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**EUROPEAN UNION
TAXONOMY OF
SUSTAINABLE ACTIVITIES**

13. EUROPEAN UNION TAXONOMY OF SUSTAINABLE ACTIVITIES

Introduction

In recent years, the European Union has made great strides in building a sustainable financial ecosystem, with the aim of redirecting capital flows towards more sustainable investments. To this end, in 2019 it presented the "European Green Deal" or "European Green Pact", which is a set of initiatives aimed at achieving several environmental objectives. To achieve these objectives, the EU presented the Sustainable Finance Action Plan.

In this context, on 22 June 2020, the European Commission and the Council adopted Regulation (EU) 2020/852, also known as the "Taxonomy Regulation", which provides the basic framework to facilitate the flow of capital towards sustainable activities. The Taxonomy Regulation has promoted standardization and transparency in the reporting of sustainable activities, providing tools to facilitate harmonized reporting, thus enabling investors and other stakeholders to analyze and identify sustainable investment opportunities to achieve a climate neutral Europe by 2050.

WHAT IS TAXONOMY? ¹

- A single classification system to help businesses and investors identify and determine which economic activities are environmentally sustainable.
- A single classification system that promotes the transition to a sustainable economy in order to achieve the EU's climate and environmental objectives.
- A consistent classification system that promotes homogenization and transparency in the reporting of information on environmentally sustainable activities².
- A single classification system that acts as a tool to support companies in their transition towards climate neutrality and prevention of environmental degradation.

In this sense, the taxonomy not only represents a reporting obligation, but also allows new development, renovation and maintenance projects of NH Hotel Group hotels to contribute positively to sustainable development from the early stages of their conception and throughout their life cycle.

¹ It should be noted that the current Taxonomy regulation sets out mandatory reporting requirements; however, it does not emerge as a list of mandatory environmental performance activities and requirements for companies or for financial products. For more details see: EU Taxonomy Navigator. [EU Taxonomy Navigator](#).

² Environmentally sustainable economic activities are those that make a significant contribution to at least one of the EU's environmental objectives, while not significantly harming any of the other objectives and respecting minimum social safeguards.

REGULATORY CONTEXT

The legal framework for the EU Taxonomy was established by the aforementioned EU Regulation 2020/852³.

According to Article 1.1, it applies to companies subject to the obligation to publish a non-financial statement or consolidated non-financial statement pursuant to Article 19a or Article 29a of Directive 2013/34/EU of the European Parliament and of the Council.

In addition, Article 9 sets out the six main environmental objectives.



Climate change mitigation



Climate change adaptation



Sustainable use and protection of water and marine resources



Transition to a circular economy



Prevention and control of pollution



Protection and restoration of ecosystems and biodiversity

This Regulation has been followed by three main complementary Delegated Acts:

- Firstly, Delegated Law 2021/2139 of 4 June 2021 (or "Climate Law")⁴ which establishes the list of economic activities that contribute significantly to the objectives of climate change mitigation and adaptation and that do not cause significant damage to the other environmental objectives.
- Secondly, the Delegated Act 2021/2178 of 6 July 2021 (or "Delegated Act on Disclosure of Information")⁵ describes the specifications for the content and presentation of the information to be reported by companies on environmentally sustainable activities, including the key indicators to be reported and their calculation methodology.
- Thirdly, Delegated Act 2023/2486 of 27 June 2023 established the list of economic activities that contribute significantly to the environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, protection and restoration of ecosystems and biodiversity, and do not cause significant damage to the other environmental objectives.

Thus, in 2023, the new regulations adopted by the EU will make it possible to know the complete catalog of sustainable activities covering the six environmental objectives.

³ On establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088

⁴ This law has been supplemented / amended twice. Firstly, it was supplemented by Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (Delegated Act supplementing the climate taxonomy) as regards economic activities in certain energy sectors: natural gas and nuclear energy; and secondly, it was amended by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, which extends the economic activities contributing to climate change mitigation and adaptation that were not previously included, in particular in the manufacturing and transport sectors. It also amends and adds technical selection criteria to determine the conditions under which certain economic activities can make a significant contribution to climate change mitigation or adaptation and whether such activities cause significant damage to other environmental objectives.

