

NH | HOTEL GROUP
PART OF

MINOR
HOTELS

9

UP FOR PLANET

NH Collection Grand Hotel Convento di Amalfi
Italy

UP FOR PLANET

In its commitment to the Planet, NH Hotel Group works to minimize its impact on climate change, increase the efficiency of resources and develop more sustainable services. All this, reducing the Company's environmental footprint with responsible consumption of natural resources

This approach is based on three strategic pillars:



SUSTAINABLE PRODUCTS & ASSETS

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 prioritizing the '4R' approach: Reduce, Reuse, Recycle & Replace, while offsetting residual footprint and boosting the transition towards the circular economy and the development of more sustainable products. As well as promoting employees', suppliers', stakeholders' and clients' engagement as key drivers of change.



SUSTAINABLE PURCHASING

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

NH Hotel Group is a company committed to the wellbeing of its guests and to efficient management of the available resources in the environment where the Group's hotels are located. 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.





These commitments, applicable to all NH Hotel Group's operations and to the Company's decision-making process, are formalized in the Environment and Energy Policy.

It includes both the supply chain and distribution, the inclusion of new partners or addition of hotels to the portfolio and the operation of hotels under ownership, lease, management and franchise to comply both with this Policy, to voluntary subscriptions adopted by NH, or to applicable environmental law and regulations.

The Sustainable Business department is responsible for the implementation of the Environment and Energy Policy and for the commitment to continuous improvement in environmental performance at all internal levels of the Organization and together with the Procurement (Coperama), Commercial and Assets departments, is responsible for conveying the commitments acquired to external stakeholders in order to raise awareness about sustainability among all interested parties and even to drive these parties to take on the Company's commitments as their own and be aware of the environmental impacts associated to the activity.

With the commitments acquired in the Environment and Energy Policy, applicable both to sustainable products and assets and to services (operational management processes), the Company seeks to involve employees, guests, Public Administrations and other stakeholders.

In relation to provisions and guarantees to cover environmental risks, it should be noted that NH Hotel Group makes investments in environmental activities that are valued at cost of acquisition and capitalized as a higher cost of property, plant and equipment or inventories in the year they are incurred. Expenses derived from the protection and improvement of the environment are recorded in the income statement in the year in which they incur, independently of when the associated monetary or financial flow takes place.

Provisions relating to likely or certain liabilities, ongoing litigation and ongoing damage compensation or obligations relating to the environment, the amount of which has not been determined, not covered by the Company's insurance policies, are recorded at the start of the liability or obligation that determines a possible compensation or payment. It should be noted that in 2022 NH Hotel Group has not received any significant fine imposed by the competent authorities in each region where it operates deriving from environmental breaches.

The Company's environmental management is channeled through UP FOR Planet, which defines the roadmap to fulfil the commitments undertaken in the battle against climate change and progress towards decarbonization, the efficient management and the responsible, circular consumption of resources and the development of more sustainable products. This approach is based on three strategic pillars:



9.1

UP FOR PLANET

Sustainable
Buildings

NH Villa Carpegna
Italy

SUSTAINABLE PRODUCTS AND ASSETS

UP_{FOR}PLANET

A strategic pillar aimed at combatting climate change and advancing towards decarbonization, minimizing the carbon footprint derived from the activity by refitting hotels to make them more sustainable.

Environmental certification program

NH Hotel Group's hotels are certified under the ISO 14001 environmental management system and ISO 50001 energy efficiency system for accommodation services, restaurants, meetings and events. At the end of 2022, 62% of the hotels in Germany, Spain and Italy have ISO 14001 certification - a total of 93 hotels- and/or ISO 50001 -31 hotels-.

In addition to the ISO certification, some of the group's hotels also have other environmental certifications such as: BREEAM, LEED, Green Key, Hoteles+Verdes Biosphere, DGNB and Bioscore. The goal is to have an increasingly significant volume of hotels with globally recognized en-

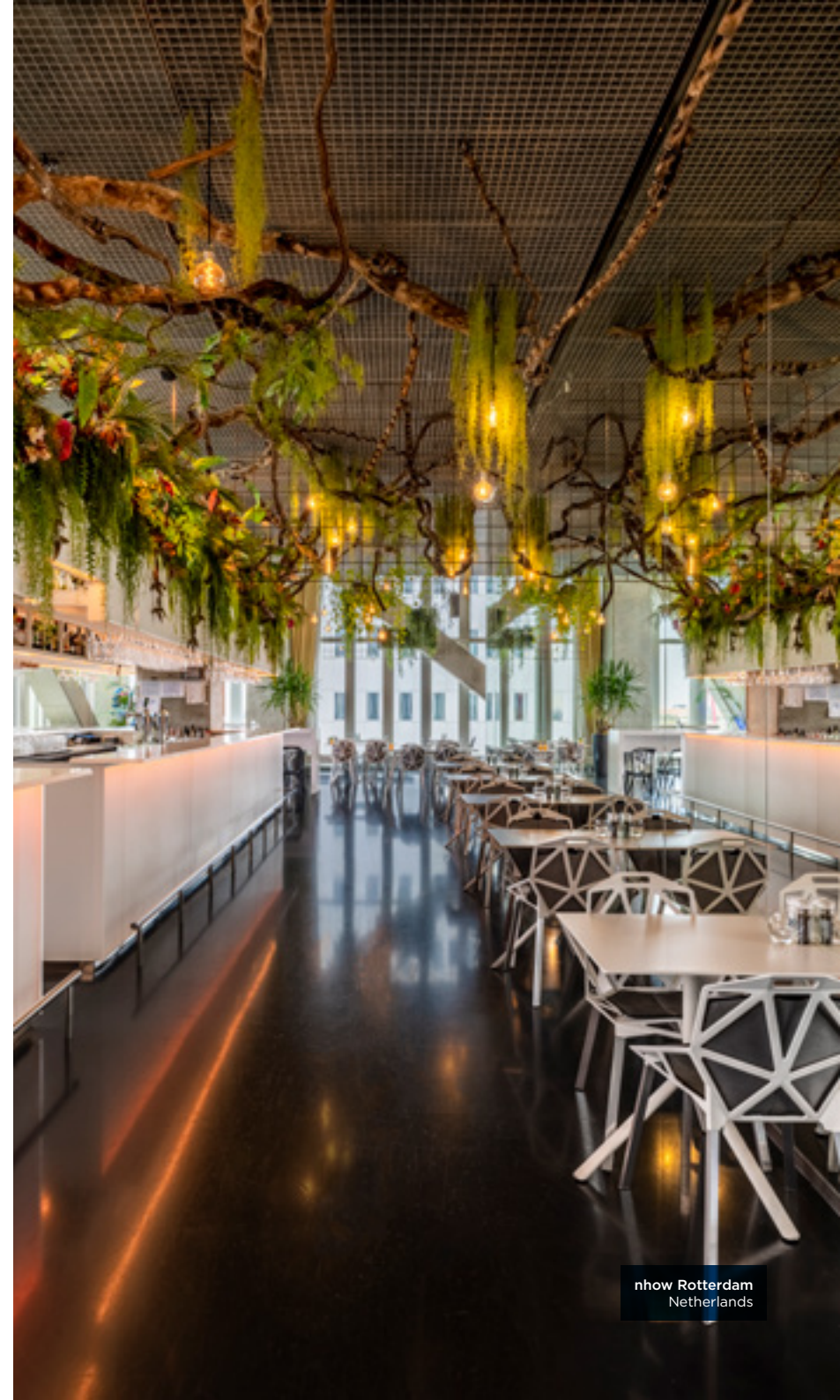
vironmental certification, specific to the tourist sector, and approved by the Global Sustainable Tourism Council, the leading body.

