

# **Meliá Hotels International, S.A. and Subsidiaries**

**Consolidated Financial Statements for  
the year ended 31 December 2022  
and Directors' Report, together with  
Independent Auditor's Report**

*Translation of a report originally issued in  
Spanish based on our work performed in  
accordance with the audit regulations in force in  
Spain. In the event of a discrepancy, the Spanish-  
language version prevails.*

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.*

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Meliá Hotels International, S.A.,

### Report on the Consolidated Financial Statements

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#### Opinion

We have audited the consolidated financial statements of Meliá Hotels International, S.A. ("the Parent") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2022, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

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#### Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Impairment test on assets associated with the hotel activity

### Description

As described in Note 1 to the accompanying consolidated financial statements, the Group engages in the management and operation of 347 hotels (owned, leased, managed and franchised) in 37 countries, and had assets associated with the hotel activity with an aggregate carrying amount of EUR 3,186 million at 31 December 2022, with this amount including goodwill, property, plant and equipment, intangible assets, right-of-use assets and investment property.

At least at each year-end management performs an impairment test in order to determine the recoverable amount of these assets.

The Group used third parties independent of it as experts to determine the fair value of its owned hotel assets, to which end it employed valuation methodologies and standards widely used in the market.

For each leased cash-generating unit ("CGU"), Group management calculated its value in use based on a future cash flow generation estimate, whilst continuing to take into consideration the uncertainty that still exists with regard to full recovery of activity following the pandemic, together with other geopolitical and economic aspects, and applying specific growth and discount rates for the CGUs in each country in which the Group operates, as well as adjusting the discount rates to make them consistent with the underlying cash flows.

As a result of the test performed, a revaluation surplus of EUR 67 million was recognised under "Depreciation and Impairment Property, Plant and Equipment and Intangible Assets", "Depreciation Impairment Right-of-Use Assets" and "Results from Asset Sale" in the accompanying consolidated statement of profit or loss for 2022.

In this context, the circumstance described represents a key audit matter, given the significance of the carrying amount of the assets associated with the hotel activity in the consolidated balance sheet, and given that the valuation methods used require the use of significant

### Procedures applied in the audit

Our audit procedures included, among others, evaluating the accounting policies for determining the recoverable amount of the assets associated with the hotel activity described in Notes 2 and 3 to the accompanying consolidated financial statements for 2022, in order to evaluate their consistency with the applicable regulatory financial reporting framework.

Also, in order to identify possible bias in management's assumptions, we retrospectively reviewed the estimates made in the previous year, evaluating the degree to which they were realised, as well as those made in prior years, checking them against historical information.

We obtained the valuation reports of the experts engaged by the Group to value its owned assets and evaluated the competence, capability and objectivity of the experts and the adequacy of their work for use as audit evidence. We also obtained the calculation of the value in use of the leased asset CGUs made by management of the Parent. In both cases, we verified their clerical accuracy and the appropriateness of the valuation methodology used in each case, with the assistance of our internal valuation specialists.

For a sample of assets, we evaluated the consistency of the related operating assumptions with the most recent budgets approved by the Parent's directors, adjusted on the basis of the current circumstances of the markets in which the Group operates, and their reasonableness based on historical data of the hotels and macroeconomic and industry forecasts, taking into account the existing uncertainty regarding the complete recovery of pre-pandemic levels of activity. Additionally, we analysed the reasonableness of the discount rates, the long-term growth rates applied and, for the owned assets, the exit yields applied, also with the assistance of our valuation specialists, and reviewed the sensitivity analyses performed in relation to these assumptions, after having performed our own independent sensitivity analysis to evaluate other less favourable potential scenarios.

estimates involving a significant degree of uncertainty, such as certain operating assumptions, including the recovery of occupancy rates and the containment of both costs and investments, and financial assumptions such as the discount rate, the long-term growth rate and the exit yield.

Lastly, we evaluated whether the disclosures made by the Group in relation to these matters, which are included in Notes 7.1, 7.5, 10, 11, and 17 to the accompanying consolidated financial statements, contained the information required by the applicable accounting regulations.

## Liquidity situation

### Description

At 31 December 2022, the Group's bank borrowings, debt instruments and other marketable securities and other financial liabilities amounted to EUR 1,411 million. As indicated in Notes 4.3 and 10 to the accompanying consolidated financial statements for 2022, in 2021 and 2020 the Group entered into asset rotation and financing arrangements to cover its working capital needs and to adapt the maturity of its debt to its projected cash generation capacity.

In 2022 the gradual recovery of the Group's business volume to the levels existing prior to the covid-19 crisis continued, enabling it to repay borrowings in accordance with the financing agreements in force, despite the geopolitical tensions and the macroeconomic problems arising from these circumstances.

In this regard, the Parent's directors prepared a cash budget, considering the obligations assumed at the end of the reporting period, the undrawn credit facilities and available financing and the cash flows expected to be generated in at least the next 12 months.

In the preparation of the aforementioned cash budget, as described in Notes 3.2 and 4.3 to the accompanying consolidated financial statements, the Parent's directors had to apply a high level of judgement and make significant estimates, taking into account the Group business plan, which contains relevant operating and financial assumptions and factors in the uncertainty that still exists in respect of the full recovery of activity levels and the probability that, if necessary, potential liquidity improvement measures could be taken, in order to assess the Group's ability to meet the liquidity

### Procedures applied in the audit

Our audit procedures included, among others, the evaluation of the overall reasonableness of the estimates made by the Parent's directors in relation to the approved business plan and cash budget, including the evaluation of the degree to which the previous year's predictions were realised, and the sufficiency of the net inflows of funds envisaged in the aforementioned estimates to cover the Group's financial needs and obligations.

Also, we obtained confirmations from banks regarding both the cash balances and bank borrowings and the undrawn credit facilities held at 31 December 2022, and checked the financing agreements entered into in 2022 and subsequent to year-end, in order to gain an adequate understanding of the milestones and repayment obligations assumed by the Group and to check their consistency with the projections of debt maturities and liquidity needs included in the cash budget.

In addition, we evaluated the Group's ability to meet its obligations in the event of variances from its projections with its undrawn credit facilities at 31 December 2022 and through liquidity improvement measures, evaluating the reasonableness of these projections and the probability of their materialising for the amounts and in the time periods envisaged, by, inter alia, checking the minutes of the meetings of the managing bodies held up to the date of this report, reviewing the appraisals obtained during the year and comparing the findings thereof with the related asset carrying amounts in order to determine any unrealised gains, and checking them with senior executives of the Group through meetings with them.



needs and, therefore, the situation described was considered to be a key matter in our audit.

Lastly, we checked that the disclosures included in Note 4 to the accompanying consolidated financial statements in connection with this matter were in conformity with those required by the applicable accounting regulations.

## Recognition of vacation club revenue

### Description

The Group sells timeshare rights for specific holiday complex units. The revenue recognised in the accompanying consolidated statement of profit or loss for 2022 arising from this vacation club activity amounted to EUR 59 million, and the amounts contracted but not yet recognised in profit or loss, which are recognised under “Grants Related to Assets and Other Deferred Income” in the accompanying consolidated balance sheet as at 31 December 2022, total EUR 283 million.

Although the recognition of revenue from the exercise of rights of use by customers, under the Group’s habitual terms and conditions, is not complex, it does involve the consideration of specific circumstances associated with the various terms and conditions entered into with the customers and includes a manual recording process. Also, the Group recognises revenue arising from the club for customer rights not exercised on the basis of the customer’s pattern of use, and provided that the probability of the customers exercising their remaining rights becomes remote, which requires the use of significant estimates and judgements by management.

Accordingly, this matter was a key audit matter in our audit.

### Procedures applied in the audit

Our audit procedures included, among others, the review of the accounting policies for the recognition of revenue from the Group’s vacation club, which are described in Note 3.11 to the accompanying consolidated financial statements for 2022, in order to evaluate whether they were in conformity with the applicable regulatory financial reporting framework, as well as checking the design and implementation and the operating effectiveness of the relevant controls identified in the process of recognising revenue from the vacation club.

Also, we performed substantive procedures consisting of checking, for a randomly selected sample of new time share agreements entered into, and the timeshare rights exercised in the year, the consistency of the accounting policies used with the associated contractual documentation and their appropriateness based on the contractual terms and obligations of the programme contracted by the customers of the club. Also, we obtained the calculation performed by management of the income recognised for the customer rights that had not been exercised, evaluating the clerical accuracy thereof and the most significant assumptions, especially the percentage of the rights not exercised, based on historical information.

Lastly, we evaluated the reasonableness of the disclosures contained in Notes 7.1 and 16.1 to the accompanying consolidated financial statements on the revenue from the Group’s vacation club.

## Other Information: Consolidated Directors’ Report

The other information comprises only the consolidated directors’ report for 2022, the preparation of which is the responsibility of the Parent’s directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the audit regulations in force, consists of:

- a) Solely checking that the consolidated non-financial information statement, certain information included in the annual corporate governance report and the annual directors' remuneration report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.
- b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2022 and its content and presentation were in conformity with the applicable regulations.

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### **Responsibilities of the Directors and Audit and Compliance Committee of the Parent for the Consolidated Financial Statements**

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit and compliance committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

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### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on the following pages, forms part of our auditor's report.

## Report on Other Legal and Regulatory Requirements

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### European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Meliá Hotels International, S.A. and its subsidiaries for 2022, which comprise the XHTML file including the consolidated financial statements for 2020 and the XBRL files with the tagging performed by the Group, which will form part of the annual financial report.

The directors of Meliá Hotels International, S.A. are responsible for presenting the annual financial report for 2022 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (“ESEF Regulation”). In this regard, the annual corporate governance report and the annual directors’ remuneration report were included by reference in the consolidated directors’ report.

Our responsibility is to examine the digital files prepared by the Parent’s directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

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### Additional Report to the Parent’s Audit and Compliance Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent’s audit and compliance committee dated 24 February 2023.

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### Engagement Period

The Annual General Meeting held on 16 June 2022 appointed us as the Group’s auditors for a period of one year from the year ended 31 December 2021, i.e., for 2022.

Previously, we were designated pursuant to a resolution of the General Meeting for a period of three years and have been auditing the financial statements uninterrupted since the year ended 31 December 2019.

DELOITTE, S.L.  
Registered in ROAC under no. S0692



Pablo Hurtado March  
Registered in ROAC under no. 20408

27 February 2023

## Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

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### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit and compliance committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit and compliance committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's audit and compliance committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.



# Management Report

2022

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MELIÃ HOTELS  
INTERNATIONAL

Leisure at heart,  
business in mind



# Message from the Executive Vice President and Chief Executive Officer

GRI: 2-22

## HOSPITALITY, AN ATTITUDE TOWARDS LIFE

Dear shareholders, employees, customers and partners,

The uncertainty and rapid change seen in the world in recent years were also prevalent in 2022, the year for which Meliá Hotels International is now presenting this annual report. 2022 was a positive year for the industry thanks to the recovery after the pandemic and the extraordinary resilience shown by travel demand.

