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SUSTAINABLE
BUSINESS
STRATEGY

SUSTAINABLE BUSINESS STRATEGY



NH Hotel Group conducts its hotel business with the ambition of leading responsible behaviour, creating shared economic, social and environmental value wherever it is present

The Company is aware of the effects of its activity on the environment, and works to prevent and anticipate possible environmental contingencies, as well as to integrate sustainability in all its processes, striving to reduce its impacts.

At NH Hotel Group, the fight against climate change is a fundamental strategic value, and with the aim of advancing in the definition of its climate strategy, during 2022 an analysis has been carried out to determine how the Company is in relation to the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) and what steps should be taken to be aligned with it in 2023.

In view of the ambition to operate in a decarbonised world, NH Hotel Group will redefine its carbon emissions reduction target across its value chain by 20% by 2030, with the purpose of aligning it with the global ambitions of keeping the temperature increase below 1.5 °C. For this purpose, NH Hotel Group has created the “SBT 2030” working group. The coordination of this working group is led by the Sustainable Business Department, with the participation of all areas with a key role in the decarbonisation of the company.

Sustainable Business Model

NH Hotel Group conveys human rights and ethical business principles in the way it works throughout its value chain: shareholders, customers, partners, suppliers and employees, promoting responsible alliances through two main pillars. The decalogue and pillars of NH Hotel Group’s brands are as follows:

MAIN PILLARS



UP FOR PLANET

SUSTAINABLE BUILDINGS

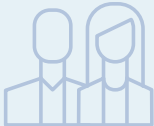
Battle against climate change and progress towards decarbonization, minimizing our environmental footprint while developing more sustainable hotels through buildings retro-fit.

PROCESSES - OPERATIONAL STANDARDS

Manage resources carefully with ‘4R’ approach: Reduce - Reuse - Recycle - Replace, while o setting residual footprint.

SUSTAINABLE PURCHASING

Strengthen our sustainable value chain, prioritizing key partnership, local suppliers and responsible organizations.



UP FOR PEOPLE

EMPLOYEES

Promote a responsible culture for our teams, fostering diversity, ethics and well-beings.


CUSTOMERS

Provide excellent service through innovative sustainable solutions, while educating and actively involving customers in our projects and commitments.

COMMUNITIES

Support our keys partners, creating positive social environmental impact on the local communities where we are present.

OUR ENABLERS




PERFORMANCE COMPLIANCE

Leading position in industry standards (TCFD, SBT, S&P..) and actively communicate with stakeholders, disclosing information swiftly and transparently.

CERTIFICATIONS & ENDORSEMENTS

Transformative ESG experiences and solutions endorsed by leading independent expert partners, relevant for our stakeholders.



PARTNERSHIPS

INDUSTRY, GOVERNMENTAL & NGOs

Leading role fostering partnership and hospitality networks.

EDUCATION & MEDIA

Supportive role for universities & mass-media, providing educational content and nurturing key partnership.

SUSTAINABLE BUSINESS GOVERNANCE

The Board of Directors of NH Hotel Group is responsible for supervising the Sustainable Business Strategy, defined as one of the pillars of the Company's strategy. This supervision and control task is articulated through two of the Committees of the Board of Directors:

- On one hand the Nominations, Remuneration and Corporate Governance Committee is responsible for monitoring the advances made in the Sustainable Business Strategy.
- On the other hand, the Audit and Control Committee is responsible for evaluating any matter related to risks, including climate risks.

The Chief People and Sustainable Business Officer and the Chief Operations Officer are responsible for environmental and climate aspects on the Management Committee and validate the Company's climate strategy as set out in the Sustainable Business model.

This coordinated function has been boosted since October 2nd, 2020, when the Chief Operations Officer was appointed as an executive member of the Board of Directors.

It should be noted that in May 2022 the Nominations, Remuneration and Corporate Governance Committee approved the creation of the Executive Sustainability Committee, as a result of its awareness of the major importance of sustainability and its role as a key factor in the market.

This Committee has the function of supporting the Board in its duty to supervise the Sustainable Business Strategy, providing the necessary resources to achieve the objectives and goals in this area. In order to ensure compliance with the long-term objective, the Company establishes annual intermediate objectives whose compliance and the actions to achieve them are monitored by the Executive Sustainability Committee.

Regarding the management of the environmental strategy, NH Hotel Group has a Corporate Sustainable Business Department that reports to the Chief People & Sustainable Business. Furthermore, in order to prevent and reduce environmental risks and impacts, and to implement the Company's commitments in this area, there is coordinated work between teams from different areas, both at corporate level and at business unit and hotel level.

The Company knows that in order to achieve its sustainable commitments, it is crucial to involve the entire company and materialise it through a "Sustainable Mindset". Therefore, it has identified those key areas that need to work together and join efforts to meet its ambition to be ready to operate in a decarbonised world.

Following the TCFD recommendations and as part of this decarbonisation commitment, from 2022 the remuneration of the CEO and COO is linked to the achievement of the annual carbon emissions target defined in the "SBT Plan 2030". In addition, all key functions responsible for activating the levers of this Plan have targets included in this regard as part of their variable remuneration.



Executive Sustainability Committee

At its meeting held on May 12th, 2022, the Nominations, Remuneration and Corporate Governance Committee approved the creation of an executive sustainability committee (“Sustainability Committee”) as a result of its awareness of the importance of sustainability in the business sector and its role as a key factor in the market. As evidence of the Company’s commitment to Environmental, Social and Governance (ESG) parameters, this Committee is driven to promote all the actions and initiative carried out in this field and to make the main decisions relating to it.

This Committee has the function of supporting the Board in its duty to supervise the Sustainable Business Strategy, providing the necessary resources to achieve the objectives and goals in this area. Moreover, it is the body that must report to the Nominations, Remuneration and Corporate Governance Committee on progress in the Sustainable Business Strategy.

Additionally, in collaboration with the Executive Risks Committee, it must validate the process of identifying and evaluating GSA Risk Maps, including Climate-related Risk and Opportunity Maps. It is also responsible for validating the action plan to minimize identified Risks and maximize the value of opportunities. Finally, it is the body responsible for presenting the progress made in the application of the agreed action plans to the Audit and Control Committee.