In 2022, six hotels obtained a sustainability recognition for the first time, giving a total of 173 certified hotels out of the 350 hotels in the portfolio.

NH Hotel Group has individual certification for 50% of the hotels in the portfolio

ENVIRONMENTAL CERTIFICATIONS

Business Unit	Certification	2022		2021	
		Consolidated perimeter	Corporate perimeter	Consolidated perimeter	Corporate perimeter
BU America	HOTELES +VERDES	6	7	5	6
	LEED	1	1	1	1
	GREEN KEY	8	9	8	9
	ISO 14001	0	1	0	1
BUNE	ISO 14001	27	27	27	27
	ISO 50001	1	1		
	BREEAM	3	3	1	1
	GREEN KEY	41	43	40	41
BUSE	ISO 14001	67	68	68	69
	ISO 50001	30	30	30	30
	BREEAM	7	7	7	7
	GREEN KEY	3	4	3	4
Total number of certifications		194	201	190	196





NH Valle Dorado Mexico

NEW HOTELS ADDED TO THE CERTIFICATION PROGRAMME IN 2022

Hotel	Country	Type of certification
nhow Amsterdam RAI	Netherlands	BREEAM
Anantara New York Palace Budapest Hotel	Hungary	BREEAM
NH Collection Milano City Life	Italy	BREEAM
NH Collection Flower Market	Netherlands	GREEN KEY
nhow London	UK	GREEN KEY
NH Florida	Argentina	HOTELES +VERDES

Recognitions and Alliances to favor Environmental Management

As a sign of our environmental commitment, 336 of the Company's hotels have obtained the Booking recognition, 308 have obtained the HRS GreenStay recognition and 50 are recognized as part of the GHA Green Collection.



In addition, in March 2022 the Company's entire portfolio obtained Bioscore rating.



Bioscore certification is based on the independent assessment of a hotel for its level of sustainability through a rating based on ESG criteria and aligning the most relevant parameters of the main internationally recognized ecolabels to offer a global and standardized view of the efforts made by the hotels in relation to sustainability.





Plan SBT 2030

NH Hotel Group's efforts to combat climate change are part of the "SBT 2030 Plan" which sets out the levers of action to reach the goal of reducing carbon emissions throughout the entire value chain by 20% by 2030.

To ensure compliance with the long-term goal, the company establishes intermediate annual goals. The monitoring of compliance and of the actions to attain them are carried out through the Executive Sustainability Committee.

The five levers of action on which efforts to reach the goal will primarily be applied are:

- Control and monitoring – the lever on which work is being done to improve data capture and analysis, both from the activities of the hotels and of their suppliers and seek an alignment of commitments to reduce emissions in the value chain.
- Energy efficiency – considers all actions that can improve efficiency in the hotel's energy consumption.
- Green energy considering both the installation of renewable energy for own consumption and the purchase of green electricity.
- Emission offset strategy, with a twofold objective. On one hand, to use offset as an exceptional alternative in order to comply with the annual targets set and on the other hand give visibility to the Company's climate commitment by involving guests in it.

- Carbon analysis in expansion projects to anticipate the needs of new properties to adapt to the climate goal so that it is not compromised.

NH Hotel Group's emissions are calculated according to the Greenhouse Gass Protocol "A Corporate Accounting and Reporting Standard (Revised Edition)", using the operational control approach, and its supplement Corporate Value Chain (Scope 3) Standard.

37,082
t eq CO₂

EMISSIONS AVOIDED
BY THE PURCHASE
OF GREEN ELECTRICITY

3,408
t eq CO₂

EMISSIONS OFFSET
THROUGH OFFSET
PROJECTS

NH Hotel Group's consolidation criteria encompass all the Company's hotels with ownership and lease agreements.

- Scope 1: Direct GHG emissions come from sources owned by the Company or under its control (natural gas, LPG, propane, diesel and biomass).
- Scope 2: Indirect emissions from the generation of acquired electricity, district heating and district cooling consumed by the hotels.

- Scope 3: Indirect emissions which are a consequence of the Company's activities but come from sources that are not owned by the Company or under its control.

- Upstream: purchase of goods and services, capital assets, indirect consumption of fuel and energy, prior transport and distribution, waste generated, business trips and commuting by employees.
- Downstream: managed and franchise hotels (Scope 1 and 2).

The purchase of goods and services is the highest impact in the Company's scope 3.

Over the last two years, the suppliers with the largest carbon footprint have been identified in order to work with them on improving information channels and seek alignment to reduce emissions in the value chain.

In addition, NH Hotel Group has a corporate standard "Eco-Efficient Hotel Guide" to integrate sustainability and energy efficiency in the design and construction of new hotels and in refurbishments. This standard assures that all the activities in its buildings will take ecological guidelines and climate change risks into account in design and construction in order to minimize and control the risks.

CARBON FOOTPRINT

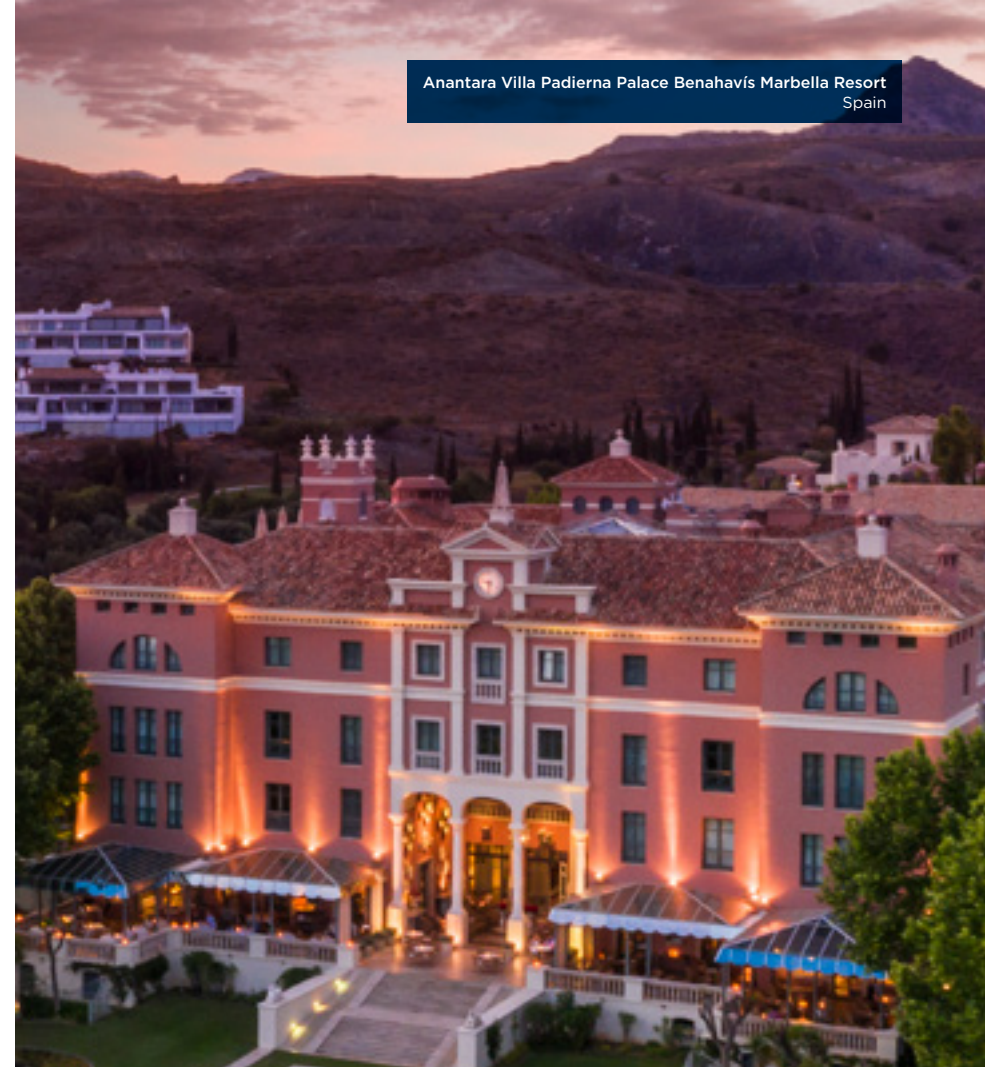
	Total emissions (eq Tn CO ₂)			Emissions ratio (eq kg CO ₂ /RN)		
	2022	2021*	Variation (in %)	2022	2021*	Variation (in %)
Scope 1						
BU America	4,606	4,214	9.31	4.18	7.27	-42.54
BUNE	21,101	20,967	0.64	4.72	9.44	-49.92
BUSE	18,622	16,493	12.91	3.88	5.39	-28.00
Total	44,329	41,673	6.37	4.28	7.11	-39.88
Scope 2						
BU America	9,123	9,183	-0.66	8.27	15.83	-47.74
BUNE	33,069	34,881	-5.19	7.40	15.70	-52.84
BUSE	2,295	2,808	-18.25	0.48	0.92	-48.01
Total	44,487	46,872	-5.09	4.29	8.00	-46.36
Scope 1+2						
BU America	13,729	13,397	2.48	12.45	23.10	-46.10
BUNE	54,170	55,848	-3.01	12.13	25.13	-51.73
BUSE	20,917	19,301	8.37	4.36	6.31	-30.92
Total	88,816	88,545	0.31	8.57	15.11	-43.30
Compensation	3,408	-	-			
Total net emissions	85,408	88,545	-3.5			