Despite the combination of factors such as the climate crisis and talent shortages with others caused by war in Ukraine, such as problems in energy markets, international trade and rising inflation, 2022 was an excellent year for travel, allowing us to practically recover pre-pandemic levels of demand. The year got better as it went on. The first quarter was strongly affected by the Omicron variant of Covid-19, and then there was a strong recovery, particularly in the third quarter, confirming travel as a fundamental need for many people around the world and a safe haven for investors.

### Resisting the polycrisis

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The spectacular boost to travel demand after the pandemic made it possible to achieve results that were close to those achieved worldwide in 2019. After a good second quarter and excellent third and fourth quarter, we ended the year with revenues of €1,692 Mn (+87%) and an EBITDA of €431 Mn (+243%), with liquidity of over €379 Mn and having reduced our debt by €180.2 Mn.

The company's hotel portfolio also saw positive growth, with the signature of 33 new hotels with more than 8,300 rooms and the opening of another 33 hotels with 7,610 rooms. This net growth, greater cash-flow and increased operational efficiency will continue to drive improvements in the balance sheet and the full recovery of the business. Finally, the new asset valuation made by CBRE at the end of 2022 confirmed an increase in the total value of our owned and joint-venture assets to €4,641 Mn, 5.8% higher than in the previous valuation in 2018.

### Strategy and transformation

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Given the complexity of the business environment, the rate of recovery for companies is directly related to their ability to efficiently manage their transformation to adapt to new market realities and social and technological trends. More specifically, their approach to digitalisation, sustainability, innovation and the repositioning of products and experiences, all combined with the greater operational efficiency demanded by the competitive environment. That's why I'm proud of the way Meliá has managed such a turbulent and volatile year, leveraging our major strengths and solid strategy to allow us to anticipate and capitalise on emerging trends.

Among those strengths, our leadership and priority focus on resort hotels has once again been a differential advantage, with an extraordinary performance in destinations as important as the Mediterranean (including the Canary Islands, Cape Verde and Tanzania) and the Caribbean, riding





the wave of the pent-up demand from Europeans and Americans that allowed international travel to restart with tremendous vigour as soon as travel restrictions were removed. Meliá has also benefited from the growing demand for superior-quality and luxury products and services, as well as a desire for authentic and meaningful experiences through travel. To that end we have invested in the repositioning of a large number of our hotels, added new luxury hotels to the portfolio (the most resilient and profitable type of hotels) and implemented new strategies in food service, travel experiences, wellness, sustainability and proximity to our destinations and their communities.

The digital capabilities we have consolidated over recent years have also helped us capitalise on the growing use of digital channels and opportunities to personalise customer experiences. In 2022 we launched new, more experiential, more user-friendly and more personalised versions of melia.com and the Meliá app, and also introduced new travel experiences and products through Meliá Escapes. Sales through our direct channels represented almost 45% of centralised sales in 2022, and we are continuing to strengthen our cooperation with travel agents and tour operators, both of which have also enjoyed a rapid return to normal business.

The comprehensive digital transformation of the company, which began before the pandemic with the launch of our Be Digital 360 project, has also seen major progress. We have implemented a new, more digital and more efficient operating model and digitalised many of the processes that add least value. We have also enhanced the customer experience through our Digital Stay app, which reduces friction at check-in and check-out while also optimising comfort for our guests throughout their stay.

In a year that brought strong inflationary pressures, I'm also happy to say that our product and brand strategy, our distribution capacity, the greater efficiency achieved through process digitalisation, and

our strong relationships with our large suppliers, including energy suppliers, have allowed us to contain the impact of the general increase in costs on our results.

Finally, I would also like to highlight the efforts we have made in terms of sustainability, including the outstanding highlight of opening the Gran Meliá Villa Le Blanc in Menorca, our first "net zero" hotel and also a prototype for greater integration with local society and the local economy in the destination.

### Uncertainty and opportunities

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Current analyses invite us to be both prudent and moderately optimistic. Despite the strength of travel demand, seemingly immune to any fears of changes in the economic cycle, the only thing that remains certain is the uncertainty fuelled by the risk of a worsening war in Ukraine, other geopolitical tensions, and energy and inflation concerns.

However, in spite of all these geopolitical and macroeconomic situations, at Meliá Hotels International we also see major opportunities for a diversified, digital and responsible company such as ours. On the one hand, the boom in international travel allows us to leverage the different recovery rates in our major feeder markets (already under way in Europe, the USA, Canada and Latin America) and the expected reactivation in the second half of 2023 of the vast Chinese domestic and international travel market, as the population is immunised and recovers from the pandemic. On the other hand, our digitalisation will allow us to continue improving our efficiency in the final part of the inflationary crisis and continue to benefit from new online trends which allow us to manage market volatility in a far more agile and flexible way.

No less important, the complexity of the business environment and a greater awareness about sustainability offer travel companies a great

chance to highlight their social and environmental commitments, among other things supporting responsible digitalisation, diversity, inclusion, training and development while creating quality employment and helping make a positive impact on destinations, as required by the commitments we made on joining the United Nations Global Compact.

The progress made in this area in 2022 led to us being ranked in the Top 1% of the travel industry in the 2022 S&P Global Corporate Sustainability Assessment (CSA).

And that is why I would like to end this introduction to our 2022 Annual Report with a promise that Meliá Hotels International will continue to contribute to the global recovery with all the responsibility required of a leading company in the travel industry and with the support of all of our stakeholders *stakeholders*.

A handwritten signature in black ink, appearing to read 'Gabriel', with a stylized flourish extending to the right.

**Gabriel Escarrer Jaume**  
Executive Vice President and CEO

# Gabriel Escarrer Juliá, Kingdom of Spain Award for his career in business

2022 was definitely a memorable year for Gabriel Escarrer Juliá, the founder and Chairman of a great company that is now Meliá Hotels International. At the end of 2021, he finally fulfilled his ambition of presenting his memoirs, and in 2022 he received some of the most prestigious awards for an already widely acknowledged career, including the 7th Kingdom of Spain Award for Business from His Majesty King Felipe VI, and the most important decoration awarded by the Dominican Republic, the Order of Merit of Duarte, Sánchez and Mella, presented by the President of the Republic himself.

For his support for society, especially during the pandemic, and the close relationship and cooperation he has always shown towards the Spanish law enforcement agencies, the Chairman of Meliá also received the Police Merit Cross with White Button, the highest decoration that can be awarded to civilians. Even for a man who throughout his long career has achieved almost all of the awards that exist for his career in the Spanish and global travel industry, 2022 was an extraordinary year. Even for a man who throughout his life has achieved almost all of the awards that exist for his career in the Spanish and global travel industry, 2022 was an extraordinary year.

Gabriel Escarrer Juliá founded his company in 1956, leasing a small hotel in Palma de Mallorca. Thanks to his exceptional vision, determination and hard work, as well as his empathy and solid values, he would soon go on to create the biggest Spanish hotel chain and then make it one of the leading hotel companies in the world in a relatively short period of time. By the age of 52 he had completed the acquisition of two major hotel companies at the time, Hotasa and Meliá, and opened his first hotels outside Spain, promoting destinations such as Bali or the Caribbean, where our company continues to operate successfully today. Among other merits, he has also managed to maintain the family nature of the

company, even after its IPO in 1996. Since then Meliá Hotels International has combined the best of both worlds: the rigour and transparency required of a listed company, and the solid values and long-term vision of a family business.

A family and a business built around solid values has allowed the company to emerge even stronger after the disruption in the travel industry caused by COVID-19, maintaining its firm leadership in the industry in sustainability, having once again been named in first position in 2022 in the S&P Global Corporate Sustainability Assessment. Our Chairman experienced this important award as the "icing on the cake" after an intense year for both himself and the company he founded, a company which has always reflected and will always continue to reflect the unique and exceptional vision of Gabriel Escarrer Juliá.



# About this report

GRI: 2-2; 2-4; 2-5

## CONTEXT

In addition to threats already identified such as the holiday rental market and growth of major US chains in the resort hotel market, the context for the year was defined by new threats rising from the complicated current macroeconomic situation (geopolitical conflicts, inflation, interest rate increases), accompanied by lower purchasing power for families and difficulties in attracting and retaining talent, among others.

However, the increasing demands of our stakeholders and the environment encourages us to continue to share a vision of our annual performance with the greatest transparency and rigour. Following international reporting standards and recommendations, we therefore assume our commitment to publish corporate information that reflects both our performance and the challenges and opportunities we face in this new post-pandemic stage.

## REPORTING FRAMEWORKS

This report has been prepared using the Global Reporting Initiative (GRI) Guide, the International Integrated Reporting Council (IIRC), as a reference to allow us to continue moving forwards towards a fully Integrated Report, and also in line with financial materiality in the hotel industry as defined by the Sustainability Accounting Standards Board (SASB). These international reporting frameworks ensure that the information we share with our stakeholders is consistent, comparable and reliable, while also conveying the alignment between our strategy, material issues, our governance model and our performance, both financial and non-financial.

## MATERIALITY AND STAKEHOLDER PARTICIPATION

Based on the principles in the GRI Standards, the Integrated Annual Report focuses on the material issues identified in the materiality analysis updated in 2021, whose results are described in the chapter on “Listening to our stakeholders” in this report.

The preparation of the materiality analysis has allowed the company to identify the most relevant issues for each of its stakeholders, defining the areas or aspects considered essential in the preparation of this report and thus allowing an evaluation of company performance in these areas.

Regarding the quality of the information, we always aim to transmit a balanced view, reflecting both the positive and negative aspects of our performance in the key areas of materiality. We therefore publish this information in the most precise, detailed, clear, comprehensible and reliable way possible, offering stakeholders an assessment of the evolution over time of material issues for their information and to ensure comparability with other companies or industries.

## INFORMATION SCOPE

This Management Report consists of:

- The Consolidated Management Report presented by the Board of Directors on February 27, 2023, which also includes the Non-financial Information Statement, the contents of which can be seen in the table “Non-financial and diversity information requirements (Law 11/2018)” in the annexes.

- Annual Corporate Governance Report: In accordance with article 538 of the Corporate Enterprises Act, the Annual Corporate Governance Report for 2022 forms part of the Consolidated Management Report and is published on the website of the National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) and on the company's corporate website ([www.meli-hotels-international.com](http://www.meli-hotels-international.com)).
- Annual report on directors' remuneration: In accordance with article 538 of the Corporate Enterprises Act, the Annual Report on Director's Remuneration for 2022 forms part of the Consolidated Management Report and is published on the website of the National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)) and on the company's corporate website ([www.meli-hotels-international.com](http://www.meli-hotels-international.com)).

This report contains relevant information on company management, financial results and non-financial information for Meliá Hotels International.