The Executive Sustainability Committee is co-chaired by the Chief People and Sustainable Business Officer and the Chief Assets Officer, and it is made up of members of the Company from different key areas with a direct impact on the NH Hotel Group strategy, but who also represent the group overall. This Committee will meet periodically and as often as is considered advisable or necessary, establishing at least four meetings a year.

Throughout 2022, the Executive Sustainability Committee held for meeting.

NH Hotel Group, recognized as one of the most sustainable companies in the world

In 2022, NH Hotel Group participated for the fourth time in the Corporate Sustainability Assessment (CSA) performed by the sustainable investment agency S&P Global. The assessment generates a world ranking in sustainable performance by companies in different sectors.

NH Hotel Group has taken fourth place in the ranking, with respect to companies belonging to the Dow Jones Sustainability Index. The commitments in this area have led the Company to form part of the Sustainability Yearbook 2023 published by S&P Global.

This result consolidates NH Hotel Group as a benchmark in sustainable in the sector and underlines NH Hotel Group’s sound performance in economic, environmental, and social aspects.



NH Orio al Serio
Italy

Presence of NH Hotel Group in sustainability indices and rankings

S&P Global

Top 10%

S&P Global ESG Score 2022

70 /100

NH Hotel Group has achieved TOP10% recognition as one of the most sustainable hotel companies in the index, after being assessed by S&P Global, the sustainable investment agency that assesses the companies that composed the Dow Jones Sustainability Index. The commitments to sustainability have led the Company to form a part of the Sustainability Yearbook 2023 published by S&P Global.

This result consolidates NH Hotel group as one of the benchmarks in sustainability in the sector and underlines NH Hotel Group's sound performance in economic, environmental, and social aspects.



FTSE4Good

Since 2013, NH Hotel Group has been included in the FTSE4GOOD index and renews its presence year after year, thanks to the responsible management of the business and the improvements made. The index was created by the London Stock Exchange to help investors integrate environmental, social and corporate governance (ESG) factors in decision making.



NH Hotel Group has been included for the fourth time in the Bloomberg gender-equality index 2023 and is the only Spanish hotel company among the 484 companies included in the index.

The Company has obtained its best results in salary equality and parity, thanks to its compensation policies based on gender equality and on the fight against the pay gap. This has confirmed aspects that were already known, such as the positive presence of women at all levels of responsibility in the Company.



Carbon Disclosure Project recognizes the efforts made by leading global companies in the battle against climate change. In the latest report published in December 2022, NH Hotel Group obtained a rating of B in the annual ranking. With this rating, NH Hotel Group once again sees recognition of its pioneering vision to place sustainability as a strategic value that has acted as lever for value across the Group for more than a decade.



MATERIALITY ANALYSIS

The materiality analysis is key in NH Hotel Group's Sustainable Business strategy management process. The analysis is updated annually and for this purpose the main risks, priorities and opportunities relating to ESG matters for the Company and the sector are identified.

The materiality of matters is determined by the combination of the activity that NH Hotel Group carries out and the impacts that the Company generates on the environment, the magnitude of the impact deriving from the particular features of the location where the activity is carried out and the sensitivity of the stakeholders receiving the impact.

NH must be aware of the peculiarities of its activity and the impacts it generates.

NH must adapt its strategy and impact management to the environments in which it operates.

Stakeholders are responsible for assessing the impacts on the environment, contributing to the development of the company and well-being society.

The business model of a sector of activity determinates the relationships it has with its most relevant capitals and how the transformation processes for the creation of value are carried out.

Each country or region has its own political, economic, social, technological, environmental or legal challenges, which influence the Company's ability to create value.



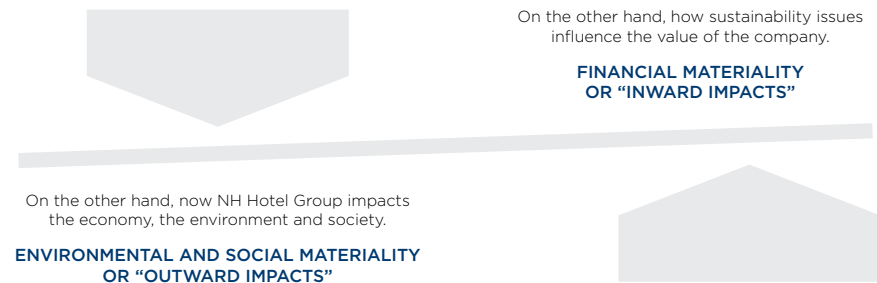
The new concept of double materiality

As a new feature, NH Hotel Group has worked this year to integrate double materiality as part of its strategy, identifying the matters that have an impact on the value of the Company, society and the environment, as published on April 21st, 2021, in the European Union Corporate Sustainability Report Directive (CSRD).

In this way, the Company seeks to respond to the expectations of regulators and supervisory bodies (CNMV) and to current and future statutory reporting needs such as the standards of the Task Force on Climate-Related Financial Disclosures (TCFD); the Sustainability Accounting Standards Board (SASB); the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI), among others.

The aim is to determine which sustainability issues or sub-issues are relevant for the Company and for which adequate reporting must therefore be defined. A matter may be relevant from the standpoint of environmental or social impact or financial impact, or both.

