



NH | HOTEL GROUP
PART OF
MINOR
HOTELS

10

**SUSTAINABLE BUSINESS
STRATEGY**

NH Collection New York Madison Avenue
New York, USA

10. 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 negative impacts and maximize its positive 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 and 2023 an analysis has been carried out to determine how the Company is placed 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.

With the ambition to operate in a decarbonized world, NH Hotel Group will redefine its carbon emissions reduction target across its value chain by 20% by 2030 to align with the global ambition to keep temperature rise below 1.5°C. In addition, 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 decarbonization of the company.

In this regard, NH Hotel Group operates with the aim of minimizing the negative impact that its presence may have on the environment, taking into account aspects ranging from design, to operations and renovation work. It also promotes the reduction, reuse and recycling of natural resources, such as water and energy, and considers emissions such as greenhouse gases, replacing existing materials with more sustainable, innovative and respectful alternatives.

The Company is also aware of its role in relation to people and job creation and operates under the motto “people that welcome people”. It therefore promotes the career development of its team members, fosters a culture of responsibility and a mindset of sustainability in its teams while also promoting diversity, ethics and wellbeing as some of its main priorities.

For all these reasons, the Company operates with the goal of generating a positive impact in the places and communities where it is present so as to offer its guests the best experience, having them participate in its social awareness-raising.

For further details or queries please contact the following e-mail address: sustainablebusiness@nh-hotels.com

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 team members, promoting responsible alliances through two main pillars: UP FOR PLANET and UP FOR PEOPLE.

The Company considers it essential to integrate its stakeholders' vision and their interests and expectations in the Company's strategy. Through the inputs received in processes such as the Double Materiality Analysis and the various communication channels, the Company has defined its sustainability strategy based on two pillars and six broad lines of action that address and reflect the principal material matters identified by NH Hotel Group and the associated risks, impacts and opportunities.

Accordingly, the Sustainable Business strategy is defined according to the following decalog:

UP FOR PLANET


WORKLINE 1



SUSTAINABLE PRODUCTS AND ASSETS


Combat climate change and advance towards decarbonization, minimizing the environmental footprint while developing more sustainable hotels through buildings renovation.

Sustainable buildings and infrastructure



Carbon emission per sqm
 Energy consumption per sqm
 Water consumption per sqm


WORKLINE 2



PROCESSES AND OPERATIONAL STANDARDS


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

Increase green electricity consumption
 Improve ecoefficiency performance
 Eco-friendly amenities
 Single use plastic elimination



Carbon emission per RN
 Energy consumption per RN
 Water consumption per RN
 Waste generation per RN


WORKLINE 3



SUSTAINABLE PROCUREMENT

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

ESG partnership with suppliers
 Improve packaging
 Improve logistic impact
 Circularity
 Local communities development through purchases



Positive impact (indirect)
 Reduce carbon emissions
 Reduce "global" plastic consumption
 Local development - Local suppliers (<100 km)

UP FOR PEOPLE

WORKLINE 4



TEAM MEMBERS

Promote a responsible culture and sustainable mindset for the teams and fostering diversity, ethics and wellbeing.

Diverse and inclusive workforce
 Team members development
 Sustainable Mindset
 Health and wellbeing



Minorities development
 Healthy environment
 Sustainability mindset

WORKLINE 5



CUSTOMERS

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

Green Stay > The Forest + Hotels with Heart
 Carbon Offset events > The Forest
 Green mobility > ESG partnership with clients > Wellness offer



Quality perception linked to sustainable offer
 Customer's diversity food offer
 RFPs won thanks to sustainable driver
 Carbon offset events

WORKLINE 6



COMMUNITIES

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

Hotels with a Heart
 Together with love
 Communities development



RN donation
 Benefits
 Team members involved
 Local suppliers (<100 km)

These pillars are built on basic principles of action that guide and steer the way the Company implements its Sustainable Business strategy:



SUSTAINABLE GROWTH

Combine company-wide best practices with careful consideration of environmental factors and the communities' interest to promote responsible tourism.



INNOVATION

Promote the exchange of ideas and best practices between properties to enhance the best experience and continue to demonstrate industry leadership.



LEADERSHIP

Ensure progress by building a sustainable supply chain through long-term partnerships with key stakeholders: suppliers, business partners and customers.



EQUAL OPPORTUNITIES

Invest in development programs designed to nurture talent and future leaders, from within the organization as well as the community at large, promoting diversity and inclusion.



RESPONSIBLE GOVERNANCE

Practice good corporate governance by instilling a responsible business culture and focusing on ethics and integrity.



OWNERSHIP MENTALITY

Turn the personal commitment of the Company, team members and guests into actions to capture the full potential of sustainability efforts.



RESOURCE EFFICIENCY

Reduce the negative impact of the operations by efficiently utilizing natural resources and minimizing waste and emissions.



CULTURE

Offer opportunities for local suppliers, promote local cultural awareness amongst guests and integrate local culture into everyday experiences.

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 overseeing and controlling compliance with the Sustainable Business Strategy, proposing the necessary reports to the Board and assuring that the corporate culture is aligned with its purpose and values.
- 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. In line with this, the Management Committee is the body responsible for approving the Company's Sustainable Business strategy.

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

Executive Sustainability Committee

At its meeting held on 12 May 2022, the Nominations, Remuneration and Corporate Governance Committee approved the creation of the Executive Sustainability Committee ("Sustainability Committee") as a result of its awareness of the major importance of sustainability 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 therefore 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. To ensure compliance with the long-term objective, the Company establishes interim annual objectives, and the monitoring of compliance with these objectives and of the actions to attain them is carried out through the Executive Sustainability Committee. In this regard, it is the body responsible for validating the Sustainability Strategy, monitoring progress and the attainment of the Sustainable Business objectives and goals, including those related to climate.

It is also the body that reports progress made in the Sustainable Business strategy to the Nominations, Remuneration and Corporate Governance Committee.

Additionally, in collaboration with the Executive Risks Committee, it must validate the process of identifying and evaluating ESG Risk Maps, including climate-related risk and opportunity maps. It is also responsible for validating the action plan defined to minimize identified risks and maximize the value of opportunities. Finally, it is the body responsible for presenting the status of implementation 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. In 2023, the Executive Sustainability Committee held four meetings.

As far as managing the environmental strategy is concerned, NH Hotel Group has a Corporate Sustainable Business Department which reports to the Chief People & Sustainable Business Officer. Furthermore, with the aim of preventing and reducing environmental risks and impacts, and of implementing the Company's commitments on this matter, co-ordinated work is carried out between teams from different areas, both at corporate and regions and hotel level.

The Company knows that to achieve its sustainable commitments it is crucial to involve the entire Company and to materialize this through a sustainable mindset. Accordingly, the key areas on which joint work and combined efforts are required in order to tackle its ambition to be ready to operate in a decarbonized world have been identified.

Variable remuneration linked to ESG criteria

As part of the Company's commitment to sustainability and the evolution towards a model in which sustainable criteria are integrated in its daily operations, ESG targets are set for the variable remuneration of senior management and key positions for compliance with the Company's commitments.

Accordingly, all of the Management Committee have variables linked to the attainment of the annual net emissions targets defined in the framework of the SBT Plan 2030, as well as the results of the S&P Global assessment 2023.

