitability of the Hotel Management Model	As a hotel management company, ensure: Price and income management and policy Competitiveness of the management model Ability to adapt the model to each country		Sale channels Innovation Brand and product strategy	Strengthening of distribution channels (melia.com, call centres) Loyalty programmes for direct customers, travel agencies, etc.
New Competitors	Emergence of new competitors and forms of collaborative consumption: Possible loss of leadership in certain areas More numerous, aggressive, renewed competition, with strong customer relations Possible sectorial restructuring (mergers, acquisitions, emergence of new competitors)		Tourist and economic sector context Innovation	Creating models of relations with the owner: owner website Adaptation of the organisational model to the needs of the business Digital transformation of the sales force Optimisation of <i>on/offline</i> marketing Incorporation of new attributes, services
Investment. Maintenance and Asset Renewal	Consistency regarding the Annual Investment Plan, with key points being: Investment process (allocation, execution, control and monitoring) Return on investments Wear and tear of facilities and equipment		Financial solvency Brand and product strategy Product quality and customer satisfaction	Existence of an Investment Committee responsible for identifying, monitoring and controlling the investment plan Defining an annual maintenance plan Risk prevention or its minimisation to be integrated in the annual investment plan
Cybersecurity	Refers to: Information protection and security Cybercrime, cloud computing User management, access and profiles System failures or crashes		New technologies, digitalisation	Creation of a specific annual Internal Audit Plan of the computer systems Twice-yearly control process of personal data protection Obtainment of annual PCI Compliant certification. Protection of payment information for card holders, minimise risk of intrusion and increase customer trust Continuous improvement in the adaptation of access to software tools available and security of information Control and monitoring of the setup of navigation proxies for increased protection
Legal or Regulatory	The fact that Meliá operates in 41 countries involves exposure to risks such as: Legislative or regulatory changes (of any kind, tax, accounting, employment, environmental etc.) Complexity and regulatory dispersion which could lead to breaches		Tourist and economic sector context Human rights and employment conditions Transparency of information	Existence of a Code of Ethics and Whistleblower Channel Behaviour Policy Directive signed annually Identification, communication and continuous monitoring of regulatory changes Relations with prestigious external legal advisers
Geopolitics	Situations arising from geopolitical instability: Terrorist attacks Wars, civil unrest or military uprisings, etc. Crises or political insecurity in countries where the Company operates		Tourist and economic sector context	Creation and implementation of emergency crisis plans Crisis Management Protocol according to the nature of the situation

G4-SO4 >

Operating Risks	Financial Risks	Compliance Risks
Business Risks	Information Risks	Global Risks

NB: The identification of these risks does not mean that they have materialised during the year. However, Meliá tries to put in place the mechanisms it deems appropriate to reduce the likelihood of occurrence or the impact they would have if they did arise.

Code of Ethics

Throughout its history, Meliá Hotels International has traversed different levels of growth, consolidation and transformation. Its values have evolved with the times, though it has always maintained a solid base linked to its nature as a family business.

This evolution has allowed it to review and improve its framework for behaviour and alignment with new values to guarantee the optimum cohesion and protection of all of its employees and contribute to good daily relations with its stakeholder groups.

A result of this progress is the first Meliá Code of Ethics, approved by the Board of Directors in March 2012. In October 2012, the Remuneration and Appointment Committee of the Council laid out the channels necessary for it to function.

This Meliá Code of Ethics is a set of principles for action that order and give meaning to the values of the Company. It is not a disciplinary code or just another set of rules, but rather the pinnacle of the entire internal regulatory framework of Meliá, which establishes the bases from which the internal policies, rules, processes and procedures are aligned with this code.

Today, anyone who joins Meliá, in addition to being able to read the content of the code – in any of six languages – can access it on the internal corporate portal which has been specifically designed to guide Meliá's ethical relationship and commitments with its key stakeholders, among which are:

- Employees
- Executives
- Clients
- Shareholders and Investors
- Suppliers
- The Tourism sector and its competitors
- Society
- Environment
- Public Administration
- The Media

Meliá supports and subscribes to various reputable standards and models of business and sectorial behaviour both globally and within the sector. The Code of Ethics, far from duplicating or replacing them, reinforces them. Among the most important are the following:



PRINCIPLES OF THE GLOBAL COMPACT: A United Nations initiative established in 2001 on responsible corporate behaviour. It brings together 10 principles grouped into four blocks: employee relations, human rights, the environment and anti-corruption policies. Meliá subscribed to it in 2008 and, in 2015 the Company achieved the **highest level** of transparency of information, as reported to this body.



CODE OF ETHICS FOR TOURISM (WORLD TOURISM ORGANIZATION): The Code adopted in 1999 by the General Assembly of the WTO and endorsed by the United Nations General Assembly in 2001, is a set of principles designed to guide the development of tourism so that the sector can offer the most socio-economic benefits possible, while minimising any negative impact it may have. Meliá has been a signatory company since 2011.



ECPAT CODE OF CONDUCT (ERADICATING CHILD PROSTITUTION ABUSE AND TRAFFICKING): ECPAT International is a global network of organisations and individuals working together to eliminate child prostitution and child pornography and the trafficking of children for sexual purposes. In 2006, Meliá was the first company in the tourism sector to join ECPAT.



GLOBAL SUSTAINABLE TOURISM COUNCIL: Set up by the United Nations in 2010, this is a global initiative dedicated to promoting the reach, awareness and recognition of best practices for sustainable tourism. It has members and representation in all regions of the WTO.



CONVENTION ON THE RIGHTS OF THE CHILD: The Convention, adopted as an international human rights treaty on 20 November 1989, came into force on 2nd September 1990. In its 54 articles it recognises that children (minors under the age of 18) are individuals with the right to full physical, mental and social development and have the right to freely express their views.

In order to have a proper internal management of the Code of Ethics, Meliá has designed a model of governance that includes the following bodies:

OFFICE OF THE CODE OF ETHICS	ETHICS COMMITTEE	WHISTLEBLOWER CHANNEL
<p>MISSION</p> <p>This acts as a Committee, coordinating all the activities that arise in relation to the Code. It is channelling body which represents all the areas involved in the follow-up, implementation and functioning of the Code.</p>	<p>MISSION</p> <p>Independent disciplinary professional body, which manages the Whistleblower Channel.</p>	<p>MISSION</p> <p>Main communication tool for complaints related to observance of the Code of Ethics, current legislation, any issues relating to regulatory non-compliance and situations or events that could require the attention of Senior Management.</p>
<p>DUTIES</p> <ul style="list-style-type: none"> ■ Interprets and resolves doubts ■ Runs timely updates ■ Raises awareness and trains staff on the content ■ Provides support to the different areas ■ Permanent advisory service 	<p>DUTIES</p> <ul style="list-style-type: none"> ■ Works for the correct implementation and functioning of the Whistleblower Channel ■ Guarantees confidentiality ■ Defines waiting times for attendance and filters out inappropriate uses ■ Define scales of severity, classification of subjects and notifications to the Audit Committee 	<p>DUTIES</p> <ul style="list-style-type: none"> ■ Guarantees objectivity and privacy as it is managed by a third party ■ Complaints are sent directly to the Chairman of the Audit and Compliance Commission

In 2015 it received no communications via the Whistle-blower Channel.



Meliá Doha | Qatar

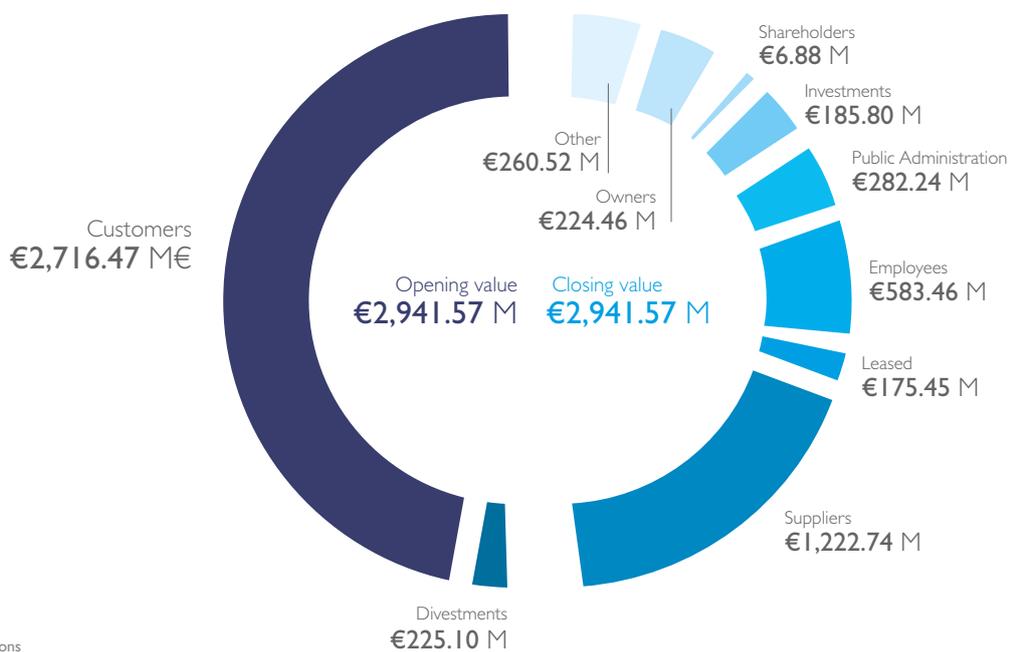
RELATIONS WITH STAKEHOLDERS

G4-EC1 >

2015 Social Cash-Flow

Meliá Hotels International has generated wealth of over 2.9 billion Euros distributed among many stakeholders. This corroborates the solid values on which the Company is founded, generating, via its activity, a direct benefit to society in general, and to its stakeholders in particular.

This figure has increased by 23% compared to that of 2014 due to improved performance and as a result of international growth, which is distributed as follows:



M=Millions

OPENING
VALUE

CLOSING
VALUE

Customers

Revenue from hotel operations, other assets and businesses

Divestments

Revenue from real estate divestment, group companies, financial assets, etc.

Suppliers

Payments to food and beverage suppliers, outsourced services, transport, supplies, etc.

Employees

Payments to the company's own personnel, both at corporate offices as well as the hotels and management.

Public Administration

Payment of corporation tax, social benefits of employees, business taxes, etc.

Investments

Payments for investments, maintaining assets, group companies, financial assets, etc.

Leased

Payments to the owner of real estate assets used for hotel management and other activities

Shareholders and other

Shareholder dividends, financial expenses, exchange rate variations, loans to associated companies, etc.

G4-24 >
 G4-27 >
 G4-37 >

Materiality Analysis

Its commitment to actively listen to its stakeholders led Meliá Hotels International to conduct a survey in 2014 to find out their main concerns and relevant matters and align its Annual Report with said concerns and matters.

In addition to this materiality analysis, Meliá uses different customer and regular active listening tools to be informed of their priorities, concerns and expectations in order to take their needs into consideration and strengthen the value proposal.

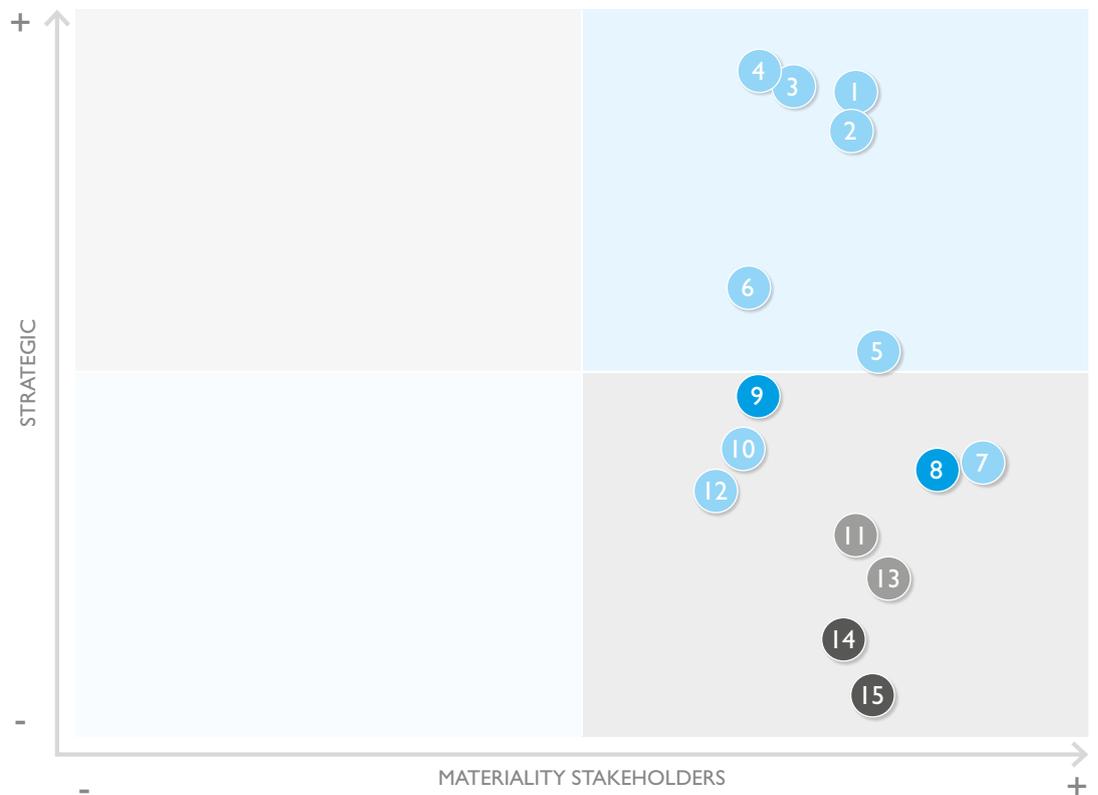
The definition of the material aspects was revised in 2015 while the 2016-2018 Strategic Plan was being drawn up and was also contrasted with the mission and vision that Meliá established in 2011.

The activity carried out Meliá impacts not only in business performance but its stakeholders too. For the sustainable and long-term success of the Company, expectations and needs of different *stakeholders* must be considered throughout the value chain.

Aspects that categorise matters that are relevant to stakeholders can be segmented into four categories:

- Business
- Setting
- Corporate Governance
- Corporate Social Responsibility

G4-19 >
 G4-20 >
 G4-21 >



Meliá's commitment, in each Annual Report, is to disclose all of the concerns that are relevant to its stakeholders – as well as the developments and initiatives that were implemented in 2015 – in an integrated way that takes into account the guidelines regarding *Integrated Reporting*.

The Materiality Matrix was attended by over 22,000 people worldwide, among which were the various stakeholders of the Company, customers, employees, suppliers, owners, analysts, experts and members of the Board of Directors as well as representatives from the media, social organisations and those related to Corporate Social Responsibility.

Its contribution defines the fifteen most important principles or topics shown on the list of forty to choose from.

G4-19 >
G4-20 >
G4-21 >
G4-27 >

RELEVANCE	MATERIAL ASPECT	CONTENTS OF THE REPORT
1	Brand and product strategy	Corporate Brand Brand Portfolio Brands and innovation
2	Financial solvency	Main figures Impact & Results Management Report
3	Current presence and future growth	Map of Presence Portfolio of Hotels Internationalisation
4	People management, drawing and retaining talent	Competitive and Efficient Organisation Our Team
5	Business evolution and results	Main figures Impact & Results Management Report
6	Sales channels of Meliá Hotels International	Business Model Meliá Digital
7	Product quality and customer satisfaction	Brand Portfolio Customer Awards
8	New technologies, digitalisation	Meliá Digital Brands and innovation
9	Tourist and economic sector context	Tourism Industry Risks and Opportunities
10	Customer relations. Loyalty programmes	Meliá Digital Customers
11	Management Team Profile	Corporate Governance
12	Innovation	Meliá Digital Brands and innovation
13	Transparency of information	Corporate Governance Annual Report
14	Energy and carbon footprint management	Environment
15	Human rights and employment conditions	Company

- Business
- Environment
- Corporate Governance
- CSR

The resulting fifteen material aspects make up, in themselves, a priority for the Company and as such have been integrated into the business strategy and the Company's 2020 Vision, as well as into the model of responsible commitment to our stakeholders, and to generate relationships of trust, transparency, responsibility and consistency.

This 2015 Annual Report addresses each and every one of the points mentioned in the resulting Materiality Matrix. It is more than a static analysis, however - it is a tool that has been integrated into the daily life of the Company from a strategic and management standpoint.

G4-25 >
G4-26 >

Dialogue and Relations with Stakeholders

The main goal of the Dialogue and Relations Model with the Company's stakeholders is to promote a framework of trust, transparency and generating shared value. Meliá believes it essential that these expectations, which stakeholders demand from the Company, are a key factor in their relationship as well as to ensure a sustainable and excellent long-term model.

Meliá thus makes different channels, tools and spaces available to its stakeholders to maintain a close, transparent two-way dialogue in order to stay abreast of their priorities, concerns and expectations and to thus respond in the best possible way.

Given the internationalisation of the Company – which now operates in 41 countries – Meliá has had to promote new models of collaboration that focus on encouraging a personal touch and adapting to the cultures and customs of the various countries; this strengthens the values Meliá believes in such as service commitment, excellence and innovation.



CUSTOMERS

Meliá Hotels International's commitment: We offer our guests the best customised experience in accommodation, exceeding their expectations thanks to the excellence of our best services

Customer Experience

Meliá puts its customers at the heart of the organisation and places special emphasis on active listening, daily improving the value proposal, and exceeding customers' expectations. When the Global Brand Strategy & Marketing Teams design or redesign a brand and its attributes, they take into account and integrate customer knowledge and their expectations which come from the different customer segments that trust Meliá.

The overall management of this process involves a vibrant and constant process that focuses on devising, designing, testing, adjusting and realising the promise of each of the brands in a way that is consistent with their positioning.

Meliá's proposal of unique and personalised experiences involves a creative process in which customers participate directly and actively by conveying their wishes, opinions, expectations and feelings: these are gathered by Meliá and transformed into a real and excellent value proposal.

Meliá's way of managing its relationship with its customers is focused on enhancing one of Meliá's corporate values – the personal touch – via which the return on experience, with a long-term vision in mind, creates a significant impact and enriches the relationship. This vision has led Meliá to create a loyalty programme for its customers, **MeliáRewards**, the aim of which is to strengthen the emotional bond with the Company.

Active listening by Meliá allows needs, assessments and customer perception about the services offered to be met directly, mainly via multiple tools and channels,

MeliáRewards

Technological developments and the new digital culture have enabled the Company to transform and optimise customer relations. This is due to greater understanding and interaction, the aim of which is to offer more personalised services and increase the perceived value that lead to loyalty and satisfaction.

With this in mind, the Company's loyalty programme, **MeliáRewards**, which has nearly five million members worldwide, has established itself as one of the main levers of income generation for the Company, resulting in a turnover of **almost €600 million**.

The improvements implemented have led to new benefits, strengthened emotional bonds with customers and boosted the personalisation of the programme for easy account management.



68%
International Members

38
Associated partners

1.4
million MeliáRewards stays
(+25%)

G4-PR5 >

Customer Satisfaction

At Meliá, managing customer experience is based on recognising each individual: listening to and analysing their needs in order to innovate and improve the value proposal of each brand, thus responding to the needs of today's consumers.

The *Guest Experience* department ensures compliance with the brand's promises, their attributes and the culture of service in each hotel, promoting introduction and implementation.

To discover the needs, expectations and opinions of its customers, Meliá has tools that allow it to monitor – daily and online – guest satisfaction and the Company's reputation; it does this via leading opinion internet portals as well as testing pilot products or services.

In 2014, Meliá introduced the *Net Promoter Score* (NPS) as one of its main indicators of satisfaction: this measures brand loyalty based on the recommendations of its customers and also compares the results with its competitors.

This indicator is the result of the assessment of a single question that is in our satisfaction survey **Would you recommend our hotel** with answers on a scale from 0 to 10. The result is obtained by subtracting the number of Promoters (score of 9 and 10) with that of Detractors (score of 0 to 6) and comparing the result with that of the competition. In 2015 this indicator reached a score of 42 points, 5.53% higher than the previous year.

Always at the cutting edge, Meliá monitors the online reputation of its brands and hotels. Managing its customer relations has led Meliá to permanently monitor customer feedback from media and online channels to provide a good response and generate trust with regard to the demands made via these media.

Meliá's digital dialogue with its customers, in addition to strengthening relations, allows brand building and ensures value proposals with essential contributions thanks to this interaction with customers.

This model of customer relations has made Meliá a benchmark for online reputation, compared with the competition. The global *Quality Penetration Index* (QPI) indicator shows a penetration rate of 95.8%, and two *premium* brands in particular exceed 100% (Paradisus and ME by Meliá)

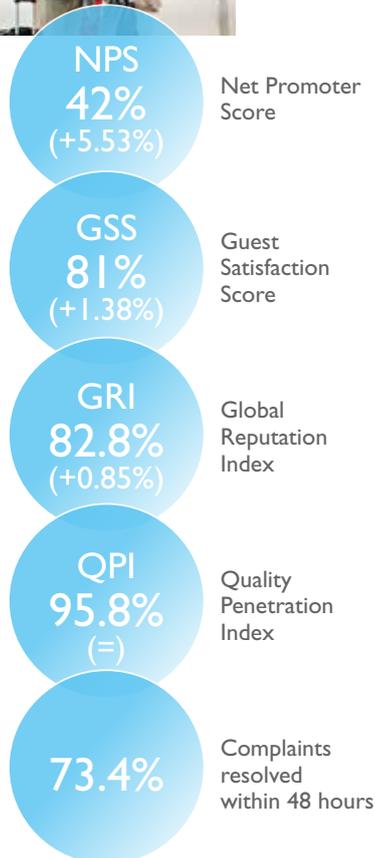
With traditional relationship models, the results of the two main indicators stood at 81 points (+1.38%) for the Overall Guest Satisfaction Score, and at 82.8 points (+0.85%) for the Global Reputation Index (GRI) for 2014. It should also be mentioned that every brand that has been incorporated into Meliá has had improved results on both indicators compared to the previous year.

If more detail is gone into with regard to the results, there are two aspects that year after year are very positively appreciated: the service and attention given by the teams at the hotels, and the quality of the way bookings are managed.