*The figure for 2021 has been recalculated due to adjustments in the calculation of emissions from a hotel that left the portfolio in 2022.

With the acquisition of the SBTi commitment to reduce emissions by 20% by 2030. NH Hotel Group worked on the annualization of this objective so that, by 2022, it set a target of a -3.5% reduction in emissions with respect to the actual emissions in 2021. At the end of this financial year, this target had been achieved by acting on four of the levers of action of the SBT 2030 Plan (control and monitoring, energy efficiency, purchase of green energy and compensation strategy).

Following the approval of the emission reduction targets validated by SBTi, NH Hotel Group has estimated, under this methodology, a total of scope 3 emissions 298,8854 eq CO₂ in 2022.

NH Hotel Group also participates in different forums and projects to promote the fight against climate change and the reduction of carbon emissions and consumption:



Anantara Villa Padierna Palace Benahavis Marbella Resort
Spain

The World Wildlife Fund (WWF) Earth Hour 2022

NHHotel Group has joined this global initiative which fosters environmental awareness about climate change. The Group's hotels participate by switching off the lighting on their exterior for an hour and organize activities to involve guests and employees.





Energy efficiency plan

NH Hotel Group has an Energy Efficiency Plan, which groups together “energy efficiency” projects, considering all those that can improve energy consumption in the hotels, as well as the associated costs:

- Changes in equipment, where the replacement involves greater efficiency: pumps, minibars, washing equipment, heating and air-conditioning, boilers, coolers...
- Investments related to control of installations: building energy management systems, update of meters, improvements in lighting...
- Actions on building façades that represent improvements in the envelope and in insulation.
- Additionally, the Company has a CapEx line for projects that not only seeks an economic but also an environmental return. Some of these projects are: the elimination of fossil fuels and an increase in renewable energies, for example, those implemented in NH Málaga, NH Alicante, NH Ciudad de Valencia, NH Luz de Huelva, NH Collection Pódium, NH Mechelen and NH Brussels Airport that involved an investment of 200K€ and an estimated production of 350MWh/year of photovoltaic energy and an installed capacity of 275kWp.

Under this plan, in 2022 specific energy efficiency and sustainability investment projects have been executed, such as photovoltaic installations and the replacement of boilers, that improve energy efficiency. The Company has implemented several projects, such as the BREEAM certification with the prospect of extending the number of these certifications next year.

The image shows an outdoor terrace area with several large, white, square umbrellas supported by metal poles. Underneath the umbrellas, there are several round tables with metal chairs. In the foreground, there are tables covered with white cloths, displaying various pastries and breads. A small white structure, possibly a trash bin or a decorative element, is visible in the lower center. In the background, there is a swimming pool with blue water and a red lifebuoy. The sky is blue with scattered white clouds. The overall atmosphere is bright and sunny.

9.2

UP FOR PLANET
Processes and
Operational
Standards

OPERATING PROCESSES AND STANDARDS **UP**_{FOR} PLANET

A strategic pillar focusing on efficient management and responsible consumption of resources, prioritizing the “4R” rules”: Reduce, Reuse, Recycle and Replace, while residual emissions are off-set and favoring evolution towards a circular economy and the development of more sustainable products, but also the involvement of employees, suppliers, partners and guests as key players to achieve these goals.

Training in Environmental Awareness

In relation to this commitment and to foster this culture in all employees, the mandatory online environmental awareness course has been added to the NH University training catalog. The course sets out the guidelines that all employees must follow to comply with the principles set out in the Environmental and Energy Policy.

With this training, employees will gain knowledge on environmental aspects and how to incorporate them into their daily routines and tasks, so that they participate in the attainment of the Company's commitments.

In 2022 and future years, this training will continue to be given to all employees who join the Company and must be completed within 30 days.

4,209 hours in environmental training by 5,145 employees

Responsible energy management

To keep exhaustive and rigorous control over the energy consumption, carbon footprint and water consumption measures, NH Hotel Group uses the Sustain Focus platform, from which the sustainability strategy indicators are monitored. This is an online system to which almost all the Company's hotels have access that permits reporting, control, monitoring and traceability of the indicators and of water and energy consumption and costs.

ENERGY CONSUMPTION BY SOURCES (KWH)

	2022	2021*	Difference (in %)
Gas Natural	210,777,554	196,542,221	7.2
Gas Oil	2,124,687	1,654,765	28.4
GLP	3,717,119	3,276,133	13.5
Propano	1,049,586	797,170	31.7
BTZ	1,064,878	1,343,329	-20.7
Biomasa	322,297	344,370	-6.4
Electricity	268,933,759	216,349,575	24.3
Renewable electricity	172,293,808	134,767,305	27.9
District heating	48,402,338	45,331,191	6.8
District cooling	2,719,539	2,124,436	28.0
Total	539,111,757	467,763,190	15.3

(*) The figure for 2021 has been recalculated due to adjustments in the calculation of energy consumption from a hotel that left the portfolio in 2022.