Furthermore, the Company has identified all the key functions responsible for activating the levers of the SBT Plan, to achieve decarbonization of the Company by 2050. To this end, they have linked objectives as part of their variable remuneration, which are defined according to the following structure:

- Managing Directors (MDs) of the different regions have their variable remuneration linked to the attainment of the annual net emissions target defined in the framework of the SBT Plan 2030 for their region.
- In operations, the variable remuneration of personnel ranging from General Regional Managers to department managers/heads is linked to the reduction in the consumption ratio per RN (kWh/RN) which is under their control (hotel or region).
- Other key functions responsible for activating any of the levers defined in the SBT Plan 2030 have ad hoc objectives defined in relation to their function.



NH Collection Andorra Palomè
La Massana, Andorra

“NH Hotel Group conducts its hotel business with the ambition of leading responsible behavior, based on the firm conviction that our impact on people and on the planet has huge potential. By making the right decisions now, we are guaranteeing a better future for the planet and for future generations”

RAMÓN ARAGONÉS (CEO of NH Hotel Group)

“Sustainability has become a strategic element which, if managed well and integrated in the Company’s culture, generates profitability and increases the commitment of all stakeholders”

MARTA PÉREZ -LEIRÓS (Chief People & Sustainable Business Officer at NH Hotel Group)

“Sustainability is an overarching catalyst of value in NH Hotel Group, with three fundamental commitments: caring for customers, the destinations where the Group’s hotels are located and the planet. To achieve these goals, it is essential to work in collaboration with all our stakeholders and develop creative and innovative solutions with them”

ELENA RUIZ (VP of Sustainable Business at NH Hotel Group)

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

En 2023, NH Hotel Group participated for the fifth time in the Corporate Sustainability Assessment (CSA) performed by the sustainable investment agency S&P Global, the international benchmark that assesses the performance of companies in sustainability and responsible management.

NH Hotel Group has held on to fourth position in the ranking, with respect to companies belonging to the “Hotels, resorts and cruises lines” sector. The commitments in this area have led the Company to form part of the Sustainability Yearbook 2024 published by S&P Global.

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

Presence of NH Hotel Group in sustainability indices and rankings

NH Hotel Group has obtained fourth place in the Corporate Sustainability Assessment rating carried out by S&P Global, the sustainable investment agency that assess the companies that make up the Dow Jones Sustainability Index.

S&P Global

The sustainability commitments have led the Company to form part of the Sustainability Yearbook 2024 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 is 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 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 2023, NH Hotel Group obtained a rating of B in the annual ranking for climate change and a rating of B- in the annual ranking for water security. 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.

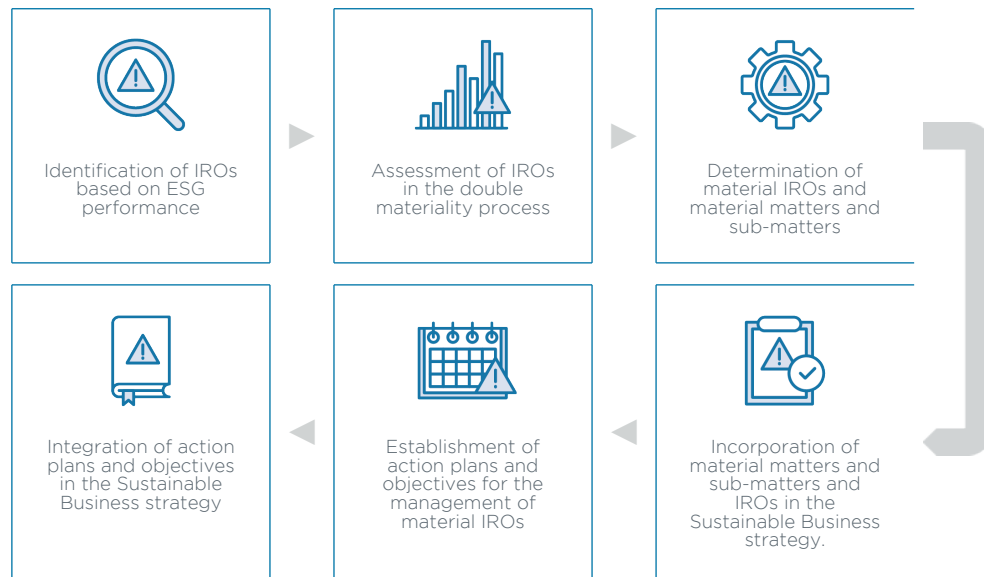


The NH Hotel Group is one of the 100 most responsible Spanish companies in terms of ESG (Environmental, Social and Governance) in the Merco Ranking 2023. It is also ranked 2nd in the tourism sector. Through this Corporate Reputation Business Monitor, Merco offers a comprehensive measurement of sustainability that incorporates stakeholder evaluation into its performance.

Double Materiality Analysis

In a global context where demands and requirements in relation to sustainability are increasing all the time, market positioning through integrated management of sustainability and business in line with the expectations of regulators and stakeholders is a fundamental element in NH Hotel Group. The Double Materiality Analysis is therefore an essential level in the process of defining and managing the [Sustainable Business Strategy](#).

In this regard, Double Materiality is critical for the Company. It identifies the impacts, risks and opportunities facing the Company and evaluates their relevance with regard to all stakeholders. It also provides a view as to which are the most relevant matters to be tackled and, accordingly, define and establish proper management through actions plans and objectives.



Updated annually, in 2023 the process was led by the Executive Sustainability Committee in collaboration with more than 12 corporate departments which, together with an independent consultant, have reviewed the material issues according to the provisions of the CSRD, [European Union's Sustainability Reporting Directive \(CSRD\)](#)¹ and was verified by an independent third party (for further details see: [Appendix VI: Independent Verification Report](#)).

¹ It should be noted that this Directive will be applicable for NH Hotel Group in reporting on 2024, which is why the chapter responds to the disclosure requirements established in Act 11/2018. However, the calculation methodology is based on the provisions of the CSRD.



The purpose of Double Materiality is to allow an organization to report simultaneously on sustainability matters that are material from the business, which is known as the "outside-in" perspective, and material for people and the environment, or "inside-out" perspective. Under this double materiality approach, the process takes into account:

■ **Impact materiality:** a matter is material from the perspective of impact if it generates significant impact(s) on people and/or the environment. These impacts can be:

- Actual or potential impacts;
- Short-term and/or medium-term and/or long-term impacts;
- Direct or indirect impact deriving from the Company's activity.

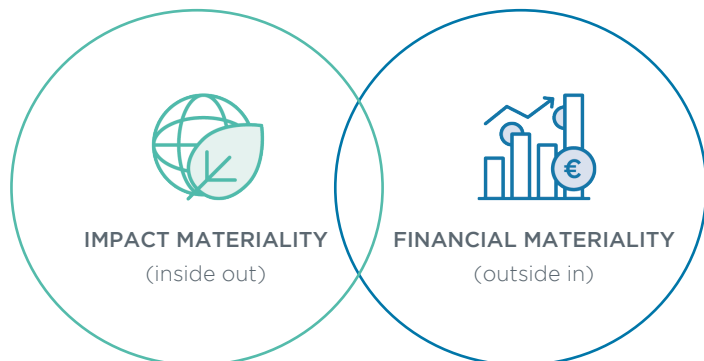
Consideration also has to be given to two aspects:

- The severity of the impact: its scale, scope and irremediable nature.
- The likelihood of the impact: both impacts caused directly by the company and impacts it has or may have throughout its value chain.

■ **Financial materiality:** A matter is material from the financial perspective if it produces or could produce significant financial effects for the Company which may ultimately affect the development, performance and/or positioning of the firm. The analysis seeks to identify the material matters that product or could produce financial effects for the Company, i.e. that generate or could generate risks or opportunities that affect future cash flows and, therefore, the value of the Company in the short, medium or long term.