Customer Service

The Company has a model to manage incidents, comments and suggestions that offers a quick and effective response to all customers who contact Meliá via email at calidad@melia.com or via social media.

The Company's policy is to ensure a response to the customer within a maximum period of 48 hours: this mechanism thus allows the two-way relationship with customers and their trust in the Company to be strengthened.



In 2015, **73,4%** of the complaints received were resolved within the prescribed period, with the complaint ratio per occupied room remaining the same for the past three years.

In addition, *online* travel-related websites have today become one of the most important sources of information for consumers. The Company has therefore established a response protocol for the most important ones such as HolidayCheck and Tripadvisor as well as for the largest *online* travel agency in China, Ctrip, given the growing source of business that this market represents for Meliá Hotels International.

MeliáPro. Digital Solutions for Professionals (B2B)

Meliá is focusing on strengthening collaboration models that generate a positive impact for stakeholders. This concept is understood by the Company in its broadest sense and it thus links it directly to its corporate values.

Therefore, at the end of 2014, Meliá launched a portal for travel agents called MELIÁPRO. It has been created with the purpose of providing these collaborators with a simple booking engine that offers a competitive value proposal and attractive fees, as well as a centre of exclusive resources specifically designed to increase the volume of business of the group of agents that work with Meliá.

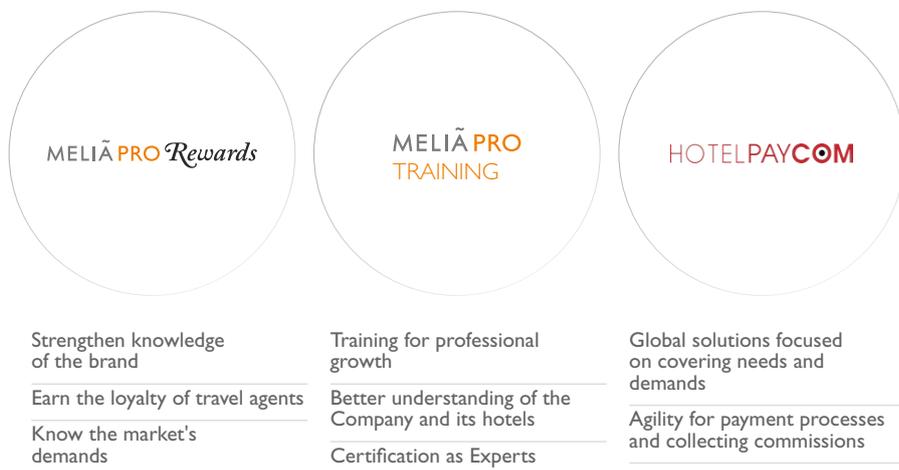
As part of the framework in which Meliá places its customers at the heart of its strategy and dialogue, travel agents are not viewed as suppliers but are considered key customers and advisers.

As a way of being more integrated in the digital world, Meliá is constantly working on improving its business and its relations with its stakeholders. It thus offers the travel agents it works with tools to allow them to learn more about Meliá, thereby maximising their profits establishing new bonds.

In 2015, besides rapidly consolidating this platform, Meliá introduced a tool to help its travel agents develop, learn and train and to offer them access to the latest information about all the Meliá Hotels International brands.

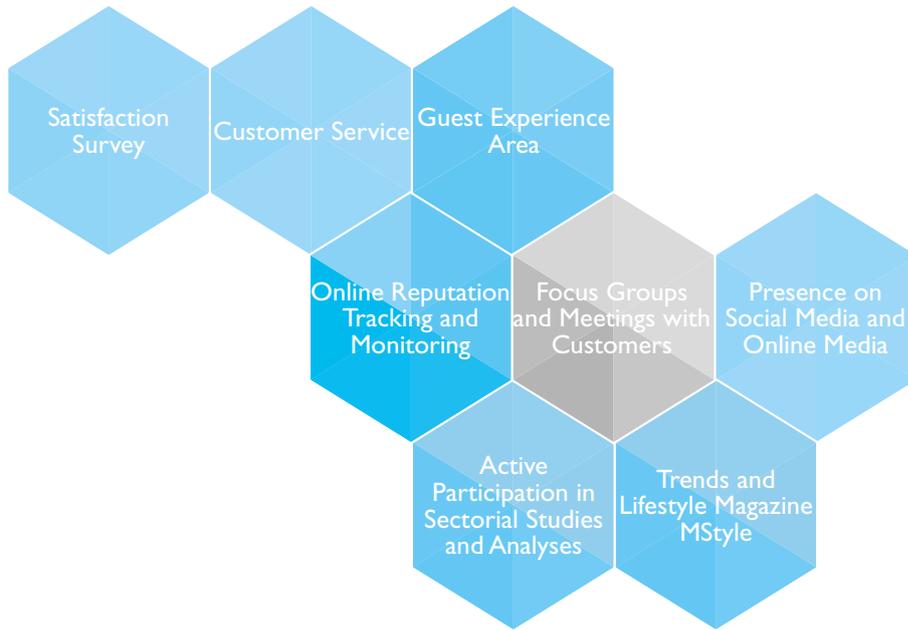


MELIÁ PRO TRAVEL AGENT PORTAL



Dialogue with Customers

- Global Scope
- Regional Scope



OWNERS AND PARTNERS

Meliá Hotels International's commitment: Providing comprehensive services for the best return on their investment, managing with professionalism and seriousness, and offering the trust afforded by a large prestigious international brand.

Over
400
Owners

Meliá Hotels International's owners and partners are one of the Company's main stakeholders, especially for a business model in which the management of hotel assets of third parties via management contracts or the creation of joint ventures carries ever more strategic weight.

Meliá already has more than 400 owners and partners and managing this relationship is approached from a standpoint based on trust, a personal touch and added value. Meliá's evolution, from being an owner of hotels which manages external establishments (hotels), to becoming a management company which also owns hotels, has led – thanks to a close managerial relationship – to a successful model which has the idea of ownership at its core.

In addition, refocusing the business model to one of management means that Meliá must adapt its dialogue to a group of owners and partners that are ever more diverse in terms of profiles and cultural diversity and that always have high levels of demand and requirements to which the Company aims to respond in a flexible, effective and excellent way.

This new model aims to increase the overall satisfaction of partners and owners in their relationship with Meliá; to do this, the Company offers these stakeholders all the guarantees and channels needed to strengthen this relationship, as well as a team of experts who continuously provide all the necessary information regarding the business vision.

This team is the two-way link between the Company and the owners. Meliá's owners have at their disposal a team whose functions go beyond simply providing information. Furthermore, Meliá reflects its corporate values in its relationship with its owners as it offers them a direct link with the Company if incidents need to be resolved; it offers a quick response to their concerns and needs in order to strengthen the bond and the pride in belonging by adding value to the business understood in the broadest sense.

STRENGTHS AT THE DISPOSAL OF OWNERS

Recognised Brands

International Experience

Consolidated Hotel Sector Know-how

Sales and Distribution Networks

Institutional Reputation



This relationship also involves the Directors of the business units as well as Meliá's head regional and corporate executives – who are all at the disposal of the partners and owners – and whose mission, via key contacts, is to build a profitable relationship between the Company and owners.

A management model focused on providing value for owners

Meliá membership gives owners access to many specific tools for their own exclusive use.

Owner's Portal

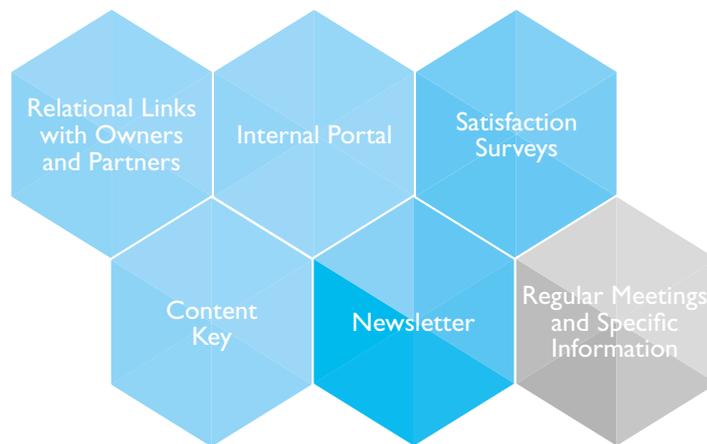
Proximity to owners has been boosted by the provision of a customised channel in a web environment. This is an essential tool for the relationship and with regard to specific Company information and any other relevant key factors.

Via this portal, owners have access to:

- Corporate information
- Specific information
- Company *know-how*
- Access to the owners.relations@melia.com inbox
- Management of their own **Meliá**Rewards account
- Access to the online bookings portal with special advantages

Dialogue with Owners and Partners

- Global Scope
- Regional Scope



OUR TEAM

DMA-LA >

Meliá Hotels International's commitment: Offering the best opportunities for professional development that stem from the stability offered by a family-run business coupled with the strength of a major international leader that is fair in the way it recognises commitment, talent and achievements.

Meliá's expansion requires putting special focus on the management and development of people as a key element to encompass the challenges of expansion and the Company's strategy.

Meliá's new international dimension, together with its swift digital and cultural transformation, have led to an evolution in the model of talent management and to the development of tools and processes that ensure the identification of key talent to; meet the new needs of the Company; align the business, professional development, dissemination of internal knowledge and the management of continuous opportunities for improvement.

G4-LA10 >

Model of Internal Customer Relations

After a concentrated process to redesign the global and comprehensive talent model as a strategic axis to facilitate and enhance team growth and development, 2015 was a year for the consolidation of key tools such as.

Performance Reviews, a key moment for our collaborators as the main objective is to assess – with each section head – expectations and opportunities for the future, and to define together a personalised action plan that focuses on professional growth and development.

In addition, the annual **"It's Your Say" Commitment and Culture survey** is an open communication and participatory space via which over 27,000 Meliá employees express and share their views, directly and confidentially, suggesting action plans for continuous improvement and for building a culture for the future that, day by day, makes Meliá a better company and more committed to its internal customers.



In response to the different concerns and needs shown, the Training Plan that is linked to technical needs, focused, in 2015, on skills analysed in the *Performance Review* that had more than a 10% need for improvement for a particular group.

Thus, the main training paths have enabled more than 200 people to access specific training on different topics related to technology and languages, and over 300 do the same with regard to specific business topics.

Meliá's Culture and Values

People who make up Meliá share the Company's commitment to helping the most vulnerable groups. In addition to participating in numerous volunteer initiatives, teambuilding activities with a social slant are organised.

Children, and the bodies that contribute to improving care for them and the defence of their rights, allow teams to learn and understand first-hand the situation of childhood and, ultimately, bring about a greater closeness with a group of key interest for Meliá.

Although Meliá's teams are involved in numerous initiatives all over the world, here we will just include the visit in December 2015 of 11 members from the Digital Sales & Marketing team to a shelter run by the Aldaba Foundation in Majorca (Spain).

This house is home to 22 children and young people aged between 5 and 17. In addition to seeing first-hand the excellent work of caring and protecting children and people with disabilities, the Meliá team participated in a workshop with the children, making ornaments and Christmas decorations. The day ended with a group lunch and gift-giving.



The Transformation Process: Personal Learning Environments

The internationality and diversity of Meliá's team is a valuable asset in helping to expand the organisation's wealth of *know-how*. Internal development programmes increased this past year with the creation of "talent orbits": These are digital communities for learning and continuous improvement in which teams across the board and from all over the world come up with global work solutions.

The digital environment has served to articulate the current *Talent Pool* model of middle managers in the Company's corporate offices worldwide, and it aims to prepare this team of people to take on new responsibilities and thus enhancing cross-cooperation and their leadership skills.

In 2015, Meliá launched e-MELIA, a development project for employees in both corporate offices and business units worldwide. e-MELIA is a digital environment for knowledge and learning via which the Company makes available, with equal opportunities for everyone, tools and educational content focused on strengthening improvement and continuous updating, as well as an access window for sharing the Company's know-how.

In 2016 e-MELIA will be available to other groups of employees; new content will be created to adapt to both professional training needs as well as core business and growth.



The structure of e-MELIÁ revolves around two main core concepts:



WE KNOW E-Knowledge

- Preserving and consolidating Meliá's know-how and positioning it as a vital asset for the Company
- Providing teams with a space for the dissemination of knowledge
- Ensuring a model of collaboration and feedback between global and regional teams and hotels

WE LEARN E-Learning

- Promoting the training and development of the people who make up Meliá via access to different learning environments
- Promoting responsibility and autonomy of employees with regard to their training and professional development
- Contributing to aligning people with the Company's mission, vision, values and strategy

OUR TEAM: 42,275 EMPLOYEES



Continuous Innovation: Talent Development and Connectivity

Meliá's commitment to developing its teams is the main focus of its management of human resources. From this standpoint, 2015 was a key year in the consolidation of processes for identifying talent and for expanding professional development programmes as a key lever linked to growth and promoting the internal talent of the Company.

This has led to the executive *Talent Pool* – launched in 2014 – to be merged with a *Talent Pool* focused on managers, in which digital learning environments have a predominant role in the creation of the so-called "talent orbits" via which employees all over the world put together multidisciplinary teams to work on identifying and conceptualising development and improvement opportunities to be presented to Meliá's Senior Management for prior assessment before final implementation.



To achieve the expected progress and impact in the development of people and the business, Meliá uses digital learning communities that are continuously improving and around which these teams create virtual spaces for sharing essential information for the enhancement of projects, ideas and thoughts focused on achieving global work solutions at the service of the Company.

The Engine for Transformation: Leadership Model

The real impetus for this cultural transformation starts with Meliá's leaders who, by setting an example, inspire their teams to improve their professional development and provide them with the necessary tools to enhance their roles and responsibilities, and strengthen and develop talent via an inspirational leadership model based on trust, honesty and integrity.

A clear example of this desire is the executive *Talent Pool* management team, set up in 2015 with the creation of a community of leaders that, in addition to sharing challenges and reaching solutions together, encourages the collaborative leader-coach model which is a key strategy for the management of human resources for Meliá.

Therefore, this development strategy, in addition to being applied globally, includes development initiatives which, within the framework of this strategy, are developed on a regional level by the various Human Resources teams.

As an example of its application on a regional level, in 2015 the Human Resources team in Spain launched the *Passion for Leading* project; an ambitious leadership programme aimed at all heads of hotel reception areas in Spain.

Brand Employer

With the aim of covering positions externally and strengthening our Brand Employer image, Meliá has – through the use of social and professional networks – improved its ability to attract future talent focusing on the position of Hotel Manager. Specifically, the following achievements should be mentioned:

- Launch of a new **Development Programme for Hotel Managers** offering extensive geographic mobility and good potential for upward mobility within the Company.
- Consolidation of the current **Talent Pool** via internal identification by Executive Committees and hotel Headquarters.
- Creation of new positions of **Assistant Hotel Managers** and hiring of potential profiles to focus on strengthening the Managerial Pool in order to respond to the needs and challenges for growth. Of the 35 newly identified positions, 65% were covered in 2015.



- Strengthening existing **Global Talent Programmes** aimed at middle managers including programmes targeting Guest Experience, Management, F&B, and Revenue Management groups.
- **Specific Development Programmes:** training plan developed *ad hoc* for certain management positions, revolving around training activities focused on completing and consolidating the specific knowledge and skills required and brought about by business circumstances, such as temporary transfers at national or international level, temporary moves to support or strengthen processes for the openings of new hotels or for rebranding .

Social Benefits for Internal Customers

Meliá offers its employees a comprehensive **Social Benefits Plan** which, as part of the Group's Human Resources Policy, complements the Compensation and Benefits Policy and reinforces the Company's commitment to its employees.

This two-faceted plan – with social benefits of a global nature which are available to all Meliá members and with specific benefits – to which certain countries and groups according to their role in the organization can be part of, is a model that is adapted to the cultural diversity, the environment and the traditions and customs of each country and enhances the bond Meliá has with its teams.

Meliá's employee loyalty programme, MORE STARS, with a full range of offers for accommodation and other services, generated a turnover of **€12 million** (+ 2%) in 2015.

	PROFIT	DESCRIPTION	SCOPE
GLOBAL	<ul style="list-style-type: none"> ■ Preferential access to rates for Meliá Hotels International products and services ■ Financial products through the virtual in-house bank branch 	<ul style="list-style-type: none"> ■ Special prices for accommodation rates at hotels that are part of the Company's portfolio ■ Discounts on purchases made at hotels and points of sale (restaurants, spas, ancillary services) ■ Preferential access with special rates for products and services marketed by Meliá services <i>partners</i> (health insurance, gym, setting up a home, car rental, travel or financial products, etc.) 	<ul style="list-style-type: none"> ■ All employees of Meliá Hotels International on a national and international level
SPECIFICS	<ul style="list-style-type: none"> ■ Social benefits adapted to the culture, traditions and customs of each country to meet the demands and needs of the teams in each region 	<ul style="list-style-type: none"> ■ Flights back to the country of origin for expatriates. ■ Spain: Flexible remuneration programme for kindergartens, transport, restaurants and medical insurance ■ United Kingdom: Pension plan, help with transport or supplement, support for language courses and childcare ■ Mexico: Group transport, savings funds and food vouchers ■ Dominican Republic: Group transport, financial assistance for childbirth and for deaths of immediate family members ■ Germany: Company car for managers and sales teams ■ France: Meal vouchers ■ Asia: Supplementary telephone calls and schooling ■ Brazil: Savings fund for managers ■ UAE: Help with transport aid, supplement for schooling 	<ul style="list-style-type: none"> ■ Groups with specific functions ■ Expatriates ■ Teams in specific countries

New Purchasing Portal: PRIVILEGE

In addition to social benefits, Meliá makes a portal for internal purchases available to its employees via which numerous additional advantages can be accessed.

Meliá's employees thus have direct access to special prices and discounts from suppliers from every sector, including discounts that range from 15% to 40% for more than 300 major brands via direct online discounts, physical coupons, mobile coupons or VIP accounts. This portal complements the agreements Meliá has with top-quality firms, and are exclusively for its employees.

Since its launch at the beginning of 2015, some 2,300 Meliá employees have participated actively in the purchase of products and services offered via this channel.



2016 Commitments

The focus on talent management will remain one of the priorities for the Company in 2016 and will have a three-tiered approach:

- Strengthening **Brand Employer** strategy to improve the external projection of the Company as a brand employer; strengthening the relationship with the academic world, refocusing the global model of practices and improving its position on *rankings*.
- Enhancing the **development strategy**, reviewing needs and planning the Talent Map for the coming years, in addition to continuing the various existing development programmes.
- Giving impetus to the **cultural transformation** of the Company with the launch of a new Recognition and Leadership Programme as well as an evolution of the Performance Review and the consolidation of e-MELIÁ as a shared learning and know-how platform.



Healthy Life Habits & Occupational Health and Safety

The people who make up Meliá represent the Company's main asset and Meliá therefore ensures a safe and healthy working environment.

Meliá takes its work with regard to occupational health and prevention of occupational risks very seriously indeed and follows the current legislation in the destinations in which it operates: It reinforces them with the best practices identified in this matter and, in some cases, goes further than strictly complying with the laws of each country.

The criterion of excellence is therefore a priority to go forward in the implementation of the best practices identified in occupational health and risk prevention and in the promotion of healthy habits, going beyond and improving the requirements established by the legislation of each country .

The Company has integrated, on an international level, criteria for health and preventive occupational risk management by anticipating, rather than carrying out, corrective actions. In addition, the Company conducts internal audits on occupational health.

Meliá Hotels International, as a company responsible for its employees, also follows the recommendations set out by the International Labour Organisation (ILO) and in addition undergoes external auditing by an accredited company.



To ensure the health and safety of its employees, Meliá has Safety and Health Committees in the workplace which jointly and with the participation of all their members, provide regular and periodic consultation regarding actions that are carried out by the Company in this matter:

In addition to ensuring an adequate work environment, the Company promotes a healthy lifestyle for its employees. Thus, in 2015 it promoted specific actions mainly focused on:

- Raising awareness about the need to follow a healthy lifestyle and the overall health of employees, doing so via specific campaigns.
- Prevention campaigns on musculoskeletal disorders for those most susceptible to them.
- Actions to improve proper posture.
- Allowing the use of the usual channels of communication to inform, raise awareness and support social organisations, among which are: blood and tissue, bone marrow banks, the fight against cancer, etc.

<p>ME Community (ME Cancun, Mexico)</p> <ul style="list-style-type: none"> ■ Promotion of healthy habits ■ Monthly leaflets on health sent ■ Invitation to quarterly conferences ■ Health week 	<p>MCREal (Paradisus Playa del Carmen, Mexico)</p> <ul style="list-style-type: none"> ■ Promotion of healthy habits ■ Dental and eye check-up ■ Nutritional assessment ■ Medical check-ups ■ Encouragement to play sport ■ Health trade fair 	<p>Meliá Runners (International Initiative)</p> <ul style="list-style-type: none"> ■ Specific medical support and health advice for the detection and prevention of diseases that can cause possible cardiovascular and muscular problems for the members of Meliá's running team
		

2015 Sol Magaluf Marathon. Running towards the sun...

As part of its strategy to transform the destination of Calviá, Meliá has added sport as way to attract visitors to the destination. Sol Hotels & Resorts thus became the official sponsor of the traditional Calviá International Marathon (Majorca), renamed the Sol Marathon Magaluf to help increase recognition of the new concepts behind the brand and enhance the image of the destination using sport and a healthy lifestyle to promote it.

1,185 people of various nationalities took part in the event, including over 100 of Meliá's partners who participated as the official Company team under the name Team Sol; the team had its own kit, making Meliá's commitment to the project even more visible.

In addition, the participants and those who accompanied enjoyed children's activities as well as talks about athletics, the Runner's Fair, a *Pasta Party* and a final weekend party enlivened by DJ Carlos Jean. This fun day of sport also included a social component as the Company's collaborators volunteered to serve drinks in exchange for a symbolic donation to contribute to a wonderful charity initiative of the NGO hospital clowns' association – launched by the Sol Katmandu Park & Resort – called *Sonrisa Médica* (literally Medical Smile), a benchmark entity in Majorca whose aim is to provide fun activities for hospitalised children.