ENERGY CONSUMPTION

	Energy Consumption (kWh)			Energy ratio (kWh/RN)		
	2022	2021*	Difference (in %)	2022	2021*	Difference (in %)
BU America	55,204,444	45,791,931	20.55	50.06	78.95	-36.6
BUNE	252,137,038	230,058,259	9.6	56.46	103.52	-45.47
BUSE	231,770,275	191,913,000	20.77	48.3	62.77	-23.06
Total	539,111,757	467,763,190	15.25	52	79.83	-34.86

(*) The figure for 2021 has been recalculated due to adjustments in the calculation of energy consumption from a hotel that left the portfolio in 2022.



In terms of energy consumption and energy per NR ratio, 2022 was marked by significantly different weather conditions compared to 2021. This, together with a higher activity resulting from the recovery after the restrictions applied during the pandemic, makes the data present deviations compared to those of 2021.

The information extracted on climatic conditions shows a 2021 that has been, in general, warmer than 2022 both in the summer months (cooling) and in the winter months (heating). This has meant that thermal energy consumptions in Northern Europe (BUNE) have been lower than expected, yet electricity consumptions associated with air conditioning have been generally higher. This has a greater impact in Southern Europe (BUSE), hence the different behavior of consumptions in BUNE and BUSE.

Operación Kilowatio

"La operación Kilowatio" was carried out this year, thanks to which the working parameters of existing installations have been optimized by improving control and energy reporting.

For this purpose, internal energy audits of the hotels were performed, evaluating key points for energy consumption that affect the different departments and ad hoc measures have been proposed for each hotel as a result, as well as monthly monitoring of consumption and evaluating the comparison with previous years.

In addition, during Q42022 an Energy Saving Plan was implemented globally. This Plan complements the regulatory requirements of the different countries due to the energy crisis, limiting heating temperatures and hours of use. All this has been reflected in lower consumption and a significant improvement in the ratio.

However, the increased activity that comes with a greater number of Room Nights (RN) means that, despite the increase in absolute consumption, the ratio of consumption per RN has dropped significantly.

It should be noted that in 2022 the last installation of BTZ, a fossil fuel derived from petroleum with very poor performance and high polluting power, was eliminated. This fuel had been eliminated from all the hotels that had it in Italy, but in this case, technical difficulties made the fuel change very complicated. Finally, the fire department authorized the change, and it was possible to eliminate it definitively.





NH Collection Paseo del Prado
Spain

Responsible water management

Since the first Sustainability Plan was defined in 2007, water consumption saving measures have been implemented, such as the installation of aerators and consumption reduction devices in cisterns, the installation of novel water recovery and reutilization systems, the efficient procurement of devices such as dishwasher equipment in kitchens, as well as training and awareness raising in employees and the redesign of operational guidelines and actions in kitchen and housekeeping. In 2014, progressive implantation started of showers that reduce the volume of water used by 40% thanks to their savings technology.

Once again, we have worked with the Aqueduct tool provided by the World Resources Institute (WRI), which allows us to identify the areas with the highest water-stress risk at world level and to monitor our portfolio located in these areas, so that we can take preventive measures if necessary. The result of the analysis is that 28% of the hotels in NH Hotel Group's portfolio are located in areas with a high water-stress level.

WATER WITHDRAWAL FROM SUPPLY NETWORKS

	Water withdrawal (m ³)			Water ratio (m ³ /RN)		
	2022	2021*	Difference (in %)	2022	2021*	Difference (in %)
BU America	473,746	312,521	51.59	0.430	0.539	-20.3
BUNE	1,263,942	1,087,492	16.23	0.283	0.489	-42.2
BUSE	1,767,632	1,223,971	44.42	0.368	0.403	-8.6
Total	3,505,320	2,623,984	33.59	0.338	0.448	-24.5

*The figure for 2021 has been recalculated due to adjustments in the calculation of water withdrawal from a hotel that left the portfolio in 2022.

Parallel to what is happening with energy consumption, increased activity is directly related to increased water use. The increase is more pronounced in Southern Europe, due to the entry into operation of the New York hotel, which belongs to this business unit despite its geographical location, and has a very significant consumption.

However, also in the same way, this increased activity helps to distribute the "base" consumption of the hotel activity (cleaning, filling of circuits, cooling towers, kitchen, etc.) among a larger number of RNs, which helps to reduce the ratio.

The water that enters hotels for use in kitchens, cleaning, bathrooms, filling pools, etc. is disposed of through municipal sewer networks. Water consumption attributable to losses caused by evaporation of pools or fountains, irrigation or rainwater tanks and fire water is not significant.

Waste management and circular economy

NH Hotel Group has a system of waste separation at the point of origin in all its hotels, which permits and facilitates recycling. The types of waste separated are paper and cardboard, glass, used cooking oil, packaging (plastic, cartons, tins, etc.) and organic. This system permits the recovery of material for recycling and subsequent valuation.

Furthermore, in its commitment to mitigating impacts on its surroundings, NH Hotel Group studies the different ways in which the Company's inputs, activities and products affect the environment and sustainable business development.

In 2022 NH Hotel Group has continued to use the hazardous waste monitoring system, for items such as: contaminated containers; paint, varnish and solvents; contaminated absorbent material and cloths; aerosols; fluorescent light tubes and lamps; electrical and electronic apparatus; and button cells, as well as non-hazardous waste that requires special treatment: alkaline batteries; printer toner; and used cooking oil.

This year NH Hotel Group has complied the following information:

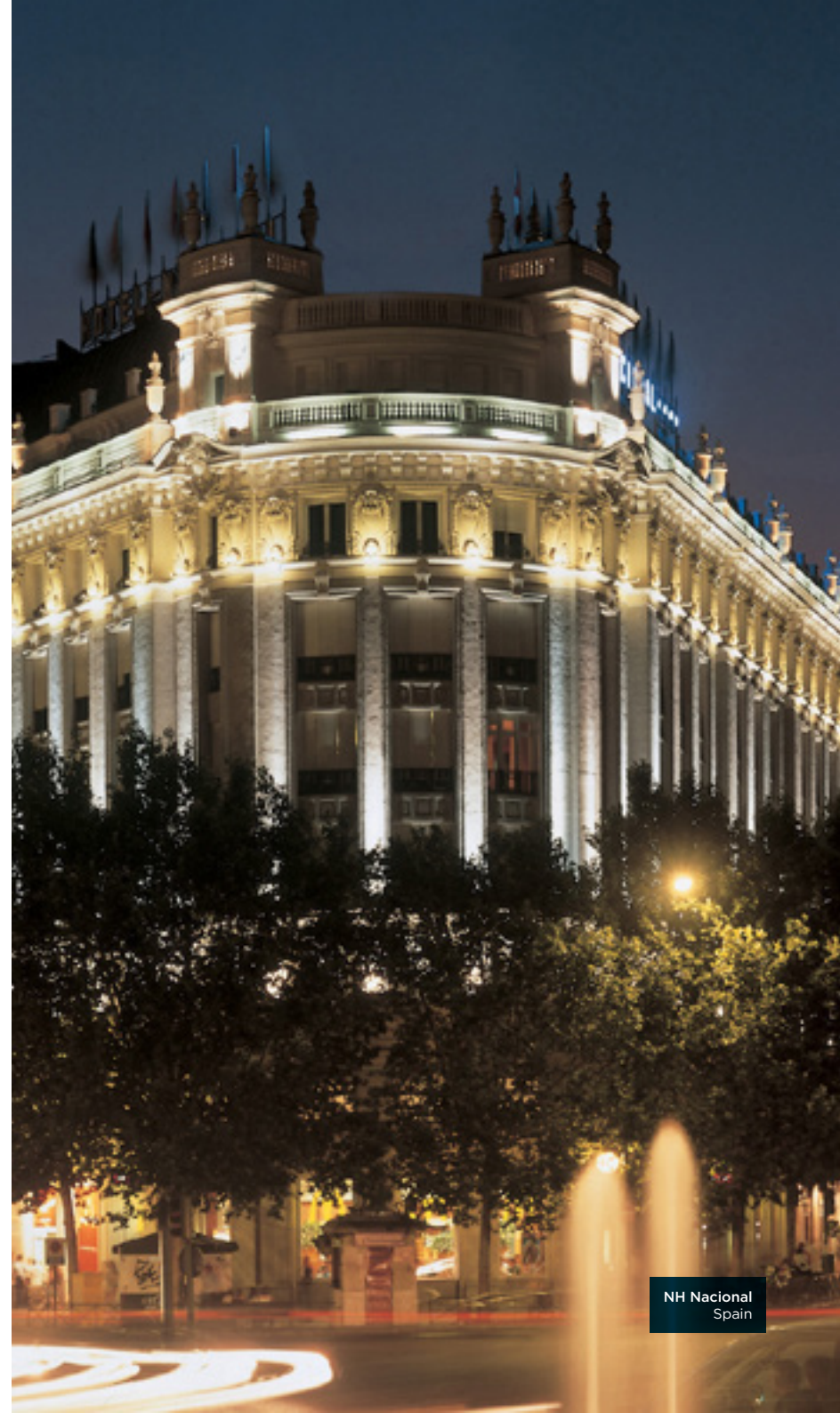
As far as the management of such waste is concerned, NH Hotel Group is subject to the arrangements in place in each country. Accordingly, for certain demographics, such as in the case of Spain, the Company collaborates with third parties for waste collection and management. But in other countries, waste collection is managed through direct agreements with the municipal waste collection service.