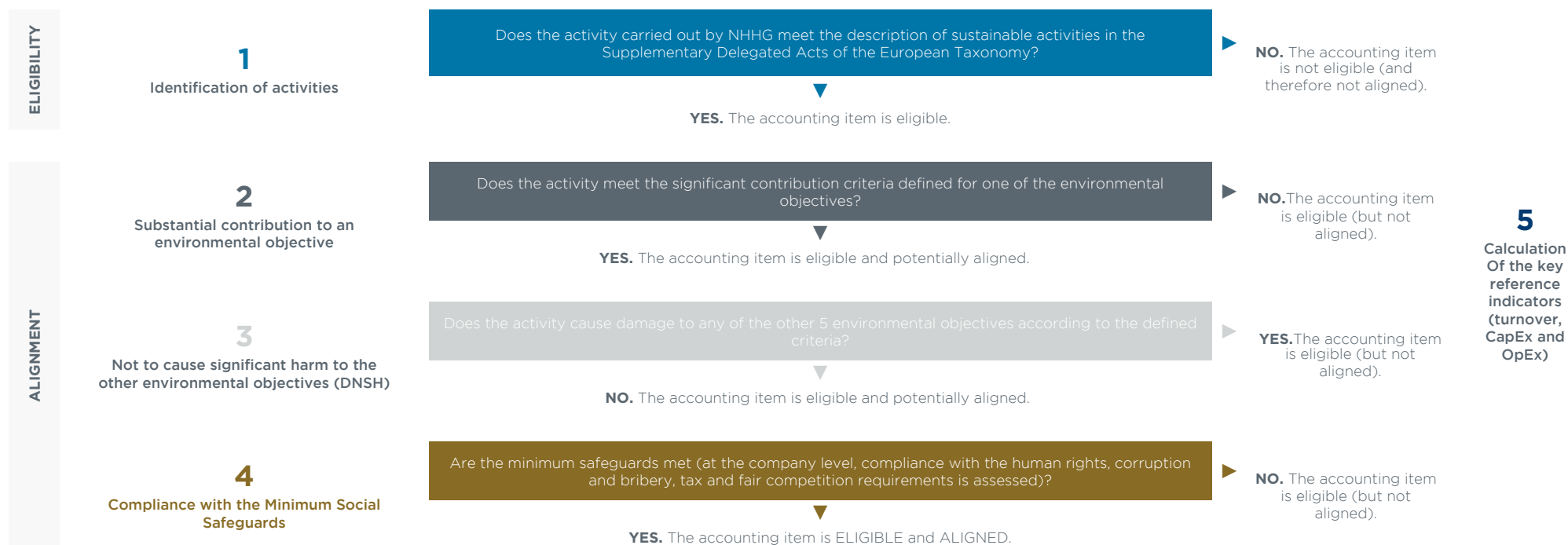
⁵ This law has been amended through Annex V of Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023.

OBJECTIVE AND SCOPE

For companies to make public the information that the capital market needs to incorporate sustainability criteria in their decision making, the Delegated Regulations of the European Taxonomy oblige companies to carry out an analysis of the degree of compliance under two criteria –eligibility and alignment– and to report the results in their Non-Financial Information Statements.

■ **Eligible activities:** an economic activity is considered eligible as long as the Company complies with the description set out for each of the activities listed in Annexes I and II of Delegated Regulation 2021/2139 of 4 June 2021. In this sense, eligibility is of a “potential” nature, i.e. an eligible activity is one that could become green according to the European Taxonomy.

■ **Aligned activities:** the alignment of an activity goes a step further by confirming not only the potential but the actual sustainable nature. Measured through compliance with the technical criteria defined for each activity, they are assessed through three stages. First of all, through a substantial contribution to at least one of the defined environmental objectives; secondly, by complying with the principle of doing no significant harm to the other environmental objectives (known as DNSH) and, finally, by achieving Minimum Social Safeguards.