The process for determining materiality takes into account:



Impact materiality

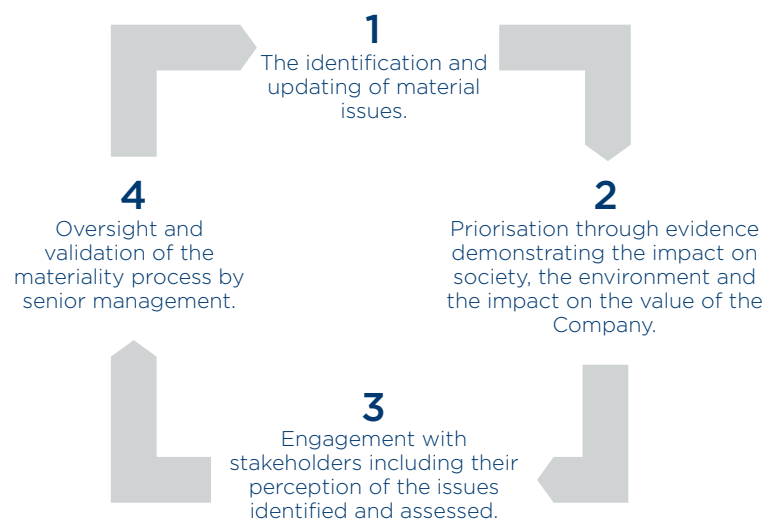
Identifying material matters when the Company is related to significant real or potential impacts on people or the environment in the short, medium and long term; both impacts caused directly by the Company or those that it may have throughout its value chain.

Financial materiality

Different from the materiality used in financial reports, this refers to identifying material matters that produce financial effects for the Company, i.e. that generate or could generate risks or opportunities that influence future cash flows and, therefore, the Company's value in the short, medium or long term.



Based on this double approach, the study phases are detailed below:



1. Identification and update of relevant matters

The first step has been the identification of a broad universe of potentially material issues. Reference to multiple sources is essential to minimize the risk of overlooking any emerging issue and ensuring an exhaustive and credible analysis.

The Company has started from the material aspects identified in 2021 and updated in 2022, which have been validated and extended according to the Company's context, from sources of special relevance such as reporting standards, new regulations and matters conveyed by our stakeholders as investors.

For this year's update, 24 material matters were identified based on an analysis of the current context, ESG criteria, an analysis of global trends, Global Reporting Initiative (GRI) standards and the UN 2030 Agenda.

Subsequently, a semantic review of the matters was carried out with the aim of linking similar matters, concepts or areas and integrating them in the terms of NH Hotel Group and the hotel sector's business approach.

| RELEVANT ISSUES 2022 | DESCRIPTION |
|--|--|
| Agility and resilience of the business model | Financial solvency, profitability and strength of the Company. Faster and more reliable operations and workflows, advanced technologies and automation to provide the intelligence to fuel new and flexible business models that can adapt to changing times. |
| Regulatory environment | Impact of new regulations such as EU Taxonomy or the Green Deal. Influence of regulatory and political instability in the countries where the Company is present. Participation in tourism lobbies to promote improvements in the sector. |
| Corporate governance, business ethics and transparency | Application of the code of good governance in the Company's governing bodies. Implementation of policies and mechanisms to prevent corrupt activities, fraudulent operations or any other non-compliance of a different nature. Actions to ensure a model of transparency with the different stakeholders, fair competition and adequate reporting to the CNMV. Implementation of the code of ethics and the whistle-blowing channel as detection tools. |
| Cybersecurity and data protection. | Protection of personal data, secure and responsible processing of payment method data, unauthorised installation or use of IT assets that may infringe intellectual and industrial property, IT damage, business continuity, privacy rights and unauthorised access. |
| Human and labour rights protection | Application of Human Rights due diligence: policies, management system, monitoring and control mechanisms to ensure compliance with the Company's commitments on human and labour rights, as well as in its supply chain. |
| Management of financial, non-financial and emerging risks | NHHG's capacity to adapt to the main business risks. Management and prevention of the main global, sector, current or emerging risks and opportunities. |
| Anticipation of climate change risks | Actions and measures aimed at reducing the vulnerability of natural and human systems to the actual or expected effects of climate change. Management of the risks and opportunities arising from climate change, allowing for adequate adaptation and mitigation of its adverse effects. |
| Digital transformation for operational efficiency | Promotion and encouragement of innovative initiatives that enable the development of new products or services. Investment in R&D and promotion of new hotel concepts. Improving connectivity and digitalisation of applications and systems implemented by the Company. Integrity of the Company's information platforms and systems. Evolution towards a digitalised operating model through innovation, technology and more efficient and intelligent processes. |
| Combating climate change | Reduction of NH Hotel Group's carbon footprint and mitigation of the long-term impacts of climate change on the natural environment, communities and the value chain. Decarbonisation of the Company's value chain, through initiatives to reduce and offset greenhouse gas emissions. Implement practices that reduce greenhouse gas emissions (such as green building design, operational efficiency and use of renewable energy) and increase resilience to climate change. |
| Energy efficiency | Promotion of an eco-efficient energy management system, certified under ISO 50001 criteria, which prioritises the purchase of certified green energy in NH Hotel Group's operations globally and contributes to the decarbonisation strategy. |
| Responsible management of natural resources and biodiversity | Efficient management and responsible use of resources (water, raw materials, natural capital...) by NH Hotel Group. Responsibility for preserving protected areas and species at risk. Associated impacts on the hotel business model. |