The increase in the management of non-hazardous waste with special treatment is mainly due to the increase in hotel activity compared to 2021. Non-hazardous waste with special treatment includes cooking oils, the generation of which has increased in proportion to the increase in hotel activity. On the other hand, hazardous waste management has been reduced due to the company's efforts to replace products that could generate hazardous waste with others that have a lower impact.

Hazardous waste is separated according to the legal requirements of each region. Withdrawn furniture and fittings that are in good condition during refurbishment processes may be given away to employees or donated to local organizations.

MANAGEMENT OF HAZARDOUS WASTE & SPECIAL TREATMENT WASTE 2022

	2022	2021	Difference (%)	Data scope 2022 (%)	Data scope 2021 (%)
Consolidated perimeter					
Hazardous Waste (t)	7.86	14.59	-46.1	28%	25%
Non-hazardous waste with special treatment (t)	69.55	35.43	96.3	28%	25%
Corporate perimeter					
Hazardous Waste (t)	11.07	14.89	-25.6	25%	23%
Non-hazardous waste with special treatment (t)	74.13	51.44	44.1	25%	23%





Commitment to reduce single-use plastics: New Amenities

As part of NH Hotel Group's commitment to improving the impact of its activity on the environment, and offer our guests the best experience, a new line of amenities has been introduced for all our brands. The new amenities allow us to eliminate all single-use plastics in our room set-up, replacing them with new 100% recycled and recyclable PET, complemented with a new line of bathroom accessories made using biodegradable materials (wheat straw) presented in 100% recycled paper packaging (eliminating chemical dyes or varnishes used in packaging).

In addition to this, the new products do not contain parabens, silicones, or alcohol; they have not been tested on animals and are EcoLabel certified.

This project has enabled us to reach the following milestones:

- Switching from 50ml to 320ml bottles: elimination of 15 million bottles of plastic per year, which represents a saving of 67 metric tons of plastic per year, a reduction of 56% in metric tons of plastic and 297 metric tons of CO₂ not emitted.
- Elimination of 5 million bars of soap, representing a reduction of 70 metric tons of soap.
- The use of EcoLabel certified products means that all the products included in our amenities that reach the sea do not harm the environment.
- New accessories, both the products and their packaging, are made with sustainable materials, recycles plastic, biodegradable articles, etc.

Additionally, following the directives of the European Union we have replaced our pens made with oxo- biodegradable material with others made using compostable material (Wheat Straw) and resins.

These new pens have been used in the hotels since the start of 2022. The Company has extended this action to countries outside the European Union.

Biodiversity management

To date, NH Hotel Group has been a mainly urban hotel chain. Only 5% of its revenues come from hotels that can be classified as resorts.

Although biodiversity, despite being a material issue, is not critical for the Company given NH Hotel Group's business model, it is concerned about its conservation and that of the natural habitats in the destinations where it is present.

Some of the actions carried out in this area are:

Sustainable fishing

Although NH Hotel Group does not carry on its activity within any protected natural area, the Company applies different measures and initiatives to preserve and restore biodiversity in the environments where it operates.

The Company's hotels promote sustainable fishing through legal compliance with the consumption of species and responsible procurement of these products.

Urban vegetable gardens

Some NH Hotel Group hotels have space to install urban vegetable gardens. Growing in these areas enhances the landscape and gastronomic value of dishes while reducing the negative environmental impact by reducing the need to transport these products and generates a sense of community among the hotel's employees.

In Italy, the NH Collection Piazza Carlina also has vegetable gardens with aromatic plants such as parsley, thyme, mint, rosemary, peppermint, basil, oregano, etc. These herbs, which are pesticide-free and have a high nutritional value, are used in preparations in the kitchen and the bar.

In turn, the NH Collection Grand Hotel Convento di Amalfi (Italy), on the Amalfi coast, also has a garden in which aromatic herbs, vegetables and citrus fruits are grown to be used in the kitchen and in the cosmetics for the hotel's spa (aloe vera and lavender). Guests can experience this garden through a trail, such as the meditation trail, which consists of visiting the five terraces it currently features: vegetable garden, rose terrace, monks' walk, botanic terrace and relaxation terrace.

Hotels for bees

Conscious of the limited space in cities for biodiversity, their importance in ecosystems and aware of the critical situation of bees in Europe, the Group's hotels provide a home for bees on their roofs in a way that is safe for guests. These hotels are: NH Wien City (Austria), NH Collection Wien Zentrum (Austria), NH Danube City (Austria), and NH Berlin Alexanderplatz (Germany).

Cage-free eggs

NH Hotel Group promotes animal welfare, prioritizing the use of cage-free eggs. This initiative was implemented in hotels in northern Europe, which currently use cage-free eggs in their preparations. In addition, as part of MINT, the Company has joined in the commitment made by Minor Hotels to obtain all the eggs consumed in its establishment from free range hens by the end of 2027. Initiative already implemented in 9 countries with 62% of eggs consumed cage-free.



Development of more sustainable products

This project seeks to offer value to customers through sustainable actions, focusing on the innovative attributes that improve brand perception.

As the most noteworthy examples of the project, NH Hotel Group offers EcoFriendly Meeting and Events and Sustainable Mobility services in its hotels.

EcoFriendly Meeting and Events

In its commitment to combat climate change, NH Hotel Group uses the offset of emissions as an exceptional alternative in order to meet its annual emissions targets and to give visibility to the Company's climate commitment by involving guests in it.

With the new events proposition launched in the last quarter of 2022, the Company calculates and offsets the carbon footprint attributed to the most relevant events held at the hotels. The most relevant events are considered to be those in which, due to the number of people in attendance, the commitment could have a greater impact both among guests and society as a whole.