In this line, for the 2021 report, the obligation to disclose the key reference indicators in terms of eligibility was established. In 2022, the report went into greater depth, requiring the disclosure of these indicators in terms not just of eligibility but also of alignment.

For the current financial year, given the regulatory advances that have taken place, European Taxonomy disclosure is required in terms of eligibility for the six environmental objectives and in terms of alignment for the climate change mitigation and adaptation objectives. In this regard, the analysis will be carried out in greater depth in future years, in line with best practice and making use of the most advanced technology, allowing for continuous improvement in evaluating and reporting on alignment for all the environmental objectives described in the European Taxonomy.

It should also be noted that the European Taxonomy is still a regulation under development, and there is a certain degree of uncertainty in relation to the application and interpretation of certain aspects of the legislation. Participating companies are exposed to making judgment decisions in relation to the classification of the activities included in the Taxonomy. For this reason, in 2023 NH Hotel Group proceeded to review the previous year's eligibility exercise, going deeper in the analysis carried out in 2022 by taking into account new updates, legislative changes and FAQs and therefore eligible activities in the current year conform to a more precise and homogeneous criterion. The alignment exercise has also been carried out for the second time, performing an analysis of compliance with the criteria of substantial contribution, respect for the "Do No Significant Harm" principles and compliance with Minimum Social Safeguards for the objectives of climate change mitigation and adaptation.

Furthermore, in accordance with best practice in the sector and in light of the regulatory developments and clarifications issued by the European Union, this may be reviewed in future years with the intention of ensuring that the expectations of the regulator and other stakeholders are met.

In view of this, and in accordance with the provisions of the Delegated Regulations, the consolidated non-financial statements for the year of application must present the following key performance indicators (KPIs):

- The proportion of turnover derived from products or services related to economic activities that are considered environmentally sustainable (turnover).
- The proportion of total fixed assets (CapEx).
- The proportion of operating expenses related to assets or processes associated with economic activities that are considered environmentally sustainable (OpEx).

In applying and calculating these KPIs, the activity of NH Hotel Group S.A. and subsidiaries according to the perimeter included in the Consolidated Annual Accounts has been considered.

CONTEXTUAL INFORMATION OF THE PROCEDURE: Criteria for analysis.

To understand the activities considered eligible for the Company it is necessary to know NH Hotel Group's business model based mainly on the operating urban hotel establishments the purpose of which is to provide services to customers, the principal service being short-term accommodation (see chapter "[NH HOTEL GROUP Business Model](#)" of this Non-Financial Information Statement).

For this purpose, applying conservative criteria, NH Hotel Group has analyzed all the activities listed in the Taxonomy, among which those that are linked to the Company's business have been identified:

- Activity "7.3 Installation, maintenance and repair of energy efficiency equipment" listed in the activities related to the climate change mitigation objective.
- Activity "7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings" listed in the activities related to the climate change mitigation objective.
- Activity "7.6 Installation, maintenance and repair of renewable energy technologies" listed in the activities related to the climate change mitigation objective.
- Activity 2.1 "Hotels, holiday, camping grounds and similar accommodation" listed in the activities related to the objective of protection and restoration of biodiversity and ecosystems.

NH Hotel Group's sustainable activities, in accordance with the latest update of Art. 8 of the Taxonomy Regulation, are managed from the corporate Construction, Engineering and Maintenance department for activity 7.3, 7.5 and 7.6 and from the corporate Sustainable Business department for activity 2.1.