NH Cali Boulevard del Rio
Colombia

| RELEVANT ISSUES 2022 | DESCRIPTION |
|---|--|
| Waste management | Management, measurement and control of waste, discharges and effluents generated by the different activities of the Company. Promotion of the circular economy in the hotel business to extend the life cycle of products. Management of food waste. |
| Circular model in operations | Production and consumption model that guarantees sustainable growth over time. Optimisation of resources, reduction in the consumption of raw materials and the use of waste. Making the most of the material resources available to us by extending the life cycle of products. |
| Responsible water management | Efficient use and management of water |
| Culture of equality, diversity and inclusion | Management of diversity and promotion of actions aimed at fostering work-life balance. Work environment that promotes equal opportunities regardless of gender, race, age, religion, disability, etc. and the inclusion of minority groups or those at risk of exclusion. |
| Talent, training and professional development | NH Hotel Group's ability to attract, retain and develop talent. Pride in belonging to its employees. |
| Channels of communication and dialogue with stakeholders | Encouragement of mechanisms for a transparent and empathetic dialogue with all the Company's stakeholders. Commitment to local communities. Provision of tools to collect information, requests, suggestions and complaints from stakeholders. NH Hotel Group's reputation. |
| Employee engagement and participation | Company's ability to attract, retain and develop talent. Pride in belonging to its employees. Fostering an optimal working environment that reinforces employee satisfaction and commitment. Team members are NH Hotel Group's raison d'être. |
| Safety, health and well-being | Mechanisms and action plans focused on the prevention of any type of risk associated with the work performance of employees, suppliers and customers. Promotion of healthy habits and safe working environments. |
| Positive impact on the local community and culture | Contribution of the Company to the development and empowerment of the communities in which it operates. Ensuring that NH Hotel Group's tourism activity respects society and the environment in which it operates and has a positive impact on the economic and social progress of the destinations, and on the sectors that form part of the Company's value chain. |
| Promotion of youth employment | Training programmes to improve the employability of young workers. |
| Sustainable partnerships | The company's capacity to achieve lasting alliances with associations, NGOs or foundations. |
| Responsible and local supply chain | Development of a procurement strategy that minimises risks and implementation of mechanisms for supply chain management and control. Good practices in responsible purchasing and supplier certification. Encouraging the purchase of low-carbon goods and services and promoting local trade. |
| Unique customer experiences: Sustainability, wellbeing, and comfort | Company commitment and implementation of new experiences and products. Value proposition that seeks to achieve customer loyalty and trust. Commitment to sustainability to achieve improved economic results, increased customer satisfaction and therefore customer loyalty. |
| Service quality and satisfaction | Ensure the best quality standards in products and services. |

2. Prioritization through evidence showing the impact on society and the impact on the value of the Company

Double materiality consists of explaining why matters are relevant from a perspective of social and environmental and/or financial impact. To this end, the potentially material matters identified in the first step are analyzed so that they can be weighted and prioritized from two perspectives:

How the Company impacts the environment and society (environmental and social materiality):

- Global regulatory ESG context: analysis of international environmental, social and business governance regulations such as legal requisites, globally applicable local practice, etc.
- Analysis of sectorial and social prescribers to find out their evaluation and perception in relation to ESG matters.
- Press analysis.
- Benchmarking: comparative analysis of sector leaders.
- Analysis of investors: S&P Global Corporate Sustainability Assessment.
- Non-financial or sustainability reporting standards (GRI and SASB).
- External surveys of collaborating foundations and associations

How ESG matters influence the value of the Company (financial materiality):

- Contribution of Sustainable Business to the Company's strategy.
- Contribution of SDGs and the related targets.
- Impacts of ESG matters on the value of the Company: a questionnaire has been drawn up for key individuals in the Company to evaluate the priority and relevance of matters in financial terms.

3. Commitment to stakeholders including their perception of the matters identified and assessed

The perception of the matters analyzed was the result of consultations with the foundations and NGOs that NH Hotel Group collaborates with through a questionnaire that was sent directly by the Sustainable Business department. For double materiality in 2021, we have reflected the importance that foundations and the press gave to each of the matters and the perception of NH's performance in each of them.

4. Senior Management oversight and validation of the materiality process

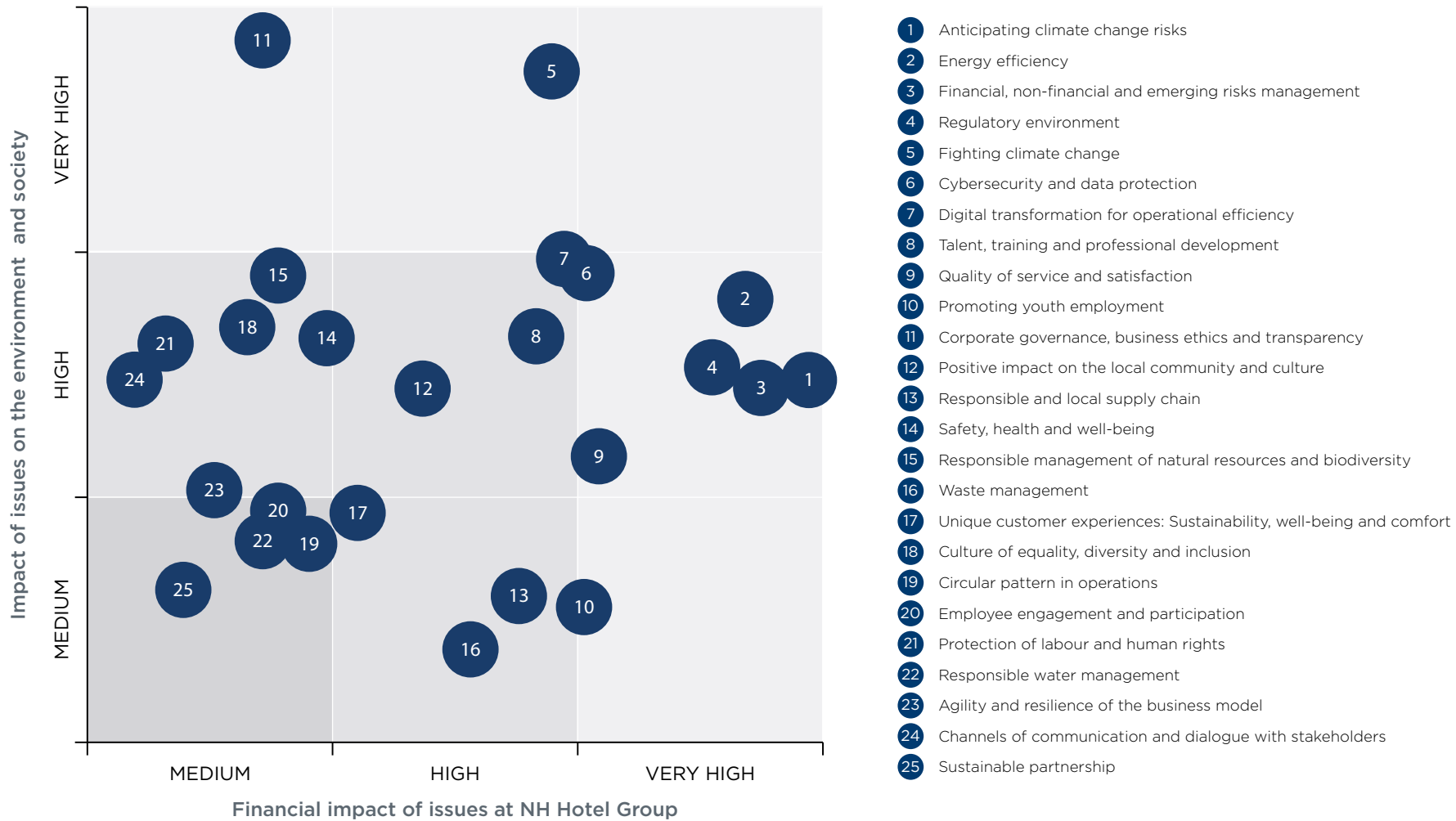
In this phase, the results of the materiality analysis are submitted to the Sustainable Business Committee. The involvement of the key areas has played a crucial role in the process, as the double materiality has helped senior management to understand and distinguish between outward impacts and dependencies towards the interior of NH Hotel Group's business model.