The information corresponds to a control perimeter aligned with the subsidiaries that are fully consolidated in the Annual Accounts. For some non-financial indicators, in addition to the consolidated perimeter, the aggregated perimeter is also reported, corresponding to companies in which Meliá Hotels International does not have operational control (consolidation by equity method or not consolidated in Annual Accounts). Throughout the report, the perimeter within which each data is reported is stated.

In order to ensure the comparability of information and allow visibility of the evolution of the Meliá performance over time, the report also shows indicators with historical data and, where appropriate, with the objectives that were defined.

## VERIFICATION

In order to ensure the transparency and reliability of the information, since 2010 Meliá Hotels International has submitted its non-financial information report for verification by an independent, external body. The 2022 non-financial information has been verified by Deloitte, with a limited level of assurance, obtaining the attached independent review report based on essential GRI standards, which includes the objectives and scope of the process as well as the verification procedures used and their conclusions.

## QUESTIONS

If you have any question or suggestion related to this report, please use the following channels for direct contact:

FINANCIAL INFORMATION: Investor Relations Department (investors.relations@melia.com)

NON-FINANCIAL INFORMATION: Sustainability Department (sustainability@melia.com)

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MOST IMPORTANT  
MILESTONES

KEY INDICATORS

AWARDS AND  
RECOGNITION

01.

MELIÁ  
IN 2022

# Most important milestones



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5. COMMITMENT TO COMBAT CLIMATE CHANGE

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**We strengthened our presence in Thailand**

Four new hotels signed up, including the Meliá Chiang Mai which opened in April. The new hotel joins two hotels already operating in Thailand.

**First hotel with a Tuscan flavour**

The Meliá Collection added a new hotel named Tenuta di Artimino on an estate once owned by the Medici family in the heart of the countryside in Tuscany and only 20km from Florence.

**Strategic alliance with VINPEARL**

Strategic alliance with Vinpearl to open 15 hotels and become the second largest hotel group in Vietnam.



**Supplier Engagement Leader: highest CDP rating**

We continue to make progress in our commitment to decarbonisation. Rewarded with an A rating in the CDP index for emission reduction and getting our entire value chain involved in this objective.



**We are a TOP Employer 2022**

Acknowledged as a top employer in Spain, Mexico and the Dominican Republic, home to 46% of our workforce.



**Rethink Hotel award winners**

We redesign our hotels in the most sustainable way. The renovation of the Gran Meliá Villa Le Blanc Hotel in Menorca and the conversion of the Meliá Tamarindos into the Paradisus Gran Canaria were selected as the best hotel sustainability and rehabilitation projects.



MARCH

FEBRUARY

APRIL

**Named Diversity Leaders by the Financial Times**

Named in the Europe Diversity Leaders ranking prepared by the prestigious British newspaper. We were also named among the TOP 10 Spanish companies for our commitment to diversity and inclusion.



**New website, new ambitions**

The new website represented another step in our digital transformation and our ability to anticipate the needs and expectations of our customers. The online channel is now the source of 50% of booking by consumers and travel professionals.

**Socially Responsible Company in Mexico**

The Mexican Centre for Philanthropy and Alliance for Responsibility award us the ESG Distinction for our performance and achievements in ESG issues, a highly prestigious award in Mexico and Latin America.

**We revolutionise the employee experience**

Employees can use Cyrtic Easy by Amadeus, a travel management tool that is fully integrated with Microsoft 365. Planning business trips becomes a quicker and easier experience.



MAY

**More sustainable events**

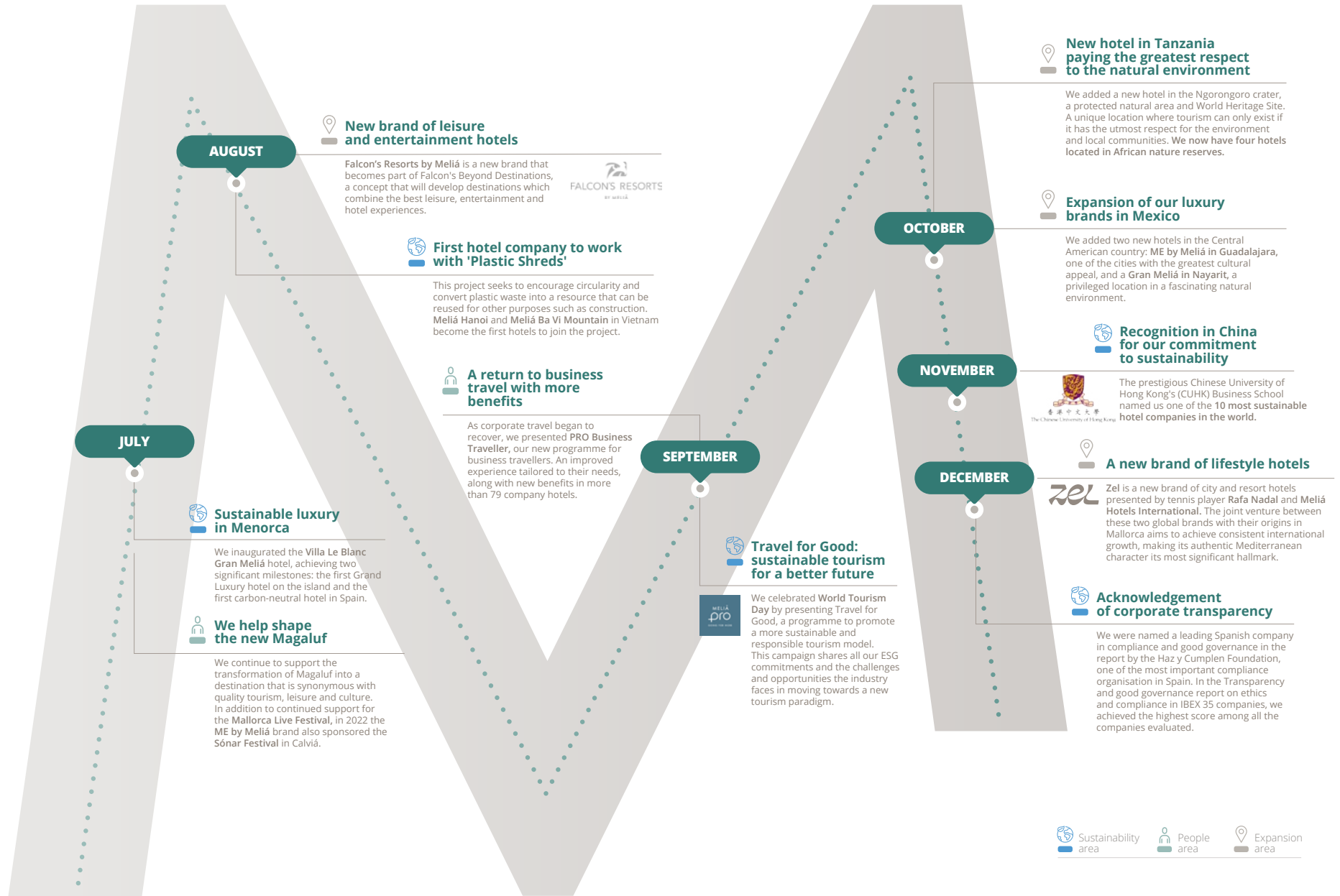
At the IMEX trade fair in Frankfurt we announced a pioneering project to measure, reduce and offset the carbon footprint of events hosted in our hotels.



**Leaders in MERCO Empresas**

For yet another year we continued to lead the MERCO ranking as the leading company in Hospitality and Tourism.





# Key indicators

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3. FINANCIAL REPORT

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	 <b>FINANCIAL</b>	 <b>BUSINESS</b>	 <b>GOVERNANCE</b>	 <b>PEOPLE</b>	 <b>ENVIRONMENT</b>	 <b>SOCIETY</b>
	<b>Total consolidated revenue</b> <b>€1,692.0 M</b> (+87.5%)	<b>Aggregated revenue</b> <b>€2,032 M</b> (+89.0%)	<b>Board Members</b> <b>11</b>	<b>Active workforce</b> <b>16,814</b> (+53.2%)	<b>Emissions scope 1</b> <b>0.002</b> TCO <sub>2</sub> / stay (-23.7%)	<b>Stakeholders</b> <b>1129</b> meetings
	<b>EBITDA (excluding capital gains)</b> <b>€418.5 M</b> (+586.1%)	<b>Aggregate RevPAR</b> <b>€69.8</b> (+77.0%)	<b>External independent directors</b> <b>54.5%</b>	<b>New hires</b> <b>10,474</b> (+32.5%)	<b>Emissions scope 2</b> <b>0.008</b> TCO <sub>2</sub> / stay (-31.3%)	<b>Contributions to organisations and associations</b> <b>€610.7k</b> (+5.4%)
	<b>Net profit attributed to parent company</b> <b>€110.7 M</b> (+157.4%)	<b>ARR aggregated</b> <b>€130.8</b> (+21.3 %)	<b>Board attendance (in person and by proxy)</b> <b>95%</b>	<b>Women in management positions</b> <b>29.1%</b> (+65.6%)	<b>Renewable energy use</b> <b>37.6%</b> (+1.1 pp)	<b>Soap for Hope project</b> <b>34.9 k</b> People helped
	<b>Net debt</b> <b>€2,673.0 M</b> (-6.31%)	<b>Aggregated occupancy</b> <b>53.4%</b> (+16.81 pp)	<b>Average membership of Board</b> <b>8.5</b> years	<b>% staff with fixed contract*</b> <b>83.4%</b> (+9.7 pp)	<b>Portfolio located in protected areas</b> <b>95</b> hotels	<b>Social Cash Flow</b> <b>€2,725.1 M</b> (+84.1%)
	<b>Consolidated RevPAR</b> <b>€91.5</b> (+88.0%)	<b>Customer NPS</b> <b>46.2%</b> (-2.0 pp)	<b>Female Board members</b> <b>36.4%</b> (+0.0 pp)	<b>Total hours of training</b> <b>117,739</b>	<b>Portfolio located in areas with water stress</b> <b>50</b> hotels	<b>Social organisations helped</b> <b>60</b>
	<b>Consolidated ARR</b> <b>€148.6</b> (+26.0%)	<b>Meliá.com revenue</b> <b>39.7%</b> (-1.6 pp)	<b>Board meetings</b> <b>6</b>	<b>Training hours per employee</b> <b>8.47</b> (-48.0%)	<b>Recycling rate (selective waste collection)</b> <b>54.5%</b> (-11 pp)	<b>Coverage of self-diagnosis in human rights</b> <b>242</b> hotels

\* Global Integration

# Awards and recognition



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## ESG ANALYST RATINGS

At Meliá Hotels International we listen to our stakeholders and act accordingly and with the highest degree of rigour. Given the growing demand from investors for information on ESG, we not only respond to these specific requests, but we also participate in specialist indices to determine the quality of our environmental, social and good governance performance.