The event's carbon footprint is calculated following the HCMI (Hotel Carbon Measurement Initiative) methodology, supported by the Sustainable Hospitality Alliance.

In this way, in the last quarter of the year, the carbon footprint of 30 large events was offset, which represented the neutralization of 316 metric tons of carbon emitted into the atmosphere.

The NH Hotel Group forest

In 2022 NH Hotel Group has worked on identifying possible emission offset projects that will contribute to the conservation of nature in the surroundings where it operates.

This action materialized with the signing of a collaboration contract with Retree to reforest the area known as the "Valley of the Dreams" in the Sierra Norte de Madrid, classed as a Biosphere Reserve since

2005. This valley, located in a highly depopulated area that has suffered serious soil degradation, had an exceptional forest ecosystem.

The priority goal of creation the "NH Forest" is to contribute to the revitalization of the area, recover the ecosystem, and to create rural employment and combat climate change.

RESULTS IN THE 1ST PHASE

1,200 TREES
PLANTED

12,300 m²
REGENERATED
FOREST AREAS

300 tCO₂eq
ABSORBED, EQUIVALENT
TO WHAT WAS EMITTED
IN 35,600 STAYS

360 HOURS
OF RURAL
EMPLOYMENT





Anantara Vilamoura Algarve Resort
Portugal

Sustainable mobility

During guests' stays and sightseeing trips, the Company offers mobility services such as carsharing or bicycle hire. Currently there are more than 69 hotels that offer bicycle hire services, as well as charging points for electric cars installed in 64 hotels.

ALLIANCE WITH VATTENFALL

NH Hotel Group has signed an agreement with Vattenfall to include charging points for electric cars in its hotels in Germany. Last December, the Management Committee approved the initiative with an initial target of creating 175 recharging points by 2023.

PROJECT "MOVÉS"

NH Hotel Group has joined the "Movés" Project for the promotion of electric mobility. In the context of this initiative, four charging points for cars have been installed in the Hotel NH Montevideo Columbia (Uruguay).

AGREEMENT WITH WENEA FOR ELECTRIC CHARGING POINTS

In July 2022, NH Hotel Group formalized a framework agreement with Wenea, a company providing services for electric vehicle customers that offers smart charging solutions, to install charging points in all the hotels in Spain and Portugal that have parking facilities. The agreement establishes that more than 250 charging points will be installed in more than 100 hotels throughout the territory. Guests who download the Wenea app will be able to see the Nh Hotel Group charging points on the map, which will let them locate new stations where they can plan their stops during their trips or use the route planner, which will show them when they have to stop to charge.



The aim of these collaborations is to participate actively in promoting sustainable mobility, reducing the carbon footprint in travel and the importance of improving air quality in cities, where the Company has so much presence.

F&B commitments in NH Hotel Group

As an integral part of its sustainability strategy, the F&B department is implementing different lines of action for each NH Hotel Group business unit:

Zero plastic policy

Work is being done actively on reducing the use of plastics in all areas:

- Single-use plastic drinking straws have been replaced with biodegradable alternatives, in line with ruling legislation.
- In minibars, plastic bottles have been replaced with other returnable glass alternatives.
- We are encouraging the replacement of plastic packaging, whether recycled or recyclable, in Takeaway and Delivery services, with models using biodegradable materials.

Packaging (cardboard/plastic) and containers (glass)

Several of the Company's hotels have started a process to optimize and manage more efficiently the waste generated from packaging and containers, by contacting specialized suppliers who help to separate them correctly and remove them so that they can be reused.

Fight against food wastage

NH Hotel Group is aware that due to food wastage, it is not only these resources that are wasted but also others associated to food production or transport. The origin of food wastage is generated in the process of preparing each of the F&B services.

To minimize the impact of wastage, the hotels apply processes, technical data sheets and preparation standards to guarantee them in the production chain. These are applied based on a forecast of needs (orders), preparation, conservation and turnover of all products, also guaranteeing the best quality.



Alliance with TooGoodToGo

NH Hotel Group continues its alliance with the TooGoodToGo App to combat food wastage in its hotels in Spain, Portugal and Germany. In this way, the Company continues to show its commitment to sustainability by implementing practices that contribute in this case to the utilization of food, reduction in waste and conservation of the environment.

With TooGoodToGo, every day through the app the Company offers surprise packs with unconsumed products from its morning buffet that users of the platform can buy at a reduced price to prevent them from being wasted.

This year, 34,142 food packs have been saved, which represents more than 34,142 kg of food that has not been wasted and the equivalent of having saved the emission of 85.53 metric tons of CO₂eq.



Relevant projects in F&B

CORK2CORK PROJECT

This is a project created with the aim of promoting the circular economy and encouraging recycling, reuse and other forms of recovery. This project is a pioneering sustainable initiative in the European hotel sector, which NH Hotel Group has developed together with the leading companies in cork coverings and stoppers, Amorim. The aim of the initiative is to recover and recycle used cork stoppers from bottles in its hotels to give them a new use, by turning them into material for covering or insulation that can be used as a raw material in the group's rooms. This insulating material reduces noise pollution and the needs for artificial climate control in the rooms, thus improving their energy efficiency.

USED COOKING OILS FOR BIODIESEL

In line with our environmental commitment, all used cooking oils generated in the hotels in Spain are managed through an authorized manager and used as the raw material to manufacture biodiesel, which will then be used as a renewable fuel.

CERTIFIED SUSTAINABLE FISH AND URBAN VEGETABLE GARDENS

Two lines of action are prioritized focusing both on the purchase of certified fish with sustainable assurance and on the installation of urban vegetable gardens in some of the establishments. This project contributes to reducing CO₂ emissions and supports local Km0 produce and the conservation of marine and land biodiversity.

BOTTLED WATER

We are currently committed to reduce the consumption of bottled water. Accordingly, several of the Company's hotels have installed water fountains for guests in both meeting rooms, reception, and our points of sales, allowing us to reduce significantly the consumption of water in bottles, whether made of glass or plastic.

Notable local projects

BU America:

Histórico (Mexico), NH Collection Aeropuerto T2 Mexico (Mexico) and NH Collection Plaza Santiago (Chile).

Bulk products

NH Hotel Group has launched a project to bulk buy food products such as rice, oil, flour, sugar and salt in all the hotels in Latin America. By buying food in bulk, the production of packaging and the associated waste is reduced, as well as emissions associated to transport of these products and food wastage.

The initiative is being carried out in the hotels NH Mendoza Cordillera (Argentina), NHC Medellín (Colombia), NH Cali (Colombia), NH Collection Royal Teleport (Colombia), NH Collection Royal Hacienda (Colombia), NH Collection Guadalajara Providencia (Mexico), NH Collection Mexico City Reforma (Mexico), NH Collection Mexico City Centro

Bottle cap collection for social projects

The hotels belonging to the Americas BU have carried out a project to reduce plastic waste and generate resources that are converted into health. This initiative involves collecting plastic bottle caps for recycling so as to fund treatments and care for children and young people with cancer. The collection is carried out through containers installed in the hotels and both guests and employees are encouraged to participate. This has been possible thanks to the collaboration with respected foundations such as Banco de Tapitas, Fundación Sanar Niños con Cáncer, Fundación Garrahan and Damas de Café.

Green Planet By NH Initiative

Continuing with the task of raising awareness among employees, the America BU has created the "Green Planet by NH" campaign with the aim of optimizing the processes for separating and recycling plastic bottles, glass and cardboard boxes. The initiative envisages placing posters and signs at previously identified key points of the hotels to educate and create awareness among employees in order to improve separation and the recycling process and circularity of these materials.