The following is a brief summary of the focus of the activities within the Company and the correspondence with the activities of the European Taxonomy:

Environmental Objective	Economic activity according to Taxonomy	Description of Activity
Climate change mitigation	7.3. Installation, maintenance and repair of energy efficient equipment	NH Hotel Group is committed to energy efficiency in its facilities and, with the aim of reducing its emissions by 20% by 2030, it has equipped itself in 2022 to meet this commitment. To this end, it has carried out the installation, maintenance and renovation of building elements (doors and windows) and lighting (LED), HVAC systems (boilers and cooling and ventilation equipment), piping, cooking equipment (ovens), batteries and other electrical appliances (washing machines, refrigerators, dryers...) that are more energy efficient.
Climate change mitigation	7.5. Installation, maintenance and repair of instruments and equipment for measuring, regulating and controlling the energy performance of buildings	NH Hotel Group, committed to reducing its emissions, continued in 2023 with the installation and maintenance of devices and instruments to monitor its energy consumption. to this end it has implemented the review, repair or replacement of t buildings' energy consumption monitoring and control systems: sensors, meters, thermostats, automation and control systems or presence detectors, among others.
Climate change mitigation	7.6. Installation, maintenance and repair of renewable energy technologies	Committed to the growing and greater use of renewable energy technologies, the Company has carried out the installation of solar panels, photovoltaic panels and vacuum tubes in 13 of its hotels. This has contributed to the introduction of this activity in NH Hotel Group's catalog of eligible taxonomic activities.
Protection and restoration of ecosystems and biodiversity	2.1 Hotels, Resorts, Campsites and Similar Accommodation	<p>In line with its principal activity, NH Hotel Group provides short-term tourist accommodation. In most cases this is associated to additional services.</p> <p>However, it should be noted that not all of NH Hotel Group's portfolio has the potential to contribute substantially to the protection and restoration of ecosystems and biodiversity*. In this regard, according to the database generated by Protected Planet (mapping protected natural spaces and associated data with worldwide cover)., only 3,43% of NH Hotel Group's hotels are located directly in special protection areas. If this analysis were limited to the consolidated perimeter (scope of the taxonomic metrics), the % would be even lower.</p> <p>In addition, NH Hotel Group, in its commitment to the protection of biodiversity, applies conservative criteria considering that due to the type of activity carried out in the resorts they have the potential to contribute substantially to the protection and restoration of ecosystems and biodiversity despite not being located in protected areas. In this regard, the Company has 9 resorts in the portfolio (2 of them in the consolidated perimeter and therefore included in calculating the taxonomic metrics).</p> <p>As a result of applying this criterion, a total of 10 hotels are included in the "turnover" indicator, 2 of them because they are resort hotels in the consolidated perimeter and the other 8 hotels because they are directly located in special protection areas.</p>

*In accordance with the third matter of the following [FAQ](#), "Eligible activities constitute the baseline universe of activities that have the potential to align with the technical screening criteria". It is also taken into account that the first criterion of substantial contribution refers to the fact that "The activity contributes to conservation or recovery measures in clearly identified areas (conservation areas) in or near the same tourist destination as the accommodation (...)".

In 2022, the CapEx incurred by the Construction, Engineering and Maintenance department for the execution of works in buildings was linked to activity "7.2 Renovation of existing buildings". However, the nature of these projects does not correspond to "Construction and civil engineering works or preparation of such work", in other words they are not integral works, but rather comprise rebrand or minor works aimed at relocating certain rooms or the installation of new instruments, equipment or devices linked to energy efficiency. In this regard, it has been determined that the investment made to that activity in the current year fall under the description of activity 7.3: "Installation, maintenance and repair of energy efficiency equipment" and 7.5: "Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings."

The Company has also considered other activities listed by the taxonomies and has concluded from an analysis of them that none of them is eligible for the group:

- Activity 7.1: "Construction of new buildings. In line with its growth strategy and business model, NH Hotel Group does not carry out the development of projects for the construction of new buildings.
- Activity 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)": NH Hotel Group offers the electric charging services. Through collaboration agreements with suppliers such as Wenea or Vattenfall, NH Hotel Group assigns its spaces for the installation of such charging stations, which are not the Company's property. For further details see [Sustainable mobility](#).
- Activity 7.7 "Acquisition and ownership of buildings": NH Hotel Group does not carry out real estate development activities. Therefore, the purchase and sale of real estate assets is not a recurring business activity but arises in the context of asset rotation as part of the strategy of the hotel activity.