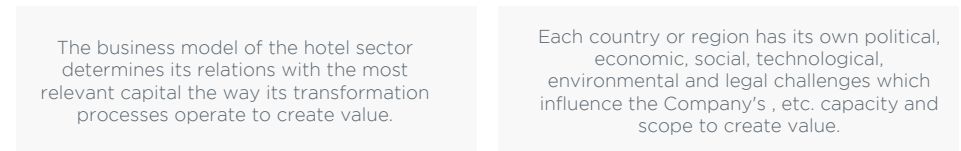
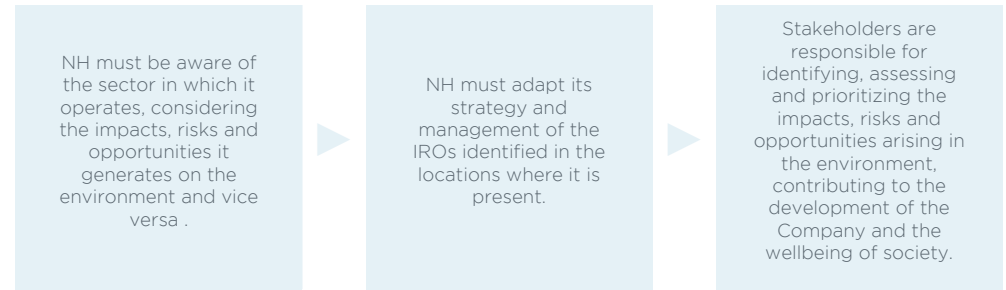
A matter would be considered material under this perspective if:

- It can affect the Company's capacity to rely on its necessary relations in its business processes in acceptable terms.
- It can affect the Company's capacity to continue using or obtain the necessary resources in its business processes, as well as the quality and price of such resources.

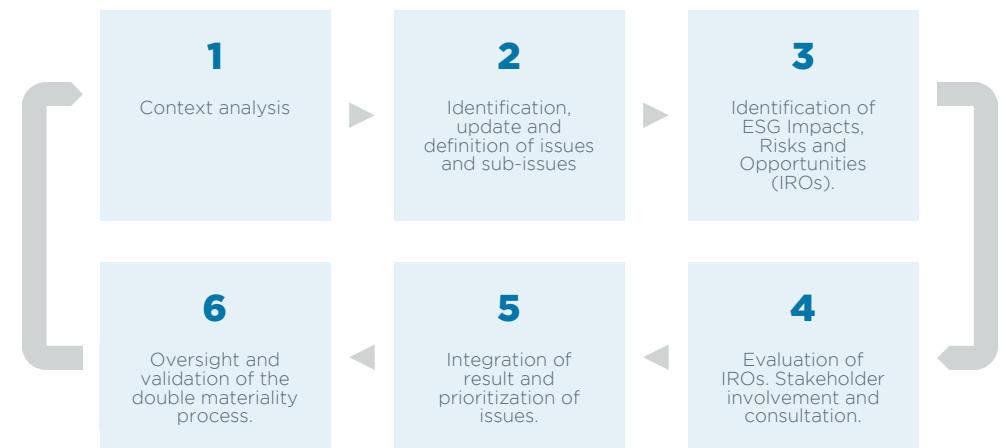


A matter would be considered relevant if it is material from the standpoint of impact materiality, financial materiality or both.

Accordingly, the materiality of the matters is determined by the combination of the activity that NH Hotel Group carries out and the impacts the Company generates on the environment and the risks and opportunities deriving from a global and common environment.



Based on this double approach, the Company has updated its double materiality analysis through a process that follows the methodology shown below:



1. Context analysis

The first step has been the identification of a broad universe of potentially material ESG issues for the Company. In this regard, the Company has started from the material aspects identified in previous years, and has added to the analysis based sources of special relevance in relation to ESG such as reporting standards (Global Reporting Initiative - GRI; Task Force on Climate-Related Financial Disclosures- TCFD and the Sustainability Accounting Standards Board - SASB), regulations (Act 11/2018 and the CSRD) and other sustainability prescribers such as WEF, WBCSD or Global Compact. The analysis of these regulations and good practice have permitted a strategic vision in the evaluation of the double materiality analysis.

The Company has also carried out a market analysis, monitoring the principal peers in the hotel sector that have allowed it to complete the analysis. The analysis has also been completed with an evaluation of the main market trends and dynamics, and sectorial reports and the expectations and interests of ESG analysts in the sector (Corporate Sustainability Assessment de S&P Global., Bloomberg, etc).

In this first phase, an exhaustive analysis of various diligent sources was carried out. Reference to multiples sources is essential in order to minimize the risk of overlooking any emerging matter and assuring an exhaustive analysis.

2. Identification, update and definition of issues and sub-issues

In the second phase of the project, attention focused on identifying potentially material issues and sub-issues and defining them, taking into consideration the contents of the new European Sustainability Reporting Standards (ESRS) developed by EFRAG, and the results obtained from the analysis carried out in the first phase.

As a result, a total of 19 potential material matters were identified. Alongside this, the list of 42 sub-matters included in each of the sub-issues was defined and the content of the issues was determined with the aim of linking similar matters, concepts or areas and integrating them in the particular terms of the business approach of NH Hotel Group and of the hotel sector.



NH Collection Barcelona Constanza
Barcelona, Spain

ESG ASPECT	Relevant issues 2023	Sub-issues	Description
ENVIRONMENT	Responsible energy management	Consumption of renewable and non-renewable energy Energy efficiency	Energy consumption from renewable and non-renewable sources necessary for the Company's operations. Reduction in the energy used in the different activities carried out within the Company.
	Fighting climate change	GHG emissions Adaptation to climate change	Greenhouse gas emissions deriving from the Company's operations and initiatives and actions carried out to mitigate them. The Company's capacity to anticipate, plan and respond to climate changes and their consequences, minimizing the risks and maximizing the opportunities to assure operational resilience.
	Pollution	Air pollution Soil pollution	Deterioration of air as a result of the release of harmful substances or the alteration of natural conditions. Deterioration of the soil as a result of the release of harmful substances or the alteration of natural conditions.
	Responsible water management	Water consumption Water pollution, effluent Degradation of habitats and consumption of marine resources	Water consumption necessary for the Company's operations. Deterioration of water as a result of the release of harmful substances or effluent. Deterioration of marine ecosystems or environments and the unsustainable exploitation of resources.
	Protection of biodiversity and conservation of ecosystems	Effects on biodiversity and ecosystems	Impact or influence that the Company's commercial activities, operations or practice have on the natural environment and on biodiversity.
	Circular economy and waste management	Circular business model Responsible waste management Use of renewable and non-renewable resources*	Measures aimed at reusing, repairing, renewing and recycling existing materials and products to create added value. Actions aimed at minimizing the negative environmental impacts derived from the generation of waste through the reduction and correct treatment or destruction of such waste. The consumption* of resources by the Company in the course of the activity from each of the business lines and its value chain.

*Resources are considered to be the inputs the Company requires to carry out its business operations, which are not raw materials. Raw materials are natural resources used to process them into products or services, such as metals, minerals or wood. In light of NH's business model, it is considered that it consumes resources in order to perform its services but it does not require raw materials per se.