Only by listening, measuring and evaluating can we be aware of where we need to improve and implement measures to better meet the expectations of our stakeholders.

For more than 10 years we have taken part in some of the most prestigious indices and assessment frameworks all over the world.

ENTITY	ASSESSMENT YEAR	RATING IN 2022	EVALUATION CRITERIA	DESCRIPTION	SCOPE	SINCE
<b>S&amp;P Global</b>	2021	1st position	74 points	Leading international organisation that assesses company performance in sustainability and responsible management.	International	2018
<b>ISS ESG</b>	2022	B- (Prime)	D- to A+	Global supplier of environmental, social and governance (ESG) information and assessments based on industry-specific and standard indicators.	International	2022
<b>ISS Quality Score</b>	2022	E: 1 / S: 1 / G: 3	1 -10 (lowest to highest risk)	Index that analyses corporate risk in areas such as corporate governance, remuneration, shareholders' rights, auditing and risk management.	International	2018
<b>Sustainalytics</b>	2022	23.6 (Medium Risk)	0 - 40 points (higher score, higher risk)	Global supplier of ESG information for asset managers, pension funds and financial intermediaries that use ESG criteria in their investment processes.	International	2018
<b>MSCI ESG</b>	2022	A	CCC - AAA	MSCI is a leading provider of critical decision-support tools and services to the global investment community with a focus on understanding and analysing key risk and return drivers.	International	2018
<b>GAIA Research</b>	2022	58	0-100 points	Gaia Research is a rating agency specialising in ESG ratings for European small and mid-cap companies, also covering French large-cap companies.	International	2018
<b>FTSE 4 Good</b>	2022	ESG Rating: 3.6 (E: 3.3 / S: 3 / G: 5)	0-5 (the higher the score, the better the rating)	Global index that assesses business ethics, corporate responsibility and alignment with the SDGs in companies listed on the Spanish stock market IBEX35 index.	International	2008
<b>Ecovadis</b>	2022	Gold medal (64 Points)	0-100 points	Sustainability rating system in global supply chains, based on non-financial management indicators such as impacts on the environment, employment and human rights practices, ethics and sustainable procurement, based on the size, location and industry of the organisation evaluated.	International	2020
<b>CDP Climate</b>	2022	B	D - A	Independent, non-profit platform that has the world's largest database for corporate information on climate change, being an international market leader in this field.	International	2015
<b>CDP Water</b>	2022	B	D - A	Independent, non-profit platform that has the world's largest database for corporate information on climate change, being an international market leader in this field.	International	2019

## PRESENCE IN RANKINGS AND OTHER MONITORS

Inspired by our commitment to constant improvement, we also take part in rankings and other important monitoring systems in areas aligned with company needs, material issues and strategic priorities. We do this with two objectives: to enhance our reputation in intangible areas and to identify best management practices in those areas.

The more knowledge we are able to gather, the better our management of issues considered material by the company and our stakeholders will be.

REPUTATION MONITORS	YEAR ASSESSMENT	CURRENT POSITION IN 2022	POSITIONING CRITERIA POSICIONAMIENTO	DESCRIPTION	SCOPE	SINCE
<b>Merco Empresas.</b>	2022	25th	1 to 100 companies	Top 100 companies with the best reputation in Spain.	Spain	2001
<b>Merco Líderes</b>	2022	27th	1 to 100 companies	Top 100 business leaders with the best reputation in Spain.	Spain	2002
<b>Merco Responsabilidad ESG</b>	2022	28th	1 to 100 companies	Top 100 companies with the best corporate reputation in Spain in terms of ESG	Spain	2012
<b>Merco Talento</b>	2021	38th (2021)	1 to 100 companies	Top 100 companies with the best talent management in Spain	Spain	2012
<b>Merco University Talent</b>	2021	41st (2021)	1 to 100 companies	Top 100 companies that most attract university students in Spain	Spain	2017

## AWARDS AND RECOGNITION

Awards help strengthen our convictions and inspire us to continue moving forward. The awards received in 2022 acknowledge our progress in areas as important to the company as executive leadership, reputation and brand strength, people and talent management, and sustainability. We are also extremely proud of the awards received by our hotels. Each award encourages us to continue striving to make each hotel synonymous with a unique experience for travellers.

We consider all external recognition to be positive. In 2022 we were named the leading hotel company in sustainability in the world, with a

place in the Top 1% in the global travel industry in the 2022 Corporate Sustainability Assessment (CSA), the annual assessment conducted by S&P Global. In addition to acknowledging our firm commitment to sustainability, being considered a benchmark company in this field for yet another year is also an additional incentive to continue improving our management and supporting more sustainable and responsible tourism.

In 2022 our performance in making sustainability an integral part of our value chain was also recognised through the following awards worldwide:



ESG RATING - CORPORATE AWARDS 2022



1. MELIÁ IN 2022

AWARD OR RECOGNITION	AWARDED BY	SCOPE
TOP 10 Most Sustainable Hotel Chains in the World	Greater China Hotel Business Sustainability Index (HBSI)	China
Award for Commitment to innovation and sustainability in tourism.	Madrid City Hall	Spain
The Best Compliance Department	Iberian Legal Summit Awards	Spain
Business Recognition for Support for Employment	Spanish Red Cross	Spain
Socially Responsible Company	Mexican Centre for Philanthropy and the Alliance for Social Responsibility	Mexico

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3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

The following stood out in the area of brand reputation and strength premios:

AWARD OR RECOGNITION	AWARDED BY	SCOPE
Most influential Hotel Company	That's 2021 Hospitality Awards	China
2022 Annual International Hotel Management Group	Starlight Awards	China
Hotel company with the greatest presence in Spain	Hosteltur	Spain
Top 100 most valuable brands	Brand Finance Spain 100	Spain
Top 10 strongest brands	Brand Finance Spain 100	Spain
Traveller Review Awards 2022	Booking	International
Best Overall Chain	Smart Meetings' 2022 Smart Stars Awards	Mexico and Dominican Republic

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

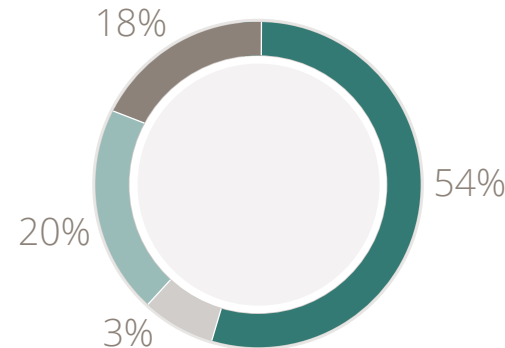
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One of our hotel brands, Paradisus by Meliá, was also named among the Top 10 strongest brands by Brand Finance Spain 100.

We achieved the following awards in 2022 related to people and talent:

AWARD OR RECOGNITION	AWARDED BY	SCOPE
TOP Employer Spain, Mexico and Dominican Republic	Top Employer	Spain, Mexico and the Dominican Republic
Diversity Leaders 2022	Financial Times	International

Our hotels have also received several awards in different areas as detailed below:



Product and service quality



ESG and Sustainability



Environmental area



Social area

# 02.

## BUSINESS MODEL



# Global macroeconomic outlook and the travel industry

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## A VOLATILE ENVIRONMENT

If recent years have taught us anything, it is the speed with which the business environment changes and the need for companies to adapt to an increasingly uncertain world.

The pandemic has had numerous consequences, and one that continues to have the greatest impact on the economy is interruptions in the supply chain and a lack of certain raw materials and components.

Despite the arrival of the Omicron variant at the beginning of the year, global activity recovered in most of the world in 2022 thanks to a high rate of vaccination and the sequential opening up of different countries. This return to normality has had to face, however, the consequences of the war in Ukraine.

Compounding the effects of the pandemic, the war has unleashed a perfect storm around the world. As inflation grew month after month in the world's largest economies, reaching 8.8% according to the International Monetary Fund (IMF), the decision of central banks to increase interest rates increased the uncertainty regarding macroeconomic forecasts. In 2022 we saw many countries lower their growth expectations for the coming years or directly prepare for a recession.

In the travel industry, on the other hand, 2022 will be remembered as an excellent year for tourism. The travel industry saw double the number of travellers compared to 2021 and reached 63% of pre-pandemic levels according to the UNWTO. The desire to travel built up during the pandemic led to record performances from the second quarter of the year, especially in the western world. This recovery is expected to reach other major feeder markets such as China, Japan and Australia when their borders are fully reopened.

Regulatory activities in 2022 focused on guaranteeing the supply of energy after the shut-down of certain energy sources and increase in prices caused by the war in Ukraine.

All these factors have given shape to an increasingly dynamic, fast-paced and uncertain world, paving the way for political polarisation and the rise of extremist movements.

The challenges linked to this period of political, social and economic change force companies to be more flexible and have a greater capacity to adapt to an increasingly fragile and volatile future. A new reality called BANI, an acronym for brittle, anxious, non-linear and incomprehensible, impels us to rethink the economic model as we have always known it up to now.

GLOBAL CONTEXT



### COVID-19

Global progress with the **vaccination** and the gradual reopening of countries is seeing many industries begin to return to pre-pandemic levels.



### Refocus for globalisation

Supply chain problems are leading many countries and companies to rethink the **current globalisation model**.



### Geopolitical conflict

In addition to the war in Ukraine, **rising tension between China and Taiwan** is attracting the attention of the entire planet.



### Inflation

An increase of around **9.8%** year-on-year in Europe affected by energy prices, and **8.1%** in the USA.



### Interest rates

**Interest rates increased** by the ECB and Federal Reserve to curb inflation, now at 2.5% and 4.25% respectively.



### Change in the economic cycle

Global growth is expected to decline from **6.0%** in 2021 to **3.2%** in 2022 and around **~2.7%** in 2023.



### Exchange rates €=\$=£

**Rising interest rates** add to the current uncertainty, and the **USD has strengthened** against the EUR and GBP.



### Pent-up demand

Thanks to what has been called "**revenge travel**", Asia Pacific is a focus as feeder markets such as China, Japan or Australia open up and **long-distance travel** between America and Europe recovers.



### Sustainability

Although society remains committed to moving towards a **more sustainable world**, the current complicated times have caused a **relaxation** in restrictions on the means of generating power.



### Political polarisation

The current political situation and widespread discontent fuels the **rise of populist governments**, particularly in Latin America.

Sources: FMI; Eurostat; Press; MHI

## IMPACT OF INTERNATIONAL EVENTS ON THE TRAVEL INDUSTRY

An extensive vaccination programme has allowed the practical elimination of travel restrictions caused by the pandemic. The reactivation of demand in general throughout 2022 was reflected in our industry by higher demand for hotel accommodation, even above 2019 levels.

Luxury travel was particularly predominant, with a significant increase in demand throughout 2022. The recovery of the MICE segment, incentive trips and major events was also of note.