Alignment analysis: compliance with technical criteria, DNSH and Minimum Social Safeguards

Following the process of identifying eligible activities, NH Hotel Group has carried out the alignment analysis by assessing compliance with:

- The CRITERIA OF SUBSTANTIAL to the objective of climate change mitigation as set out in Annex I of Delegated Regulation (EU) 2021/2139 of the Commission and subsequent amendments issued for activities 7.3, 7.5 and 7.6.
 - For Activity "7.3. Installation, maintenance and repair of energy efficiency equipment", it has been reviewed that eligible CapEx and OpEx comply both with the applicable minimum requisites set out in the domestic transposition of Directive 2010/31/UE and with the classification in the two highest energy efficiency classes in accordance with Regulation (EU) 2017/1369 where applicable. It has also been determined that these items comply with at least one of the individual measures set out in the legislation⁶.
 - For activity "7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings" it has been determined that CapEx and OpEx comply with at least one of the individual measures set out in the applicable legislation⁷.
 - For activity "7.6. Installation, maintenance and repair of renewable energy technologies" it has been determined that each item of CapEx and OpEx complies with at least one of the individual measures set out in the applicable legislation⁸.
- DO NO SIGNIFICANT HARM TO THE REMAINING ENVIRONMENTAL OBJECTIVES (DNSH) in compliance of the applicable appendices required for activities 7.3, 7.5 and 7.6. In this regard, it should be noted that the Company complies with the requirements of Appendix A with an analysis of physical climate risks and an adaptation plan for the risks that have been identified as material.

⁶ For more details please see pages 128-129 of the following document [Actividades taxonómicas para la Mitigación al cambio climático](#) (section: Substantial contribution to climate change mitigation for activity 7.3).

⁷ For more details see page 130 of the following document [Actividades taxonómicas para la Mitigación al cambio climático](#) (section: Substantial contribution to climate change mitigation for activity 7.5).

⁸ For more details see page 131 of the following document [Actividades taxonómicas para la Mitigación al cambio climático](#) (section: Substantial contribution to climate change mitigation for activity 7.6).

A material risk is considered to be any risk that, on account of its likelihood of occurrence or the consequences for the business or the combination of the two, has the potential to affect NH Hotel Group's operation or financial statements significantly in the assessed timeframes and scenarios.

In this regard, it should be noted that NH Hotel Group has carried out an analysis of physical and transition climate risks on its main assets, evaluating its exposure to climate risk factors on asset scale, considering short-term (2030) and long-term (2050) timeframes, analyzing scenarios RCP2.6 and RCP8.5 taking into consideration all the risks set out in Appendix A of the Taxonomy.

For more details on the methodology followed and the results obtained, see the chapter "[NH Hotel Group's Response to the Risks and Opportunities associated to Climate Change based on the Task Force on Climate-related Financial Disclosure \(TCFD\)](#)"

- MINIMUM SOCIAL SAFEGUARDS. These are assessed at corporate level and emerge as a safeguard to ensure that revenue/CapEx/OpEx is not considered sustainable if it is generating a negative effect in social terms. In other words, for revenue, CapEx and OpEx, as well as complying with a range of technical criteria for each of the taxonomic activities (which in global terms measure environmental performance), alignment depends on compliance at corporate level with a range of minimum social safeguards set out in art. 18 of Delegated Regulation 2020/852⁹ in which four major thematic areas are identified:

- Human Rights: NH Hotel Group is committed to ensuring the non-violation and, consequently, the promotion of Human Rights. For years the Company has been working to prevent and manage the risks associated to violation of these rights and to that end has several measures, tools and mechanisms such as the corporate Human Rights policy, and a due diligence procedure sequences in different phases and materialized through the Protocol and the Implementation guide. For more details see the chapter "[Protection of Human Rights](#)".
- Corruption and bribery: the Group is committed to zero tolerance of corruption and therefore has various internal controls in place to comply with the Anti-Fraud and Corruption Policy, the Policy for the Prevention of Money Laundering and Terrorist Financing or the Gift Policy. For more details, see "[Zero tolerance of corruption](#)".
- Taxation: NH Hotel Group ensures compliance with its tax obligations, as well as the application of best tax practice. Accordingly, among other measures, the Group is signed up to the Code of Good Tax Practice and has a Tax Policy that was updated in 2022. For more details see the chapter "[Tax transparency: Profits and taxes](#)".
- Fair competition: NH Hotel Group is committed to long-term sustainable growth through fair competition, as set out in its Code of Conduct. In this regard, the Company carries out its activity in a manner that is consistent with all the applicable competition laws and regulations in all the jurisdictions where it does business. To this end, the Company fosters a corporate culture based on free competition, providing its team members with assistance to prevent, detect and remedy any breach in this regard. For more details see the chapter "[Code of Conduct](#)".