ESG ASPECT	Relevant issues 2023	Sub-issues	Description
SOCIAL	Communication with stakeholders	Communication channels and engagement with internal stakeholders	Strategy and means used by the Company to interact, inform and engage its team members, executives and other internal stakeholders, and consider their opinions for developing the business strategy and model.
		Communication channels and engagement with external stakeholders	Strategy and means used by the Company to interact, inform and engage customers, suppliers and other external stakeholders and consider their opinions for developing the business strategy and model.
	Culture of equality, diversity and inclusion	Labor diversity, integration and inclusion	Strategy and politics that the Company implements to promote a working environment that values and respects diversity in terms of gender, ethnic origin, sexual orientation and other characteristics.
		Equality of treatment and opportunities	Daily practice present in the Company aimed at ensuring that all team members are treated with equity and justice irrespective of their gender, age, ethnic origin, sexual orientation or any other personal characteristic.
	Talent, training and professional development	Talent attraction	Strategies and practices used by the Company to identify, attract and hire qualified candidates who show potential, with the aim of covering its personnel needs and strengthening its team in the hotel industry.
		Talent retention and loyalty	Strategies and actions designed to retain existing team members, foster their commitment and loyalty to the Company, and promote a labor environment that incentivizes the promotion of long-term loyalty in team members.
		Training and professional development	Investment and programs aimed at training and improving the skills of team members, allowing them to grow in their careers and contribute more effectively to the Company in the sphere of the hotel industry.
	Team Members health and safety	Team Members health and safety	Practice and policies aimed at assuring a safe and healthy working environment for team members and others who work in the business.
	Protection of human rights and labor rights	Protection of human rights	Strategy and policies implemented by the Company to assure that its operations respect and promote human rights in all its aspects, including equality, non-discrimination, dignity and justice, both within the organization and in its relations with local communities and other stakeholders.
		Protection of labor rights	Policies and practices aimed at assuring that the Company's team members enjoy fair and safe labor conditions that respect their rights.
	Commitment to team members and responsible contracting	Wellbeing of Team Members	Policies and practices that seek work-life balances for team members, as well as competitive salaries and fair work conditions.
		Collective agreements and responsible contracting	Policies and actions that respect the basic rights of team members related to transparency during hiring and decent work conditions and benefits.
	Responsible value chain	Health, safety and wellbeing of workers in the value chain	Actions and policies that the Company implements to ensure that the workers in its supply chain have safe and healthy work conditions that respect their rights.
		ESG criteria in selecting and evaluating suppliers	The practice of considering environmental, social and governance (ESG) factors when selecting and evaluating the Company's suppliers. This involves ensuring that suppliers share and comply with sustainable and ethical standards in areas such as environmental management, labor rights and business integrity, aligning the supply chain with ESG principles.
Affected communities and local impact	Rights of local communities, promotion of local culture and indigenous communities	Policies and practices that respect the rights of local communities, preserve their culture and support the sustainable development of indigenous communities, promoting beneficial and respectful relations.	
	Social actions and corporate volunteering	Initiatives and programs through which the Company is involved in beneficial and community support activities.	
Customer experience and quality of the service	Quality of the service, satisfaction and wellbeing	Practices and approaches used by the Company to guarantee that guests receive an exceptional service, experience satisfaction in their stay and enjoy an environment that promoted their wellbeing and comfort.	

SOCIAL	Customer experience and quality of the service	Unique and sustainable experiences for guests	Strategy of offering guests memorable and sustainable experiences during their stay in the Company's hotels. This involves providing exceptional services while minimizing the environmental impact, promoting respect for the community, offering guests a unique and responsible experience.
		Management of incidents	Processes and protocols used by the Company to identify, tackle and resolve problems, complaints or unexpected situations that might arise during the operation of their hotels. This includes the management of guest complaints, operational problems and any other incident that might affect the guest experience.
		Guest health and safety	Policies and practices implemented to guarantee a safe and healthy environment in the Company's hotels. This includes health and safety measures and protocols to protect the health and wellbeing of the guests.
GOVERNANCE	Ethics, transparency and business culture	Code of conduct, ethics and business integrity	Set of ethical and behavior principles, rules and guidelines that establishes the expectations and standards for conduct that team members and members of the Company must follow in exercising their functions and in their interaction with others, both inside and outside the Company.
		Whistleblowing channel	Mechanism or system established by the organization to allow team members, customers, suppliers and other stakeholders to report in a confidential and secure manner on improper, unethical or illegal behavior or activities that could be occurring in the Company.
		Prevention of corruption, money laundering and bribery	Measures and policies aimed at illegal activities such as bribery, money laundering and abuse of power.
		Structure, composition and operation of governance bodies	Organization and management of leadership and decision-making bodies in the Company.
	Management of business risks	Management of (ESG, non-financial and emerging) risks	Capacity of the Company to adapt to the main business risks. Management and prevention of the main global risks of the sector, both current or emerging.
		Regulatory compliance	Impact of new regulations. Influence of regulatory and policy instability of countries where the Company is present. Participation in tourism lobbies to drive improvements in the sector.
	Cybersecurity and data processing	Data processing and protection	The organization's responsibility to protect personal and confidential information of the people and groups it with which it interacts as customers, team members, suppliers and other stakeholders.
Cybersecurity		The practice of establishing the necessary measures to protect systems, networks and programs from digital attacks. In general, these cyberattacks aim at accessing, modifying or destroying confidential information, and at extorting users or interrupting business continuity.	
Digitalization and innovation	Digital transformation, innovation and new technologies	Driving and fostering innovative initiatives that allow for the development of new products or services, investment in R&D and promotion of new hotel concepts. Improvement of connectivity and digitalization of apps and systems implemented by the Company. Integrity of the platforms and information systems. Evolution towards a digitalized operating model through more efficient and smarter innovation, technology and processes.	

3. Identification of ESG Impacts, Risks and Opportunities (IROs).

After updating the potential material issues and sub-issues for the group, a process of identification of the main impacts, risks and opportunities the Company is facing was carried out.:

- Impact: impact is considered to be the effect that the entity's processes, activities, products, services or relations have on people or the environment over time. There are actual and potential, positive or negative impacts.
- Risk: risks is defined as uncertain events or conditions which, should they occur, could have a negative effect on the business model, its strategy, its ability to achieve goals and to create value. They may condition its commercial decisions and relations. Risks may be actual or potential.
- Opportunity: opportunities are described as uncertain events or conditions which, should they occur, could have a positive effect on the business model, its strategy, its ability to achieve goals and to create value. Opportunities may condition its commercial decisions and relations and may be actual or potential.

Accordingly, to identify impacts, risks and opportunities both internal and external stakeholders were consulted, with the participation of team members, executives and heads of corporate areas, suppliers, associations, analysts and shareholders, among others. Using different tools and mechanisms, their perceptions and expectations regarding the Company were obtained, compiling the IROs in relation to ESG for each potential material issue and sub-issue.

4. Evaluation of IROs. Stakeholder involvement and consultation.

After the complete catalogue of the Company's IROs associated to each material issue and sub-issue had been obtained, a second consultation of all stakeholders was carried out, broadening the selected sample, with the aim of determining the relative importance they grant to each of the sub-issues identified.

Accordingly, the process of consulting and listening to both internal and external stakeholders was carried out by sending questionnaires in which they were asked to evaluate each of the sub-issues in terms of their relevance to them as key stakeholders.

5. Integration of results and prioritization of issues.

After compiling the information contributed by the stakeholders in the course of the previous phases, a process of integration and prioritization of issues was carried out.

First of all, the inputs received from stakeholders were consolidated, including their perception of each of the issues and sub-issues and IROs identified.