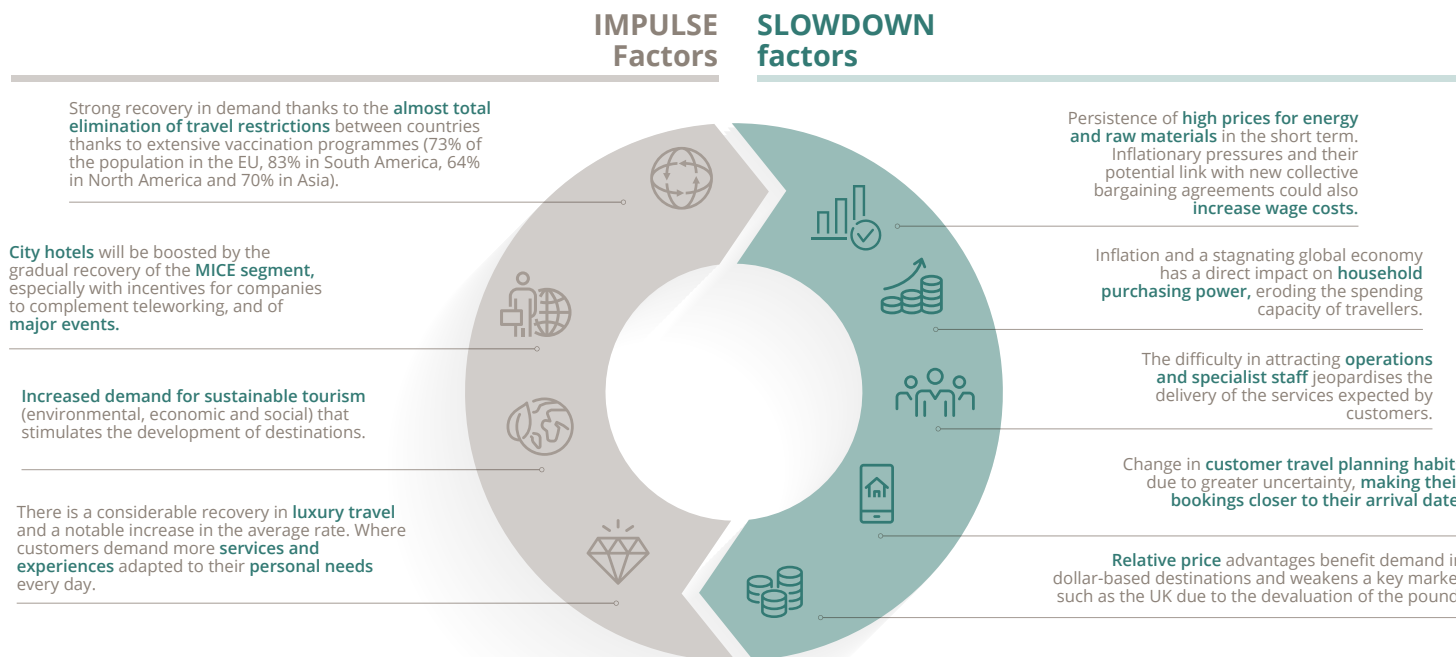
In addition to threats already identified such as the holiday rental market and growth of major US chains in the resort hotel market, the context for the year was defined by new threats rising from the complicated current macroeconomic situation (geopolitical conflicts, inflation, interest rate increases), accompanied by lower purchasing power for families and

difficulties in attracting and retaining talent, among others.

Within this context, tourism grew by 102% in 2022 compared to the previous year according to the UNWTO **según la OMT en 2022 un 102% respecto al año anterior. And while these figures encourage optimism, the social, economic and geopolitical environment reminds us to remain cautious.** This is a decisive period, and we must take advantage of it to rethink the travel industry of the future. This vision goes beyond mere business and also reflects on the role of travel in the lives of people and the planet.

At Meliá Hotels International we identify strongly with that vision and are aware that this environment must support a genuine transformation of the company in different areas to provide solutions to the new and rapidly emerging challenges.

### DRIVING FACTORS - SLOWDOWN IN THE TRAVEL INDUSTRY



# Business model

## OUR ESSENCE: LEISURE AT HEART, BUSINESS IN MIND

Hospitality is more than just a business, it is an attitude towards life, something which you have in your heart. That is why we care as much about our customers' experience as we do about the excellence of our management. Hearts and minds united to earn your trust and achieve success.



## OUR VALUES

Our values allow us to make our corporate slogan tangible, expressing the perfect harmony between our hearts and our minds, between the exceptional hospitality we offer and our excellence and rigour in management.



All of them come to life through the behaviour that we encourage among all of us who form part of this large family.



## OUR BUSINESS MODEL

GRI: 2-6

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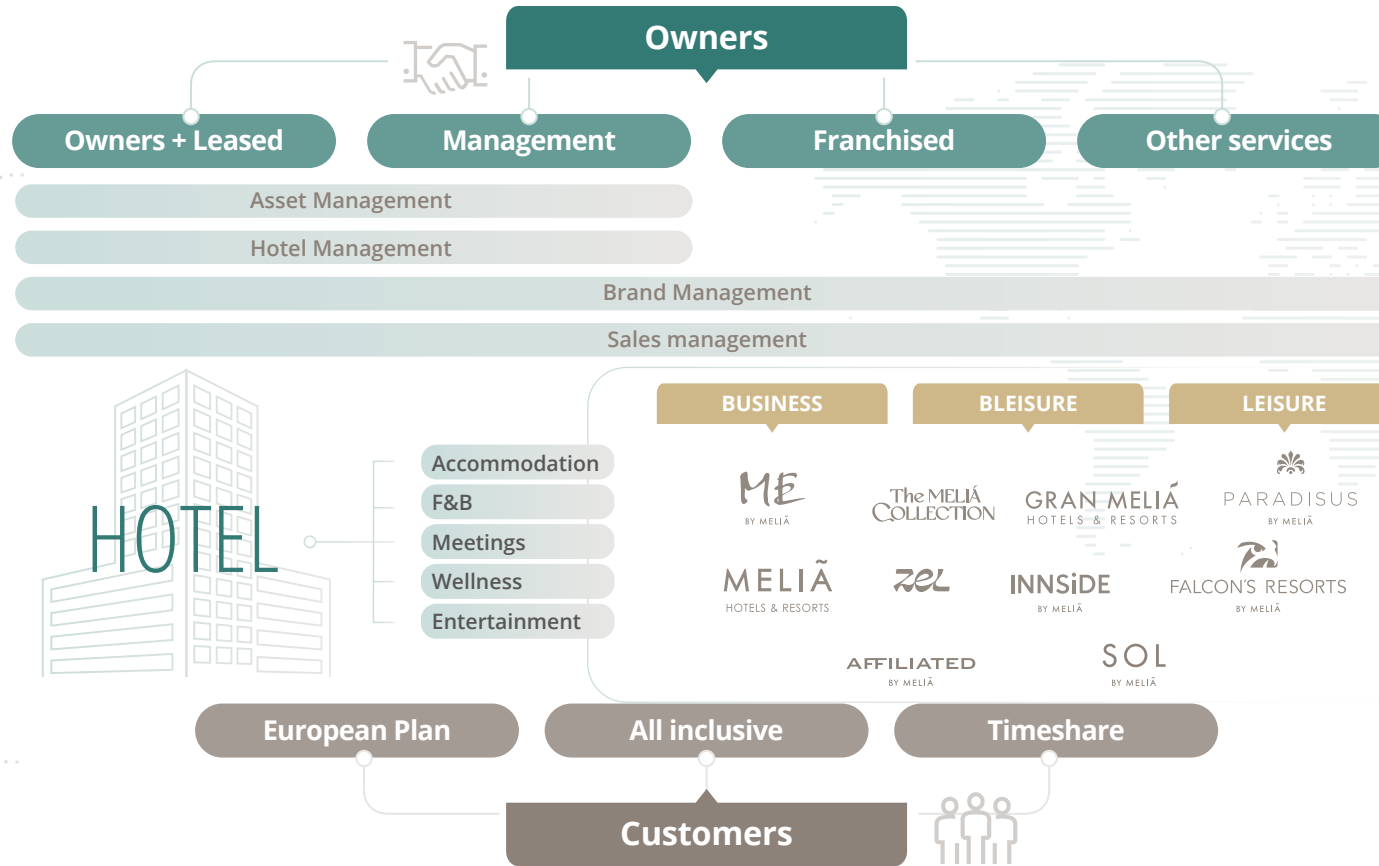
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MELIÁ  
HOTELS  
INTERNATIONAL

*Leisure at heart, business in mind*



**Our Values**

- SERVICE VOCATION
- EXCELLENCE AND COHERENCE
- PROXIMITY
- INNOVATION



### OWNERS

Owners of hotel assets, make use of services related to hotel management and, in some cases, asset management of their assets, and leverage on our portfolio of brands and/or distribution platforms.



### CUSTOMERS

Individuals or companies, users of the hotel services (lodging, catering, convention centers, etc.).



### SERVICES

**Asset management:** real estate development and real estate exploitation.  
**Hotel management:** operation of hotel units under ownership, rental and management regime.



### HOTEL MANAGEMENT BUSINESS MODELS

**Owned:** Meliá both owns and manages the hotel.  
**Leased:** Meliá is a tenant in the hotel and responsible for its management.  
**Management:** Meliá operates a property owned by a third party under one of its brands.  
**Franchised:** The owner operates the hotel under a Meliá brand and uses our sales channels.  
**Other services:** the owner operates the hotel under its own brand and uses our sales channels.