Dialogue with our Team

- Global Scope
- Regional Scope



SUPPLIERS

The commitment of Meliá Hotels International: Bringing our professionalism and know-how to build lasting relationships based on trust, respect and mutual benefit

The purchasing function of Meliá covers both the operating needs of hotels as well as corporate centres through the procurement and purchase of products and services. Correct purchasing management is vital to ensure the overall quality offered by Meliá’s hotels and to optimise purchase costs that guarantee an excellent product that maximises customer satisfaction.

Meliá thus applies purchasing methodology and processes to provide real value to owners, guaranteeing profits and adaptation to each local environment, thus fostering the creation of wealth and jobs wherever the Company operates.

Similarly, the management of the selection process of suppliers is based on defined criteria that ensure the integration of sustainability criteria adopted by the Company.

Meliá, as a company that promotes responsible management of the supply chain, conveys the commitments that are part of the United Nations Global Compact to all companies wanting to collaborate with Meliá. By sharing these commitments Meliá’s suppliers are required to have policies of continuous improvement integrated into the responsibility criteria of their businesses.

A key point has been the alignment of two key areas, Global Technical Office & Procurement, allowing purchasing management to have a global perspective regarding all procurement processes, providing a vision that is integrated into the entire value chain.

This integration has enabled Meliá to better understand and apply the evaluation criteria needed for each procurement or purchase, regardless of its origin. This allows Meliá to always be at the forefront of sustainability criteria, environmental assessment and human rights.

The constant search for opportunities for improving the supply chain does not forego the benefit that scalability and signing negotiated agreements –regarding different categories of products and services – can provide the hotels, both globally and locally.

G4-EN32 >
G4-LA14 >
G4-HR10 >
G4-SO9 >



Meliá Purosani | Indonesia

G4-EC9 >

	Volume of Centralised Purchasing	Purchase from Suppliers Local	Portfolio of Suppliers	Suppliers Local	Hotels with Centralised Purchasing	New Sustainability Clauses Signed
SPAIN 	€106.5 M	99.5%	1,255	99.4%	127	41
EMEA 	€32.5 M	92.8%	844	88.5%	33	49
AMERICA 	€93.5 M	96.8%	2,222	97.8%	14	NA
GLOBAL TOTAL	€231.5 M	97.5%	4,321	97.2%	174	90

2015 stood out for the implementation of the following initiatives:



- Optimising the standardisation of the supply process to improve efficiency.
- Enhancing the grouping of suppliers and references on a global level, with a strong commitment to local suppliers.
- Promoting the unification of the control and standardisation of products and suppliers.
- Strengthening collaboration with suppliers via training activities focused on ensuring operations are carried out in the proper environmental way by our employees in their workplaces.
- Promoting corporate CSR commitments to all new suppliers and current suppliers whose association with Meliá was renewed in 2015.
- Enhancing the integration of indirect employment via the acquisition of products and services from Special Employment Centres (SEC).

Dialogue with Suppliers

-  Global Scope
-  Regional Scope



SHAREHOLDERS AND INVESTORS

The commitment of Meliá Hotels International: The Company is managed according to criteria of transparency, precision and good governance to achieve profitability and increase value in the medium and long term

The Company's goal is to establish long-term relationships with its shareholders and investors that are based on **credibility and trust**. A crucial part of this management consists of conveying relevant information in a clear, transparent and timely manner in order to manage the market's expectations of the expected performance of Meliá Hotels International and its share price.

As part of its commitment to offer a transparent, simple and personal style of management, Meliá Hotels International offers its shareholders and investors different channels and tools to strengthen its relationship and bond with them.

The Company's commitment in this area has been recognised and has been honoured by the magazine *Institutional Investors* magazine, which voted it **Best Investor Relations Team** by *sell-side analysts* within the Leisure & Hotels category.

2015 was a busy year for the Investor Relations Department as it took part in **11 roadshows** with analysts and financial intermediaries in the main cities of Europe, the United States and Canada. It also participated in 3 investor conferences in Madrid, Lisbon and Paris.

Meliá Hotels International's shareholders have their own special area on the Company's website **www.meliahotelsinternacional.com**, where they can find wide-ranging information about the company and access regular reports, financial publications, stock-market recommendations and information on capital markets, in addition to contacting their own Investor Relations team.

The information available has been structured and adapted to the new CNMV requirements to offer higher standards of transparency and easy access to information that is relevant to shareholders.

In addition, in order to facilitate a direct channel of communication with Meliá's managers, the Shareholders' Club was created.

Via this channel, any shareholders of the Company who are Club members can receive all the financial information and news they require about Meliá in a direct and personal way, as well as ask questions or make suggestions to the team by phone or email.

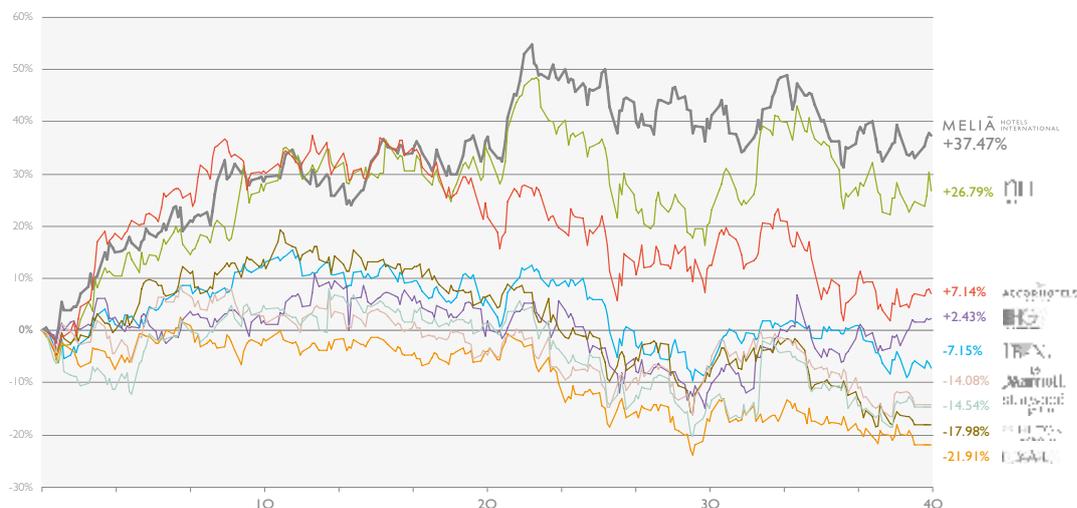
Furthermore, shareholders who are Club members become part of the **MeliáRewards** loyalty programme – with access to exclusive benefits – having been identified as distinguished customers of the Company's hotels.

Share Price Performance

Meliá share prices ended 2015 at **€12.18**, reflecting a **having risen in price by +37.47%**, while the IBEX 35 underwent a correction of -7.15% and the IBEX Med Cap revalued by 13.75%.

Meliá Hotels International is part of the IBEX Medium Cap and the FTSE4Good Ibex Index.

Share Price Performance



Analyst Recommendations

A total of **17 financial analysts** over Meliá’s performance and publish regular reports on the Company. At the end of 2015, **64.7%** of the analysts recommended a **"purchase"** for shares in Meliá Hotels International. The remaining 35.3% recommended a "hold" of Meliá stock. On 31st December 2015 the **average target price** was **€14.03** per share.

2015 Main Milestones

- Participation in 11 *roadshows* with analysts from a number of financial intermediaries in the main cities of Europe, the United States and Canada.
- Participation in 3 investor conferences in Madrid, Lisbon and Paris.
- Awarded the "2015 Best Investor Relations Team"
- Admission of 14.3 million new shares to trading, issued to partially cover the conversion of the convertible bond
- Presentation of Results for 2014
- Presentation of Results for the First Quarter of 2015
- General Meeting of Shareholders
- Presentation of Results for the First Half of 2015
- Dividend distribution of €0.04 per share
- Presentation of Results for the Third Quarter of 2015

Stock exchange indicators 2014 vs. 2015	31/12/2014	31/12/2015
Number of shares	184,776,777	199,053,048
Average daily volume (thousands of shares)	767.26	980.10
Maximum share price (€)	9.93	13.71
Minimum share price (€)	7.33	8.73
Latest share price	8.86	12.18
Stock market capitalisation (€M)	1,637.12	2,424.47
Dividend (€)	0.04	0.03

Dialogue with Shareholders and Investors

■ Global Scope
■ Regional Scope



SOCIETY

DMA-SO>

The commitment of Meliá Hotels International: Actively seeking ways to generate prosperity and sustainable development in the communities where we operate, respecting and promoting their culture, traditions and values, with particular focus on children and the most vulnerable groups

The vision Meliá Hotels International has – from its leading position in the tourist sector – with regard to the way it can contribute to the advancement of a more responsible industry is based on the overall impact created by the commitments it pledges to its stakeholders in particular, and to society and the environment in general.

Meliá Hotels International believes that its commitments are true levers for generating shared value, opportunities and wealth for society. Therefore, active listening with its stakeholders and its proximity to them has led Meliá to put a special emphasis on protecting vulnerable children and groups at risk of marginalisation.

Meliá Hotels International's Public Commitments:

Meliá Hotels International's commitment to society, beyond its hotel business, seeks to promote social value and strongly believes in contributing to reducing social differences and preserving the environment. It thus takes on the responsibility, reinforces and renews its commitment to society from various ethical standpoints, respects the environment, and promotes human rights and transparency.



WORLD CODE OF ETHICS FOR TOURISM

In 2011 Meliá Hotels International signed the Global Code of Ethics for Tourism.

By signing this Code, Meliá makes public its commitment to respect, promote and implement the values of sustainable development and responsible tourism outlined by the Code of Ethics.

The Code, adopted in 1999 by the General Assembly of the WTO, and endorsed by the United Nations General Assembly in 2001, is a set of principles designed to guide the development of tourism so that the sector can help socio-economically as much as possible, while minimising any negative impact it may have.



GLOBAL COMPACT

Global Compact is an international initiative set up by the United Nations with the aim of promoting corporate citizenship. Meliá Hotels International has subscribed to the principles of the Global Compact since 2008.

Currently, over 4,000 companies from 116 countries have signed this commitment to defend Human Rights.

For Meliá Hotels International, adhering to the Global Compact means making public its commitment to fulfil and disseminate the ten principles that constitute it.

Subscribing to the Global Compact involves a twice-yearly renewal process which continually helps to identify opportunities for improvement in procedures. Meliá renewed its commitment in October 2015



FTSE4GOOD IBEX

In 2008, Meliá Hotels International was the leading company in the tourism sector and since then has undergone a twice-yearly renewal process established by Bolsas y Mercados Españoles (BME) and FTSE Group (FTSE) and which allows the constant identification of opportunities for improvement.

This index recognises the policies and management carried out by companies with regard to the environmental, social and ethical issues. Its main aim is to encourage Spanish companies to adopt international CSR standards.

FTSE4Good is an international benchmark indicator for investors wishing to identify companies that adhere to responsible business practices.

In 2015 Meliá renewed its presence on the FTSE-4Good Ibex.



THE CODE

For the second year in a row, Meliá Hotels International has been named the TOP Member in the fight against the commercial sexual exploitation of children.

"The Code" is the Code of Conduct to Protect Children and Adolescents from Sexual Exploitation in the tourist sector.

Meliá joined in 2007 and took on the challenge of helping to eradicate this scourge.

As a result of this corporate commitment and the progress of the Group, Meliá yearly reinforces its commitment to defending the rights of children by successfully implementing the criteria required by The Code in its hotels, the progress of which Meliá reports every year.



ECPACT

The Code of Conduct for the protection of children against the commercial sexual exploitation in the tourism sector

is a self-regulatory instrument that is encompassed by CSR and requires a high degree of commitment and corporate involvement at all levels.

Meliá took on this commitment in 2006 and was the first company in Spain to join the code. Subsequently, other tourism companies took on the commitment and today, over 200 companies contribute to the dissemination and promotion of this commitment.

Since it joined, Meliá has been a key ally for ECPAT and a benchmark both in Spain and internationally with regard to the protection of children.



CARBON DISCLOSURE PROJECT

Climate change is, has long been on the international agenda of governments and corporations. It has important implications for economic activity and therefore the performance of companies. Its effects are beginning to condition industries and regions. Its impact will, most likely, grow in the coming years, becoming an increasingly important factor in the relative performance of companies, industries and affecting investment.

Therefore, Meliá, as a TOP 10 CDP company, has joined the Climate Change Reporting Framework to share its experience and information in efficient management putting it at the service of society in the joint fight against climate change, to raise awareness, sensitise and achieve joint progress within a common framework.

Social Positioning. Children and the Employability of Groups at Risk

Meliá's corporate social positioning is the defence of children in the broadest sense of the word. This commitment combines the principles and corporate values that Meliá has as a family-run business and as an international company with a social approach: This allows the company to ensure that its responsibility is present in all the destinations in which it operates and that in those with different social realities for girls and boys these children are protected from situations of risk or particularly vulnerable situations.

Meliá was thus the first Spanish company to sign the ECPAT Code of Conduct against the commercial sexual exploitation of children in 2006 and became one of the first Spanish companies to sign the United Nations Global Compact. Since then, Meliá's commitment to children has become greater and more extended.

Positioning with regard to children has been strengthened by supporting groups at risk of social marginalisation. Meliá, as a leading hotel company, has added to its global CSR strategy a commitment to improve the chances of employability for young people at risk of marginalisation as well as for those in situations where social integration is difficult. Its goal is to develop high-impact initiatives aimed at providing better qualifications for people who, in the future, could be employed in the tourism sector.

Meliá thus believes that the most effective mechanism for developing this approach to employability is to work collaboratively via a platform that will contribute to the creation of initiatives to promote and enhance the employability of young people via the development of skills and capabilities beyond just the technical aspects of training.

Working this way, Meliá aims to help to strengthen and improve employment opportunities for vulnerable groups by providing them with specialised knowledge and tools that will lead to real work experience. These actions encourage said social groups to connect with Meliá's internal talent, strengthen the bonds of the Company with the social fabric and contribute to the enhancement of these capabilities in a sector which, despite its great potential for job creation, does in fact suffer from a lack of qualified professionals.

Global Corporate Initiatives and Projects

The commitments Meliá Hotels International has with society in general, and with its stakeholders in particular, are carried out through projects and global initiatives aimed at responding – from a general perspective – to social and environmental needs.

In this regard, 2015 enabled Meliá to promote initiatives aimed at raising sensitivity to the need for strengthening the awareness of its stakeholders on environmental matters such as: supporting the International Summit for Climate Paris and participating in the Platform for Companies for Energy Efficiency; supporting research for global health projects; innovation; supporting entrepreneurs and the employability of groups at risk; and, of course, protecting vulnerable children.

These projects are directly linked to Meliá's corporate values, its commitment with its different stakeholders and its corporate positioning. To promote them and generate the greatest possible impact, Meliá works directly and closely with its own partners in a joint effort to coordinate and generate shared value for society.



2015 UNITED NATIONS CLIMATE CHANGE CONFERENCE, COP 21 (PARIS, 2015)

Partner: ECODES

Meliá Hotels International, together with Ecodes, joined the campaign organised by the Ministry of the Environment to highlight all the climate-related actions that are being carried out by the public, businesses and institutions that are committed to the environment and to stress the urgency needed to act against climate change.

These one million commitments were conveyed to the summit on climate change held in Paris with the aim of reaching a new universal climate agreement to replace the Kyoto Protocol.

The 21st Conference of the Parties of the United Nations Framework Convention on Climate Change (COP21), held in December 2015, brought together representatives from 198 countries in order to create key alliances to reach a new international climate agreement and with the aim of maintaining global warming below 2°C.

As a company leader in the tourism sector, Meliá Hotels International, which shares the principles of sustainable development and the fight against climate change, joined the commitment and shared the initiative among its main stakeholders.



WORKING WITH COMPANIES TO ACHIEVE ENERGY EFFICIENCY

Partner: ENDESA

Founded in 2011, the Platform for Companies for Energy Efficiency is the first multi-sectorial group of large companies that shares the goal of promoting joint activities aimed at encouraging energy efficiency through the promotion and development of actions aimed at saving energy and reducing the carbon footprint of companies.

The platform brings together leading companies in its sector and has constituted a benchmark in Spain with regard to energy efficiency and the reduction of the carbon footprint of companies. This has been done via a commitment at company level to develop value proposals aimed at energy efficiency for society in general.

The Platform for Companies for Energy Efficiency was set up by Endesa in early 2011 and is made up of ten large companies of which Meliá Hotels International is a founding company. In 2015 it achieved excellent results.



SOCIAL RESEARCH VIA THE WORLD COMMUNITY GRID

Partner: IBM

Since 2013 Meliá has given 371 computers from the Palma and Madrid Company headquarters to the IBM-sponsored WCG project. This consists in the creation of the largest computer network in the world, which takes advantage of unused computers linked to the Internet and that are donated to research projects of any kind.

Thus, from July to December 2013, computers given by Meliá to WCG have already donated over 127 years of computing to research projects; among these are projects in the fight against cancer, Ebola, HIV as well as others aimed at generating renewable energies.



+ 9,000 employees in Spain were invited to join

IMPACT

+ 25,000 followers on Twitter were made aware of this



+ 550 suppliers shared Meliá's commitment



IMPACT

3 million tons of CO₂ were reduced

Equivalent to emissions by 1.5 Spanish average families



IMPACT



INCUBATING INNOVATIVE PROJECTS AT THE HOTEL

Partner: THE INIT

Meliá Hotels International and The Init have teamed up to create the "La Ronda" Innovation Centre, the first centre for innovation geared to hotels, catering and intelligent tourism. Located in the Meliá Zaragoza Hotel, it is a strategic innovation project that aims to meet the challenges of the sector.

The initiative, launched in 2013, is the first vertical incubator for tourism, catering and hotel management in Spain. It is dedicated to business incubators and can work on up to 10 creative, team projects at a time.



EMPLOYING THE MOST VULNERABLE TOGETHER

Partner: ACCENTURE FOUNDATION

In 2015 – hand in hand with the Accenture Foundation – Meliá Hotels International continued to promote platforms for teamwork in a collective effort with public, private and non-governmental organisations to promote employment and entrepreneurship among the most vulnerable groups in society.

In 2015, 124 entities became part of a platform where its members:

- Understand social needs in the same way
- Identify the best solutions together
- Find specific solutions via collective projects carried out jointly



FIGHT AGAINST THE COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN.

Partner: UNICEF

In 2006, Meliá Hotels International became the first Spanish company to sign the Code of Conduct to Protect Children from Sexual Exploitation (ECPAT), mobilising another 14 other tourism companies to also sign this Code.

Since 2008, Meliá Hotels International's social positioning has focused on child protection. This stems from the strong values of this family-run company that is committed to respecting this legacy for future generations.

To reinforce this, in late 2010, Meliá Hotels International signed an alliance with UNICEF to help spread his message in favour of children and to combat child sexual exploitation, collaborating financially as well.

IMPACT

Project incubated in La Ronda:

Cognit – Efficient management of energy resources
CESTE International Business School working on adapting the training syllabus to the real needs of the hotel sector

Espacio Ágape – Nutritional Coaching focused on the hotels' customers

SVE Singular Venues – Special events in unique locations, creative communication and innovation in events management

Al Punto Ideas – Communication specialising in gastronomy

Un Café Diferente – Catering based on fair trade coffee, as its essence

Linkmyjob – Employability portal for self-employment, outplacement and entrepreneurship

IMPACT



IMPACT



Dialogue with Society

- Global Scope
- Regional Scope



ENVIRONMENT

DMA-EN >

The commitment of Meliá Hotels International: We help to preserve the environment and the landscape, taking responsible for the impact of our activities and promoting awareness on sustainability to all our stakeholders

The tourism sector is facing a paradigm shift in which companies such as Meliá Hotels International take an active role in favour of environmental protection and natural resources. Meliá is taking a leading role in the fight against climate change and the management and efficient use of resources with a motto: to contribute to improving the competitiveness and sustainability of the destinations in which it operates and, of course, of its own business model.

The Company promotes responsible management and a commitment to tourism management models that respect the environment and biodiversity, as well as responsibly managing waste in order to help preserve natural resources.

Meliá's business model approach is focused on energy efficiency and responsible consumption of resources, adding value by improving competitiveness, encouraging intelligent design and minimising emerging risks. Meliá thus not only stresses minimising the negative impact of its activity but also by anticipating risks.

This commitment is reinforced by the trust shown by stakeholders in relation to Energy Management and how visible the Carbon Footprint is on the Materiality Matrix.

Meliá Hotels International's Environmental Strategy





The results of this global commitment are: a constant monitoring of energy and water consumption and costs; reducing environmental impact; and improved operating ratios in environmental matters.

Management of the economic impact that operations generate implies an important benefit for all the stakeholders the Company deals with thanks to the contribution to environmental impact, efficient management of resources and increasing the value of assets, with the consequent benefit of increased value for the owner.

The planned and integrated actions of the SAVE project that Meliá has promoted year after year in its portfolio of hotels has been internationally recognised and the Company's excellent position can be appreciated by its awards related to environmental commitment as well as by various rankings and associated certifications.

Objectives for Sustainable Development regarding Climate Change

In this matter, Meliá's strategy in relation to the environment and combating climate change is also in line with the main conclusions of the International Summit for Climate held in Paris at the end of 2015 and the Sustainable Development Goals approved by the United Nations Assembly.

Meliá is therefore aware of the need to responsibly manage energy consumption and promote renewable energy sources applicable to accommodation.

On the one hand, this position of leadership ensures it protects, develops and promotes the responsible and sustainable use of the ecosystems and environments in which it operates its tourism activity, preventing their degradation and loss of biodiversity.

On the other hand, it guarantees a responsible use of resources, measures its carbon footprint and applies the appropriate security measures and, along with technological developments and innovation, contributes to making Meliá's strategy a structured plan at the service of everyone. In fact, Meliá's stakeholders make special reference to essential points such as efficient management and emissions reduction associated with the hotel business.