The IROs were then prioritized on the basis of different metrics according to the type of impact (actual, potential, positive or negative) and whether it was a risk or an opportunity. In this regard, the metrics analyzed were; scale, scope, likelihood, capability of being remedied and estimated economic valuation.

It should be noted in this regard that the Company has sought to assure the integrity and coherence of the corporate information, and has therefore adapted the limits of the metrics according to the procedure following in the assessment of the Company's risk map.

Once the prioritization metrics for each IRO had been integrated and thanks to a measurement tool, the relevant results were generated. The Double Material Matrix was obtained as a result, making it possible to identify the priorities for each issue and sub-issue per analyzed perspective (impact materiality and financial materiality).

6. Oversight and validation of the double materiality process

In this phase, the results of the materiality analysis were presented to the Executive Sustainability Committee and were subsequently approved by the Management Committee. Through this report and by virtue of signing it, the analysis is validated by the Company's Board of Directors.

The involvement of multiple key areas has played a crucial role in the process, contributing a holistic and complete view to the double materiality analysis. All of this has given senior management a greater understanding of and insight into the reality of the business in ESG terms, allowing it to distinguish between outward-looking impacts and the dependencies, risks and opportunities that the environment offers in NH Hotel Group's business model.

This exercise has also provided a broad and complete view of the Company's situation, a solid basis to identify priority matters, risks and emerging opportunities that let the Company align these results with its sustainable business growth strategy.

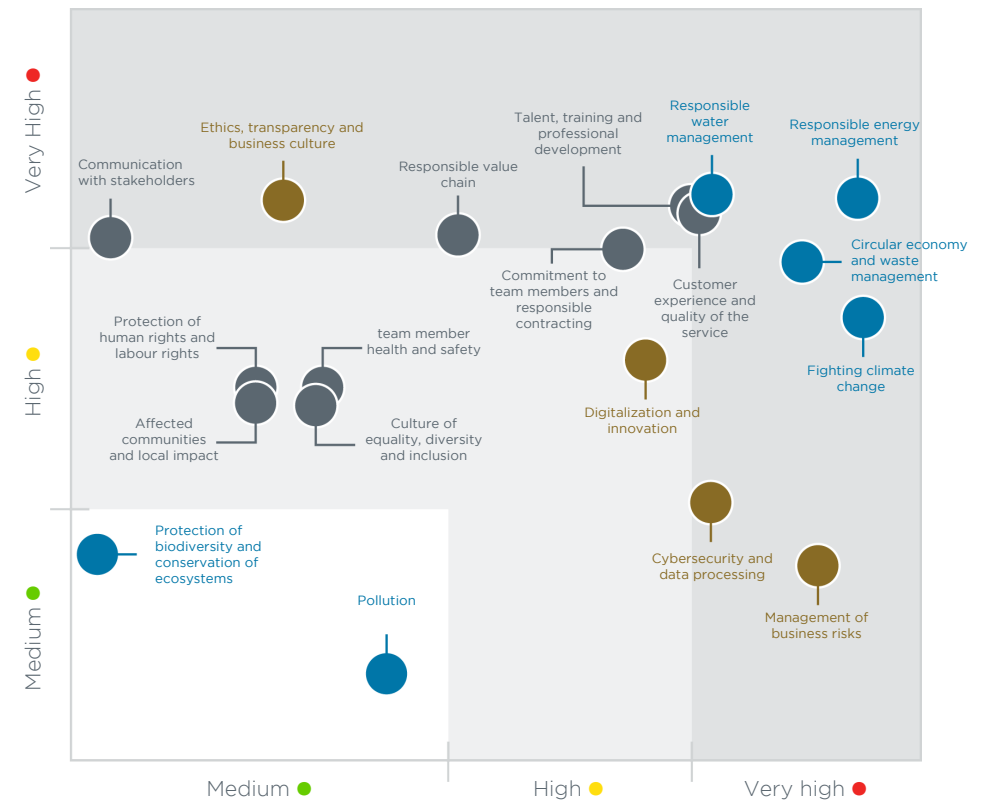
Double Materiality Matrix

As a result of the analysis set out above, the Group's Double Materiality Matrix has been obtained.






As can be seen in the table, the colour code indicates the materiality of each issue from both perspectives, where issues marked red are material from both perspectives.







ESG	Issue	Impact materiality	Financial materiality	Materiality
E	1 Responsible energy management	●	●	●
	2 Fighting climate change	●	●	●●
	3 Pollution*	●	●	●
	4 Responsible water management	●	●	●
	5 Protection of biodiversity and conservation of ecosystems	●	●	●
	6 Circular economy and waste management	●	●	●●
S	7 Communication with stakeholders	●	●	●●
	8 Culture of equality, diversity and inclusion	●	●	●●
	9 Talent, training and professional development	●	●	●
	10 Team Members health and safety	●	●	●●
	11 Commitment to Team Members and responsible contracting	●	●	●●
	12 Protection of human rights and labour rights	●	●	●●
	13 Responsible value chain	●	●	●●
	14 Affected communities and local impact	●	●	●●
	15 Customer experience and quality of the service	●	●	●
G	16 Ethics, transparency and business culture	●	●	●●
	17 Management of business risks	●	●	●●
	18 Cybersecurity and data processing	●	●	●●
	19 Digitalization and innovation	●	●	●






*Not material



Management of material issues

ESG	Material issue	Related SDGs	Key Performance Indicators	Evolution Vs 2022	Target	Material Issue Management
E	Responsible energy management		■ Green energy consumption (kWh)	▲	<ul style="list-style-type: none"> ■ Increase % of hotels with green energy (vs 2023) ■ Increase % of hotels with sustainable certifications (vs. 2023) 	<ul style="list-style-type: none"> ■ UP FOR PLANET > Sustainable Products and Assets > Environmental certification programme ■ UP FOR PLANET > Processes and Operational standards > Responsible energy management
			■ Energy consumption ratio (kWh/RN)	▼		
			■ N. sustainable certifications	▲		
			■ % of hotels with individual environmental certifications	▲		
Combating climate change		■ Emissions ratio (kg eq CO ₂ /RN)	▼	<ul style="list-style-type: none"> ■ 4% reduction in CO₂eq net emissions by 2024 (vs. 2023) ■ Approval of SBT target aligned with 1.5°C target (short and long term) 	<ul style="list-style-type: none"> ■ UP FOR PLANET > Sustainable Products and Assets > Environmental Certification program ■ UP FOR PLANET > Sustainable Products and Assets > SBT Plan 2030 ■ UP FOR PLANET > Sustainable Products and Assets > Sustainable Hotels 	
		■ Emissions avoided (t eq CO ₂)	▲			
		■ Emissions offset	▼			
Responsible water management		■ Ratio of water consumed (m ³ /RN)	▼	<ul style="list-style-type: none"> ■ Reduce water consumption ratio by 1% (vs. 2023) 	<ul style="list-style-type: none"> ■ UP FOR PLANET > Processes and operational standards > Waste management and circular economy ■ UP FOR PLANET > Processes and operational standards > Development of more sustainable products 	
		■ % of hotels in water-stressed areas	=			
Circular economy and waste management		■ No. of hotels with the waste management tool implemented	NAP	<ul style="list-style-type: none"> ■ Advancing automation to monitor waste management 	<ul style="list-style-type: none"> ■ UP FOR PLANET > Processes and operational standards > Waste management and circular economy ■ UP FOR PLANET > Processes and operational standards > Development of more sustainable products 	
S	Communication with stakeholders		■ % participation in the climate survey	▼	<ul style="list-style-type: none"> ■ Target in progress 	<ul style="list-style-type: none"> ■ SUSTAINABLE BUSINESS STRATEGY > Value creation for our stakeholders ■ UP FOR PEOPLE > Internal communication
			■ No. of questionnaires sent to suppliers	▲		
			■ % attendance at the Shareholders' Meeting	=		
Culture of equality, diversity and inclusion		■ % female team members	=	<ul style="list-style-type: none"> ■ Maintaining recognition as a diverse company 	<ul style="list-style-type: none"> ■ UP FOR PEOPLE > People Strategy ■ UP FOR PEOPLE > Culture of equality, diversity and inclusion ■ UP FOR PEOPLE > A team with the same opportunities 	
		■ % of female managers	▲			
		■ Total number of nationalities of team members	▲			