BU of Northern Europe:

In line with its commitment to circularity, NH Hotel Group actively seeks alternatives to reduce waste generation. In this regard, the Company has implemented a pilot project which, based on a study of the waste generated and on coffee grounds, aims to establish an extended PMC (plastic, metal and beverage carton) and ground coffee waste separation plan in three pilot hotels in Netherlands for 2023.

In addition, in collaboration with Ecocreation, NH Hotel Group is developing a pilot project called "Ecocreation Ecodigester". This initiative, which started in December 2022, involves the NH Collection Eindhoven Centre and NH Conference Centre Koningshof hotels.

The aim of the project is to achieve a reduction in waste of 15% of the original volume by installing composters in the hotels to create compost that will be used as fertilizers for the surrounding woodland areas.

BU of Southern Europe:

Portugal by Nespresso

NH Hotel Group is collaborating with Nespresso for a more circular economy and responsible waste management. The initiative consists of the delivery of used capsules to Nespresso so that the coffee grounds can be extracted and reused as compost to grow km0 rice. Furthermore, depending on the number of kilograms of capsules delivered to it, Nespresso donates the corresponding metric tons of rice to the Food Bank institution.



NH Köln Altstadt
Germany



9.3

UP FOR PLANET

Sustainable
Purchasing

SUSTAINABLE PURCHASING

UP_{FOR}PLANET

Through this pillar, NH Hotel Group strengthens its sustainable value chain, prioritising key partnerships, increasing consumption from local suppliers and responsible organisations.

NH Hotel Group's relations with its suppliers are based on communication and transparency, in order to promote the development of innovative and sustainable solutions. These collaborations also build the way to comply with the Sustainable Development Goals set by the Group for the creation of decent work and economic growth (SDG 8) and for responsible consumption and production (SDG 12).

554.5 €M

ANNUAL PURCHASE VOLUME
(OPEX + CAPEX) IN 2022

+87% COMPARED TO 2021

489 €M

TOTAL VOLUME
OPEX IN 2022

+104% COMPARED TO 2021

PURCHASE VOLUME BY BUSINESS UNIT (CAPEX + OPEX) * (IN MILLION €)

	2022	2021	Difference (in %)
BU America	37.1	14.5	155.9
BUNE	214.8	124	73.2
BUSE	302.6	157.4	92.2
Total	554.5	295.9	87.4

(* Excluding rental expenses paid, commissions and rappels for sales and supplies, among others.

PURCHASE VOLUME BY TYPE OF SERVICE (CAPEX + OPEX) (IN MILLION €)

	2022	2021	Difference (in %)
F&B (Food & Beverages)	110.0	51.2	114.8
OSE (operating costs)	379.2	188.9	100.7
CapEx (Construction)	65.3	55.8	17.0

The increase in the volume of purchases this year is mainly due to the reactivation of the business.





NH Potsdam
Germany

Procurement Policy

NH Hotel Group has a formal and mandatory Procurement Policy that sets out the guidelines to be followed by the different departments, whether Corporate or of a Business Unit, in situations that affect or could affect external contracting.

The Procurement Policy contributes to reinforcing:

- The commitment to guarantee transparency, honesty and ethics in the procurement function.
- The need to carry out professional contracting processes to optimize results.
- The need for alignment with internal control guidelines, such as timely and proper updating and communication to all the Company’s employees.

As indicated in the NH Hotel Group Procurement Policy, all services or products included in categories for which Coperama has to handle the contracting process are part of the Procurement Perimeter. In the total OPEX procurement volume, the Procurement Perimeter encompasses 90% of the hotels in NH Hotel Group’s consolidated perimeter.

The Procurement Perimeter is reviewed periodically by NH Hotel Group and Coperama to ensure that it is adapted at all times to the Company’s needs.

With regard to OPEX:



Supplier approval

The selection of suppliers, and the working relationship with them, is based on transparency, honesty and ethics with the clear goal of assuring an excellent, efficient and high-quality provision of services.

Since 2010, the different procurement departments of the Company have become the different Coperamas (companies wholly owned by NH Hotel Group). Their function consists of seeking, rating and approving suppliers, as well as negotiating and contracting the goods and services necessary for the correct operation of hotel management. Each local Coperama provides service to the Regions of the NH Hotel Group Business Units assigned to it. Coperama Holding provides service at corporate level to the Group in all its locations.

1. Invitation to tender

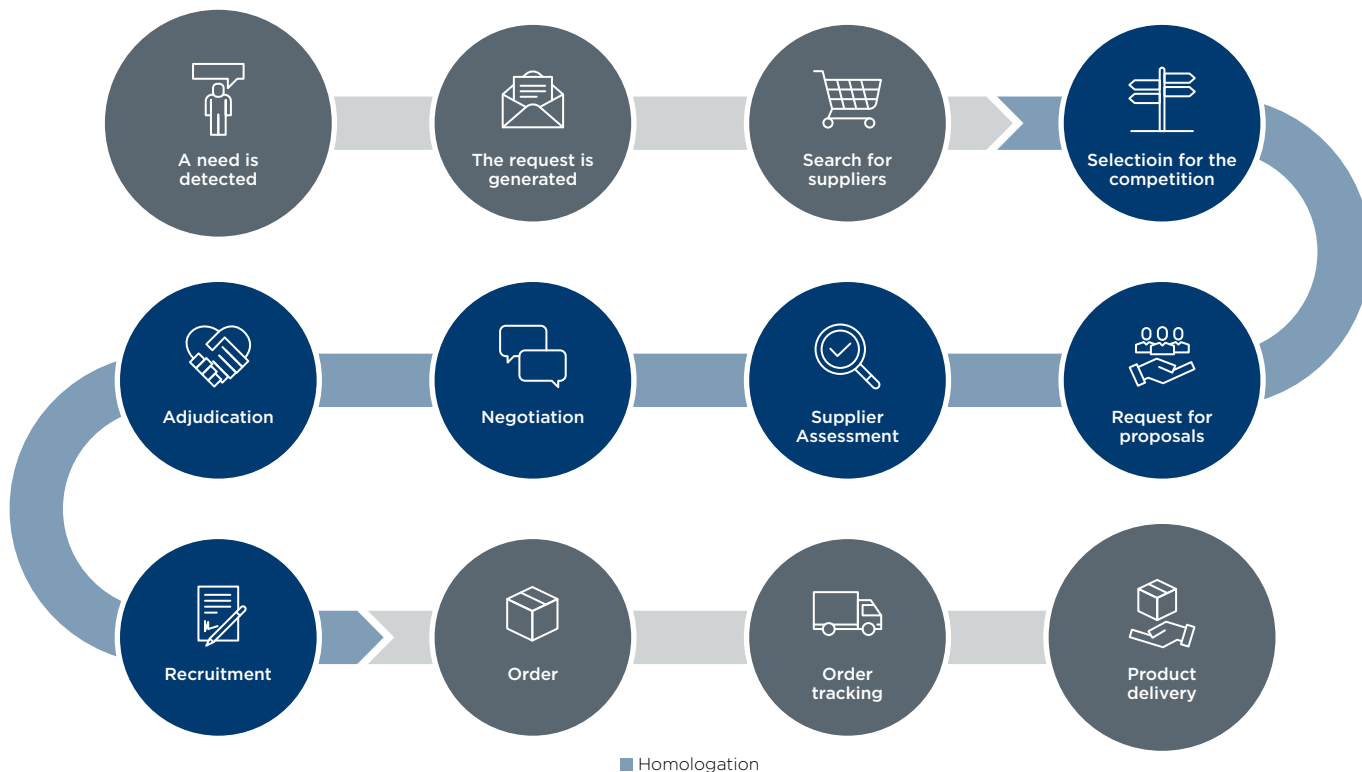
Supplier management starts when a need is detected and continues until the service has been finally provided:

Before the procurement process by hotels and offices commences, an approval procedure takes place which means that a database can be generated of suppliers who have been assessed and have been found to meet the requisites of NH Hotel Group in both economic, quality and ESG matters.

