

CLIMATE CHANGE & ENVIRONMENT POLICY

Approved by the Board of Directors on 10 June 2021

I. PURPOSE AND SCOPE

The purpose of this Climate Change & Environment Policy (hereinafter, the “**Policy**”) is to define the principles of action of Meliá Hotels International, S.A. and its Group (hereinafter, “**Meliá**” or the “**Company**”) as part of its commitment to fight climate change and protect the environment, by promoting an efficient, responsible and sustainable management throughout the value chain.

This Policy replaces and repeals the Environmental Policy, approved by the Board of Directors on 8 June 2017, and reinforces the approaches already adopted, which are disseminated and incorporated by the Company into its Code of Ethics. Under this new Policy, Meliá includes within its strategy the commitment to make progress in the fight against climate change and minimise its environmental impact, by recognising the impact on tourism, as well as the responsibility it assumes to face the risks and opportunities arising from climate change.

II. CONTEXT

The excessive use of fossil fuels has resulted in an increase in greenhouse gas emissions that has contributed to the acceleration of global warming, rising sea levels, ocean acidification, etc. causing more frequent natural phenomena, which affect the planet and the society as a whole.

Climate change is one of the most important challenges facing humanity. The need to take action and join efforts in order to reduce greenhouse gas emissions and comply with the obligations assumed by the States that are signatories to the 2015 Paris Agreement (COP 21), requires to adopt policies and make investments to ensure that in the next decade we are able to ensure the goals set and not to exceed the limit of 1.5°C.

In this sense, Meliá includes in its strategy the commitment to make progress in the fight against climate change and minimise its environmental impact, and it also assumes responsibility to face the risks and opportunities arising from climate change.

Likewise, as leading company in Europe, it adheres to the New Green Deal and the goal of contributing to the reduction of greenhouse gas emissions by 55% by 2030 (vs 1990), in order to help to make the European Union the first climate neutral continent by 2050.

The contents of this Policy are designed and approved in accordance with the commitments included in the Code of Ethics, where the Company, inter alia, assumes the following ones:

1. To comply with the environmental regulations applicable to the various countries in which it is present, as well as the additional public commitments that the Company has assumed voluntarily in this field.
2. To integrate the environmental dimension into the Company's strategy and into decision-making and business management processes, in order to minimise the environmental impact on our activity, by applying the principle of prudence in the decisions.
3. To make the fight against climate change and the respect for the current and future natural resources a key goal in the management of the Company.
4. To actively fight against climate change through the promotion of systems, policies and initiatives that reduce greenhouse gas emissions and minimise the environmental impact of the hotel operation, protecting destinations, areas and the environment.
5. To contribute to biodiversity conservation and protection of native fauna and flora.

III. SCOPE OF APPLICATION

This Policy is mandatory and applicable globally and directly for all the corporate offices and business units managed by Meliá. The contents of this Policy are established without prejudice to any additional and specific regulations that may be approved regarding the matter, as well as the specific legal regulations that may be applicable in any of the countries in which the Company or any Group company operates.

IV. GUIDING PRINCIPLES

For the purposes of the provisions of this Policy, the following commitments and Guiding Principles are defined in the development of our activity:

(a) CONTRIBUTION TO THE FIGHT AGAINST CLIMATE CHANGE AND THE PROTECTION OF THE ENVIRONMENT

Regulatory Environment

- To ensure compliance with the applicable legislation regarding the environment and climate change in each of our destinations.

- To identify any opportunities to apply the goals of the European regulatory framework in terms of Energy and Climate in other countries in which the Company is present.

Emission Reduction

- To move towards the decarbonisation of the hotel management model via the reduction of greenhouse gas emissions, through the use of renewable energies and the optimisation and reduction of energy resource consumption.
- To promote energy-efficient facilities, the use of sustainable materials and sustainable design and building models which are respectful to the environment.
- To design initiatives that promote energy consumption savings and their efficiency throughout the value chain, trusting in new technologies and the energetic renovation of business units.
- To promote products and services with low greenhouse gas emissions, such as electric mobility, installation of recharging points, etc.
- To foster initiatives that allow to offset CO₂ emissions, both internally and in association with third parties specialised in this area.
- To align the emission reduction goals based on scientific criteria and validated by the Science Based Target Initiative (SBTi), by adopting the appropriate measures for the gradual reduction of our carbon footprint.