The exercise has provided a broader and more complete view of the Company's situation, a sound basis on which to identify priority matters and emerging risks and opportunities.



Double Materiality Matrix

For the analysis of the results, material matters have been considered from two perspectives: financial and environmental and social impact.



- 1 Anticipating climate change risks
- 2 Energy efficiency
- 3 Financial, non-financial and emerging risks management
- 4 Regulatory environment
- 5 Fighting climate change
- 6 Cybersecurity and data protection
- 7 Digital transformation for operational efficiency
- 8 Talent, training and professional development
- 9 Quality of service and satisfaction
- 10 Promoting youth employment
- 11 Corporate governance, business ethics and transparency
- 12 Positive impact on the local community and culture
- 13 Responsible and local supply chain
- 14 Safety, health and well-being
- 15 Responsible management of natural resources and biodiversity
- 16 Waste management
- 17 Unique customer experiences: Sustainability, well-being and comfort
- 18 Culture of equality, diversity and inclusion
- 19 Circular pattern in operations
- 20 Employee engagement and participation
- 21 Protection of labour and human rights
- 22 Responsible water management
- 23 Agility and resilience of the business model
- 24 Channels of communication and dialogue with stakeholders
- 25 Sustainable partnership

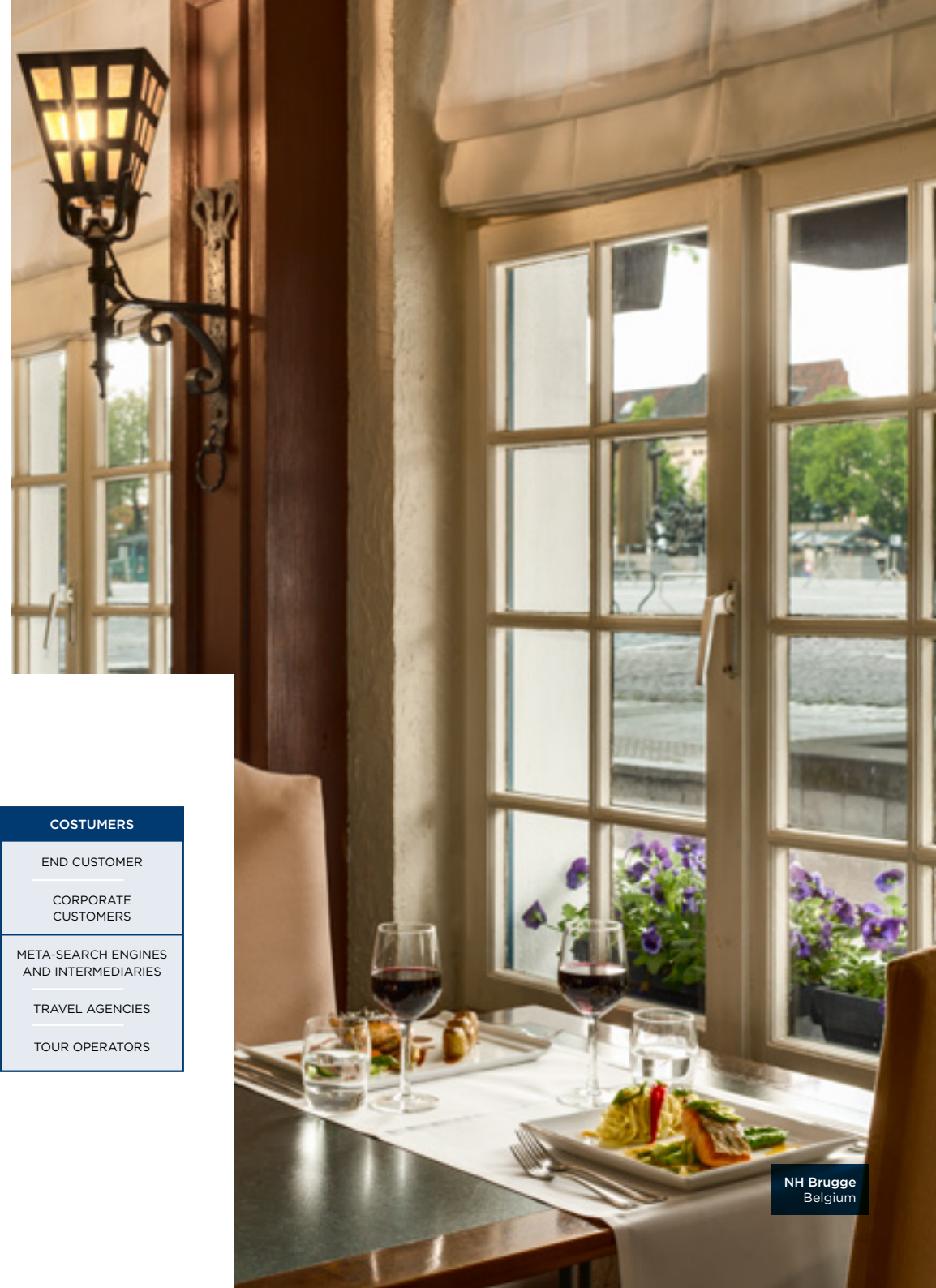
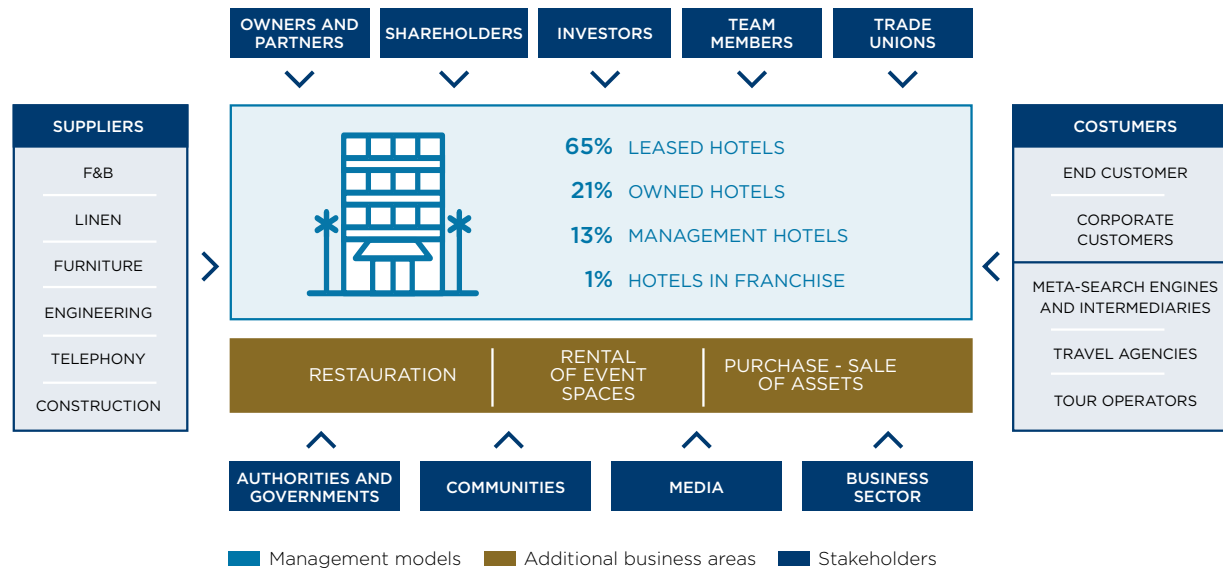
VALUE CREATION FOR OUR STAKEHOLDERS