G4-EN6 >
G4-EN7 >
G4-EN19 >

	Main figures for the reduction of emissions (Scope 1 + 2)		
	Average 2012-2015	2012-2015 vs. 2007-2011	Average 2007-2011
Emissions CO ₂ (Kg)	244,548,487	-6.14 %	260,556,379
Per Stay (Kg)	13.2	-11.4 %	14.86

	Main figures for the reduction in water consumption		
	Average 2012-2015	2012-2015 vs. 2007-2011	Average 2007-2011
Water consumption (m ³)	9,178,532	-3.60 %	9,520,833
Per Stay (m ³)	0.40	-6.99 %	0.43

	Main figures for the reduction in energy consumption		
	Average 2012-2015	2012-2015 vs. 2007-2011	Average 2007-2011
Thermal Energy (kWh)	280,275,071	7.64%	260,384,573
D. Cooling (kWh)	40,317,534	5,945.12%	666,943
D. Heating (kWh)	26,964,982	111.64%	12,740,929
Propane (kg)	3,820,973	-15.39%	4,515,817
Natural Gas (m ³)	9,194,946	8.02%	8,511,920
Diesel (l)	6,659,736	-32.76%	9,904,521

	Main figures for the reduction in electricity consumption		
	Average 2012-2015	2012-2015 vs. 2007-2011	Average 2007-2011
Water consumption Electricity (kWh)	387,000,661	-6.29 %	412,963,798
Per Stay (kWh)	21.12	-9.03 %	23.22

Figures linked to hotels with record consumption values from 2007 to 2011 and which implemented measures to manage energy efficiency and generate savings in consumption (G4-EN6, EN7-G4, G4-EN19)

G4-EN31 >

€2.8 M
Direct
Investment

Inclusion of Sustainable Criteria

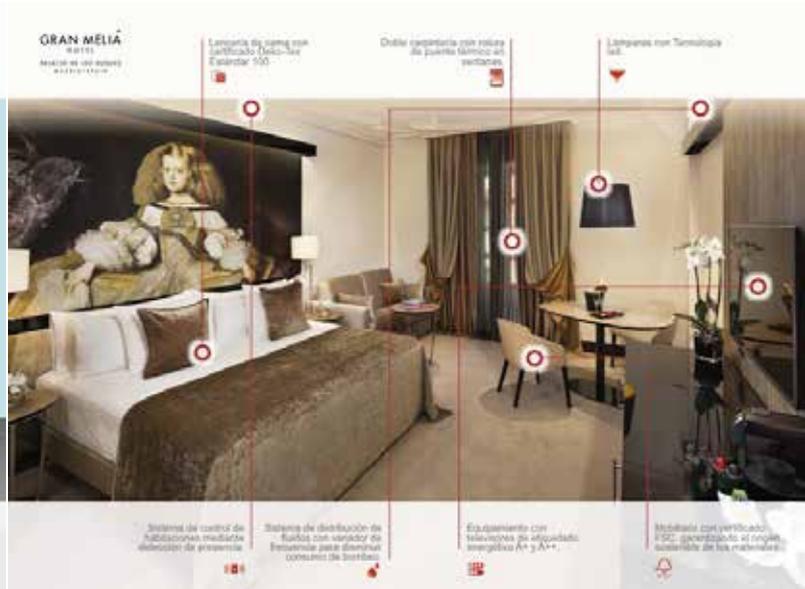
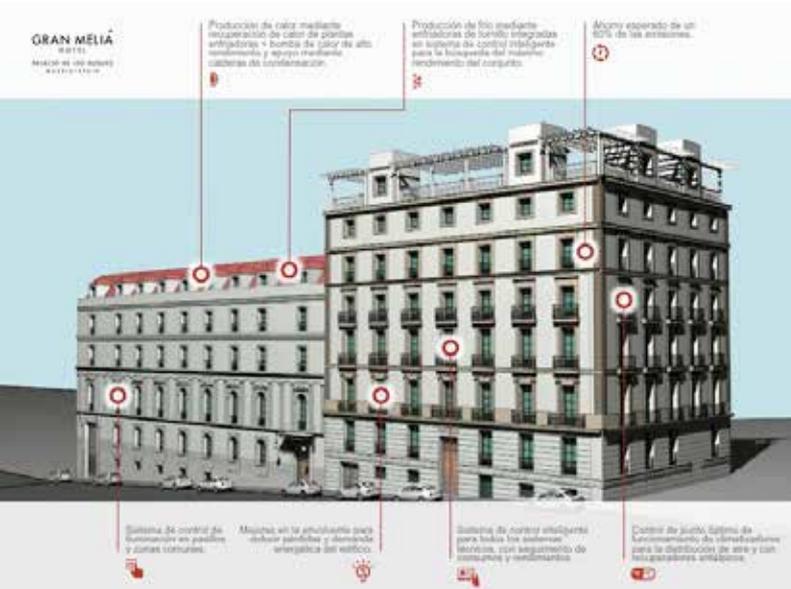
The excellent results in the reduction of emissions and consumption by Meliá in 2015, even taking into account the addition of 21 hotels to the portfolio of hotels, have been possible thanks to increased awareness, knowledge, management and investment by both owned hotels and non-owned ones.

In fact, one of the key elements of Meliá's environmental strategy is the inclusion of sustainable criteria both for new investments as well as the refurbishments that the Company carries out every year. Including sustainability criteria for new projects starts during the negotiation process and culminates with the implementation of efficient, new and automated technologies that allow the use of remote control systems to improve efficiency ratios in a permanent and constant way.

G4-EN27 >

Below are the details of a refurbishment carried out on one of our flagship projects in the capital of Spain, Madrid; the future Gran Meliá Palacio de los Duques, where numerous elements have been integrated that will reduce the impact of emissions by 60%. The infographics show the various elements included in the refurbishment:

- Control systems with optimal performance
- Lighting with LED technology
- Generation of hot air through heat recovery
- Generation of cold air by screw-driven compression chillers
- Improvements in the building envelope
- Intelligent control systems for all technical systems
- Fluid distribution system
- FSC certified furniture
- Equipment with A + and A ++ energy labels
- Oeko-certified bed linen - Tex Standard 100
- Flow regulators
- Double-glazed windows
- Underfloor heating in the rooms





Meliá has also integrated best practices put forward by strategic partners into its business model with a clear commitment to innovation and technology with regard to efficiency and sustainability practices of its hotel assets.

Reducing its Carbon Footprint and Commitment to Green Energy

Meliá Hotels International continues its commitment towards the use of renewable energy together with one of its most important *partners*, Endesa. The agreement that was signed in 2014 was renewed this year until December 2016. The result of this shared environmental commitment between the two companies has led to all the hotels and Meliá's corporate headquarters in Spain to continue to operate with **100% renewable electricity**. This renewal was made possible thanks to the excellent content of the agreement signed last year and whose positive impact has strengthened the relationship over time.

G4-EN15 >
G4-EN16 >
G4-EN17 >



MELIÁ'S CARBON FOOTPRINT



	2014	2015
Scope 1	49,144	47,945
Scope 2	177,274	163,905
Scope 3*	42,022	51,741
TOTAL (TCO₂)	268,440	263,590

* Scope 3 includes emissions derived from waste management within the scope of Spain. Transport of employees was based on a survey of 1,319 employees and business travel on a global level.

CARBON FOOTPRINT
215
HOTELS
(87.4%)
Portfolio excluding franchises, Cuba, Egypt and Bulgaria

MELIÁ'S FOOTPRINT
263,590
TCO₂

Public Recognition of its Commitment to the Environment

In 2015, the Company was recognised as one of the best hotel companies in the world for its environmental management performance as well as one of the 113 leading companies in the fight against global warming, according to the international organisation CDP, a driver for sustainable economies. Obtaining a score of 99A out of 100, it has allowed Meliá to reach its highest rating ever and placed it in the TOP "A List".

CARBON DISCLOSURE PROJECT (CDP)
99A



Milestones 2015

G4-EN31 >

- In 2015, 15 external investment projects in energy efficiency were initiated in collaboration with companies that are expert in this area (ESCO). This resulted in improved operations with energy consumption reduced by around 20% and savings of over €1 million as well as an impact on CO₂ reductions estimated at 3.4 tCO₂.
- Direct investment of €2.8 M for 27 energy efficiency projects.
- As a result of the renewal of the agreement with ENDESA, Green Energy was implemented in all our hotels in Spain – which represents 47% of Meliá's portfolio – as well as in all corporate offices.
- Integration of best practices in sustainability, energy efficiency, new constructions or the refurbishment of existing establishments, follow the guidelines in Meliá Hotels International's Design and Construction Handbooks.
- Awards received for sustainable construction:

Rethink Award for the ME Ibiza Hotel - Amongst the 10 best sustainable Refurbishment Projects
EI Confidential Prize - Best Business Practices for Ecoefficiency

Dialogue with the Environment

- Global Scope
- Regional Scope



Corporate Social Responsibility Policy

Meliá's aim is that its behaviour, based on responsible criteria, will strengthen its relationship with its stakeholders and become a true differentiator, ensuring that Meliá is a more responsible, sustainable and attractive company for everyone thanks to this sharing of its corporate commitments with society and the environment.

To maximise the impact of its commitments, since 2008, Meliá has been working on the integration of sustainable development criteria and the Global Compact throughout the life cycle of its hotel business looking to generate value wherever it operates.

The sum of all its commitments allow tourism to be a real engine for generating opportunities, economic and social wealth, reducing inequality and make it a meeting point and an arena for knowledge sharing.

Meliá Hotels International wants to be a model for a better world and leave a legacy that can be enjoyed by future generations. It therefore follows the principles below:

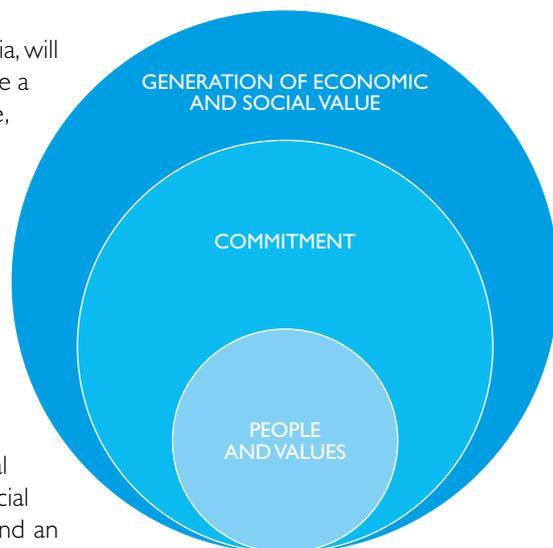
- Managing its business with integrity, consistency and responsibility as core elements
- Expanding and strengthening the criteria of responsible management in the tourism industry
- Generating social and economic value for the company and its stakeholders
- Being constantly alert in the identification, prevention and mitigation of negative impacts and risks that are inherent to its activity

To achieve this, Meliá has designed a set of guidelines around which to work:

- Promoting corporate values and the principles of sustainable development as the backbone of responsible management, putting people at its heart
- Being close to stakeholders and listening to them actively, openly and personally, and promoting platforms for teamwork
- Being key in cooperating with various stakeholders in the search for high-impact solutions for society
- Finding the balance between the needs of present and future generations and for the economic and social development of destinations and the expectations of stakeholders
- Mitigating the impact of our activity on the environment, respecting destinations and making responsible use of natural resources
- Contributing to the reduction of social differences and poverty through the creation of opportunities wherever the Company operates
- Being sensitive to the social and development needs of our employees
- Understanding our customers

This Corporate Social Responsibility policy was approved by the Board of Directors in 2008 and reinforced by the Company's Policies and Internal Regulations, as well as by Meliá's Code of Ethics that were approved by the same body in 2012.

Each year, using different tools and training initiatives, new employees are informed of Meliá's CSR commitments and of the Company's different public commitments as well as those that have been integrated into the Code of Ethics.



Regional Promotion of the Global Corporate Social Responsibility Model

The progress of these commitments made by Meliá can be seen both via the development of the above-mentioned corporate projects with global scope and through the many initiatives and actions that are set up in the hotels around the world that are part of Meliá Hotels International's portfolio.

Since 2008, and coinciding with its first Strategic Plan, Meliá has been developing its CSR strategy as a core element throughout its business and around with it revolves. The evolution of the CSR strategy throughout the 2012-2014 Strategic Plan enabled Meliá to grow and mature, in particular in Spain. This model has become more solid and, from a strategic standpoint, has led to the design of a global model.

Throughout 2015 this commitment has reinforced Meliá's leadership as a hotel chain that is moving forward in the way it approaches social responsibility in the various regions in which it operates and this gives shape to the challenge of internationalising the model in line with future growth in different markets.

Therefore, in 2015, Meliá began to implement this model and adapted it to each cultural reality, to its setting, to its needs and to business priorities. The internationalisation of the model brings with it the need to share a long-term overview without preventing each region from developing in accordance with its own priorities and needs, including its business needs.

Given that Meliá seeks to have a positive impact on the environment and respond to local needs, the design of the model has allowed Meliá to align the CSR strategy on an international level with the necessary adaptability and flexibility needed to ensure that these actions can be implemented in each region or country.

G4-SO1 >

2015 Main figures – Global Vision



Hotels with Certification of Sustainable Tourism



Portfolio of Certified Rooms



Employees in Certified Hotels



Initiatives reported for 115 hotels (37%)

Matters relevant to the region

The environment and climate change are especially important in the case of emerging economies such as Latin America given the growth of its economic, industrial and productive activity that has led to a greater need for resources. The environment is itself a key element in generating economic impact on the region. There is an nascent awareness about reducing emissions and responsible resource consumption. Environmental conservation and protection of biodiversity have also become key issues. On the other hand, the high level of poverty – which is extreme in certain areas – and the social marginalisation suffered by much of the population in Latin America make it necessary to search for solutions that focus on creating economic opportunities for certain groups that, in addition, have very limited access to basic goods and quality services, and also lack an adequate education system. Ensuring safe working conditions and the protection of children as the most vulnerable group, remain on the agenda for this region.

ACTIVITY LINKED TO CSR



- ARGENTINA
 - BAHAMAS
 - BRAZIL
 - CUBA
 - UNITED STATES
 - MEXICO
- PANAMA
 - PERU
 - PUERTO RICO
 - DOMINICAN
 - VENEZUELA



America - 2015 Main figures



*Direct and indirect beneficiaries

Hotels with Certification of Sustainable Tourism



Portfolio of Certified Rooms



Employees in Certified Hotels





Initiatives to Protect the Environment and Biodiversity

BRAZIL

Protecting the environment together with the WWF (São Paulo)

Since 2006, Meliá Brazil has collaborated with the WWF creating awareness among its customers and acting as an important fund-raising channel for the creation of environmental projects in the country; it has the help and commitment of its guests who voluntarily contribute R\$1 of their stay to environmental causes. In 2015, R\$30,354 (close to €7,000) was donated to the WWF.

As part of this partnership, Meliá's hotels in Brazil organise and host, throughout the year, all kinds of actions and initiatives with the WWF to raise awareness and raise funds to cover the cost of the high-impact projects of the region. In addition, the commitment of its teams has led to volunteers taking part in actions to help the environment and care for biodiversity.

MEXICO

Strengthening the fishing cooperative to promote a consumer market and control the lionfish (Riviera Maya)

Since 2013, the proliferation of lionfish in the reefs along the Riviera Maya has been of great concern. Their habitat, from the coast to depths of 50 metres, has taken over the environment and become a serious threat to the reef and commercial species. As this is a species without market demand, fishermen lack the resources to tackle its control. The lionfish is a voracious predator and eats fish, small fish and crustaceans. This lack of control of the species is putting the livelihoods of local fishing cooperatives at serious risk.

Meliá has made it possible for the fishing cooperatives along the Riviera Maya to actively participate in actions aimed at controlling the conservation of this species, minimising any negative impact and protecting the local species of this Mesoamerican reef. Specifically, two main lines of work have been strengthened, namely:

- **Education and Training** on biodiversity monitoring techniques, first aid and acquiring diving certifications.
- **A commercial development strategy** to enhance the commercial use of the species and monitor its growth via the promotion of its consumption, designing menus that include lionfish, offering information and organising awareness activities.

The project is in line with the five objectives of the Regional Strategy for the Control of Invasive Lionfish in the Wider Caribbean (2013-2020). This Regional Lionfish Committee (RLC) is the result of the joint efforts of: the UNEP Caribbean Environment Programme; the Regional Activity Center Protocol relating to areas of specially protected flora and fauna (CAR-SPAW); and other partners which include: the Government of Mexico and the National Commission of Natural Protected Areas (CONANP); the Government of the United States of America and its agency the National Oceanic and Atmospheric Administration (NOAA); Reef Check of the Dominican Republic; the Centre for Agriculture and Biosciences International (CABI); the Reef Environmental Education Foundation (REEF); and science experts from the region.

TARGET 1

To enable collaboration and coordination between governments, companies that depend on the coral reefs, civil society and research centres

TARGET 2

To encourage the creation of scientific programmes to research and monitor the species

TARGET 3

To encourage the review and modification of existing legislation and, if necessary, create new regulations and policies to ensure that the lionfish are controlled

TARGET 4

To control invasive populations through the use of effective methods that are regionally coordinated

TARGET 5

To equip the local community by training and informing them to promote and encourage leadership in controlling the lionfish

PERU

Raising awareness and informing on the importance of recycling (Lima)



Thanks to the implementation of good environmental practices, the Meliá Lima has been recognised by the Ministry of Foreign Trade and Tourism of Peru as an excellent hotel establishment. This hotel in Lima is very active when it comes to providing its teams with training and information on efficient management and recycling as key levers for minimising the environmental impact of the way the hotel operates.

In 2015, the hotel signed a collaboration agreement with the NGO TIERRA & SER that offers help to people with disabilities and limited resources and trains them through learning projects, recycling workshops and education. For the daily management of the recycling of glass, paper and cardboard the hotel collaborates with the NGOs Fundades and Remar, respectively. The hotel's corporate volunteer programme includes taking part in these types of initiatives.

DOMINICAN REPUBLIC

Raising awareness to protect the leatherback turtle and the environment (Bávaro Beach)



The beaches of the Meliá Caribe Tropical Hotel are a natural nesting ground for the leatherback turtle, considered to be one of the largest species on the planet. The hotel's team not only protects dozens of baby turtles that hatch on the beaches, but promote and raise awareness among the hotel guests on respecting the environment and biodiversity, both in the sea and on land. In order to promote the care and conservation of the environment, the leatherback turtles' eggs are zealously guarded in an area of the beach until the baby turtles hatch. The Meliá Caribe Tropical is particularly committed to protecting this important species of sea turtle. To do this, they clean the beach of seaweed, secure the area and put up special signage so that the natural process of egg-laying is respected and the mother turtles can make their way back to the sea.

Reforestation in Laguna Nisibón (Bávaro Beach)

The teams at the Meliá Caribe Tropical took part in reforestation initiatives of mahogany, ceiba, bamboo, oak and teak trees on the shores of the Laguna Nisibón: This is an active part of an initiative set up by the Ministry of Environment and Natural Resources of the Dominican Republic. These kinds of activities are part of the hotel's corporate volunteer programme and any customers who wish to can also join in. In addition to it helping an environmental cause, customers have the opportunity to learn about the Dominican ecosystem in a different way.



Meliá Caribe Tropical | Dominican Republic

BRAZIL

Family activities with a social and educational focus and a focus on children (São Paulo)

Aware of the importance of value-based education, Meliá Brazil's employees organise activities designed to share their commitment with their own families. The corporate and hotel teams in São Paulo therefore offered their children the chance to enjoy a different and unforgettable day at the "Sitiolândia Park" in the Serra da Cantareira to celebrate Children's Day. The event was a success and over a hundred children then took part in extra-curricular school activities that in addition heightened the commitment to preserve the environment and contribute to sustainable development.

The Meliá Brazil hotels and teams continue their commitment to child protection. In 2015 their employees continued to be trained in the protection of children via workshops with Cedeca-Ba; supported organisations that fight against childhood cancer such as Felicidad; and contributed to the education of values and respect for the environment with the Abring Foundation, an organisation that since 2008 values the Meliá Brazil like a company childhood friend.

MEXICO

Working with UNICEF for the right to identity and birth registration for Mexican children

Since 2013, Meliá Hotels International has supported the drawing up of the National Report on Good Practices to promote birth registration, as well as backing a series of workshops and meetings between key players to reduce under-registration in municipalities with very low service coverage, characterised by poverty and marginality. Thanks to the efforts of governments, civil society and international organisations, Mexico has significantly increased its coverage of birth registration from 79% to 93%, although there are still 31 municipalities in the country where less than 25% of newborns were registered, and there are 141 other municipalities whose level of registration coverage is less than 50%. No doubt results and progress during 2015 will prove very positive.

IMPACT OF THE PROJECT

Over 87 public officers of the Civil Register trained



Over 2,000 midwives trained



Over 863,000 children registered since 2013



Over 80 health workers trained



Integration of people with severe disabilities (Playa del Carmen)

Meliá has had a firm commitment to help people with disabilities for several years now. The Company, in addition to expanding its social commitment to this group through training, informing and education, promotes their employment with a particular emphasis on those destinations where this group has more difficulty when it comes to finding administrative, cultural or social jobs. Thus, the team at Paradisus Playa del Carmen has, on its staff, thirteen people in situations of risk, or with difficult access to employment as they are over 60 or have a severe disability. They are all working in either operational or administrative positions in both *front-office* and *back-office*.



PERU

Volunteering and social commitment to groups at risk (Lima)



On 5th April 2015, the Rimac river overflow caused significant damage in Yanacoto, Huampaní, Quirio, California, La Ronda and Chacrasana. The hotel's employees organised campaigns to collect basic necessities to help the residents that were affected as well as donating clothing to the victims in Chosica.

Signing of the Constitution of the Vuela Libre Movement



In 2015, the Meliá Lima, as a result of its social position, signed the Constitution of the Vuela Libre Movement which is committed to carrying out preventive actions in the fight against the sexual exploitation of children and adolescents in the tourism and travel sector.