Climate Change Risks and Opportunities

- To identify, assess and manage risks and opportunities related to climate change and water security, in order to adopt the necessary measures to adapt the business to the expected physical and transitional changes.
- To use the scenario analysis to assess the potential implications for the business of the risks and opportunities arising from climate change, quantify their impact and plan the adaptation or mitigation measures.

Natural Resources: Water

- To implement measures for a responsible and efficient water consumption and to identify the dependence level and impact of the activity, through the calculation of the water footprint.

- To detect opportunities in the new hotel buildings or renovations in order to promote an integral water management that ensures water capture and storage, as well as its purification and reuse in optimal conditions, especially in water-stressed destinations.
- To ensure water security in order to guarantee water quality and adopt the necessary measures to adapt the business to the expected physical and transitional changes.

Waste & Circular Economy

- To optimise the lifecycle of products, materials and resources, by reducing the generation of waste and its impact on the environment, thus contributing to the promotion of a circular, sustainable and efficient model of the resources and a responsible management of the waste generated in our hotel operations.
- To promote a strategy to optimise the management of food waste, through the development of programmes for the measurement, reduction and setting of goals, as well as the launch of initiatives to identify new opportunities for the use of food waste, through the collaboration with partners.

Natural Capital

- To identify opportunities to implement measures that contribute to the protection of biodiversity and habitats against climate change, as well as the protection of native flora and fauna, conserving the biodiversity and natural heritage of our tourist destinations.

(b) MEASUREMENT AND CONTROL

- To proceed with a system of indicators and metrics that facilitates monitoring, control and assessment of the goals set and the commitments acquired, and promotes the continuous improvement of the hotel operations, encouraging dissemination of best practices as an example to follow within the organisation.
- To work continuously so that business units can obtain the relevant internationally recognised certifications related to the environment.

(c) COLLABORATION AND DISSEMINATION

- To promote collaboration agreements with the private sector, public institutions, non-governmental organisations, international bodies or other stakeholders in the fight against climate change and the protection of the environment.

- To foster the inclusion of the guiding principles in the model of selection and relationship with the different stakeholders and, mainly, suppliers, service providers, owners and partners.
- To invite the different sectors of our value chain to contribute jointly and transversally to make progress in the goal of climate neutral and a low-carbon economy.
- To identify initiatives to involve customers in our environmental commitment, promote their awareness and contribute to the reduction of the environmental footprint.
- To develop training and awareness programmes for employees, customers, suppliers and other stakeholders, by promoting the collaboration and collective action to face climate change and raise awareness on environmental responsibility.
- To enable communication channels to report on the Meliá's environmental positioning and the progress in the fight against climate change and protection of the environment, under transparency and rigour criteria.

V. ROLES AND RESPONSIBILITIES

Board of Directors: According to the provisions of the Regulations of the Board of Directors, the Board is responsible for determining and approving the general policies and strategies of the Company, including this Policy. Likewise, it shall be periodically informed by the Appointments, Remuneration and Corporate Social Responsibility Committee on the levels of compliance and application of this Policy.

Appointments, Remuneration and Corporate Social Responsibility Committee: This Committee is responsible for monitoring the corporate responsibility strategy and practices and assessing its level of compliance. In particular, environmental issues are deemed to be included.

Sustainability Committee: The positioning as regards climate change and environment is one of the fields of action of the Sustainability Committee, as a matter to be promoted by it. Likewise, it is the body responsible for ensuring the inclusion of ESG criteria in the business strategy, promoting the implementation and execution of projects or initiatives that are necessary for the compliance with the principles and goals set forth in this Policy. Sustainability Committee is the body that reports to the Appointments, Remuneration and Corporate Social Responsibility Committee.