It should also be noted that NH Hotel Group has been signed up to the United Nations Global Compact since 2002, and is therefore committed to the integration of the 10 ethical business principles in its daily operations and in its long-term strategy.

⁹ Which guarantees that all the activities considered are carried out in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the principles and rights established in the eight fundamental conventions referred to in the Declaration of the International Labor Organization relating to fundamental principles and rights in work and the International Charter of Human Rights.

Content and methodology of key performance indicators

To avoid double counting, the Group has established the necessary oversight and control measures to ensure consistency and reliability from the information extraction and transformation process to calculation and final reporting of the information. These measures include checking subtotals, in order to ensure that all information is being included.

The calculation of the indicators has been carried out following the same accounting policies as are applied to NH Hotel Group's financial statements, based on the information recorded in the corporate Enterprise Performance Management application.

In this regard, the main sources of information are the accounting and management information used for the consolidated annual accounts and confidential corporate and analytical documents on each of the projects executed during the year in each of the hotels in the group's consolidated portfolio.

Due to NH Hotel Group's extensive hotel portfolio, the Company has made use of a sampling technique to determine that percentage of its activity is eligible and aligned with the Taxonomy. The way in which turnover, CapEx and OpEx were determined and assigned both to the numerator and to the denominator of each reported indicator is described below.

Turnover

This indicator is defined as the ratio of Taxonomy-adjusted turnover (numerator) to the Company's total revenues (denominator)

.In compliance with section 1.1.1 of Annex I of Delegated Regulation 2021/2178 of 6 July 2021, the numerator is defined as part of the net turnover derived from products or services, including intangibles, associated to Taxonomy-aligned activities, and the denominator is made up of revenues recognized pursuant to IAS 1, paragraph 82, a¹⁰).

To calculate the denominator, in accordance with the preceding paragraph, Note 3.1 of the Consolidated Annual Accounts has been taken into consideration.

To calculate the numerator, the same statement of results used in calculating the denominator is used, taking into consideration only the items that comply with the description of of an eligible taxonomic activity for NH Hotel Group (this year this corresponds to activity 2.1 "Hotels, holiday, camping grounds and similar accommodation).In this regard, in accordance with the Taxonomy criteria and considering the new objective of Protection and restoration of ecosystems and biodiversity, only 3.1% of the revenues generated by NH Hotel Group come from that activity(a total of 66.86 million euros).

The following criteria were applied in the calculation methodology: see [Protection and restoration of ecosystems and biodiversity](#). In this regard, an in-depth analysis has been carried out of the presence of hotels (based on the consolidated perimeter) in areas where their activity could have a significant impact on ecosystems and biodiversity.

CapEx

This indicator is defined as the ratio of Taxonomy-adjusted CapEx (numerator) to total CapEx (denominator).

To calculate the numerator of this KPI, the breakdown of the CapEx per project obtained from the cost accounting has been used,which has been recorded according to International Accounting Standards (hereinafter IAS) and in accordance with the requirements described in section 1.1.2 of Annex I of Delegated Regulation 2021/2178 of 6 July 2021.

In this calculation, investment items associated to Taxonomy-aligned activities¹¹ –eligible with regard to activities 7.3, 7.5 y 7.6 –. With the selection, each item was then labelled by product type (lighting, HVAC, fancoil, coolers, thermostats and control systems among others) in order to discern the CapEx per taxonomic activity.