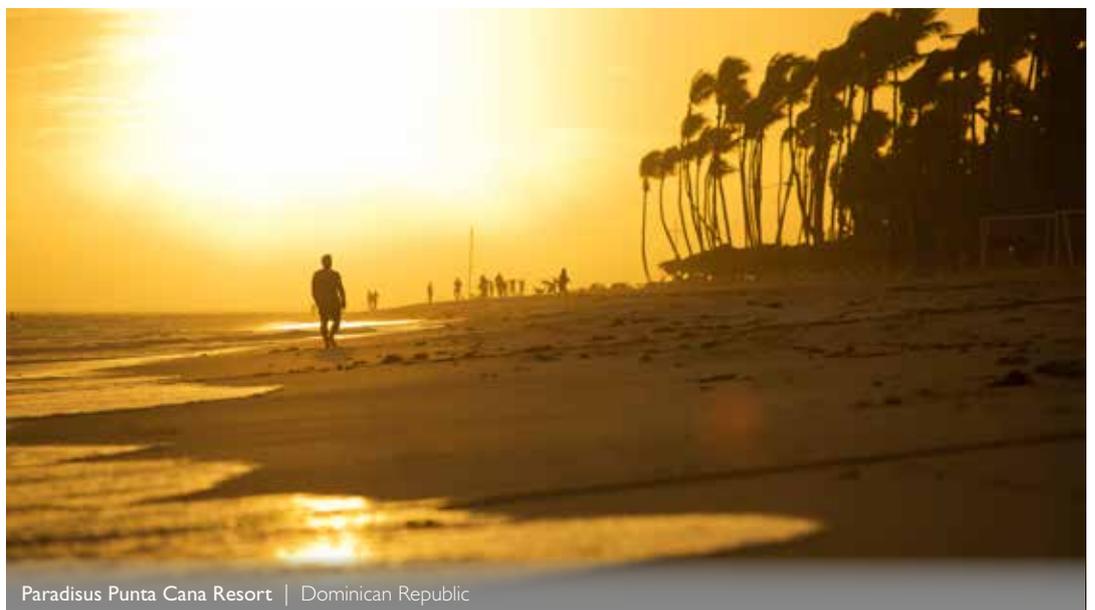
Employee solidarity for visits to children's shelters

Together with organisations such as Global Clowning and Bubulina, twenty hotel employees visited the Pope Francisco Shelter to share a day of fun with the girls who live there. In addition, the hotel team sponsored a hundred underprivileged children in Chinchá and presented them with gifts.

DOMINICAN REPUBLIC

"Historical Beaches" Exhibition (Bávaro Beach)

Meliá Hotels International continues to promote the implementation of initiatives that bring their customers closer to the rich heritage of the destinations in which it operates. It has thus joined up with the University of Seville to reveal part of the historical heritage of Bávaro Beach in the Dominican Republic via an exhibition to be held until March 2016 at the Meliá Caribe Tropical hotel. The exhibition offers a tour of the local culture and cuisine of the country from the 16th to the 18th century, thus enhancing the attractions of the area both for visitors and the local community. The "Historical Beaches: Bávaro Beach" Exhibition covers topics related to place names in the area and informs visitors about the origins of the names of cities, regions and geographic features to evoke historical moments that are unknown to most visitors.



Paradisus Punta Cana Resort | Dominican Republic

Matters relevant to the region

In Spain, youth unemployment is a serious problem and this cycle of economic recession has had a particularly significant impact on this group. This has serious consequences for the present and future situation of young people in Spain and could be a factor that slows the growth in the Spanish economy.

This situation – and its negative impact – is more starkly evident in this country than in others around us. This adverse economic situation has directly affected our young and high levels of unemployment affect young people regardless of their education. This long crisis has, over time, created rates of long-term unemployment and could lead to growth in groups at risk of social marginalisation.

The high school dropout rate – which doubles that of the EU average – coupled with relatively little weight given to mid-level vocational training, make access to the job market difficult for people at risk of social marginalisation.

ACTIVITY LINKED TO CSR



- ARAGON
- ASTURIAS
- ANDALUSIA
- BALEARIC ISLANDS
- CATALONIA
- CEUTA
- COMMUNITY OF VALENCIA
- CASTILLA LA MANCHA
- CASTILLA Y LEON
- CANARY ISLANDS
- EXTREMADURA
- GALICIA
- MADRID
- MELILLA
- MURCIA
- BASQUE COUNTRY



Spain - Main figures 2015



Hotels with Certification of Sustainable Tourism



Portfolio of Certified Rooms



Employees in Certified Hotels



Initiatives for Social Development

Social action and support for groups at risk

Given the huge presence of Meliá in Spain and the high degree of social involvement of its teams in this country, it is almost impossible to count the initiatives and actions carried out by the Company's hotels. These focus on the promotion of social actions to support children and groups who are more likely to be affected by situations of vulnerability or risk.

Meliá would like to highlight the **First Professional Experience** project, set up by the Pinardi Foundation and the Accenture Foundation under the patronage of JP Morgan Spain. 2015 was a year of consolidation for this important initiative and Meliá has also made progress in quantifying its economic impact. To do this, it used a methodology developed by the consulting firm McKinsey in collaboration with the SERES Foundation, for which Meliá is a board member.

Measuring the success of the "First Professional Experience" project

Background

This collaboration began back to 2013, when, together with Pinardi, we launched an initiative called **"Eleven More for Lunch"**, in which eleven young people underwent training as assistant cooks at the Tryp Madrid Alcalá 611 as part of the framework of this Foundation's **"In and With the Company"** training programme. This initiative is aimed at socially vulnerable young people wanting to learn the technical side of the profession in a real working environment. By working within the company itself, these youngsters received a learning experience in a real-life context and were able to develop specific skills for some of the positions in greatest demand in the tourism industry today.

The original initiative has grown in approach, focus and scope, setting a challenge to improve the employability of thirty-five young people at risk of social marginalisation. Thus, the aim of the joint work of the partners is to foster a model of innovative social work that offers young people a first opportunity to access a real job experience in a professional environment that gives them experience, personal development, maturity and skills that have a positive impact on improving their possibilities of finding employment. JP Morgan also joined the project as a sponsor and the Accenture Foundation provided technological support and language skills.

The benefiting group and the incentive behind the project

The group selected were aged from 18 to 25 and were in personal, social or economic situations of risk; they had abandoned their studies and had no prior experience or training in the sector.

The participants were required to have a certain level of maturity, incentive and responsibility to make the most of this intensive training process leading to quality employment. Creating an individual work plan to enhance their professional skills (acceptance of rules, proactivity, resolving conflicts, versatility and tolerance of stress) has allowed the set objectives to be met and quality employment achieved.

The launch of a project such as this stemmed from an incentive to explore innovative social initiatives in the fight against youth unemployment in Spain.



Meliá's strategic objectives

Meliá aims to generate shared value for its stakeholders and pays particular importance to children and to groups at risk of social marginalisation. Fostering employability has been incorporated into its global CSR strategy via designing initiatives that provide people with better qualifications in order to work in the tourism sector.

For the Company, platforms for teamwork is key to the implementation of initiatives aimed at promoting the employability of young people who are at risk, by enhancing their skills and capabilities beyond theoretical and technical training.

Lines of action and specific goals

In addition, Meliá has set two specific goals and three lines of action on which the project is based:

- Training thirty-five young people in the hotel and restaurant business in a real working environment
- Strengthening the social and work skills needed to find quality employment in the short and medium term in their hotels or in other companies in the sector



Hotels involved in the "First Professional Experience" project



Partners and areas involved in the project

The success of this project lies in the collaborative and coordinated work of many *partners* and involves multiple areas within Meliá, both corporate as well as working hotels.

MELIÁ HOTELS INTERNATIONAL	Strategic focus Global coordination	CSR
MELIÁ HOTELS INTERNATIONAL	Selection of candidates Meeting places with the Directors Individualised Mentoring	Human Resources
MELIÁ HOTELS INTERNATIONAL	Reinforcement of education A practical complement at the hotels Continuous backing and support of youngsters	Hotels and Kitchen Managers
Pinardi	Training Management Mentoring and group support	Pinardi Foundation
Fundación Accenture para el fortalecimiento y la inclusión social	Technological support Language learning	Accenture Foundation
J.P.Morgan	Financial sponsorship	JP Morgan Spain

The social and business value of the project

Within a framework that has a caring and strategic approach, the "First Professional Experience" project is of important social value as it provides a real opportunity for young people who have dropped out of school or college. This group underwent a rigorous selection process and individuals were measured not only for their potential to carry out a job, but also their incentive to improve, learn, manage conflicts in real situations and to undergo all-round training.

The implementation of the project is seen as an achievement by Meliá as it identifies the business value of a project whose design was initially social in nature. To appreciate its value, the real differentiating factor was to start measuring its impact using the CSR² tool via which Meliá is beginning to evaluate the CSR projects that it develops.



Thanks to its commitment to the employability of young people at risk, the "First Professional Experience" project was recognised as one of the best CSR initiatives worldwide by the WTO.

In addition, this measure has allowed Meliá's Human Resources department to integrate other indicators of a different nature – not normally used in its day to day functioning – into its management strategy as well as adding a social slant and one that generates shared values, with an emphasis on the following:

- A coordinated and across-the-board management of *partners*
- Operational improvements in the selection process and suitability for the position
- Identifying and recruiting of differential talent for Meliá
- Improving the work environment and pride in belonging in all the hotels involved
- Geographic mobility and among hotels for the candidates
- High reputational impact

Tangible measurement of impact

Meliá Hotels International is a member of the board of the SERES Foundation. Thanks to this relationship, the Company was able to understand and use a tool designed by the consulting firm McKinsey. This tool provides measurements that show the value and economic impact created by social responsibility projects carried out by businesses. CSR² identifies a number of levers and key indicators that show, in a tangible way, the economic impact and the generation of value of any given social project.

This methodology also allows any CSR project to be assessed with the same criteria as any other to meet the following objectives:

- Monetising any project
- Basing social responsibility projects on the same criteria analysis

The analysis identifies three dimensions that each make up three other levers. This model allows the identification of levers that generate direct impact as well as the qualitative benefits generated by the project.



The impact of the project can be seen in the graph below.

DIMENSIONS OF THE IMPACT AND ECONOMIC QUANTIFICATION

Economic quantification of the project



NB: The project included 10,080 hours of work experience in 10 Meliá Hotels International hotels in Spain

Levers which the project impacts



Matters relevant to the region

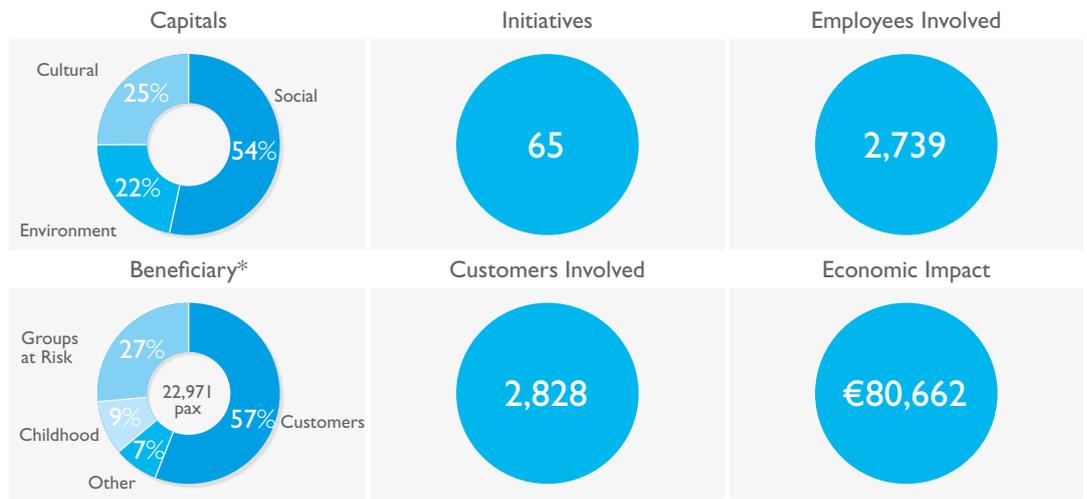
Climate change remains a major concern in the region. The use of resources, driven by the positioning of industrial enterprises, is on the agendas of both companies and governments with the goal of developing strategies to mitigate the negative impact of emissions and to search for energy efficiency. The climate factor could also become a key element in generating positive economic impact in the region.

In addition, respect for Human Rights remains a key matter for the development of the region and must be understood as: treating workers with respect; the need to ensure salaries and adequate working conditions; non-discrimination; and the fight against child labour and the sexual exploitation of children. Furthermore, access to quality education becomes in itself a lever for the fight against marginalisation in the broadest sense of the word.

ACTIVITY LINKED TO CSR



Asia - Main figures 2015



Hotels with Certification of Sustainable Tourism



Portfolio of Certified Rooms



Employees in Certified Hotels



Initiatives to Protect the Environment and Biodiversity

INDONESIA

Caring for the environment (Bali)



The Sol Beach House Benoa celebrated World Water Day to raise awareness of the importance of fresh water and to promote the sustainable management of resources. The hotel invited both guests and employees to pledge their commitment by signing their names on a blackboard designed especially for this cause.



The hotel also contributes to preserving the environment and the landscape, tracks the impact of our business and promotes sustainability awareness among our stakeholders as part of the hotel's own activities. Bali has a pollution problem that becomes very apparent during the rainy season as plastic and other waste reaches its shores and is washed up on its beaches.

The Meliá Bali goes beyond ensuring that its beaches are cleaned as the hotel's teams directly take part in these initiatives to raise awareness among the employees, their families and hotel guests on the importance of accountability in the use of resources and how to recycle and manage rubbish.

Our hotels value the importance of clean beaches and their impact on both tourism and the community. The team at the Meliá Bali thus take direct action on awareness and education to all those who take part by conveying a message committed and responsible ecological message.

CHINA

Responsible consumption of resources

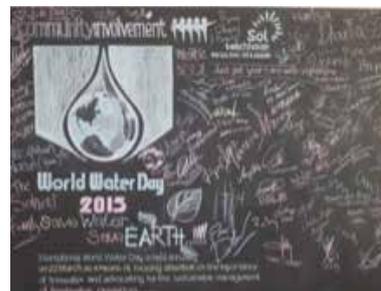
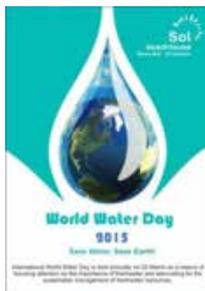


The newly opened Gran Meliá Xian organised a themed event to suggest actions to its guests that can minimise daily water consumption via small gestures such as reusing towels and sheets. To promote this, a cocktail party was held at the Red Level Lounge. Guests were invited to sign the water-saving document that had been prepared for them to show their commitment.

MALAYSIA

Awareness and involvement

On the 28th March, the Meliá Kuala Lumpur staff and guests together took part in lighting candles in the hotel lobby, forming the symbol of the Earth for the annual world event known as Earth Hour, which fights to reduce the amount of lighting on the planet.



Initiatives for Social Development

MALAYSIA

Hotel spaces for traditional culture



The Meliá Kuala Lumpur recently celebrated Ponggal – one of the Hindu religion's most important festivals – as part of its commitment to respecting local and cultural traditions. All the hotel staff dressed in traditional costumes to carry out the ceremony, performed different Hindu dances and shared traditional food prepared by the employees themselves.

Supporting children and people with disabilities



Last December, Malaysia suffered terrible floods that mainly affected the north-western states of the country: Kelantan, Terengganu and Johor. All the staff at the Meliá Kuala Lumpur took the cause to heart and donated food, water, personal hygiene products and clothing to the victims.

As a result of the promotion of CSR initiatives on a local level, fifty employees of the Gran Meliá Jakarta who call themselves the *Bikers Club*, visited the Al Faixin orphanage in Serang Banten and donated food and prayer mats. This orphanage is home to about seventy-five children.

Strengthening family ties

Several hundred people connected to the Gran Meliá Jakarta Hotel – among them employees, their families and children – spent a day at the *Trans Studio Bandung* which served to strengthen personal ties and create a great family atmosphere.

INDONESIA

Disadvantaged children at the centre of the action



To mark World Tourism Day, the Meliá Bali held a charity bazaar and several displays in collaboration with the SLB-B (Special School for Handicapped Children). Over several days, employees and management staff, together with regular customers, participated in games, displays and fundraising by selling tickets for games and souvenirs created by the students.

The Meliá Bali provides ongoing support via various fundraising activities, customer involvement and training, to help support orphanages and schools for the disabled in the area of influence of the hotel with the aim of promoting local development.

CHINA

Hotel spaces for traditional culture



Over the year, and with the aim of bringing Spanish and Chinese cultures closer together, the Gran Meliá Xian organised various events to introduce Spanish culture to the local people. Among the activities carried out, Abel López, chef at the hotel's Spanish restaurant, offered a master class in Spanish cuisine where all those attending actively took part.

The hotel also organised a show called *Flamenco Dance Show*, performed by three professional Spanish dancers. Opportunities to share Spanish folklore with the inhabitants of Xian were thus created and these help to bring the two countries closer together.



Employability and tourism, sport and health

A friendly football match between the Gran Meliá Xian and the Westin Xian was played at the Nanhu stadium on the 18th September. After competing fiercely, the Gran Meliá Xian won the match. This match was played to make the free time of the employees more enjoyable and create a platform to further enhance the friendship between the two hotels.

VIETNAM

A pilot project to create awareness of Human Rights and Children's Rights in the Vietnamese tourism industry

After disseminating its Principles for Children in 2014, UNICEF – one of Meliá Hotels International's strategic partners – requested support to assess the sector of this country in detail given its growing demand as a priority market by companies and other partners in the tourism industry. The Vice President of Vietnam, Chambers of Commerce, the private sector and members of civil society took part and supported this initiative.

UNICEF, together with several well-established key partners, proposed a pilot project to assess the impact of Human Rights on the travel industry and tourism in Vietnam defined by:

- Wide range of players
- Meaningful interaction with customers
- A highly fragmented industry with MSMEs
- Quality standards and increasing safety
- Standardised management models
- Growing interest in ethics and Human Rights



TARGET 1

Having in-depth knowledge of the value chain of other key companies, ways of implementing ethical codes and CSR policies to extrapolate the experiences to other industry players

TARGET 2

Assessing the interests and priorities of the Vietnamese tourism sector with regard to Human Rights

TARGET 3

Assessing the impact of tourism on Vietnamese children, especially in areas with a high influx of tourists

TARGET 4

Assessing information and data on Guiding Principles, Human Rights, Children's Rights and Business Principles in Vietnam

PARTNERS INVOLVED



Matters relevant to the region

Europe faces significant challenges in relation to the contribution of businesses when it comes to addressing climate change and responsible resource consumption in sectors such as power generation, industry and manufacturing, transportation, retail and, of course, tourism. Focus is on investment in clean technologies, products and services related to energy efficiency, renewable energy and sustainable mobility. In its Europe 2020 Strategy, the European Community established a priority of sustainable growth based on a more efficient, ecological and competitive economy. In addition, Europe is tackling the impact of its activity on the environment.

Furthermore, much of the European business community is made up of SMEs; the commitment to these types of businesses enhances local growth, social cohesion and the creation of jobs for, among other groups, young people with limited access to employment. Social innovation, the creation of partnerships and the drive to strengthen aspects of culture have also become key levers for European countries.

ACTIVITY LINKED TO CSR



- GERMANY
- AUSTRIA
- BULGARIA
- CAPE VERDE
- CROATIA
- EGYPT
- UNITED ARAB EMIRATES
- FRANCE
- GREECE
- ITALY
- LUXEMBOURG
- QATAR
- UNITED KINGDOM
- TANZANIA



EMEA - Main figures 2015



*Direct and indirect beneficiaries

Hotels with Certification of Sustainable Tourism



Portfolio of Certified Rooms



Employees in Certified Hotels



Initiatives for Social Development

CROATIA

Vulnerable children and the disabled



Meliá Hotels International's commitment to children is carried out in Croatia via educational activities for disadvantaged children in situations of vulnerability or risk. In addition to UNICEF, it supports other organisations such as the Downs Syndrome Centre in Pula and the "Ti porgo la mano mia" Association in Umag that focus on improving the living conditions of children and people with disabilities.

Since it started supporting these activities, Meliá Croatia has contributed to raising over €150,000 to meet the basic needs of fifteen local families and to promote other social projects coordinated by the above-mentioned bodies. Among these are a sensory room for stimulating the senses; it helps people with sensory processing disorders, allowing them to explore and develop sensory skills, relax, relieve stress and tension brought about by their personal situation.



In collaboration with the owner of the hotels in this country, they regularly organise a variety of educational activities for children of their employees as well as their classmates. With a special focus on conveying values and respect for the environment, different department heads accompany children on these visits to offer them the chance to see a hotel, the work and the main functions that are involved.

Healthy living and sport

For the fifth year in a row, Meliá has supported sport for young women and sponsored the local Umag team, part of the Senior National 2nd Division of Croatia and the ATP Croatia Open Umag tennis tournament, which is the country's longest running tournament and has been going for over 25 years; several members of the Company are involved in its Organising Committee.



UNITED KINGDOM

Social action and solidarity

Combining actions of teambuilding and corporate volunteering with a social approach, the women's team from the Meliá White House took part in the 2015 charity race *Race for Life* to raise funds for the fight against over two hundred types of cancer. This race is part of a series of women-only events organised by Cancer Research UK.

In view of the tragedy faced by immigrants and Syrian refugees living in the Pas-de-Calais, the Meliá White House joined the local community's effort to organise the collection of basic necessities such as clothing for these families to help them during their stay at the reception camps.

Teambuilding & a personal touch

The Company encourages interaction between its employees and their families in a laid-back way. During the summer, an event was held in Regent's Park – close to the hotel – where the Meliá White House's employees and their families enjoyed a picnic and activities to promote closeness among everyone outside the hotel's usual working environment.

In addition, Halloween 2015 set the scene for a party for the team and their families involving competitions and activities between the hotel's departments.

Support for Children

Awareness for supporting children is very present in all the hotels. Among the many activities the Meliá White House organised throughout the year, Children's Day (20th November) was celebrated in a very special way. Children from local primary schools took part in this activity that focused on cultural learning via a number of culinary workshops introducing food from different continents; the children and the hotel's employees thus enjoyed learning together. In addition, the hotel's team of *runners* joined the Race for Children, organised by UNICEF on an international level.

UNITED ARAB EMIRATES

Support for groups at risk

In its latest corporate social responsibility campaign, Meliá Dubai partnered up with the Road and Transport Authority to help taxi drivers in the city with a campaign called "Biryani for taxi drivers". On the 20th September, the Meliá team prepared and distributed food boxes to supply Dubai's taxi drivers with delicious, nutritious meals to celebrate Eid al-Adha.