Through the invitations to tender, Coperama seeks the most efficient supplier in quality, price and services. The phases of the contracting processes are:

- RFP: request for proposal.
- RFI: request for technical information and eliminatory phase.
- RFQ: request for quotation.

For contract bidding management, NH Hotel Group uses its Electronic Negotiation Platform. This tool makes it possible, through the RFI, to assess and analyze the legal, financial, environmental, operational and social and labor situation of suppliers who submit bids for contracts. This reduces the possible risks that suppliers could generate in future operations with the Company. In this part of the process, suppliers have to accept both the Group's Code of Conduct and the Coperama Code



of Conduct for Suppliers, which includes environmental and labor commitments.

To ensure responsible sourcing and build long-term relations with suppliers, the Company has updated its FRI, expanding ESG criteria in its responsible procurement process, increasing the weighting of the score in questions concerning Sustainability, and prioritizing in this way suppliers who meet sustainable criteria. This questionnaire is part of the overall evaluation for the validation process.

There are certain criteria which, if not accepted or implemented by suppliers, result in their automatic expulsion from the bidding process. One of these criteria is the requirement to sign both the Group's Code of Conduct and the Coperama Code of Conduct for Suppliers, which govern NH Hotel Group.

Throughout the process, special focus is placed on sustainability, striving to mitigate possible negative impacts on the environment, while we reduce the inherent risks of the operations of our supply chain.

Although NH Hotel Group does not currently perform social and environmental audits of its suppliers, it works constantly to align ESG criteria with the sustainable management of the supply chain. To ensure responsible sourcing, the Company has developed a series of procedures that reinforce this commitment.



2. Contract

The successful suppliers will sign the Coperama Approval Contract, which contains, among other documents, the Coperama Code of Conduct for Suppliers and the NH Hotel Group Code of Conduct. By signing this contract, the supplier becomes an Approved Supplier.

Additionally, as part of the Approval Contract, the SLA (Service Level Agreement) is applied which determines the service level parameters and penalizes any deviation in the service offered by the supplier.

Failure by the supplier to comply with any of the clauses of the Approval Contract, or any of its terms or appendices (e.g. the NH Hotel Group Code of Conduct or the Coperama Code of Conduct for Suppliers) will lead to the automatic expulsion of the supplier and give rise to the possibility of taking legal action against the supplier.

1,760

APPROVED SUPPLIERS
WITH SIGNED CODE OF CONDUCT
CURRENTLY IN FORCE

87

NEW SUPPLIERS
WITH THE CODE OF CONDUCT
SIGNED IN 2022

In 2022, a total of 87 new suppliers globally have signed up to the NH Hotel Group and Coperama Code of Conduct. As a result, in 2022 the number of active suppliers with signed codes totals 1,760 compared to 1,756 last year.

Supplier management

NH Hotel Group is focusing its efforts on achieving sustainable management throughout the entire supply chain. The supplier management model seeks to have the best suppliers available through business procedures that guarantee transparency and equality of conditions for the different bidders. The Company offers a win-win model for all parties with a commitment to a long-term relationship.

Accordingly, NH Hotel Group encourages approved procurement in most of its hotels, with the need for the required products being identified by each hotel. Cooperama's task is therefore to approve and authorize potential suppliers. In conjunction with our responsible sourcing goals, we will continue to identify high-quality products that are environmentally acceptable and socially responsible. These efforts will contribute to the development of responsible products in all geographical areas where we are present and in the future.

The hotels that consolidate have different monitoring indicators to control procurement from approved suppliers within the Procurement Perimeter.

Although the approved procurement targets were not met in 2022, there has been an increase of 6% throughout the Group.

63%

APPROVED PROCUREMENT
(OPEX+ CAPEX)

85%

APPROVED PROCUREMENT
GOAL IN 2022

89%

OF PROCUREMENT
VOLUME IN 2022 IS FROM
LOCAL SUPPLIERS

94%

OF PROCUREMENT VOLUME
IS CONCENTRATED IN THE
EUROPEAN BUSINESS UNITS

12,532

TOTAL SUPPLIERS*

11,971

LOCAL SUPPLIERS**

(*) Suppliers with invoices recorded in 2022.

(**) For NH Hotel Group, a local supplier is defined as a supplier based in the same country where its tax headquarters are located, while an international supplier is one that has its tax domicile in a different country.



NUMBER OF SUPPLIERS BY BUSINESS UNIT*

	2022	2021	Difference (en %)
BU America	2,288	1,901	20.4
BUNE	4,960	3,991	24.3
BUSE	5,448	4,492	21.3
Total	12,532	10,384	20.7

* The sum of the number of suppliers differs from the number of total suppliers, since the same supplier can serve more than one Business Unit.

OTHER RELEVANT FIGURES (IN €)

	2022	2021
Total approved procurement volume (OpEx) at global level	314.594,721.5	154,077,688.9
Total approved procurement volume (CapEx) at global level	29,666,353.1	12,939,599.2
% of procurement volume in Europe	94%	95%

Analysis of Critical Suppliers

NH Hotel Group works to expand sustainability to a supply chain that is permanently improving, with innovation always at the forefront, made up of the best partners and suppliers. The supply chain management process is based on an assessment of the intrinsic risk factor of outsourcing a service or the supply of a product.

To carry out its management, NH Hotel Group has identified its critical suppliers as those that could affect the Company at reputational level (or generate an operational and/or legal risk) or due to a significant volume of billing or having products that have been especially designed for the Company. According to this definition, the critical categories for NH Hotel Group would be the outsourcing of cleaning services, security services, laundry, amenities and textiles, the latter belonging to Tier 2.

The selection of these suppliers has to be carried out using the highest quality standards, which will be established by the RFP document, with technical questions. For this initial assessment, specific documentation has to be submitted providing evidence of the veracity of the information provided. This preliminary assessment is complemented with a subsequent

screening that is intrinsic to the contract award process, based on compliance with the technical requisites included in it.

The Self-Assessment Questionnaire (SAQ) was piloted in 2022 among the top 20 suppliers in terms of procurement volume in the Goods and services category. NH Hotel Group's main suppliers have to complete this questionnaire each year on ESG criteria and must provide additional information for consideration. Based on the results, the Company will implement any adjustments and improvements it considers necessary. This analysis will let NH Hotel Group focus its progress in reducing Scope 3 emissions, and in this regard, it is working side by side with its suppliers to reduce its commitment of 20% by 2030.

The SLA is also applied. Suppliers' services are controlled by the hotels or departments that are the end users of such services. In the event of a complaint, Coperama is notified and, depending on the severity of the error, it demands immediate correction or directly rescinds the contract with the supplier. In 2022 no such case has arisen in any of the Business Units.

31%
PROCUREMENT VOLUME
FROM CRITICAL
SUPPLIERS

539
CRITICAL SUPPLIERS
IDENTIFIED