After that, and taking eligible CapEx as the basis, a random sample of items per product types was selected. The alignment of these items was analyzed according to their technical data sheet and other inputs that have allowed us to evaluate compliance with the technical screening criteria concerning substantial contribution to the objective of climate change mitigation. The "Do No Significant Harm" principle and the Minimum Social Safeguards were also assessed.

This analysis has allowed us to obtain the percentage alignment per product type and therefore to proceed to the extrapolation by taxonomic activity. This extrapolation was carried out in proportion to the associated total budget per product type.

¹⁰ Adopted by Regulation (EC) 1126/2008 of the Commission.

¹¹ The numerator includes the part of CapEx included in the denominator of the indicator in accordance with the provisions of section 1.1.2.2 of Annex I of the Delegated Regulation of 6 July.

It should be noted that the CapEx items dedicated to Taxonomy-aligned activities have been calculated by a single area of the Company, which ensures that they have been counted only once in the analysis and, therefore, there has been no double counting of investments.

For activity 2.1, the entire CapEx associated to the 14 hotels that have the potential to contribute to the objective of Protection and restoration of biodiversity and ecosystems has been taken. In this regard, to ensure that no double counting occurs, the CapEx associated to activities 7.3, 7.5 and 7.6 for these hotels has been excluded. .

For the denominator, additions to property, plant and equipment and intangible assets have been included, before amortization and depreciation and possible revaluations and impairment, including the results of revaluations and impairment corresponding to 2023, excluding changes in fair value. Additions to property, plant and equipment and intangible assets resulting from business combinations, if any, were also included, covering costs recorded in accordance with IAS 16 Property, plant and equipment and IFRS 16 Leasing.

According to the consolidated financial statements of NH Hotel Group, the total CapEx (denominator) is indicated in Note 6, Note 7 and Note 9 of the Consolidated Annual Accounts for 2023.

OpEx

This indicator is defined as the ratio of Taxonomy-adjusted OpEx (numerator) to total OpEx (denominator).

In compliance with section 1.1.3 of Annex I of Delegated Regulation 2021/2178 of 6 July 2021, the denominator is defined as and reduced to the total of direct non-capitalized costs that relate to research and development¹², building renovation measures¹³, short-term lease¹⁴, maintenance and repairs, and any other direct expenditures related to the day-to-day servicing of assets of property, plant and equipments by NH Hotel Group or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

In the case of NH Hotel Group, the denominator is calculated on the basis of the consolidated income statement. Therefore, the denominator of the OpEx taxonomic indicator is made up of the sum of the following accounts in line with the previously defined criteria:

- Maintenance and repairs of property plant and equipment: Note 23.2 of the consolidated annual accounts.

On the other hand, the numerator has been calculated on the basis of the figure obtained in calculating the denominator, including only the OpEx corresponding to taxonomic activities.

In this case, to carry out sampling, the hotels in the portfolio were ordered by brands, year of opening, geography and number of rooms. Using this database, and thanks to a cluster analysis, the Company's hotels have been classified into a small number of hotels with similar characteristics to perform the sampling.

Based on conservative criteria and with the aim of determining the indicators precisely, a second level of classification was carried out. For each of the clusters obtained (first classification level), the hotels were ordered in three groups according to Taxonomy-aligned OpEx (second classification level).

For each of these groups obtained, a specific number was selected that is representative of the rest of the hotels –the most representative in terms of maintenance and repair tasks– taking into account aspects such as the age of the hotels, the year of renovation, the type of equipment and the geographic locations in the Company's area of operation.

Based on the selection of eligible OpEx items in relation to Taxonomy in these representative hotels, the percentage of eligible OpEx in the sample was calculated and then extrapolated to NH Hotel Group's hotels as a whole.

To obtain the aligned OpEx, it has been considered that the acquisition of Taxonomy-aligned equipment has occurred in a linear fashion over the last ten years (average depreciation terms for the type of equipment in questions) and, therefore, the maintenance and repair tasks on them has also occurred on a linear basis over the last few years. This assumption has been applied when calculating the part of eligible OpEx that is aligned with the Taxonomy.