GERMANY

Supporting children in the fight against cancer and promoting healthy lifestyles

The INNSIDE Dresden hotel donated €1,010 to the Sonnenstrahl E.V. Association for children with cancer. The funds were raised during the Campari Negroni Week that was held in the Twist Cocktail Lounge & Bar, and during the tombola played at the Black & Violet party for customers.

On the 9th July, as part of its 4th anniversary, the INNSIDE Wolfsburg and TRYP Wolfsburg teams took part in a race between companies under the slogan "Laufen Sie Ihrem Chef Davon (Flee from your Boss)". This type of race is part of the many activities encouraged by the city to promote good health. Part of the proceeds from this event was donated to charitable causes in the city of Wolfsburg.

ITALY

Healthy habits for customers

In its commitment to promote the importance of good nutrition and healthy living, Meliá Milan aligned itself this past 1 May with the goal of the city of Milan as it celebrated EXPO 2015, whose focus was "Feeding the Planet, Energy for Life". It was the perfect opportunity to make customers aware of the need to enjoy a healthy life and introducing the *Balance by Meliá* programme.



BALANCE by MELIÁ

“A leading Company like Meliá Hotels International must assume a great commitment to start the path. Renew yourself or die.”

Gabriel Escarrer Jaume, Vice chairman and CEO

In the southwest of Majorca, a few kilometres from the city of Palma is Magaluf, a destination that shone in the 60s spearheading the development of European holiday tourism. Quality hotels, a heavenly beach, marinas and golf courses made it the top destination of the 70s and 80s. Over the next two decades, Magaluf fell into decline due to a lack of funding and long-term vision by investors who were more interested in a short-term business model, volume, scant added value that was of little benefit to the community.

By 2010, the area had deteriorated considerably; this was reflected in the low quality offered by hotels and shops, by the urban surroundings and by the proliferation of businesses that allowed the uncontrolled sale of alcohol as well as tolerance to antisocial behaviour. It was then when Meliá Hotels International decided to take a difficult and risky decision in a context marked by a serious economic crisis: boom or bust.

HISTORY: FROM SPLENDOUR TO DECADENCE

...AND IN THE FACE OF A CRISIS, THE OPPORTUNITY TO ACT



The various scenarios reflected the need for significant investment in the area and the commitment, determination, expertise and leadership of Meliá led to an unprecedented project.

Despite the extent of the challenge, Meliá's decision was firm as was its commitment to promote the improvement of the destination. It was time to carry out a style of renewal that had taken place decades before in destinations such as Miami Beach and Barcelona. The investment was based on a detailed plan made up of four phases to be undertaken in six years, with total investment of close to €190 million.

Aware of the enormity of the project, Meliá decided to promote a strategy that brought together and incentivised all stakeholders; from the hotel sector itself to local authorities as well as the Regional Government and other sectors located in the area.

The common goal was clear; to turn Magaluf back into a sustainable, innovative model and return it to its former status that once received the highest awards for quality and excellence.

In the words of the Vice President of Meliá, Gabriel Escarrer:

"We are fully committed to a transformation of Magaluf based on the creation of quality tourism and a greater diversification of clientèle. Via a number of investment plans and with the support of the public and private sectors we are working towards a new era of renewal, regeneration and repositioning of the destination. This will lead to a new tourism model and change the perception of Magaluf, returning it to the position it deserves."



In 2011 the Company had 8 hotels and 2,895 rooms in this destination. The presentation of this pioneering project in Spain on 30th October, 2011, was declared to be a **"Project of Regional Interest"**. It had the backing and support of important public institutions and the support of the local council to facilitate the necessary procedures required to upgrade its public spaces and promenades.

The first phase began in 2012 with the renovation and repositioning of two previously acquired hotels, the Sol Wave House and the ME Mallorca, both located on the beachfront. With the opening of the Sol Wave House, a unique hotel was inaugurated; in collaboration with the Wave House brand it incorporated the first artificial wave pool for surfing in Europe.

The ME Mallorca, a benchmark *lifestyle* hotel, chose the Nikki Beach as a *partner* and as a way to introduce a *beach club* into the hotel in order to attract the most select international clientèle. The first phase was reinforced by the refurbishment of public spaces and promenades, improvements to the beach, and the construction of mooring to service yachts arriving in the area.

At the same time refurbishments began in other hotels in the area. A *joint venture* with the Katmandu Group was also signed to create a new-generation theme park where guests are surrounded by unique and amazing interactive environments, just 100 metres away from Magaluf's beach. The project comprises the physical, operational and business aspects of both brands and elevates the Sol Katmandu Park & Resort to a higher category.

Over the next two years, the renewal of the Sol Beach House Mallorca was completed, making it the first hotel Sol Beach House in the area. New international brands continued to join the project, bringing new restaurant, leisure and shopping concepts.

The biggest boost to the project came in 2015 with the transformation of five other establishments, the highlight of which was the total refurbishment and *rebranding* of the Sol House Mallorca, as well as the continued improvements being made to the three aforementioned hotels. In addition, the Ibiza Rock Group set up the first Mallorca Rocks Beach Club at the Sol Wave House, rounding out the top-quality hotel and leisure offer encompassed in the project.



In 2016 Meliá Hotels International will address other key achievements that will put the finishing touch to the Calviá Beach project:

- The refurbishment and *rebranding* of the current Sol Antillas Hotel to the Meliá Hotels & Resorts brand, the former being a landmark hotel to the west of Magaluf Bay
- The refurbishment of the Sol Jamaica Hotel, a hotel that is key to the revitalisation of the Avenida de Magaluf and is a block away from the beachfront. Its inauguration is planned for the summer of 2017. Thanks to this project, the Avenida – a block from the beachfront and the tourist centre – will be modernised, connecting it and upgrading it to the same level as the renovated beachfront. It will offer a new, quality shopping area to the new pedestrian promenade and will be vital for the deseasonalisation of the area and for attracting Majorcan residents.
- The Sol Barbados, a modern four-star hotel with direct access to the beach and close to major shopping and leisure centres in this destination, will have fully renovated rooms that can accommodate four people

As a result of the effort of everyone involved, Calviá Beach, in 2015, had a completely different appearance. The area has had its beachfront and the parallel street behind it remodelled. A stylish new promenade and a commercial area with shops of international renown have transformed Calviá Beach into a new destination to attract a different kind of customer profile.

One of the key elements for the success of the project has undoubtedly been the public-private partnership whose common goals shared the same vision. This coordination and collaboration have been essential to ensure that the various players have each contributed, in their own way, to the creation of a positive impact on the destination. The goals around which the project revolves, which remain a prerequisite for the development of the destination, are a guarantee of its future success.



1. Extend the season with the support of airlines, hotels, complementary services, shops, sports and cultural associations and public institutions
2. Make Magaluf an ideal destination again for family tourism with a full, competitive offer and quality facilities
3. Modernise and improve the complementary offer to encourage customers to stay in Magaluf and attract residents and tourists from other parts of the island
4. Position Magaluf as a leading destination to enhance its socio-economic development, increase customer loyalty both with regard to foreign tourists and local visitors, and revitalise a mature destination via innovation and sustainability

A result of this success has been the media impact of the project which has gone beyond our borders. The project was promoted at the travel trade show London World Travel Market 2015 by Meliá Hotels International together with nine other private companies from the tourism sector of Majorca, representatives of governmental institutions of the Balearic Islands and the city of Calviá. Furthermore, the project made an impact on recognised international media such as the Financial Times, among others.

Thanks to Meliá's leadership and the support of everyone involved, Calviá Beach has been given a new lease of life. Meliá Hotels International's commitment has been recognised by various national and international bodies, as well as customers who visit Calviá Beach and find a paradise in which to enjoy a unique and unforgettable holiday.

In the coming years the destination will continue seeing improvements and Meliá will strengthen its commitment to the area even more, spearheading a project in which innovation and sustainability are essential elements to put Calviá Beach in the place it deserves.

Main Impacts

The transformation of the destination has meant a real change in the tourism model for Magaluf, and figures show that the obsolete model has been shrinking to the advantage of the area's traditionally dominant segment of family tourism that has greater purchasing power. Outbound source markets have begun to diversify and there is a growing presence of Swedish, German and Italian tourists, thus reducing the former dependence on the British market.

This area also has become a field of excellence for the launch of new concepts derived from the traditional hotel brand, Sol Hotels & Resorts: The Sol, Sol House, Sol Beach House and Sol Katmandu Park & Resort have already opened in other holiday destinations and look set to have a successful future as important international emblems.

The complementary offer of activities has played a major role in this change of model as customers with greater purchasing power need to have a quality complementary offer in the destination itself that is of the same standard as the hotels.

For Meliá Hotels International the impact of the project has been an unprecedented success since its launch with every ratio improving systematically, season after season.

The presence of Meliá in this destination has increased and it now has 10 hotels with nearly 3,500 rooms. The category of these hotels has improved as well, as has that of the offer of complementary leisure attractions whose concept is unique, not only to attract the new customer profiles but also for them to once again trust Magaluf as a holiday destination. The social and economic impact generated in the community must be added to a positive business growth and the increased profitability of the hotels.



The creation of new jobs, direct and indirect, requiring positions needing a higher level education and training in line with a renewed quality product and service; a shift towards a customer profile with a higher level of demand, purchasing power and value added; as well as the diversification and presence of new tourist markets.



2015 vs 2011



2015 vs 2011

This model of commitment and sustainability, in line with the values that Meliá promotes in an all-round way in its business model, has been felt globally in the Calvià Beach project. It has positively affected all the players and stakeholders involved from the start of the transformation of this destination that today is seen as a successful model based on responsibility, excellence and creating shared value.



STRATEGIC PARTNERSHIPS

G4-I5 >
G4-I6 >

Partners for generating business and shared value

Meliá Hotels International establishes strategic alliances with partners who are relevant to their scope of business, in line with the position of the Company and focused on generating value in aspects related to the hotel business itself, sharing tourism knowledge, corporate responsibility and sustainability in collaboration with civil society, multilateral bodies, governments and important academic bodies.

Via these alliances, whether global or local, Meliá seeks to promote synergies with its partners that are founded on corporate values of trust and proximity.

<p>PRODUCTS AND SERVICES</p>	<p>Stable relationships with <i>partners who are expert in their fields</i></p>	
<p>BUSINESS</p>	<p>Alliances with strategic <i>partners of renowned prestige</i></p>	
<p>ACADEMY & CULTURE</p>	<p>Constant work focused on enhancing proximity and the link between Universities and the company via two-way knowledge management</p>	
<p>CITIZENSHIP AND SUSTAINABILITY</p>	<p>Meliá at the service of society via agreements that foster responsible management and transforming the role of businesses</p>	
<p>INSTITUTIONS</p>	<p>Ensuring the active presence of Meliá in organisations and institutions to strengthen its influence as a benchmark company</p>	

Non-exhaustive list

APPENDICES

Corporate Information
& Contacts
About this Report
Content Index GRI-G4

CORPORATE INFORMATION & CONTACTS



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CORPORATE HEADQUARTERS

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Paradisus Playa del Carmen La Perla | Mexico

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CORPORATE DEPARTMENTS

Corporate Social Responsibility

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Investors Relations

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34 971 22 44 64

Owner Relations

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34 971 22 44 68

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34 971 22 45 54

Communication and Press Department

comunicación@melia.com
34 971 22 44 64

ABOUT THIS REPORT

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Compilation Standards

Meliá Hotels International seeks to be a benchmark company for all its stakeholders. One of the basic principles to achieve this objective is the Company's reporting model, which is defined on the basis of maximum transparency and truthfulness.

For this reason and for the third consecutive year, Meliá Hotels International follows the <IR> (Integrated Reporting) standards set out by the IIRC (International Integrated Reporting Council) and within the GRI-G4 framework.

Scope of the Information

The scope of this report includes hotels owned and leased as well as those that are managed by Meliá Hotels International.

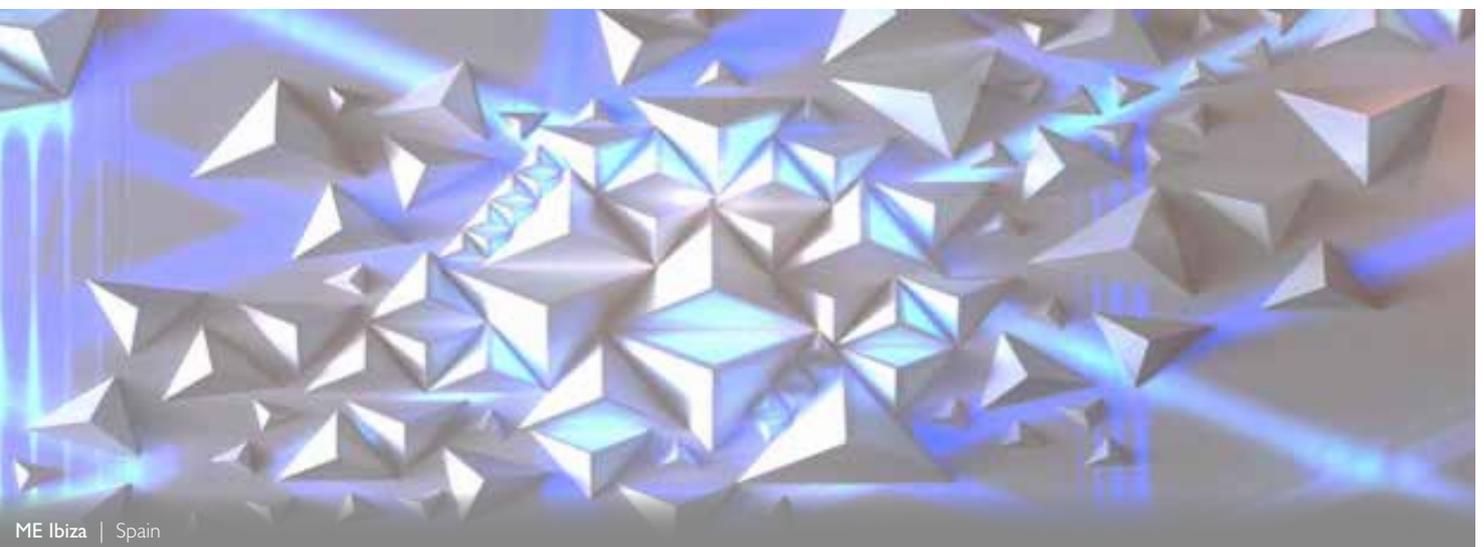
With regard to GRI indicators exclusions specified in certain indicators are excluded from the scope.

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Verification of the Information

In regard to economic performance, the information available in the Annual Report has been processed in compliance with current legislation and audited by PwC. The result can be consulted in the Financial Report and, in summarised form, in this report.

The non-financial information has also been submitted for external verification by PwC. After their verification process, PwC sent us their Verification Report, which revises the adaptation of the content of the 2015 Annual Report, the GRI-G4 Guide and the validation of the performance indicators proposed in its Core option.



ME Ibiza | Spain

CONTENT INDEX GRI-G4

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AVERAGE STAFF PER COUNTRY/REGION												
	SPAIN		EMEA				AMERICA		ASIA		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Corporate	623	562	107	89	227	199	26	23	983	873		
Hotel	9,052	8,206	4,331	3,913	23,212	23,704	3,117	2,870	39,712	38,694		
Club Meliá	44	50	0	0	472	464	0	0	516	514		
Other Activities	317	268	290	235	457	447	0	0	1,065	950		
TOTAL	10,036	9,086	4,728	4,238	24,368	24,814	3,143	2,893	42,275	41,031		

Excluding franchises

G4-10 >

G4-LA12 >

AVERAGE STAFF PER COUNTRY/REGION AND EMPLOYEE CATEGORY																										
	SPAIN						EMEA						AMERICA						ASIA						TOTAL	
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Corporate	281	247	339	315	621	562	42	39	51	50	93	89	112	100	116	98	227	199	13	9	13	14	26	23	967	873
Director	76	76	32	31	109	107	13	13	1	2	14	15	33	27	13	10	46	38	8	7	3	4	11	10	179	170
Department Heads	100	82	93	82	192	164	18	18	22	19	40	37	34	29	38	30	72	58	3	2	5	5	8	7	312	267
Basic Staff	105	89	214	202	320	291	11	9	29	28	40	36	44	44	65	59	109	103	2	1	5	5	7	6	476	436
Hotel	4,295	4,182	4,119	4,024	8,414	8,206	1,960	1,530	1,806	1,397	3,766	2,927	7,718	7,441	4,284	4,082	12,002	11,522	2,101	1,971	1,017	899	3,117	2,870	27,300	25,526
Director	77	89	18	17	94	106	35	32	14	13	49	45	46	49	8	8	54	57	7	7	2	2	9	9	207	217
Department Heads	840	826	564	545	1,404	1,371	338	293	277	226	615	519	1,166	1,115	634	604	1,800	1,720	318	278	156	121	474	400	4,293	4,009
Basic Staff	3,378	3,268	3,538	3,462	6,916	6,730	1,587	1,206	1,515	1,158	3,102	2,364	6,506	6,276	3,642	3,469	10,148	9,745	1,775	1,686	858	776	2,634	2,462	22,800	21,300
Club Meliá	13	15	31	35	44	50	-	-	-	-	-	-	242	233	230	231	472	464	-	-	-	-	-	-	516	514
Other Activities	192	144	125	124	317	268	186	146	104	89	290	235	360	352	97	95	457	447	-	-	-	-	-	-	1,065	950
TOTAL	4,781	4,587	4,615	4,499	9,396	9,086	2,188	1,716	1,962	1,536	4,150	3,252	8,432	8,125	4,727	4,507	13,159	12,632	2,113	1,980	1,030	913	3,143	2,893	29,848	27,863

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

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G4-LA12 >

AVERAGE NUMBER OF STAFF PER BUSINESS AREA, TYPE OF CONTRACT, GENDER AND COUNTRY/REGION																										
	SPAIN						EMEA						AMERICA						ASIA						TOTAL	
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Corporate	281	247	339	315	621	562	42	39	51	50	93	89	112	100	116	98	227	199	13	9	13	14	26	23	967	873
Complete	272	244	286	274	558	518	42	39	50	50	92	89	112	100	116	98	227	199	13	9	13	14	26	23	903	828
Partial	10	3	53	41	63	45	-	-	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	65	45
Hotel	4,295	4,182	4,119	4,024	8,414	8,206	1,960	1,530	1,806	1,397	3,766	2,927	7,718	7,441	4,284	4,082	12,002	11,522	2,101	1,971	1,017	899	3,117	2,870	27,300	25,526
Complete	4,051	4,056	3,618	3,729	7,670	7,785	1,929	1,528	1,733	1,392	3,662	2,920	7,701	7,441	4,267	4,082	11,968	11,522	2,101	1,971	1,017	899	3,117	2,870	26,417	25,098
Partial	243	126	501	295	744	421	31	2	74	5	105	7	17	-	17	-	35	-	-	-	-	-	-	-	883	428
Club Meliá	13	15	31	35	44	50	-	-	-	-	-	-	242	233	230	231	472	464	-	-	-	-	-	-	516	514
Complete	9	13	20	27	29	40	-	-	-	-	-	-	242	233	230	231	472	464	-	-	-	-	-	-	501	504
Partial	3	2	11	8	15	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	10
Other Activities	192	144	125	124	317	268	186	146	104	89	290	235	360	352	97	95	457	447	-	-	-	-	-	-	1,065	950
Complete	168	133	103	120	271	253	186	146	104	89	290	235	360	352	96	95	456	447	-	-	-	-	-	-	1,017	935
Partial	24	10	22	5	46	15	0	-	0	-	1	-	-	-	1	-	1	-	-	-	-	-	-	-	48	15
TOTAL	4,781	4,587	4,615	4,499	9,396	9,086	2,188	1,716	1,962	1,536	4,150	3,252	8,432	8,125	4,727	4,507	13,159	12,632	2,113	1,980	1,030	913	3,143	2,893	29,848	27,863

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-I0 >
G4-LA12 >

AVERAGE NUMBER OF STAFF PER BUSINESS AREA, TYPE OF CONTRACT, GENDER AND COUNTRY/REGION																											
	SPAIN						EMEA						AMERICA						ASIA						TOTAL		
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Corporate	281	247	339	315	621	562	42	39	51	50	93	89	112	100	116	98	227	199	13	9	13	14	26	23	967	873	
Fixed	264	235	308	289	572	524	36	34	40	41	76	75	108	99	108	96	216	195	9	5	7	7	16	12	879	806	
Temporary	18	12	31	26	49	38	6	5	12	9	18	14	4	1	8	2	12	3	4	4	6	7	10	11	88	66	
Hotel	4,295	4,182	4,119	4,024	8,414	8,206	1,960	1,530	1,806	1,397	3,766	2,927	7,718	7,441	4,284	4,082	12,002	11,522	2,101	1,971	1,017	899	3,117	2,870	27,300	25,526	
Fixed	3,096	3,174	2,629	2,682	5,726	5,855	1,149	945	868	767	2,016	1,712	5,852	5,614	3,295	3,128	9,147	8,742	2,093	1,961	1,016	897	3,109	2,858	19,998	19,167	
Temporary	1,198	1,008	1,490	1,343	2,688	2,351	811	586	939	630	1,750	1,215	1,866	1,827	990	954	2,855	2,781	8	10	1	2	8	12	7,302	6,359	
Club Meliá	13	15	31	35	44	50	-	-	-	-	-	-	242	233	230	231	472	464	-	-	-	-	-	-	516	514	
Fixed	10	11	19	24	29	35	-	-	-	-	-	-	214	203	189	192	403	395	-	-	-	-	-	-	432	430	
Temporary	3	4	12	11	15	15	-	-	-	-	-	-	28	30	41	39	69	69	-	-	-	-	-	-	84	83	
Other Activities	192	144	125	124	317	268	186	146	104	89	290	235	360	352	97	95	457	447	-	-	-	-	-	-	1,065	950	
Fixed	118	90	72	75	189	166	158	146	89	89	246	235	357	349	93	93	450	442	-	-	-	-	-	-	886	843	
Temporary	74	53	54	49	128	102	28	-	16	-	44	-	3	2	4	2	7	5	-	-	-	-	-	-	179	107	
TOTAL	4,781	4,587	4,615	4,499	9,396	9,086	2,188	1,716	1,962	1,536	4,150	3,252	8,432	8,125	4,727	4,507	13,159	12,632	2,113	1,980	1,030	913	3,143	2,893	29,848	27,863	