S	Talent, training and professional development 	<ul style="list-style-type: none"> Total hours of training ▲ Investment in training ▲ % internal promotions in key positions (TOP 100) ND Total hours per team member trained ▲ Total turnover rate ▲ Voluntary turnover rate ▲ Voluntary turnover rate TOP 100 ND 	<ul style="list-style-type: none"> Increasing training hours in 3% (vs. 2022) 	<ul style="list-style-type: none"> UP FOR PEOPLE > People Strategy UP FOR PEOPLE > Training UP FOR PEOPLE > Talent Management UP FOR PEOPLE > Turnover, absenteeism and exit rate UP FOR PEOPLE > Talent Attraction 		
		Team members health and safety 	<ul style="list-style-type: none"> No. of fatalities = Accident severity rate ▲ Accident frequency rate ▲ Occupational disease severity rate ▲ Occupational disease frequency rate ▲ 	<ul style="list-style-type: none"> Reducing accidents at work (vs.2023) Promote wellbeing initiatives 0 Fatalities 	<ul style="list-style-type: none"> UP FOR PEOPLE > People Strategy UP FOR PEOPLE > Occupational health, safety and wellbeing 	
			Commitment to team members and responsible contracting 	<ul style="list-style-type: none"> % of team members covered by collective bargaining agreements = 	<ul style="list-style-type: none"> Maintain % of team members covered by collective bargaining agreements 	<ul style="list-style-type: none"> UP FOR PEOPLE > People Strategy UP FOR PEOPLE > Quality job creation UP FOR PEOPLE > Social dialog with team members UP FOR PEOPLE > Flexibility and work-life balance
			Protection of human rights and labor rights 	<ul style="list-style-type: none"> Confirmed human rights allegations = 	<ul style="list-style-type: none"> Increasing participation in human rights training 	<ul style="list-style-type: none"> PROTECTION OF HUMAN RIGHTS
				<ul style="list-style-type: none"> Human Rights assessment of suppliers = 	<ul style="list-style-type: none"> Monitor action plans with respect to the ESG supplier program 	
		Responsible value chain 		<ul style="list-style-type: none"> % of purchases from nominated suppliers ▲ % of purchases from local suppliers ▼ Number of suppliers assessed through ESG Supplier Program NAP % of monitored carbon-intensive suppliers NAP 	<ul style="list-style-type: none"> 85% volume of purchases from nominated suppliers Increase the number of suppliers included in the ESG Supplier Programme. Increase the number of monitored high carbon suppliers 	
Affected communities and local impact 	<ul style="list-style-type: none"> Indirect monetary contribution (€) ▲ Collaboration with associations ▼ Collaboration with NGOs and foundations ▲ 		<ul style="list-style-type: none"> Target in progress 	<ul style="list-style-type: none"> SUSTAINABLE BUSINESS STRATEGY > Sustainable alliances UP FOR PEOPLE > Communities 		

S	Customer experience and quality of the service		<ul style="list-style-type: none"> ■ GRI: Global Review Index ▲ ■ CQI: Competitive Quality Index ▲ ■ % use of OCI & OCO (Online Check in & Online Check out) NAP 	<ul style="list-style-type: none"> ■ Maintain the satisfaction level in customer surveys. (vs. 2023) ■ Review and implementation of new Green Stay initiative <i>new Green Stay</i> 	<ul style="list-style-type: none"> ■ UP FOR PEOPLE > Customers 		
		Ethics, transparency and business culture		<ul style="list-style-type: none"> ■ Hours of compliance training ▲ ■ Confirmed reports through the whistleblowing channel = ■ Confirmed corruption and bribery cases = ■ Women on the Board of Directors ▲ 	<ul style="list-style-type: none"> ■ Alignment with best practices in the sector based on CNMV recommendations. ■ Maintain commitment to investigate 100% of complaints received 	<ul style="list-style-type: none"> ■ CORPORATE GOVERNANCE ■ ETHICS AND COMPLIANCE 	
			Business risk management		<ul style="list-style-type: none"> ■ Provide basic risk management training to all team members. NAP 	<ul style="list-style-type: none"> ■ Target in progress 	<ul style="list-style-type: none"> ■ RISK MANAGEMENT
	Cybersecurity and data processing				<ul style="list-style-type: none"> ■ % team members trained in cybersecurity (PCI, privacy, etc.) NAP 	<ul style="list-style-type: none"> ■ Maintain completion of cybersecurity courses at more than 60%. 	<ul style="list-style-type: none"> ■ DIGITAL TRANSFORMATION > Information Security > Cybersecurity ■ DIGITAL TRANSFORMATION > Information Security > Data privacy and protection
				Digitalization and innovation		<ul style="list-style-type: none"> ■ Total number of Tablets in reception ▲ ■ New hotels with Housekeeping Mobile App ▲ ■ % paper saved through PORTAL ONE (online platform to manage supplier invoices) ▼ 	<ul style="list-style-type: none"> ■ Target in progress

Sustainability Policy

NH Hotel Group as a Company with a solid positioning in the hotel sector at national and international level, operates with the firm commitment to become a socially responsible company, contributing actively to sustainable development.

It therefore works with the aim of offering sustainable, consistent and efficient services for its customers, shareholders, suppliers, team members and society as a whole with the desire to be the benchmark in sustainability in the sector.

In line with this commitment, in 2023 the Company reached a relevant milestone in its Sustainability Business strategy. On 26 July 2023, the Board of Directors of NH Hotel Group 2023 approved the Sustainability Policy that replaces and repeals the Corporate Social Responsibility Policy.

Through this policy, NH Hotel Group establishes the general principles to assure an ethical, responsible and sustainable business model by establishing a common and overarching framework of reference so that all the team members who form part of NH Hotel Group can act and make decisions based on a balanced management of the economic interests and the social and environmental implications deriving from the Company's operations.

With this policy, NH wishes to assure that all the Company's activities are carried out with the commitment to promote among its team members and other stakeholders, such as customers, suppliers or partners among others, the values of responsibility, integration and ethics, so that both the needs of today's society and of future generations are satisfied in a committed and sustainable manner.

Notwithstanding the above, this policy will be developed and complemented with different [policies](#) that the Group approved directly related to the established general principles.

The main objectives of the policy include:

- Driving sustainable hotel management.
- Respecting and protecting human rights in a manner that is integrated in the Company's culture.
- Contributing actively to the generation of social and economic value / to the economic and social wellbeing of the communities where it operates.
- Promoting business transparency and reporting periodically on its progress and practices in relation to sustainability.
- Developing innovative sustainability initiatives.
- Educating and training internally on the Company's sustainability strategy.

Furthermore, through this policy, the Company reaffirms its commitment to its stakeholders. Evidence of this is the significant involvement of stakeholders in relevant processes for the Company such as the [Double Materiality Analysis](#) (process for the identification of material or relevant non-financial matters for NH's business activity). Communication with stakeholders is also important. NH therefore has a series of channels and means through which it establishes communication and dialog with all stakeholders, based on transparency and commitment, as basic foundations to build stable relations of mutual trust.