## HOTEL LOCATIONS

GRI: 2-1; 2-6

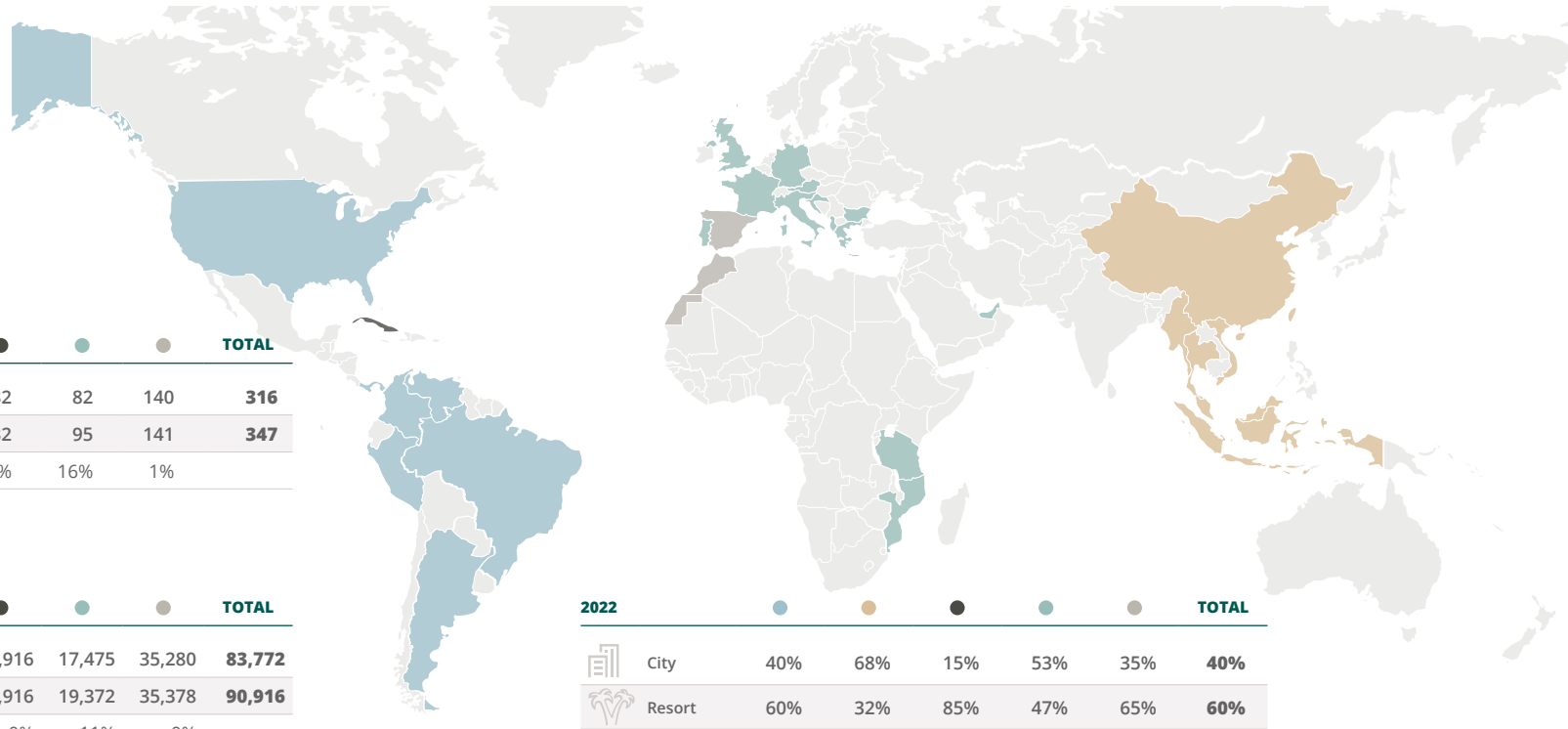
- AMERICA
- ASIA
- CUBA
- EMEA
- SPAIN



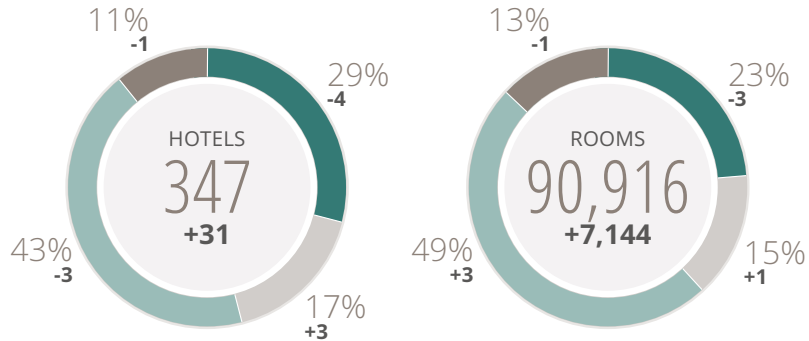
HOTELS	●	●	●	●	●	TOTAL
2021	36	26	32	82	140	<b>316</b>
2022	38	41	32	95	141	<b>347</b>
Change % 22-21	6%	58%	0%	16%	1%	



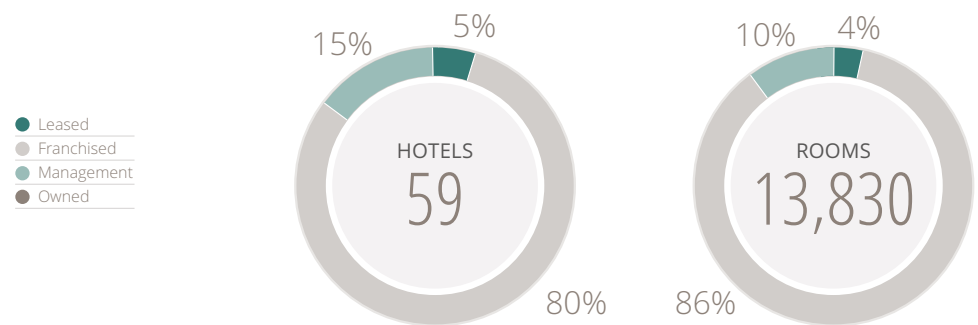
ROOMS	●	●	●	●	●	TOTAL
2021	11,160	5,941	13,916	17,475	35,280	<b>83,772</b>
2022	11,512	10,738	13,916	19,372	35,378	<b>90,916</b>
Change % 22-21	3%	81%	0%	11%	0%	



## ACTIVE PORTFOLIO: HOTELS AND ROOMS



## PIPELINE PORTFOLIO: HOTELS AND ROOMS



## Growth in a year of recovery

After a complicated start to the year due to the Omicron variant, and despite geopolitical and macroeconomic concerns, 2022 was undoubtedly a year that saw a recovery in the travel industry. After travel restrictions were lifted, the industry saw a boom in travel demand that towards the end of the year would see traveller numbers very near those of the last pre-pandemic year.

This same trend was also seen in hotel investments in two of the three global regions, according to the *2023 Global Hotel Investment Outlook* by JLL Research. America and Asia Pacific saw an increase in hotel investment that almost offset the slowdown in Europe, the Middle East and Africa, resulting in a global decrease of only 2% compared to 2021. Luxury assets, resorts and hotels in stable markets continued to be the assets most in demand, with investors looking to stabilise cash flow and mitigate risks after the health crisis.

Meliá managed to continue growing and opened 33 hotels with 7,610 rooms in line with the objectives in our roadmap. Our objective now is to continue strengthening our balance sheet and the value offered by hotels through low-capital-intensive formulas and support for greater penetration of our luxury brands. With regard to locations, we focused on holiday destinations in Southeast Asia, the Mediterranean and the Caribbean.

100% of the hotel openings in 2022 were under an asset-light model, with new management and franchise agreements, including a major partnership with Vinpearl, the largest hotel owner in Vietnam. Our strategy is focused on creating alliances with local partners with a strong connection to the destination, and Vinpearl is a perfect example, with a portfolio of hotels included in the agreement that reinforce our own deep roots in Vietnam and position us as one of the largest hotel groups in the country, with more than 6,000 rooms and more than 20 hotels.

It is also important to highlight the growth of our presence in the EMEA region, and particularly in countries in the Adriatic such as Croatia and Albania. The first of these destinations saw 60% of our growth in the region, adding more than 1,000 rooms, and the second is the first move in a wider expansion project that would make Albania one of our bastions in the Balkans, while also consolidating our leadership in the Mediterranean.

## Outlook for the future

Our expectations for the consolidation of leisure travel and the return of corporate travel allow us to face the start of 2023 with cautious optimism. Our future growth strategy will continue to strengthen our positioning as one of the leading hotel groups in upscale and premium hotels, strengthening our leadership in the most important holiday and *bleisure* destinations in alignment with criteria of excellence and sustainability.

It is important to highlight the boost we will give to the growth of our luxury brands, the source of one out of every three openings planned between 2023 and 2026. In 2023 we expect to open the following hotels:

- **ME Guadalajara:** the hotel will offer a unique style and personality, along with a new luxury concept for one of the most cosmopolitan and cultural cities in Mexico.
- **Palazzo Cordusio by Gran Meliá:** the opening of a hotel in this iconic building will be a milestone for the Gran Meliá brand and its first hotel in Milan.
- **Ngorongoro Lodge Meliá Collection:** located next to the Ngorongoro crater in Tanzania in Africa, this will be our fourth luxury hotel in the country.
- **Paradisus by Meliá:** the first European openings will be the Paradisus Gran Canaria and Paradisus Salinas.

At the end of 2022, our pipeline amounted to 59 hotels, mostly added under asset-light management agreements (95%) and under our luxury (24%) and premium (63%) brands. We continue to strengthen our international presence, with 97% of our future additions outside Spain.

## BRAND ARCHITECTURE

GRI: 2-1; 2-6

### New brand architecture and luxury strategy

Each with its own particular essence and personality, all of our brands share the same values and principles that are fundamental to us as a company. Our portfolio aims to respond to the needs of different customer profiles, whether they are travellers committed to sustainability, lovers of responsible luxury or fans of truly unique experiences.

And just as our customers evolve, so does our industry. With the objective of positioning the company among the leading hotel groups in the world in the midscale and upscale segments, we have been working on a comprehensive plan that allows us to enhance the perception and positioning of our brands. To achieve this, we have designed a strategy with an eye on the future, which combines the change in our vision of the future of luxury travel with our traditional focus on placing the customer at the heart of the business.

With a strong focus on improving our positioning compared to competitors and creating a longer path into the future for our hotels, we have developed a new brand architecture around three categories adapted to each key market segment: Luxury, Premium and Essential.

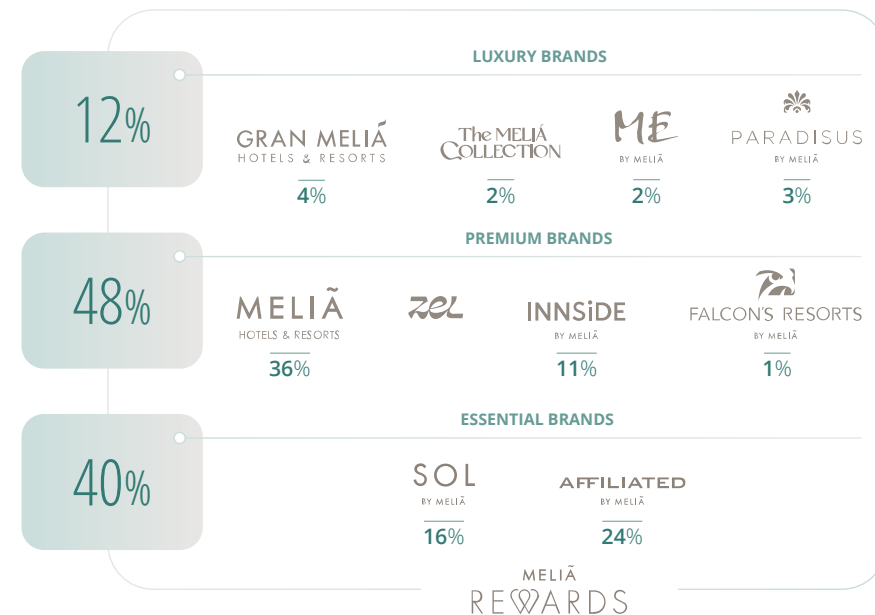
This new architecture will strengthen the positioning of the group as a whole, and also those brands previously denominated “upscale” and now rebranded as “Premium”. It will also improve the perception of our corporate Meliá Hotels International brand, a key factor in our relationships with our investors and shareholders.