The impact of NH Hotel Group influences the long-term success of our Company and our stakeholders.

Dialogue with our stakeholders

The Company considers stakeholders to be the individuals or social groups affected by the Company's present or future actions. This definition includes both stakeholders that are part of the Company's value chain: shareholders, employees, investors, customers and suppliers, who are considered to be partners in the business, and external parties: administrations, governments, the media, business sector, trade unions and society as a whole, starting with the local communities where the Company carries out its business.

NH Hotel Group has identified ten main stakeholders, and with whom throughout 2022 it has continued to maintain a close relationship. Evidence of this can be seen in the update of our materiality analysis, our active presence in forums and meetings, direct response to requests for information, sharing knowledge or direct messages through our channels and social media among others.



Commitment and communication channels

The opinion and needs of stakeholders are of great relevance for NH Hotel Group as they combine efforts to achieve common goals. In this regard, clear and continuous two-way communication with all of them is key.

NH Hotel Group holds a constant and fluid dialogue with its stakeholders, and gets involved in local communities, through multiple channels and formats, with the aim of keeping the Company up-to-date about new demands and needs, as well as of responding better to stakeholders' concerns and opinions.

| STAKEHOLDERS | DIALOG AND PARTICIPATION MECHANISMS |
|----------------------------|---|
| Relevance | Very High |
| Employees | <ul style="list-style-type: none"> ▪ Satisfaction / climate surveys ▪ Internal communication: Newsletters, Town Hall talks, intranet, MyNH App, sundry communications. ▪ Time For You (TFY) ▪ Non-Financial Information Statement |
| Shareholders and investors | <ul style="list-style-type: none"> ▪ General Shareholders' Meeting ▪ Newsletters ▪ Proxy Advisors ▪ Roadshows ▪ Website ▪ Non-Financial Information Statement |
| Owners and partners | <ul style="list-style-type: none"> ▪ Regular meetings ▪ Organization of and participation in different forums, meetings, conferences, events, etc. ▪ Advertising and media ▪ Internal communication platform ▪ Website |



| STAKEHOLDERS | DIALOG AND PARTICIPATION MECHANISMS |
|--------------|---|
| Relevance | High |
| Customers | <ul style="list-style-type: none"> ▪ Satisfaction surveys ▪ Social media ▪ Loyalty programs: NH DISCOVERY. ▪ Corporate videos. ▪ Advertising campaigns ▪ Email for claims, complaints and suggestions ▪ Webinars |
| Suppliers | <ul style="list-style-type: none"> ▪ Direct communication and face-to-face meetings ▪ Advertising and media ▪ Supplier approval platform ▪ Non-Financial Information Statement |
| Media | <ul style="list-style-type: none"> ▪ Social media ▪ Organization of and participation in different forums, meetings, conferences, events, etc. ▪ Institutional relations ▪ Forums and meetings |

| STAKEHOLDERS | DIALOG AND PARTICIPATION MECHANISMS |
|----------------------------------|--|
| Relevance | Medium |
| Community and nonprofit entities | <ul style="list-style-type: none"> ▪ Organization of and participation in different forums, meetings, conferences, events, etc. ▪ Regular meetings and direct communication with different social organizations. ▪ Internal communication platform and social media. ▪ Volunteering actions. ▪ Non-Financial Information Statement. |
| Public Administration | <ul style="list-style-type: none"> ▪ Institutional relations. ▪ Sector associations. ▪ Agreements and bidding processes |
| Competitors | <ul style="list-style-type: none"> ▪ Institutional relations. ▪ Forums, events and meetings |



Sustainable alliances

NH Hotel Group promotes alliances and strategic collaborations in sustainability. The Company is aware of the importance of collaboration between institutions in order to meet the sustainable development agenda. Accordingly, the Company establishes alliances based on common principles, values and goals with different organizations, both public and private, and at world, regional, national and local level.