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-LA12 >

AGE PYRAMID BY GENDER AND COUNTRY/REGION																											
	SPAIN						EMEA						AMERICA						ASIA						TOTAL		
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<30	15.03%	13.27%	16.42%	15.50%	15.72%	14.37%	40.11%	38.80%	48.18%	47.52%	43.92%	42.92%	37.76%	37.97%	38.04%	39.65%	37.86%	38.57%	18.19%	15.05%	25.98%	22.78%	20.74%	17.49%	29.93%	29.00%	
30-50	52.78%	52.73%	58.66%	59.17%	55.67%	55.92%	51.26%	53.56%	45.63%	46.59%	48.60%	50.27%	55.20%	55.48%	55.44%	55.53%	55.29%	55.50%	69.01%	74.97%	68.00%	72.53%	68.68%	74.20%	55.89%	56.97%	
>50	32.19%	34.00%	24.92%	25.34%	28.62%	29.71%	8.63%	7.65%	6.19%	5.89%	7.47%	6.82%	7.05%	6.55%	6.52%	4.82%	6.86%	5.93%	12.80%	9.98%	6.02%	4.69%	10.58%	8.31%	14.19%	14.04%	
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-LA1 >

CONTRACTS SIGNED OUT OF AVERAGE STAFF																											
	SPAIN						EMEA						AMERICA						ASIA						TOTAL		
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<30	30.04%	29.12%	30.37%	27.66%	30.21%	28.34%	28.30%	26.45%	23.94%	25.35%	26.04%	25.88%	24.02%	25.90%	22.79%	23.03%	23.57%	24.85%	30.28%	42.87%	30.75%	56.12%	30.47%	48.32%	25.68%	27.06%	
30-50	11.08%	9.00%	10.52%	9.82%	10.79%	9.43%	17.48%	12.62%	11.93%	12.92%	15.01%	12.75%	10.92%	11.57%	11.35%	11.19%	11.07%	11.43%	7.47%	7.21%	9.80%	14.50%	8.22%	9.46%	11.09%	10.66%	
>50	1.49%	2.51%	2.67%	2.80%	2.00%	2.63%	31.18%	5.33%	15.97%	6.26%	25.22%	5.71%	3.91%	3.82%	3.97%	5.98%	3.93%	33.30%	5.79%	4.30%	5.47%	13.34%	5.73%	5.91%	4.40%	3.36%	
TOTAL	10.84%	9.46%	11.82%	10.81%	11.33%	10.13%	23.00%	17.43%	17.97%	18.44%	20.62%	17.90%	15.37%	16.50%	15.22%	15.64%	15.32%	16.19%	11.40%	12.28%	14.98%	13.34%	12.58%	15.96%	14.51%	14.39%	

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-LA1 >

NUMBER OF CONTRACTS																											
	SPAIN						EMEA						AMERICA						ASIA						TOTAL		
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<30	216	177	230	193	446	370	248	176	226	185	475	361	765	799	410	412	1,174	1,211	116	128	82	117	199	244	2,294	2,186	
30-50	280	218	285	261	564	479	196	116	107	92	303	208	508	521	297	280	806	801	109	107	69	96	178	203	1,850	1,692	
>50	23	39	31	32	54	71	59	7	19	6	78	13	23	20	12	13	35	33	16	9	3	6	19	14	186	131	
TOTAL	518	434	546	486	1,064	920	503	299	353	283	856	582	1,296	1,341	719	705	2,015	2,045	241	243	154	218	395	462	4,330	4,010	

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-LA1 >

VOLUNTARY ROTATION OF AVERAGE STAFF NUMBERS BY AGE, GENDER AND REGION																											
	SPAIN						EMEA						AMERICA						ASIA						TOTAL		
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL		TOTAL		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
<30	3.87%	3.42%	3.77%	2.85%	3.82%	3.11%	9.04%	11.08%	9.89%	10.83%	9.48%	10.95%	11.14%	11.03%	13.29%	13.01%	11.92%	11.75%	4.88%	3.70%	4.53%	4.82%	4.73%	4.16%	9.56%	9.74%	
30-50	1.58%	1.64%	1.16%	0.94%	1.36%	1.27%	6.56%	6.89%	6.84%	6.35%	6.68%	6.65%	5.83%	5.97%	6.66%	6.52%	6.13%	6.17%	1.43%	0.82%	2.16%	1.28%	1.66%	0.96%	4.12%	3.95%	
>50	0.07%	0.09%	0.18%	0.13%	0.12%	0.10%	2.82%	3.04%	1.53%	2.81%	2.32%	2.95%	2.70%	3.34%	2.93%	4.60%	2.77%	3.70%	0.89%	0.50%	0.62%	0.38%	0.84%	0.48%	0.90%	0.98%	
TOTAL	1.44%	1.35%	1.34%	1.03%	1.39%	1.19%	7.23%	8.22%	7.98%	3.91%	7.59%	8.25%	7.61%	7.72%	8.94%	9.00%	8.09%	8.18%	1.99%	1.22%	2.68%	2.05%	2.21%	1.48%	5.29%	5.21%	

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

STAFF BY NATIONALITY (%)														
	2015		2014			2015		2014			2015		2014	
Afghan		0.01%		0.01%	Eritrean		0.00%		0.01%	Moroccan		0.35%		0.27%
Albanian		0.03%		0.02%	Slovakian		0.09%		0.08%	Mauritanian		0.03%		0.03%
German		3.33%		3.56%	Slovenian		0.02%		0.02%	Mexican		12.96%		13.50%
Algerian		0.04%		0.04%	Spanish		29.51%		30.51%	Moldova		0.03%		0.02%
American		1.86%		2.36%	Estonian		0.02%		0.02%	New Zealander		0.01%		0.01%
Angolan		0.00%		0.00%	Ethiopian		0.01%		0.01%	Nepalese		0.08%		0.06%
Argentina		0.83%		0.85%	Filipino		0.26%		0.23%	Nicaraguan		0.01%		0.00%
Armenian		0.00%		0.00%	Finnish		0.02%		0.02%	Nigerian		0.08%		0.06%
Australian		0.02%		0.02%	French		0.69%		0.63%	Norway		0.00%		0.00%
Austrian		0.28%		0.25%	Gabonese		0.03%		0.00%	Pakistani		0.10%		0.10%
Bahaman		2.03%		0.53%	Gambian		0.04%		0.02%	Panamanian		0.24%		1.09%
Bangladeshi		0.12%		0.08%	Georgian		0.01%		0.01%	Paraguayan		0.03%		0.03%
Belgian		0.08%		0.08%	Ghanaian		0.01%		0.02%	Peruvian		0.68%		0.72%
Beninese		0.00%		0.01%	Greek		0.18%		0.19%	Polish		0.24%		0.26%
Belarussian		0.01%		0.00%	Guatemalan		0.01%		0.01%	Portuguese		0.38%		0.35%
Burmese		0.02%		0.01%	Guyanese		0.01%		0.01%	Romanian		0.37%		0.30%
Bolivian		0.06%		0.07%	Guinean		0.15%		0.04%	Russian		0.11%		0.12%
Bosnian		0.01%		0.01%	Haitian		0.16%		0.19%	Solomon Islander		0.01%		0.01%
Botswana		0.01%		0.01%	Indian		0.38%		0.25%	Salvadoran		0.00%		0.00%
Brazilian		5.69%		5.65%	Dutch		0.11%		0.10%	São Toméan		0.01%		0.00%
British		0.52%		0.50%	Honduran		0.02%		0.01%	Senegalese		0.08%		0.07%
Bulgarian		0.26%		0.25%	Hungarian		0.24%		0.22%	Serbian		0.03%		0.02%
Burkinese		0.00%		0.00%	Indonesia		6.07%		6.51%	Sierra Leonean		0.00%		0.01%
Cape Verdean		2.33%		0.98%	Iranian		0.01%		0.00%	Syrian		0.02%		0.01%
Cambodian		0.00%		0.01%	Iraqi		0.00%		0.00%	Somali		0.00%		0.01%
Cameroonian		0.02%		0.02%	Irish		0.02%		0.03%	Sri Lankan		0.10%		0.11%
Canadian		0.01%		0.02%	Icelandic		0.00%		0.00%	Swedish		0.04%		0.02%
Czech		0.06%		0.05%	Italian		1.95%		1.78%	Swiss		0.03%		0.02%
Chilean		0.05%		0.04%	Jamaican		0.03%		0.01%	South African		0.01%		0.02%
China		2.23%		1.71%	Jordanian		0.00%		0.00%	Thai		0.02%		0.03%
Cypriot		0.01%		0.01%	Kazakh		0.00%		0.01%	Tanzanian		0.82%		0.92%
Colombian		0.29%		0.29%	Kenyan		0.08%		0.05%	Togolese		0.01%		0.00%
Congolese		0.07%		0.05%	Kyrgyz		0.01%		0.00%	Trinidadian		0.00%		0.00%
Korean		0.02%		0.00%	Latvian		0.03%		0.03%	Tunisian		0.04%		0.03%
Costa Rican		0.02%		0.02%	Lebanese		0.01%		0.01%	Turkish		0.06%		0.07%
Croatian		0.14%		0.14%	Lithuanian		0.06%		0.07%	Ukrainian		0.17%		0.14%
Cuban		0.35%		0.36%	Luxembourger		0.02%		0.02%	Ugandan		0.01%		0.00%
Danish		0.00%		0.00%	Macedonian		0.01%		0.01%	Uruguayan		0.07%		0.31%
Dominican		16.80%		17.15%	Malay		0.55%		0.63%	Uzbek		0.01%		0.01%
Ecuadorian		0.14%		0.17%	Madagascan		0.01%		0.01%	Venezuelan		2.26%		2.37%
Egyptian		0.19%		0.16%	Malian		0.02%		0.01%	Vietnamese		1.65%		1.53%
Emirati		0.01%		0.01%	Ivorian		0.01%		0.01%	Yemeni		0.00%		0.00%

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-LA11 >

EMPLOYEES WHO HAVE UNDERGONE PERFORMANCE EVALUATION													
	SPAIN			EMEA			AMERICA			ASIA			TOTAL
	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL	MAN	WOMAN	TOTAL	
Corporate	181	166	347	31	33	64	60	58	118	12	11	23	552
Director	75	32	107	1	13	14	11	24	35	3	7	10	166
Department Heads	92	82	174	20	16	36	32	30	63	4	2	6	279
Basic Staff	13	52	66	11	4	14	17	3	20	5	2	7	107
Hotel	649	451	1,100	287	297	584	211	260	471	42	98	140	2,295
Director	76	17	92	14	32	47	8	21	29	1	5	6	174
Department Heads	526	362	888	125	130	255	167	208	375	41	93	133	1,651
Basic Staff	47	72	119	148	135	283	37	31	68	-	-	-	470
Club Meliá	2	1	3	-	-	-	9	6	15	-	-	-	18
Director	1	-	1	-	-	-	1	0	1	-	-	-	2
Department Heads	1	1	2	-	-	-	8	6	13	-	-	-	15
Basic Staff	-	-	-	-	-	-	-	0	0	-	-	-	0
Other Activities	8	2	10	2	2	4	0	4	4	-	-	-	18
Director	4	-	4	-	1	1	-	2	2	-	-	-	6
Department Heads	3	2	5	-	0	0	0	2	2	-	-	-	7
Basic Staff	2	-	2	2	1	3	-	-	-	-	-	-	5
TOTAL	840	621	1,460	320	332	652	281	328	608	54	109	162	2,883

* EMEA: Europe, Middle East & Africa, excluding Spain. Does not include Bulgaria, Cuba and Egypt.

G4-LA13 >

AVERAGE SALARY DIFFERENCES BY GENDER (MEN vs WOMEN)							
	SPAIN		MEXICO		DOMINICAN REPUBLIC		
	2015	2014	2015	2014	2015	2014	
Corporate							
EVP	ND	ND	Position does not exist				
VP	25%	27%	Position does not exist				
Director	13%	18%	21%	13%	Only men	Only men	
Manager	15%	16%	32%	36%	Only women	Only men	
Executive	14%	13%	19%	1%	3%	5%	
Assistant	4%	4%	23%	-28%	Only men	Only men	
Hotel							
Director	8%	14%	Only men	Only men	Only men	Only men	
Deputy Director	7%	4%	Position does not exist				
Department Heads	11%	13%	24%	1%	-16%	-14%	
Basic Staff	6%	5%	-2%	6%	-1%	-2%	

The positive numbers refer to men, the negative to women. EVP (Executive Vice President), SVP (Senior Vice President) and VP (Vice President).

G4-EC6 >

LOCAL EXECUTIVES BY REGION														
	EXPATRIATE						LOCAL						TOTAL	
	MAN		WOMAN		TOTAL		MAN		WOMAN		TOTAL			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
SPAIN	0.01%	0.02%	0.00%	0.00%	0.01%	0.02%	0.27%	0.32%	0.06%	0.07%	0.33%	0.39%	0.35%	0.41%
EMEA	0.04%	0.04%	0.01%	0.01%	0.05%	0.05%	0.09%	0.08%	0.05%	0.05%	0.13%	0.13%	0.18%	0.18%
AMERICA	0.06%	0.05%	0.01%	0.01%	0.06%	0.06%	0.11%	0.14%	0.02%	0.02%	0.13%	0.17%	0.20%	0.22%
ASIA	0.02%	0.03%	0.01%	0.00%	0.03%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.03%
TOTAL	0.13%	0.15%	0.02%	0.02%	0.15%	0.16%	0.47%	0.55%	0.13%	0.14%	0.61%	0.69%	0.76%	0.85%

G4-LA12 >

BOARD OF DIRECTORS		
	MAN	WOMAN
<30	-	-
30-50	2	-
>50	7	1
TOTAL	9	1

G4-LA9 >

TRAINING ACTIONS (SPAIN)												
	ACTIONS		COURSES		PARTICIPANTS		AVERAGE H/ PARTICIPANT		AVERAGE H/ EMPLOYEE		TOTAL HOURS	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Paid training	214	143	960	626	10,274	8,135	6.8	9.3	11.2	8.3	70,025	75,647
Unpaid training	1	2	23	103	403	1,330	2.0	2.1	2.0	0.3	806	2,734
TOTAL	215	145	983	729	10,677	9,465	6.6	8.5	10.7	8.6	70,831	78,381

e-MELIÁ TRAINING	
No. of Users of the E-Meliá Platform	2,921
Active Number of E-Meliá Users	803
E-Meliá Ratio of Activity	27.49%
No. of E-Meliá Courses (courses + videos)	437
Total No. of Hours Undertaken by each E-Meliá User	1:59:01

G4-PRI >

INTERNAL AUDIT PROCESSES ON HEALTH & SAFETY		
2013	2014	2015
45	16	23

G4-LA6 >

HEALTH AND SAFETY RATE (SPAIN)										
	INCIDENCE		FREQUENCY		SEVERITY		AVERAGE DURATION		ABSENTEEISM	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Men	53.56	49.34	30.81	28.06	0.51	0.54	16.68	19.30	0.41	2.95
Women	60.89	67.07	35.08	38.44	0.63	0.72	18.02	18.74	0.51	3.57
TOTAL	57.16	58.13	32.91	33.19	0.57	0.63	17.38	18.98	0.46	3.25

G4-EN3 >

TOTAL ENERGY CONSUMPTION AND SAVINGS					
CONSUMPTION	UNIT	2015	Δ %	2014	SAVINGS 2015
Electricity	MWh	444,578	5.59%	421,044	23,535
	GJ	1,600,481		1,515,757	84,724
Natural Gas	m³	9,257,490	1.26%	9,142,194	115,296
	GJ	355,302		350,877	4,425
LPG	tn	4,179	0.52%	4,158	22
	GJ	190,166		189,180	986
Diesel	m³	4,601	-12.85%	5,280	-678
	GJ	165,833		190,285	-24,452
District Heating	MWh	29,515	9.64%	26,920	2,595
	GJ	106,255		96,912	9,343
District Cooling	MWh	45,556	41.97%	32,089	13,467
	GJ	164,001		115,521	48,480
TOTAL (GJ)		2,582,038	5.02%	2,458,532	123,506

G4-EN31 >

ENVIRONMENTAL EXPENDITURE	
Bacteriological Analysis	€696,232
Quality Audit	€114,757
Environment	€76,993
Drainage Standards	€1,541,635
Rubbish	€3,734,129
Water Standards	€1,500,393
TOTAL	€7,664,139

G4-EN21 >

NOx EMISSIONS (Tn)			SOx EMISSIONS (Tn)		
2015	DIFFERENCE	2014	2015	DIFFERENCE	2014
91,674	-1.66%	93,223	18,102	-11.44%	20,440

G4-6 >

ENVIRONMENTAL CERTIFICATIONS					
HOTEL	LOCATION	GREEN LEADERS	EARTHCHECK	BIOSPHERE	TRAVELIFE
FRANKFURT NIEDERRAD	Germany	Green Partner			
MUNCHEN NEUE MESSE	Germany	Gold			
DUSSELDORF DERENDORF	Germany	Silver			
DRESDEN	Germany	Gold			
BERLIN	Germany	Gold		Biosphere	
MUNCHEN CITY CENTER	Germany	Green Partner			
BOCHUM- WATTENSCHIED	Germany	Bronze			
DORTMUND	Germany	Silver			
DUSSELDORF KREFELD	Germany	Silver			
CELLE	Germany	Gold			
CENTRO OBERHAUSEN	Germany	Green Partner			
WOLFSBURG	Germany	Silver			
BERLIN MITTE	Germany	Green Partner			
BRASIL 21	Brazil	Green Partner			
JARDIM EUROPA	Brazil	Green Partner			
PAULISTA	Brazil	Bronze			
SAO PAULO ITAIM	Brazil	Silver			
SAO PAULO TATUAPE	Brazil	Silver			
SAO PAULO IGUATEMI	Brazil	Platinum			
SAO PAULO PAULISTA	Brazil	Bronze			
CAMPINAS	Brazil	Bronze			
SAO PAULO JESUINO ARRUDA	Brazil	Green Partner			
JINAN	China		Earthcheck		
AURORA	Croatia				Travelife
VICTORIA	Spain		Earthcheck		
FENIX	Spain		Earthcheck		
DON PEPE	Spain		Earthcheck		
PALACIO DE ISORA	Spain	Gold	Earthcheck		
PALACIO DE ISORA	Spain				Travelife
COLON	Spain		Earthcheck		
ME MALLORCA	Spain		Earthcheck		
ME IBIZA	Spain	Green Partner	Earthcheck		
MADRID REINA VICTORIA	Spain	Silver	Earthcheck		
DE MAR	Spain	Bronze		Biosphere	
BARCELONA SARRIA	Spain	Gold		Biosphere	
BARCELONA SKY	Spain	Platinum			
SANCTI PETRI	Spain	Platinum			Travelife
CALA GALDANA	Spain	Bronze			Travelife
CALA D'OR	Spain	Gold			
ATLANTICO - ISLA CANELA	Spain	Bronze		Biosphere	
ATLANTICO - ISLA CANELA	Spain	Bronze		Biosphere	
COSTA DEL SOL	Spain	Platinum		Biosphere	
TAMARINDOS	Spain			Biosphere	
SALINAS	Spain	Bronze			Travelife
COSTA BLANCA	Spain	Silver			Travelife
CALA D'OR APARTAMENTOS	Spain	Silver			
HOUSE IBIZA	Spain				Travelife
ALCUDIA CENTER APARTAMENTOS	Spain	Silver			
DON PABLO	Spain	Silver			
DON PEDRO	Spain	Silver			
DON MARCO	Spain	Silver			
BARBACAN (APARTAMENTOS Y BUNGALOWS)	Spain	Green Partner			
BEACH HOUSE CALA BLANCA	Spain	Silver			
BEACH HOUSE MENORCA	Spain			Biosphere	
BEACH HOUSE IBIZA	Spain	Bronze			
HOUSE ALOHA - COSTA DEL SOL	Spain	Green Partner			
MADRID LUCHANA	Spain	Green Partner			
ALICANTE	Spain	Bronze			
PALAS ATENEA	Spain	Silver		Biosphere	
SITGES	Spain	Bronze		Biosphere	
GRANADA	Spain	Bronze			
MADRID PRINCESA	Spain			Biosphere	
CASTILLA	Spain	Bronze			
BARAJAS	Spain	Bronze			
MARBELLA BANUS	Spain	Silver			
LEBREROS	Spain	Silver			
SEVILLA	Spain	Green Partner			