Value creation for our stakeholders

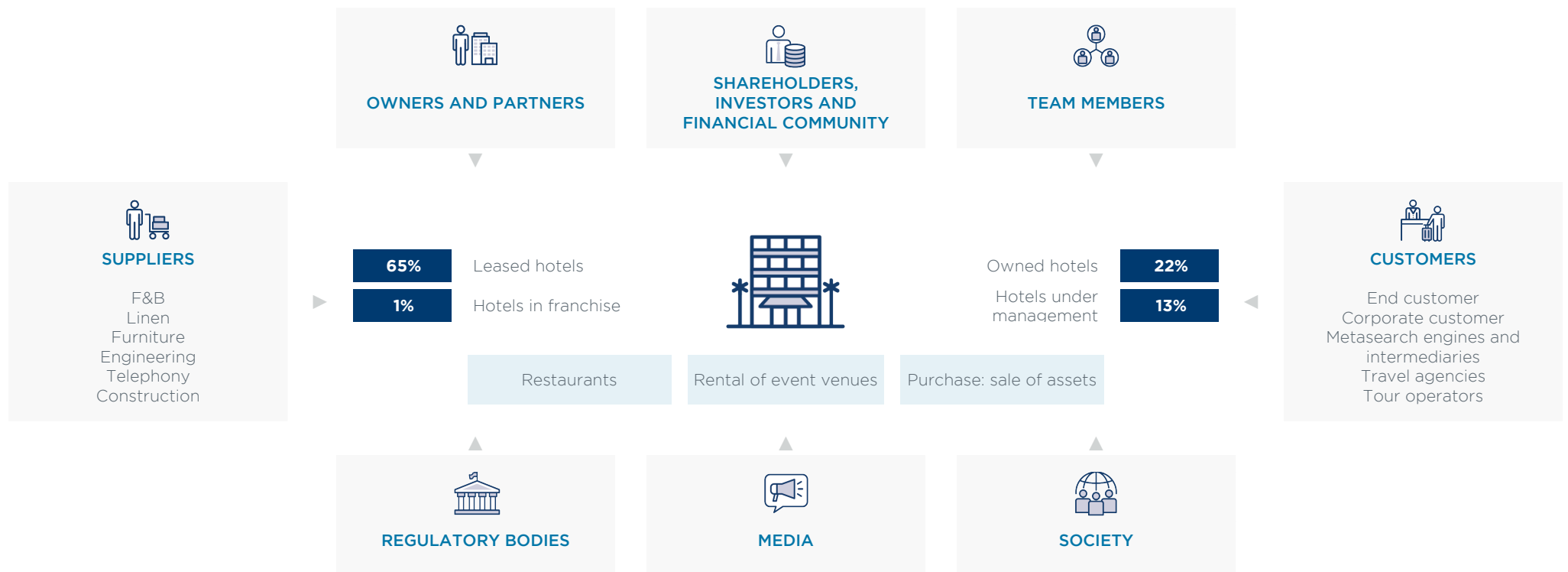
NH Hotel Group's impact influences the long-term success of the Company and its stakeholders. This is why listening to its stakeholders, for NH Hotel Group, is essential in drawing up, developing, implementing, following up and monitoring the Sustainable Business strategy. In this respect, the Company establishes continuous, transparent and clear two-way communication with its stakeholders.

Dialog with 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: team members, customers, suppliers, owners and partners as well as shareholders, investors and financial community who are considered to be partners in the business, and also external parties: regulators, media and society as a whole, starting with the local communities where the Company carries out its business.

NH Hotel Group has identified eight main stakeholders, and with whom throughout 2023 it has continued to maintain a close relationship. Evidence of this can be seen in the update of the materiality analysis, the active presence in forums and meetings, direct response to requests for information, or direct messages through 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 dialog 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. Through these channels, the Company is aware of the vision and expectations of its stakeholders, which tackled through the Group's growth strategy and its sustainable business strategy.

Frequency of communication: (■) Recurring (▒) Periodic (■) Sporadic

Stakeholders	Dialog and participation mechanisms	Relevance	Corporate department
Team members	<ul style="list-style-type: none"> ■ Satisfaction / work climate surveys ■ Internal communication: Newsletters, Town Halls, talks, intranet, MyNH App, sundry communications ▒ Skills and knowledge assessment: Time For You (TFY) ▒ Suggestion box: Team Member Suggestion Box ■ Complaints systems: Whistleblowing channel ■ Employee portal ▒ Non-Financial Information Statement ■ Corporate website and social media 	Very high	People Department
Shareholders, investors and financial community	<ul style="list-style-type: none"> ▒ General Shareholders' Meeting ■ Direct communication channels with investors: investor.relations@nh-hotels.com ■ Shareholder and investor communication policy ■ Newsletters ■ Proxy Advisors ■ Roadshows ▒ Regular meetings: Investor Agenda ▒ Annual and quarterly corporate reports ■ Whistleblowing channel ▒ Non-Financial Information Statement ■ Corporate website and social media 	Very high	Finance Department and PR Department, Communication & Public Affairs

Frequency of communication: (■) Recurring (▣) Periodic (■) Sporadic

Owners and partners	<ul style="list-style-type: none"> ▣ Regular meetings ▣ Organization of and participation in different forums, meeting, conferences, events, etc. ■ Advertising and media ■ Internal communication platform ■ Corporate website 	<p>Very high</p>	<p>Assets & Development Department</p>
Customers	<ul style="list-style-type: none"> ■ Satisfaction survey ■ Loyalty programs: NH DISCOVERY ■ Complaints system: Whistleblowing channel ■ Customer Service ■ Corporate videos ■ Advertising campaigns ▣ Webinars ■ Digital channels: Corporate website, corporate app and social media 	<p>Very high</p>	<p>CRM & Loyalty & Promotions Department, Experience Department, Design & Innovation, Marketing Strategy Brand & Product Department, and Quality Department</p>
Suppliers	<ul style="list-style-type: none"> ▣ Direct communication through regular face-to-face meetings, calls and mail ■ Direct visits to suppliers ▣ Sector conventions ■ Advertising and media ■ Supplier approval platform ▣ Non-Financial Information Statement ■ Corporate website and social media 	<p>High</p>	<p>Procurement Department</p>
Media	<ul style="list-style-type: none"> ▣ Press releases ▣ Forums, meetings, conferences, events, etc. ▣ Institutional relations ■ Corporate website and social media 	<p>High</p>	<p>PR, Communication & Public Affairs Department</p>
Regulatory bodies	<ul style="list-style-type: none"> ▣ Collaboration through alliances at local, regional, autonomous community and national level with international organizations, essentially in the tourist and hotel sector ▣ Annual and quarterly publications ▣ Collaboration with sector associations ■ Corporate website 	<p>High</p>	<p>PR, Communication & Public Affairs Department and Legal Affairs Department</p>
Society	<ul style="list-style-type: none"> ■ Organization of and participation in different forums, meetings, conferences, events, etc. ▣ Regulation meetings and direct communication with different social organizations ▣ Collaboration agreements ▣ Volunteering actions ▣ Non-Financial Information Statement ■ Corporate website and social media 	<p>Medium</p>	<p>Sustainable Business Department</p>

Sustainable alliances

NH Hotel Group promotes strategic alliances and 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.