Relations with associations

As well as the positive impact of its activity as such, by providing a service to cities and their tourists, NH Hotel Group contributes to the community by forming part of associations, chambers of commerce or foundations that promote concerns and encourage projects aligned with the Company's values.

Throughout this year, with the aim of boosting an institutional positioning of leadership, useful and suited to the present context, NH Hotel Group has continued with the strategy of establishing and maintaining close relationships with associations whose principal goals are aligned with ours and that promote and defend responsible business development that creates opportunities, sustainable tourism and the continued training of our professionals, among others.

For their relevance, this notably includes NH Hotel Group's participation in the UN Global Compact, the UN World Tourism Organization, Exceltur and the CEOE (Spanish Confederation of Business Organizations).



UN Global Compact

NH Hotel Group, which has been a member of UN Global Compact since 2002, periodically renews its commitment and reports publicly and transparently on the progress made in this respect in an annual report on the Website of the Global Compact (www.pactomundial.org). The Company takes into consideration the 10 principles and the Sustainable Development Goals as the framework of reference to design the strategy and management of the Company's Corporate Responsibility.



UNESCO Pledge

NH Hotel Group has joined the UNESCO and the Expedia Group to prove its commitment to protect the environment, local culture and communities that depend on travel to prosper. The Commitment by UNESCO aims to boost sustainable travel, communities' adaptation, and heritage conservation globally. Therefore, NH Hotel Group has adhered with all its hotels owned and leased, publicly committing to implement measures to reduce the environmental impact of its business, which in turn contributes to raising awareness among travelers, helping them to opt for more sustainable travel.





UN World Tourism Organization

The UN WTO is the United Nations agency responsible for promoting responsible, sustainable and universally accessible tourism, promoting tourism as a driver of economic growth, inclusive development and environmental sustainability. Until we left in September 2021, NH was part of the working group supporting the SDG.



Spanish Confederation of Business Organizations

Founded in 1977, the Spanish Confederation of Business Organizations (CEOE) brings together voluntarily two million businesses and self-employed individuals from all sectors of activity, who join CEOE through more than 4,500 grassroots associations. It is noted for always favoring dialog and negotiation with both sides of the labor market, respecting the interests of its members.

NH Hotel Group collaborates in the organization's Sustainable Development and Ecological Transition Commission and its Business Social Responsibility Commission.

EXCELTUR



This association is the result of the personal commitment of a very significant group of leaders and heads of the principal Spanish tourist companies, who in January 2002 got together to form this nonprofit association, motivated by their firm conviction to drive two major goals – lines of action:

- To promote greater socioeconomic recognition of what tourism contributes and represents as the principal sector of the Spanish economy.
- And to encourage the highest levels of competitiveness to consolidate leadership and profitable and sustainable growth of the tourism activity in Spain, in light of the significant and growing challenges and opportunities that the future holds for us.

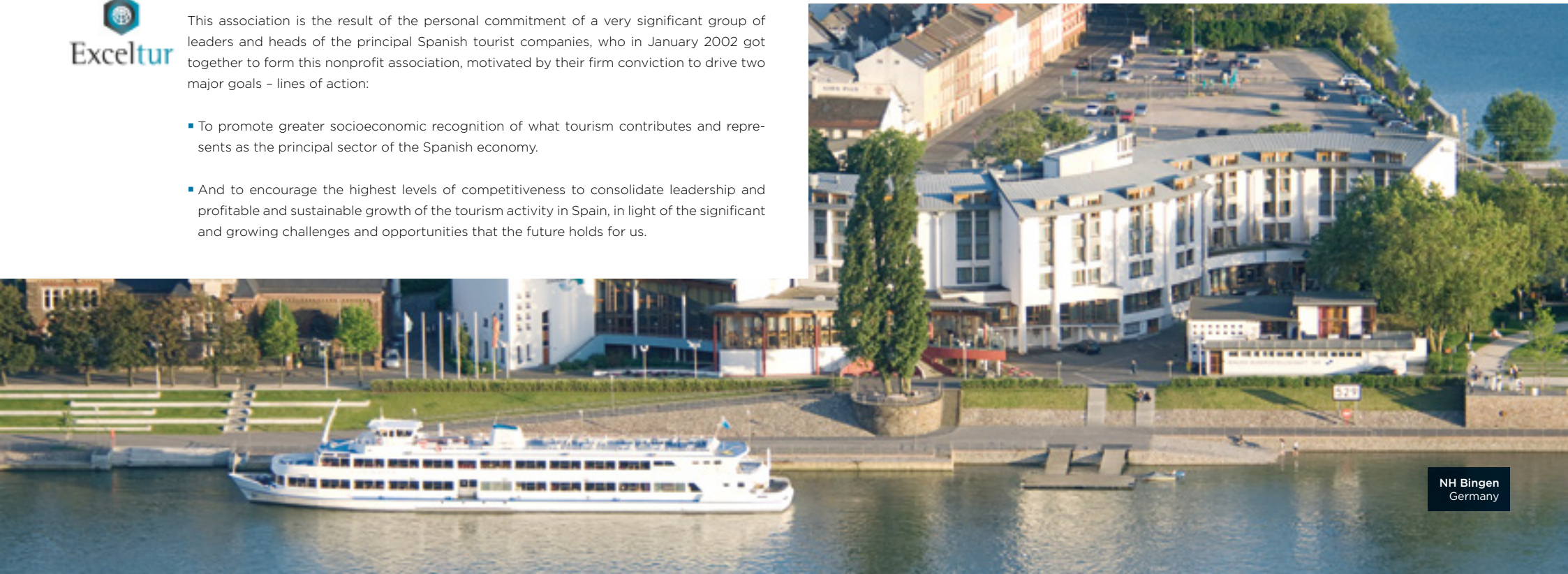


Hotel Sustainability Basic Framework

NH Hotel Group, in conjunction with other hotel companies, launched an initiative to establish a common definition of hotel sustainability to promote responsible travel and tourism.