This new brand architecture also includes a new partnership with the Falcon's Resorts brand, the result of the evolution of the ongoing relationship with Falcon's Beyond through which we created a new concept named “resortainment”, a perfect combination of a unique resort with premium attributes with extraordinary entertainment experiences for all ages. The adventure has begun with our new Katmandu theme park.

Finally, we have also added a new brand named ZEL to our portfolio, a project that stems from a partnership with the tennis player Rafa Nadal, a man who fully shares our corporate values. ZEL is a tribute to the origin and passion for the Mediterranean that unites both Meliá and Rafa Nadal.

The new Luxury segment will be key to better understanding customers with higher purchasing power, allowing us to enhance our reputation and improve our profit margins. This type of customer is highly valuable as their interests are more aligned with our new understanding of luxury, more strongly associated with a more experiential, holistic and balanced experience. Due to the change in mentality brought about by the pandemic, these customers also prioritise their safety, privacy and personal space, all of which are key attributes in all our brands.

### BRAND ARCHITECTURE



## Sustainable Attributes

As part of their experience, we want our customers to notice and appreciate our commitments to sustainability. That's why we insist that our hotel brands, products and services come with sustainable attributes that enrich the experience and combine it with the latest trends and the commitments our customers apply in their daily lives. Our brands transmit our commitment to sustainability and introduce them to customers during their stay with us.

This is what we think is the best way to respond to their expectations and it is why we have made sustainable attributes a part of our value proposition with regard to society and the environment. We are aware that bringing these attributes into the customer experience is a challenge. Making them tangible so that customers perceive, value and enjoy them is not an easy task. To help achieve it, we try to tell our customers an attractive story that they will recognise during their stay.





GRAN MELIÁ  
HOTELS & RESORTS

*A life well lived*



## Gran Meliá

### BRAND POSITIONING

Gran Meliá evokes the essence of Spanish culture and a life well lived. It's a way of life and a way of understanding impeccable service, savouring outstanding experiences and the possibility of enjoying the best expression of Spanish luxury culture.

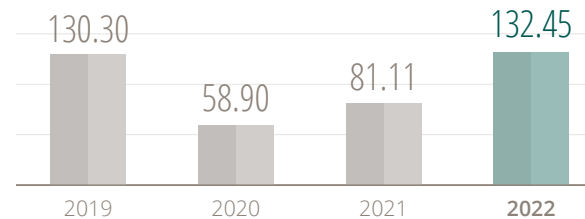
Our philosophy shines through every moment of the experience. From the extraordinary architecture in our hotels to the quality of carefully prepared cuisine in which local flavours accompany the most friendly and attentive service. At Gran Meliá you will appreciate all the details typical of Spanish style, however small.

Every Gran Meliá experience shows our appreciation for everyday life while also embracing the creativity and talent of our culture.

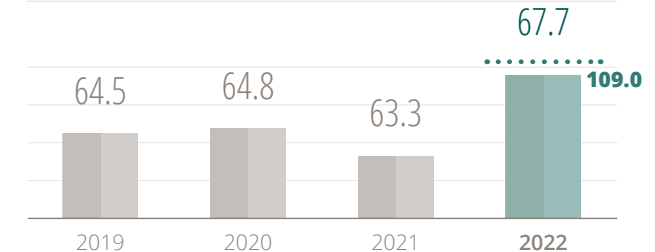
### 2022 HIGHLIGHTS

- Last summer we opened the first Grand Luxury hotel on the island of Menorca (Balearic Islands/Spain), the Villa Le Blanc, Gran Meliá Hotels. This is a huge project for the company as it's our first carbon-neutral prototype hotel.
- Located inside Iguazu National Park, home to one of the seven natural wonders of the world, the Gran Meliá Iguazu was named the best hotel in Argentina at the 2022 World Travel Awards.

### REVPAR (€)



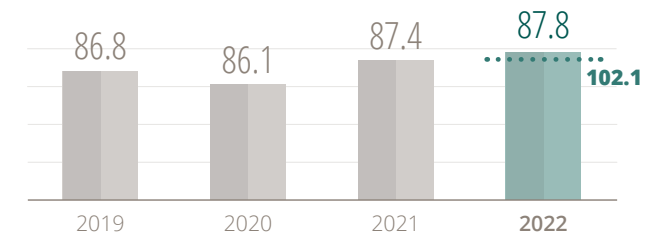
### NET PROMOTER SCORE - NPS (%)



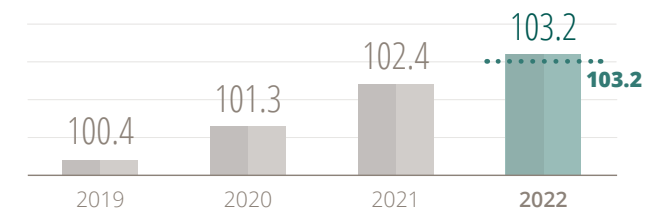
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	15	3,489	6
PIPELINE	7	1,412	7

### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)





The MELIÁ  
COLLECTION

## The Meliá Collection

### BRAND POSITIONING

Meliá Collection is a carefully selected collection of luxury hotels that embody an independent spirit and an unmistakable sense of place, capturing all the essence of the destination in which they are located.

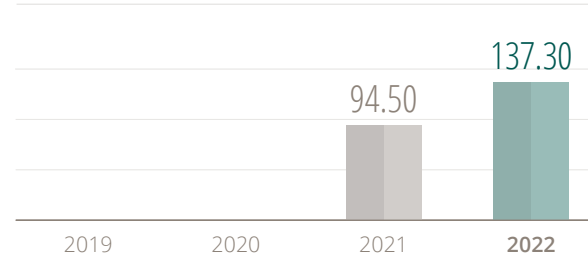
They are iconic hotels, either due to their history or their select location. Without exception, they offer tailor-made services for the most discerning travellers seeking sophisticated, authentic and extraordinary experiences.

Each hotel is unique, and an invitation to enjoy unforgettable moments. They are a faithful reflection of a transformational experience. Because guests who stay in this collection of hotels expect the extraordinary.

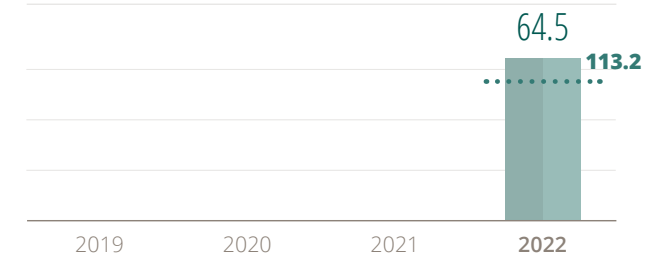
### 2022 HIGHLIGHTS

- Located in the heart of Paris, Hotel Maison Colbert was named Best Art Boutique Hotel in Europe at the Luxury Hotel Awards.
- We added our first hotel in the heart of Tuscany, one of the most popular travel destinations in Italy. The Tenuta Di Artimino, a former villa of the Medici family, is located in a top travel destination renowned for its artistic, historical, economic, cultural and geographical heritage.

### REVPAR (€)



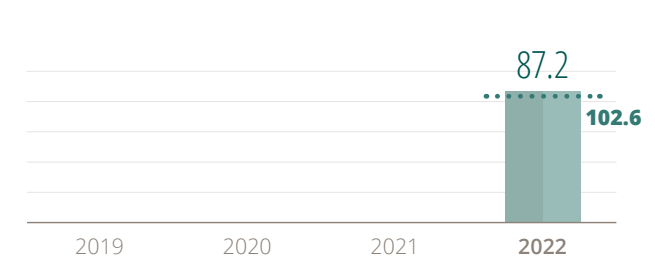
### NET PROMOTER SCORE - NPS (%)



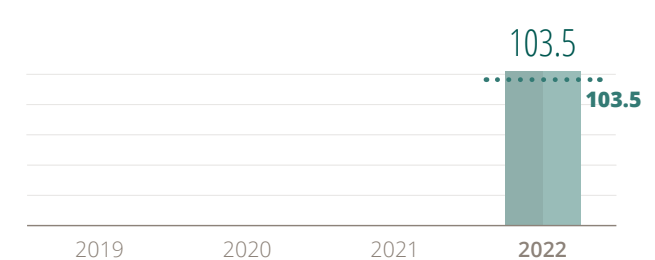
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	7	487	6
PIPELINE	2	194	2

### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)



••• 2022 target accomplishment %





ME

BY MELIÁ

HOTELS WITH EXPRESSION

## ME by Meliá

### BRAND POSITIONING

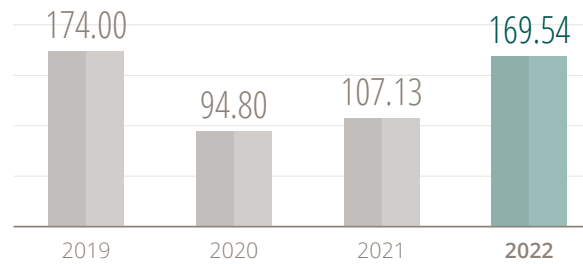
Inspired by the cutting edge of Europe's contemporary scene, ME by Meliá gives guests a true taste of its destinations. Their perfect combination of architecture, design, art and cuisine, together with a unique service culture that anticipates the needs of each and every guest, allow these hotels to provide an experience that goes far beyond accommodation.

ME by Meliá considers the uniqueness of each destination to create customer experiences that reflect the best of local culture. Talent plays a special role at ME by Meliá and forms part of the cultural connection with the hotel, Artists, influencers and tech-savvy content creators are the genuine designers of ME, whose hotels have become social epicentres that transmit energy and inspiration.