Tourism has a high impact on the development of cities. The sector must contribute to ensuring that this growth is carried out in a sustainable and planned manner, respecting the local character.

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 that is 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 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, UNESCO Pledge and the CEOE (Spanish Confederation of Business Organizations), among others. In addition, NH Hotel Group is facilitating a common way forward for hotel sustainability that is accessible to all hotels. To this end, it has been instrumental in developing the Hotel Sustainability Essentials to help hotels take responsibility for the planet and people, based on essential actions that everyone must put into practice.



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. NH Hotel Group's annual contribution is € 2,400€



Sustainable Travel
Pledge

UNESCO Pledge

NH Hotel Group has joined 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, the adaptation of communities, and the conservation of heritage all over the world. Therefore, NH Hotel Group has publicly pledged with all its owned and leased hotels to implement measures to reduce the environmental impact of its business, which in turn contributes to raising awareness among travellers, 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, advocating for tourism that contributes to economic growth, inclusive development and environmental sustainability. Until we left in September 2021, NH formed part of the working group supporting the SDG. NH Hotel Group's annual contribution is € 5,200.



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 favouring dialog and negotiation with both sides of the labour market, respecting the interests of its members.

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

NH Hotel Group's annual contribution is € 50,000.



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 non-profit 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.

NH Hotel Group's annual contribution is € 25,000.



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

NH Hotel Group has been committed for years to tourism focused on sustainable development, that minimizes the negative impact on the environment, as well as generating wealth and diversity.

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 tackle mutual challenges and encourage projects to attain shared goals.

96 to a number of sector associations, chambers of commerce, associations related to the environment or non-profit NGOs, among others:

In 2023, NH Hotel Group made a total contribution of € 501,626 to a number of sector associations, chambers of commerce, environmental and cultural associations and foundations and non-profit NGOs, among others:

Contributions to associations in 2023 (en €)

	2023	2022
Sector associations	378,932	325,532
Trade associations (Chambers of Commerce)	22,260	99,015
Associations related to the environment	70,376	56,016
Cultural associations	16,171	24,698
Foundations, NGOs & non-profit associations	13,887	3,335
Total	501,626	508,596

*None of the contributions made by NHHG correspond to contributions to political parties and/or candidates as well as to electoral processes or other typologies not reflected in the table above.

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 Organization 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 support a sound and solvent tourist business activity in the city in which it is located.

Due to the nature of the activity, we are aware of the great work that we can do with 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

	2023	2022
Sustainable Tourism	€102,833	€86,863
Promotion of local and international relationships and responsible business opportunities	€401,192	€421,739

The Company is aware of the importance of collaboration between institutions to meet the sustainable development agenda and, consequently, it establishes alliances based on common principles, values and objectives with different organizations in the public or private sector at world, regional, national and local level.

Relationship with governments

The Company manages its business according to its corporate values, its ethical and conduct framework and guarantees strict compliance with ruling law in each country.

In relation to local governments, it always acts independently of any political power, upholding transparency with the different public and administrative institutions.

NH Hotel Group is characterized by absolute political neutrality. The Company does not make cash or other contributions to political parties or electoral candidates. NH Hotel Group's code of conduct and the money-laundering prevention policy expressly prohibit contributions to political parties.

NH Hotel Group does belong to sector organizations or foundations linked to its activity or the geographic area where it operates. Through its presence in these organizations, the Company aspires to contribute to progress and development of the places where it is present. *More information in the "Contribution to sector associations, non-profit associations and chambers of commerce" section of this Report.*

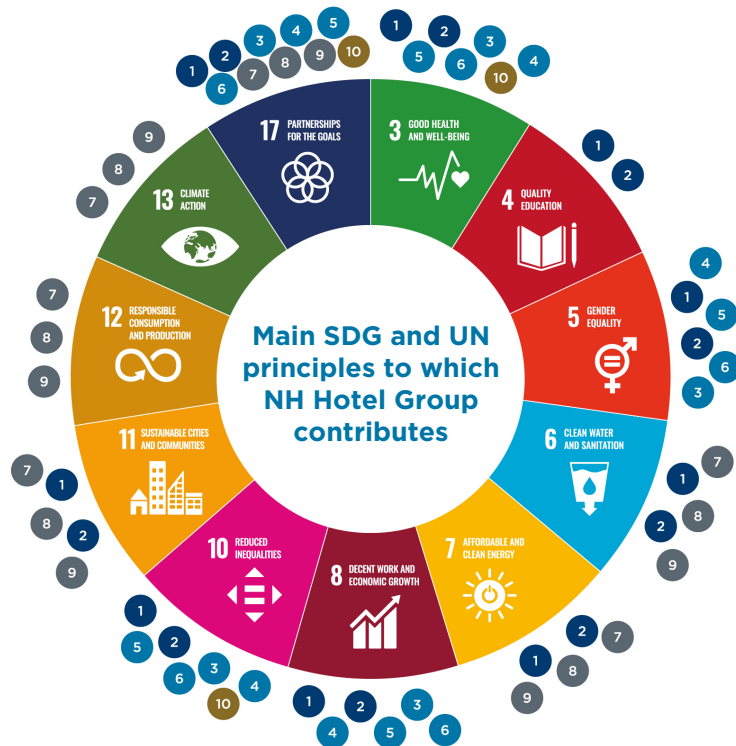
NH Hotel Group and the 2030 Agenda

The UN Global Compact and the Sustainable Development Goals (SDG) are two interconnected initiatives aimed at promoting responsible business practices. The 10 UN principles provided a framework for companies to align their strategies and operations to broader social goals, the SDG establish goals that help companies to implement the previously defined strategies.

Along these lines, and for the purpose of focusing the business model on a hotel model that is committed to sustainable development, NH Hotel Group generates value through the Sustainable Business strategy for stakeholders in the places where it operates. In this context,

the Company has impact and a capacity to influence 11 Sustainable Development Goals, focusing the strategy on two of them:

- SDG 8 Decent work and economic growth;
- SDG 11 Sustainable cities and communities.



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Business should make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: Businesses should defend the elimination of all forms of forced and compulsory labour.

Principle 5: Business should defend the effective abolition of child labour.

Principle 6: Business should defend the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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




SUSTAINABLE PRODUCTS AND ASSETS

- 184** Total certified hotels/year
- 26** Newly certified hotels/year
- 66%** of electricity consumed comes from renewable energy sources
- 100%** of green electricity in hotels in Southern Europe
- 99** Hotels with bicycle hire service
- 72** Hotels with electric chargers

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








PROCESSES AND OPERATIONAL STANDARDS

- 47.01** Energy consumption ratio
- 0.33** Water consumption ratio
- 7.23** Carbon footprint ratio







SUSTAINABLE PROCUREMENT

- 13,875** Suppliers
- 1,835** Active suppliers with signed Ethical Codes
- 367** Critical suppliers
- 62%** Approved procurement (OpEx + CaPex)



UP FOR PEOPLE



TEAM MEMBERS

171,273 Total training hours for team members

113 Team members with disabilities

45% Women in management positions

51% Women on the workforce

36% Average turnover

443 Accidents with sick leave

Promote a responsible culture for team members and foster diversity, ethics and wellbeing.

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

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



CUSTOMERS

8.4 Rating in customer reviews - NH survey

8.5 Rating in customer reviews - Online survey

30.373 Requests received by 'Customer Care'

286 Hotels with elements adapted to special needs



COMMUNITIES

1,752 Volunteers

19,680 Beneficiaries

1,590 Solidarity room nights

237,892 indirect contribution in social action

149 Hotels involved

58 Social initiatives