The Hotel Sustainability Basics Framework offers a common starting point for the sustainability of hotels, which is accessible to all players in the hotel industry throughout the world, regardless of whether they belong to a major international group or are independent hotels. Offering this basis for common understanding to all the hotels in the world, with actions that have a positive effect on the planet and on people, generates a real change by stimulating demand for responsible travel.

This year, the hotel groups that participate in this initiative have worked in close collaboration with the World Travel & Tourism Council, the Sustainable Hospitality Alliance and the principal stakeholders to finalize essential sustainability actions that will have a demonstrable positive effect, and will collaborate to share suitable tools and practice with the other members and with the industry in general, to ensure that all hotels start the evolution towards the goals of the COP21 Paris Agreement.



Contribution to sector associations, non-profit associations and chambers of commerce

The NH Hotel Group code of conduct and the Policy for the prevention of money laundering expressly prohibit making any contribution to political parties. The Company is aware of the importance of collaboration between institutions in order to meet the sustainable development agenda. Accordingly, the Company establishes alliances based on common principles, values and goals with different organizations, both public and private, and at world, regional, national and local level.

As well as the positive impact of its activity as such, by providing a service to cities and their tourists, NH Hotel Group contributes to the community by forming part of associations, chambers of commerce or foundations that promote concerns and encourage projects to attain shared goals. In 2022, NH Hotel Group made a total contribution of € 508,596 to a number of sector associations, chambers of commerce, associations related to the environment or non-profit NGOs, among others:

CONTRIBUTION TO ASSOCIATIONS IN 2022 (IN €)

| | 2022 | 2021* |
|--|----------------|----------------|
| Sector associations | 325,532 | 285,682 |
| Trade associations (Chambers of Commerce) | 99,015 | 16,633 |
| Associations related to the environment | 56,016 | 31,104 |
| Cultural associations | 24,698 | 9,056 |
| Fundations, NGOs & non-profit associations | 3,335 | 3,465 |
| Total | 508,596 | 345,940 |

* The breakdowns published in FY21 have been recalculated. Chambers of Commerce have been recorded as Trade Associations and business associations have been recorded within sector associations.

Participation in all of them responds to two key objectives of the Group in this regard: to promote sustainable tourism and responsible business opportunities both locally and internationally. NH Hotel Group promotes and fosters sustainable tourism in line with the Company's values, which is why it collaborates with different associations to advance in this purpose. In this line, it is worth highlighting the Company's participation in the World Tourism Organisation and the United Nations Global Compact.

In relation to the second key objective, we would highlight NH Hotel Group's membership of more than 700 sector associations and almost 60 Chambers of Commerce, where its principal mission is to promote a sound and solvent tourist business activity in the city in which it is located.



NH Toulouse Airport
France

Due to the nature of our activity, we are aware of the great work that we can do with our young people in this field, offering them opportunities to work in the sector and promoting stable employment.

MAIN AREAS OF INTEREST FOR NH HOTEL GROUP

| | 2022 | 2021* |
|---|-----------|-----------|
| Sustainable Tourism | 86,863 € | 45,291 € |
| Promotion of local and international relationships and responsible business opportunities | 421,732 € | 300,648 € |

NH HOTEL GROUP AND THE 2030 AGENDA

For the purpose of focusing the business model on a hotel model that is committed to sustainable development, through the Sustainable Business Strategy NH Hotel Group generates value for the different stakeholders in the places where it is present. In this context, the Company has an impact and capacity to influence a total of 11 Sustainable Development Goals, focusing its strategy on two of them:

- SDG 11 on Sustainable Cities and Communities
- SDG 8 Decent work and economic growth;

NH Hotel Group has performed an analysis of the agenda's contribution to the SDG, which in turn has allowed us to identify which goals are more relevant for the Company, both on account of its activity, commitments and strategic focus and on account of different external factors considered.

Convinced that it is going in the right direction to meet the next challenges set in relation to sustainability, the Company is aligned with the Sustainable Development Goals (SDG) it can contribute to and is therefore committed to continuing to create value in the long term and at global level, in the framework of the 2030 Agenda.



UP FOR PLANET

Increase emission and energy savings and reduce water consumption through building retrofitting.

Manage resources carefully with a '4R' approach: Reduce - Reuse - Recycle - Replace, while offsetting residual footprint.

Strengthen our sustainable value chain, prioritizing key partnerships, local suppliers and responsible organizations.



UP FOR PEOPLE

Promote a responsible culture for our teams and fostering diversity, ethics and wellbeing.

Provide excellent service through innovative sustainable solutions, while educating and actively involving customers in our projects and commitments.

Support our key partners, creating positive social and environmental impact on the local communities where we are present.



SUSTAINABLE PRODUCTS & ASSETS

- 173 Total certified hotels / year
- 6 Newly certified hotels / year
- 64% of electricity consumed comes from renewable energy sources
- 100% of green energy in hotels of southern Europe
- 69 N° hotels with bicycle rental service
- 64 N° hotels provided with electric chargers



PROCESSES & OPERATIONAL STANDARDS

- 52.00 Energy Ratio
- 0.34 Water Ratio
- 8.57 Carbon Footprint Ratio
- 15 million amenities eliminated a year



SUSTAINABLE PURCHASING

- 12,532 N° of total suppliers
- 1,760 N° of active suppliers with signed Ethical Codes
- 539 N° of critical suppliers
- 63% Approved purchase (OpEx+CapEx)



EMPLOYEES

- 157,455 Total training hours for employees
- 101 Employees with disabilities
- 44% Women in management positions
- 51% Women in the workforce
- 38,6% Turnover average
- 273 No Accidents with sick leave



CUSTOMERS

- 8.5 Customer Reviews - NH survey
- 8.4 Customer Reviews - Online Surveys
- 30,373 N° of requests received by Customer Care
- 346 N° of hotels with elements adapted to special needs



COMMUNITIES

- 4,885 N° of volunteers NH
- 60,724 N° of total beneficiaries
- 1,438 Solidarity roomnights
- 147 N° of associations/year
- 135,523€ Indirect contribution in social action
- 136 N° of hotels involved
- 28 N° of social initiatives