ENVIRONMENTAL CERTIFICATIONS					
HOTEL	LOCATION	GREEN LEADERS	EARTHCHECK	BIOSPHERE	TRAVELIFE
VALENCIA	Spain	Bronze			
RECOLETOS	Spain	Bronze			
ZARAGOZA	Spain	Green Partner			
MERIDA MEDEA	Spain	Bronze			
PALMA BELLVER	Spain	Bronze			
PALMA BOSQUE	Spain	Silver			
PALMA CENTER	Spain	Silver		Biosphere	
BARCELONA APOLO	Spain	Green Partner			
BARCELONA AEROPUERTO	Spain	Bronze			
CEUTA	Spain	Green Partner			
CADIZ LA CALETA	Spain	Bronze			
JEREZ	Spain	Silver			
MELILLA PUERTO	Spain	Green Partner			
CORDOBA	Spain	Green Partner			
SANTIAGO	Spain	Bronze			
SAN SEBASTIAN ORLY	Spain	Silver			
LEON	Spain	Green Partner			
MADRID PLAZA ESPAÑA	Spain	Silver			
MADRID CENTRO	Spain	Silver			
MADRID ATOCHA	Spain	Bronze			
MADRID AIRPORT SUITES	Spain	Silver			
MALAGA GUADALMAR	Spain	Silver			
MURCIA RINCON DE PEPE	Spain	Green Partner			
SALAMANCA CENTRO	Spain	Bronze			
SALAMANCA MONTALVO	Spain	Bronze			
PORT CAMBRILS	Spain	Bronze			
VALLADOLID SOFIA PARQUESOL	Spain	Bronze			
ZARAGOZA	Spain	Bronze			
LE COLBERT	France	Green Partner			
ROYAL ALMA	France	Green Partner			
VENDOME	France	Green Partner			
PARIS CHAMPS-ÉLYSÉES	France	Green Partner			
PARIS OPERA	France	Green Partner			
ATENAS	Greece	Green Partner			
JAKARTA	Indonesia		Earthcheck		
BALI - THE GARDEN VILAS	Indonesia		Earthcheck		
PUROSANI	Indonesia		Earthcheck		
BEACH HOUSE BENOA BALI	Indonesia		Earthcheck		
ROME	Italy		Earthcheck		
MILAN	Italy	Bronze		Biosphere	
GENOVA	Italy			Biosphere	
VILLA CAPRI HOTEL & SPA	Italy			Biosphere	
LUXEMBOURG	Luxembourg	Gold			
KUALA LUMPUR	Malaysia		Earthcheck		
ME CABO	Mexico		Earthcheck		
ME CANCUN	Mexico		Earthcheck		
CABO REAL	Mexico		Earthcheck		
CANCUN	Mexico		Earthcheck		
PLAYA DEL CARMEN LA PERLA	Mexico	Platinum	Earthcheck		
PLAYA DEL CARMEN LA ESMERALDA	Mexico	Platinum	Earthcheck		
LIMA	Peru			Biosphere	
BRAGA	Portugal	Silver			
MADEIRA MARE	Portugal	Platinum			
ME LONDON	United Kingdom		Earthcheck		
WHITE HOUSE	United Kingdom	Bronze		Biosphere	
WHITE HOUSE (APARTAMENTS)	United Kingdom				
CARIBETROPICAL	Dominican Republic	Silver	Earthcheck		
PUNTA CANA	Dominican Republic	Silver	Earthcheck		
PALMA REAL GOLF & SPA RESORT	Dominican Republic	Silver	Earthcheck		
THE RESERVE (PARADISUS PALMA REAL)	Dominican Republic	Silver			
THE RESERVE (PARADISUS PUNTA CANA)	Dominican Republic	Silver			
HANOI	Vietnam		Earthcheck		
TOTAL		102	26	16	7

GRI code	GRI description	Page	Reported	Comments/Omissions
STRATEGY AND ANALYSIS				
G4-1	Declaration by the main person responsible for the organisation's decisions regarding the relevance of sustainability for the organisation and the strategy for addressing this question.	2-4	Yes	-
G4-2	Main effects, risks and opportunities.	45	Yes	-
ORGANISATION PROFILE				
G4-3	Name of organisation.	Front cover	Yes	
G4-4	Primary brands, products and services in the organisation	22-40	Yes	
G4-5	Location of the head office of the organisation.	160	Yes	
G4-6	Countries in which the organisation operates and countries where the organisation carries out significant operations or that are specifically relevant to the sustainability questions dealt with in this report.	12, 167-168	Yes	
G4-7	Nature of the property and its legal form.	FR 10	Yes	
G4-8	Customer profiles by markets (with breakdown by region, sector; types of customers and beneficiaries).	23-40	Yes	
G4-9	Size of the organisation.	11	Yes	
G4-10	Staff details	162-163	Yes	
G4-11	Percentage of employees covered by collective bargaining agreements	169	Yes	100% (excluding China and Croatia). The former because it does not permit such agreements and Croatia because its employees do not depend directly on the Company so it is unable to guarantee this kind of representation at present.
G4-12	Description of the organisation's supply chain.	15-17	Yes	
G4-13	Any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	12-13	Yes	
G4-14	Report whether and how the precautionary approach is addressed by the organisation.	169	Yes	Note I (see page 175)
G4-15	List of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	156	Yes	
G4-16	List memberships of associations (such as industrial associations) and national or international advocacy organisations to which the organisation belongs.	156	Yes	
MATERIAL ASPECTS AND BOUNDARIES				
G4-17	List of all entities included in the organisation's consolidated financial statements or equivalent documents.	FR 272-273	Yes	
G4-18	The process for defining the report content and for each Aspect Boundary.	161	Yes	
G4-19	List of the material aspects identified during the process of defining the contents of the report.	102-103	Yes	
G4-20	Boundary of each material aspect within the organisation.	102-103	Yes	
G4-21	The limit outside the organisation for each material Aspect.	102-103	Yes	
G4-22	Consequences of restatements of information provided in previous reports and their causes.	169	Yes	The data was recalculated using the Environmental Management section from 2014, as the scope of the SAVE programme had changed.
G4-23	Significant change in the Scope and the Aspect Boundaries with regard to previous reports.	169	Yes	No significant changes
PARTICIPATION OF STAKEHOLDERS				
G4-24	List of stakeholders engaged by the organisation.	102	Yes	
G4-25	Criteria for choosing the stakeholders engaged.	104	Yes	
G4-26	The organisation's approach to stakeholder engagement, including frequency of engagement.	104	Yes	
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	102-103	Yes	
PROFILE OF REPORT				
G4-28	Object period of the report	169	Yes	01/01/2015 - 31/12/2015
G4-29	Date of latest report.	169	Yes	Annual Report
G4-30	Reporting cycle.	169	Yes	Annual
G4-31	Contact point for resolving doubts which could arise in relation to the report's contents.	160	Yes	
G4-32	'In accordance' option with the Guide chosen by the organisation, GRI Content Index and reference to the External Assurance Report.	158-159, 169	Yes	Core
G4-33	The organisation's policy and current practice with regard to seeking external assurance for the report, scope and basis of assurance.	161	Yes	

GRI code	GRI description	Page	Reported	Comments/Omissions
GOVERNANCE				
G4-34	Governance structure of organisation.	91	Yes	
G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	FR 276-277	Yes	
G4-36	Executive positions or with responsibility in economic, environmental and social matters, and whether these persons report directly to the highest governance body.	91-93	Yes	
G4-37	Consultation processes between stakeholders and the higher governance body for economic, environmental and social questions.	102-104	Yes	
G4-38	Composition of the highest governance body and of its committees.	91	Yes	
G4-39	Report whether the Chair of the highest governance body is also an executive officer; what their executive functions are and the reasons for this arrangement.	91	Yes	
G4-40	Processes for appointing and selecting the highest governance body and its committees, and the criteria used for appointing and selecting the members of the former.	FR 328	Yes	
G4-41	Processes whereby the highest governance body prevents and manages possible conflicts of interest. Report whether conflicts of interest are disclosed to stakeholders.	FR 339	Yes	
G4-42	Report the highest governance body and senior executives' roles in the development, approval and updating of the organisation's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts.	-	No	
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social matters.	-	No	
G4-44	The processes of evaluation of the performance and measures taken by the highest governance body's with respect to the governance of economic, environmental and social matters.	FR 275-277	Yes	
G4-45	Report the highest governance body's role in the identification, management and diligent approach of the economic, environmental and social impacts, risks and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	FR 275-277	Yes	
G4-46	Duty of the highest governance body in analysing the efficiency of risk management processes of the organisation with regard to economic, environmental and social matters.	FR 275-277	Yes	
G4-47	Frequency with which the highest governance body analyses economic, environmental and social impacts, risks and opportunities.	FR 340	Yes	
G4-48	Committee or position of highest importance which reviews and approves the sustainability report of the organisation and which ensures that all the material Aspects are included.	170	Yes	Executive Committee
G4-49	Process for conveying important concerns to the highest governance body.	-	No	
G4-50	The nature and number of critical concerns that were communicated to the highest governance body.	-	No	
G4-51	The remuneration policies for the highest governance body and senior executives and the list of performance-related criteria in the remuneration policy related to the economic, environmental and social objectives.	-	No	
G4-52	Process whereby the remuneration is decided	-	No	
G4-53	Explanation of how stakeholders' views are sought and taken into account regarding remuneration.	-	No	
G4-54	Relationship between the total annual remuneration of the best paid person of the organisation in each country where significant operations are carried out with the average annual total remuneration of the entire team (without counting the best paid person) of the corresponding country.	-	No	
G4-55	Relationship between the percentage increase in the total annual remuneration of the best paid person of the organisation in each country where significant operations are carried out with the percentage increase of the average annual total remuneration of the entire team (without counting the best paid person) of the corresponding country.	-	No	
ETHICS AND INTEGRITY				
G4-56	Values, principles, standards and rules of the organisation, such as codes of conduct or ethical codes.	99	Yes	
G4-57	Internal and external mechanisms for assessing ethical and legal conduct, and for consulting matters relating to the organisation's integrity, such as helplines or advice lines.	99	Yes	
G4-58	Report the internal and external mechanisms for reporting concerns regarding unethical or unlawful behaviour and matters related to organisational integrity such as escalation through line management, whistle-blowing mechanisms or hot-lines.	99	Yes	

GRI code	GRI description	Page	Reported	Comments/Omissions
ECONOMIC SCALE				
DMA-EC	Management Focus - Economy	15-17, 75-89		
Economic performance				
G4-EC1	Direct economic value generated and distributed.	101	Yes	
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	95-98	Yes	
G4-EC3	Limits of the organisation's obligations due to social benefit programmes.	FR 324	Yes	
G4-EC4	Financial aid granted by government authorities.	171	Yes	Scope for Spain Bonuses for the 2015 were over €593,476.12. Governments do not make up the ownership structure.
Presence in Market				
G4-EC5	Ratios of standard entry level wage broken down by gender compared to local minimum wage at locations with significant operations.	-	No	
G4-EC6	Proportion of senior management hired from the local community at locations with significant operations.	165	Yes	
Indirect economic consequences				
G4-EC7	Development and impact of infrastructure investments and services supported.	151-155	Yes	
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	151-155	Yes	
Acquisition practices				
G4-EC9	Proportion of spending on local suppliers at locations with significant operations.	120	Yes	
ENVIRONMENTAL PERFORMANCE				
DMA-EN	Management Focus - Environment	127-131		
Materials				
G4-EN1	Materials by weight or volume.	-	No	
G4-EN2	Percentage of materials used that are recyclable.	-	No	
Energy				
G4-EN3	Internal energy consumption.	166	Yes	
G4-EN4	External energy consumption.	-	No	
G4-EN5	Energy intensity.	171	Yes	0.12 GJ/Stay
G4-EN6	Reduction in energy consumption.	128	Yes	
G4-EN7	Reductions in energy requirements for products and services.	128	Yes	
Water				
G4-EN8	Total water collection by source.	171	Yes	10,679,907 m3. No breakdown by source is available
G4-EN9	Water sources significantly affected by water collection.	-	No	
G4-EN10	Percentage and total volume of water recycled and reused.	-	No	
Biodiversity				
G4-EN11	Own operating, leased and adjacently managed facilities, containing or located in protected and unprotected areas of high biodiversity value.	-	No	
G4-EN12	Description of the most significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	-	No	
G4-EN13	Habitats protected or restored.	-	No	
G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	-	No	
Emissions				
G4-EN15	Direct greenhouse gas emissions (scope 1).	130	Yes	
G4-EN16	Indirect greenhouse gas emissions to generate energy (Scope 2).	130	Yes	
G4-EN17	Other indirect greenhouse gas emissions (scope 3).	130	Yes	
G4-EN18	Reducing greenhouse gas emissions.	171	Yes	12,841 kg CO ₂ /stay
G4-EN19	Reducing greenhouse gas emissions.	128	Yes	
G4-EN20	Emissions of ozone-depleting substances.	171	Yes	Fugitive emissions of fluorinated gases: 3,332 tCO ₂ e
G4-EN21	NO _x , SO _x and other significant air emissions.	166	Yes	

GRI code	GRI description	Page	Reported	Comments/Omissions
Effluents and waste				
G4-EN22	Total water discharge by quality and destination.	-	No	
G4-EN23	Total weight of waste by type and disposal method.	-	No	
G4-EN24	Total number and volume of significant spills.	172	Yes	No significant leak occurred during that year.
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention annex I, II, III, and VIII and percentage of transported waste shipped internationally.	-	No	
G4-EN26	Identification, size, protected status and biodiversity value of water bodies and run-off emanating from the organisation.	-	No	
Products and services				
G4-EN27	Mitigation of the environmental impact of products and services.	129-130	Yes	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed at the end of their service life, broken down by category.	-	No	
Regulatory compliance				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	172	Yes	During the year there have been no significant fines.
Transportation				
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the team.	172	Yes	40,534 tCO2 e
General				
G4-EN31	Breakdown of costs and investments for environmental protection.	129, 131, 166	Yes	
Environmental assessment of suppliers				
G4-EN32	Percentage of new suppliers that were examined according to environmental criteria.	119	Yes	
G4-EN33	Significant, actual and potential, negative environmental impacts in the supply chain, and action taken.	-	No	
Environmental grievance mechanisms				
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	172	Yes	During the year there have been no environmental grievances.
LABOUR PRACTICES AND DECENT WORK				
DMA-LA	Management Focus - Labour Practices and Decent Work	111-118		
Employment				
G4-LA1	Total number and rates of new employee hires and employee revenue broken down by age group, gender and region.	163, 164	Yes	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, broken down by locations with significant operations.	-	No	
G4-LA3	Return to work and retention rates after parental leave, by gender.	-	No	
Labour-Management Relations				
G4-LA4	Minimum notice periods of operational changes and possible inclusion of these in collective agreements.	172	Yes	In Spain minimum notice is stipulated by collective agreement or by the workers Statute. In most cases it is two weeks.
Occupational Health and Safety				
G4-LA5	Percentage of workers that are represented in formal health and safety committees for management and employees, established to help monitor and advise on occupational health and safety.	172	Yes	In Spain, 89.43% of employees are represented on a Health and Safety Committee.
G4-LA6	Type and rate of work-related injury, occupational diseases, lost days, absenteeism and fatalities, by region and gender.	166	Yes	
G4-LA7	Workers whose profession has a high incidence or risk of disease.	172	Yes	Scope for Spain. There are no professions in the Company that have a high incidence or high risk of disease.
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	172	Yes	The functions that these committees should have are clearly specified in articles 38 and 39 of the Spanish Workplace Risk Prevention Law. Matters other than those listed in the law are not addressed.
Training and education				
G4-LA9	Average hours of training per year per employee, by gender and job category.	166	Yes	Information broken down by gender and work category is not given. The procedure that is used to register the training does not include a breakdown by gender or by category.
G4-LA10	Skills management and lifelong learning programmes that foster employability and help workers manage the end of their careers.	111	Yes	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, broken down by gender and by employee category.	165	Yes	

GRI code	GRI description	Page	Reported	Comments/Omissions
Diversity and equal opportunities				
G4-LA12	Composition of governance bodies and breakdown of employees by professional category and gender; age, minority group membership and other indicators of diversity.	162-163	Yes	
Equal Remuneration for Women and Men				
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, broken down by locations with significant operations.	165	Yes	
Supplier assessment for labour practices				
G4-LA14	Percentage of new suppliers that were examined according to criteria relating to labour practices.	119	Yes	
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	-	No	
Grievance mechanisms for labour practices				
G4-LA16	Number of labour practices complaints that have been filed, addressed and resolved through formal grievance mechanisms.	173	Yes	During the year, there have been no complaints regarding labour practices.
Investment				
DMA-HR	Management Focus - Human Rights	99-100, 132-150		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	173	Yes	The significant investment agreements and contracts do not yet include human rights clauses. Such a clause is only signed in contracts with service suppliers and creditors as well as with tour operators.
G4-HR2	Hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	-	No	
Non-Discrimination				
G4-HR3	Number of incidents of discrimination and corrective actions taken.	173	Yes	During the year there have been no cases of discrimination.
Freedom of Association and Collective Bargaining				
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights.	173	Yes	With the exception of China and Croatia, there are no risks in the Company's business units. The former because it does not permit such agreements and Croatia because its employees do not depend directly on the Company so it is unable to guarantee this kind of representation at present.
Child Labour				
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour.	132-133, 173	Yes	There is no such risk in the Company's business units. Melià has an agreement on this with UNICEF.
Forced labour				
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour and measures taken to contribute to the elimination of all forms of forced or compulsory labour.	132-133, 173	Yes	There is no such risk in the Company's business units. Melià has an agreement on this with UNICEF.
Security practices				
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations.	-	No	
Indigenous Rights				
G4-HR8	Number of incidents of violations involving rights of indigenous peoples and actions taken.	173	Yes	During the year there have been no violations of the rights of indigenous peoples during the period reported.
Evaluation				
G4-HR9	Number and percentage of centres that have undergone tests or assessments on impacts on human rights.	-	No	
Supplier human rights assessment				
G4-HR10	Percentage of new suppliers that were examined according to human rights criteria.	119	Yes	
G4-HR11	Significant, actual and potential, negative impacts on human rights in the supply chain, and adopted measures.	-	No	
Human rights grievance mechanisms				
G4-HR12	Number of human rights complaints that have been filed, addressed and resolved through formal grievance mechanisms.	173	Yes	During the year there have been no grievances regarding human rights.

GRI code	GRI description	Page	Reported	Comments/Omissions
COMPANY				
DMA-SO	Management Focus - Society	123-126		
Local communities				
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	133	Yes	
G4-SO2	Operating centres with significant, potential or actual, negative impacts on local communities.	-	No	
Anti-corruption				
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	94	Yes	Not reported as a percentage.
G4-SO4	Policies and procedures for communication and training on anti-corruption.	96, 98	Yes	
G4-SO5	Confirmed cases of corruption and actions taken.	174	Yes	During the year there have been no cases of corruption
Public Policy				
G4-SO6	Value of political contributions by country and beneficiary.	174	Yes	During the year no political contributions were made
Anti-competitive behaviour				
G4-SO7	Number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	174	Yes	During the year no legal action regarding monopoly practices was taken
Compliance				
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	174	Yes	During the year there have been no significant fines
Supplier assessment for impacts on society				
G4-SO9	Percentage of new suppliers that were examined based on criteria related to social impact.	119	Yes	
G4-SO10	Significant, actual and potential negative impacts on society in the chain of supply and actions taken.	-	No	
Grievance mechanisms for impacts on society				
G4-SO11	Number of complaints about social impacts that have been filed, addressed and resolved through formal grievance mechanisms.	174	Yes	During the year there have been no grievances regarding social impact
RESPONSIBILITY FOR PRODUCTS				
Customer Health and Safety				
G4-PR1	Percentage of product categories and services whose significant impact on health and safety services have been assessed to promote improvements.	166	Yes	Reported by number of operations, not as a percentage.
G4-PR2	Number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services on health and safety during their life cycle, by type of outcomes.	174	Yes	No incidents of non-compliance with regulations in regard to the impacts of products and services on health and safety were reported during the reporting period.
Product and service labelling				
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.	-	No	
G4-PR4	Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, broken down by type of outcomes.	174	Yes	No regulation or voluntary code was breached in regard to information and labelling in the reporting period.
G4-PR5	Results of surveys measuring customer satisfaction.	106	Yes	
Marketing Communications				
G4-PR6	Sale of banned or disputed products.	174	Yes	The Company does not sell any products that are banned or disputed.
G4-PR7	Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotions and sponsorship, broken down by type of outcomes from said incidents.	174	Yes	During the year, there have been no cases of breach of regulations or voluntary codes concerning marketing communications or advertising.
Customer privacy				
G4-PR8	Number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	174	Yes	During the year, there have been no complaints regarding breaches of privacy or customer data leaks.
Regulatory compliance				
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	174	Yes	No significant fines were received for non-compliance with laws and regulations concerning the provision and use of products and services.

Note I

Regarding initiatives to reduce the impact of our activities and to address the precautionary principle, the pre-opening system includes a series of environmental criteria to be reviewed prior to 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 discharge into drains or directly into the natural environment
- Energy and water efficiency
- Control of atmospheric emissions

General Notes

Significant investment agreement	An investment in excess of €100,000.
Local staff	Native of the country in which the person works.
Executives	In corporate offices, the position of the manager is also included. In the hotel, managers and deputy managers are not considered.
Significant operations	Those which involve a hotel that is owned property or held under a lease agreement. For the purpose of this information, it was also considered important to include developing countries.
Local supplier	Those with headquarters in the country referred to
Significant sanction	Those over the amount of €30,000 or that seriously affect the operations of a business unit, preventing its normal functioning.
FR	2015 Financial Report of Meliá Hotels International published on the web www.meliáhotelsinternational.com and CNMV

Traceability of the Analysis of the Material on the GRI Table

RELEVANCE	MATERIAL ASPECT	GRI CATEGORY
1	Brand and product strategy	Strategy and analysis
2	Financial solvency	Economics (Economic performance, Market presence, Indirect economic consequences, Procurement practices)
3	Current presence and future growth	Organisation profile
4	People management, drawing and retaining talent	Subcategory Labour Practices and decent work (Employment, Relations between workers and management, Health and safety at work, Training and education, Diversity and equal opportunities, Equal pay for men and women, Assessment of the labour practices of suppliers, Grievance mechanisms for labour practices)
5	Business evolution and results	Information on Category Management Approach: Economy
6	Sales channels of Meliá Hotels International	
7	Product quality and customer satisfaction	Subcategory: Responsibility for products (Health and safety of customers, Labelling of products and services, marketing communications, Customer privacy, Regulatory compliance)
8	New technologies, digitalisation	
9	Tourism and Economic sector context	Subcategory: Society (Local communities, Anti-corruption, Public policy, Unfair competition, Regulatory compliance, Assessment of the social impact of suppliers, Social impact complaint mechanisms)
10	Customer relations. Loyalty programmes	
11	Management Team Profile	Governance
12	Innovation	
13	Transparency of information	Participation of stakeholders Ethics and Integrity Material Aspects and Boundaries
14	Energy and carbon footprint management	Category: Environment (Energy, Water, Emissions, Effluents and waste, Products and Services, Regulatory Compliance, Transportation, General, Environmental assessment of suppliers, Environmental complaint mechanisms)
15	Human rights and employment conditions	Subcategory: Human Rights (Investment, Non-discrimination, Freedom of association and collective bargaining, Child labour, Forced labour, Rights of indigenous populations, Assessment of suppliers with regard to human rights, Human rights complaint mechanisms)

Sustainable Development Goals



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