It should be noted in calculating the OpEx associated to activity 2.1 the same process as for calculating CapEx has been applied.

¹² In light of the Company's activity it does not incur research and development expenses beyond those considered for the development of apps. In this regard, it should be noted that all this is capitalized and therefore ultimately not treated as OpEx. Furthermore, based on section 1.1.13.1 of Annex I of the Delegated Regulation of 6 July, only non-capitalized direct expenses should be included.

¹³ In light of the Company's activity, it does not incur non-capitalized direct costs related to building renovation measures. In this regard, the amounts applied to "renovation" of buildings are capitalized and, accordingly, for accounting purposes are incurred in the Company's CapEx.

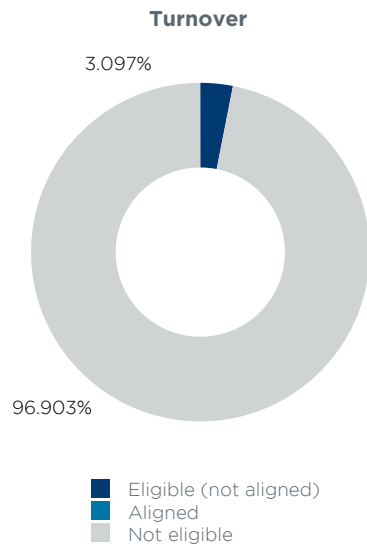
¹⁴ With regard to the information reported in the consolidated annual accounts, no short-term lease item appearing in the notes to the accounts. The leases referred to in note 23.2 are all leases not subject to IFRS 16 but this mainly includes variable leases (not included in the item to be considered short-term lease), and short-term leases are not material compared to variable leases.

Performance of key indicators: Turnover, CapEx and OpEx

Turnover

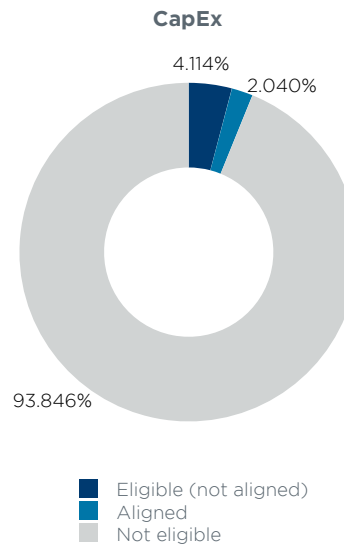
In accordance with the above, NH Hotel Group has classified its activities in accordance with the criteria established in the most recent version of the European Taxonomy.

In relation to turnover, NH Hotel Group records 3.1% that meets the requisites established in terms of eligibility in relation to the objective of Protection and restoration of ecosystems and biodiversity.



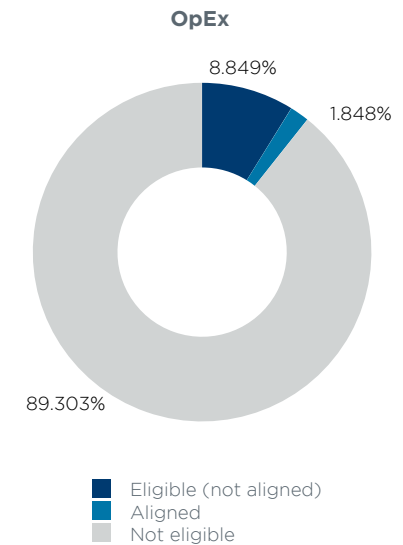
CapEx

In relation to CapEx, NH Hotel Group records 4.1% that meets the requisites established in terms of eligibility (non-aligned) in relation to the objective of climate change mitigation and the objective of Protection and restoration of ecosystems and biodiversity. In terms of alignment, the percentage is 2.0%, with respect to the Company's total CapEx.



OpEx

Finally, in relation to OpEx and in terms of eligibility (non-aligned), 8.8% meets the requisites established in relation to the climate objectives mentioned above. In terms of alignment, the percentage recorded is 1.8%.



For more details see [Appendix II: European Taxonomy](#)