### 2022 HIGHLIGHTS

- As a result of our commitment to diversity and inclusion, we have also worked with Queer Destinations on our *Queer Destinations Committed* accreditation in a selection of hotels from our luxury lifestyle ME by Meliá brand, starting this year with certification of the ME Madrid (Spain) and ME Cabo (Mexico) hotels.
- Consolidation of the ME Barcelona as the brand's flagship hotel and cultural epicentre in the heart of one of the most avant-garde cities in Europe: a place where art, design, great cuisine and music come together to create a source of inspiration and creativity for all who visit

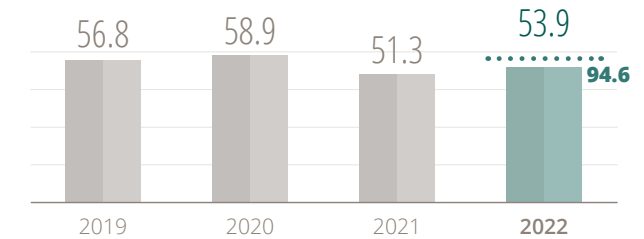
### REVPAR (€)



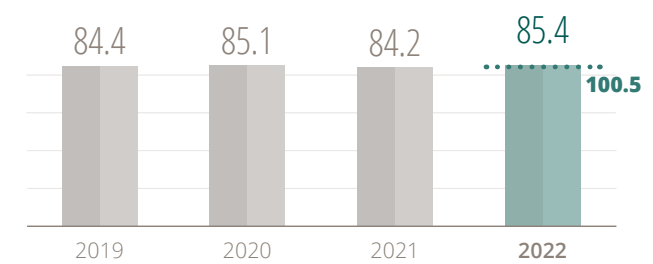
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	8	1,320	5
PIPELINE	4	815	4

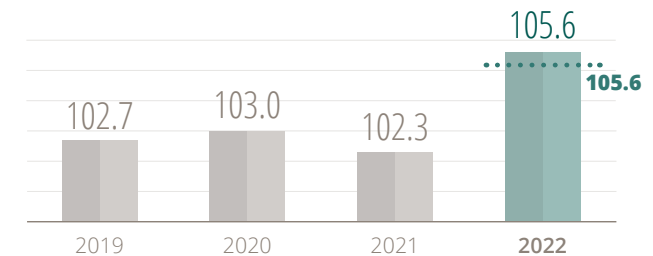
### NET PROMOTER SCORE - NPS (%)



### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)







PARADISUS

BY MELIÁ

EMBRACE YOUR NATURE



## Paradisus by Meliá

### BRAND POSITIONING

Paradisus by Meliá is a unique luxury, all-inclusive brand which immerses its guests in the authentic essence of their destination. Each hotel is a reflection of its destination. We believe that a combination of luxury with local culture and nature is key to creating a truly unique Destination Inclusive experience for our guests .

Each of our resorts allow guests to enjoy fascinating cultural and nature activities inside and outside the hotel, local cuisine and, ultimately, far greater awareness about the destination and more.

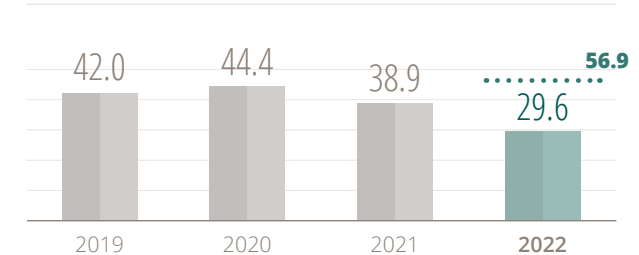
Our accommodation is also a place for rest, offering a calm, relaxing and luxurious setting and helping guests to connect with and embrace the environment through a philosophy of sustainable design which reflects the essence of the natural environment in every corner of our resorts.

### 2022 HIGHLIGHTS

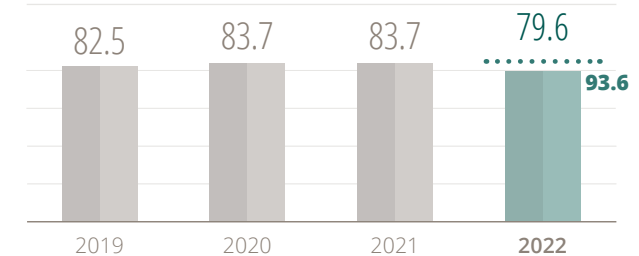
- We launched a new *Destination Inclusive™* communication concept designed to connect our guests with the local communities and the natural environment in the destination. This immersive experience will expose guests to more remote areas and help them explore genuine local connections.
- Following a €40 million renovation to improve the guest experience in every part of the resort, we are now reopening the Paradisus Palma Real Golf & Spa Resort. The resort has

been completely redesigned, with 596 newly renovated suites, including 58 swim-up suites, refurbished adults-only areas and new luxury restaurants and services.

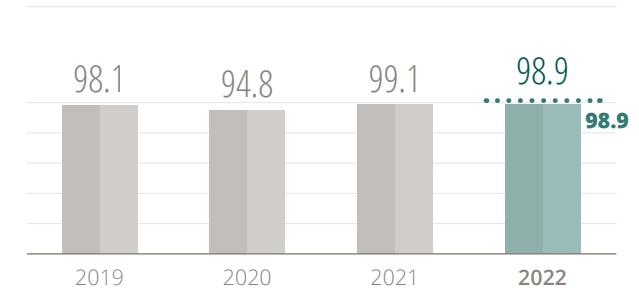
### NET PROMOTER SCORE - NPS (%)



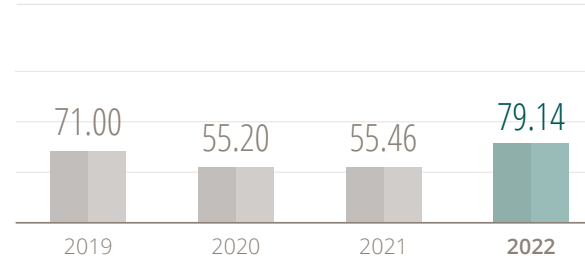
### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)



### REVPAR (€)



### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	11	6,069	4
PIPELINE	1	498	1



MELIÁ  
HOTELS & RESORTS

Soul Matters

## Meliá Hotels & Resorts

### BRAND POSITIONING

At Meliá Hotels & Resorts our hallmarks are a unique Spanish style, friendliness and passion for service. Spanish warmth and spontaneity are part of our Mediterranean heritage, and are always present in a brand experience that is enhanced through a selection of extra services and attention to even the tiniest details that makes all the difference and guarantees personalised experiences.

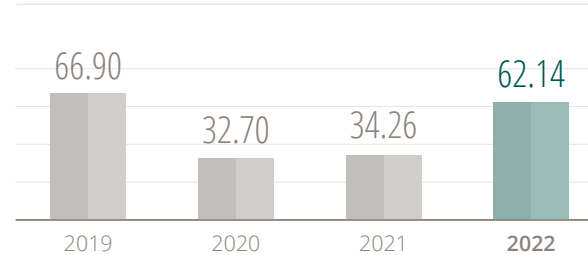
Meliá offers the perfect balance between work and rest, with a specific programme for events focused on innovation, and very special services and facilities for wellness, designed for guests who wish to balance the mind and cultivate the soul. And we never forget our younger guests, for whom we have designed our Kidsdom programme, combining maximum fun with learning at all times.

Soul Matters is our way of understanding and expressing the exclusive combination of passion for service and Spanish friendliness. We do everything with so much care, attention and passion that we arouse their soul. And yours.

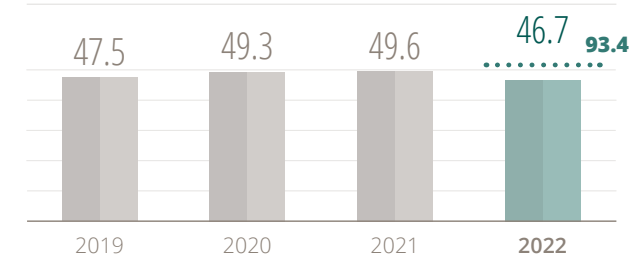
### 2022 HIGHLIGHTS

- After forming a strategic alliance with Vinpearl, we opened 15 hotels and became the second largest hotel group in Vietnam.

### REVPAR (€)



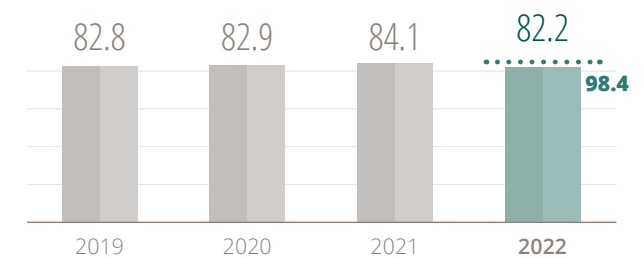
### NET PROMOTER SCORE - NPS (%)



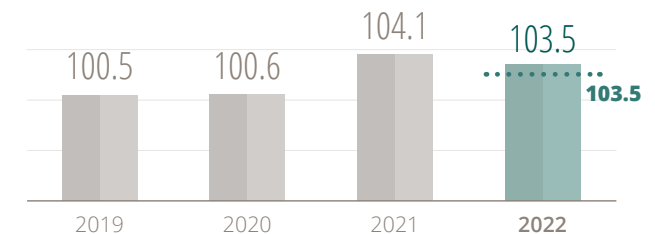
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	126	39,473	31
PIPELINE	27	7,290	14

### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)







# ZEL

## BRAND POSITIONING

ZEL is the new lifestyle brand created together with Rafael Nadal. A collection of hotels inspired by a spontaneous Mediterranean lifestyle, its welcoming houses and its outdoor culture. ZEL has created a new hotel concept with a refreshing aesthetic based on the spontaneity, energy and family values of the Mediterranean.

The architecture is based on open-plan and dynamic spaces decorated with an organic and refreshing aesthetic, inviting you in to enjoy the warmth of a Mediterranean home. The hotel's Mediterranean patio is the heart of the entire experience from sunset to sunrise, a place where guests can enjoy a fun and festive atmosphere without any interruptions.

The joint venture between these two global brands with their origins in Mallorca was signed at the end of 2022 and aims to achieve consistent international growth, capitalising on its authentic Mediterranean character and making it its most significant hallmark.



# INNSiDE

BY MELIÁ

Stay Curious.

## Inside by Meliá

### BRAND POSITIONING

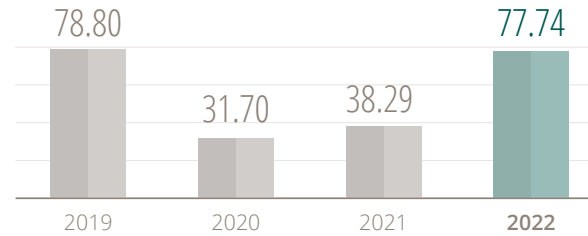
INNSIDE by Meliá hotels are design-led lifestyle and resort hotels that give guests the freedom to relax and explore, whether they are travelling for work or leisure. The brand embraces the local culture of each destination through an extensive events calendar, city guides, artwork and free bicycle hire to encourage guests to discover new neighbourhoods. Hotel lobbies become versatile spaces for informal get-togethers or business meetings.

INNSIDE creates spaces where guests can disconnect and relax their body and mind in modern fitness facilities, yoga classes or with DJs in the pool and in the lobby. A hotel where guests can try local drinks without leaving their room and enjoy all the flavours of local cuisine during meals. But INNSIDE also thinks about the planet. That's why we have reduced the use of paper and single-use plastics and ensured that more room amenities, sheets and towels are manufactured with organic materials.

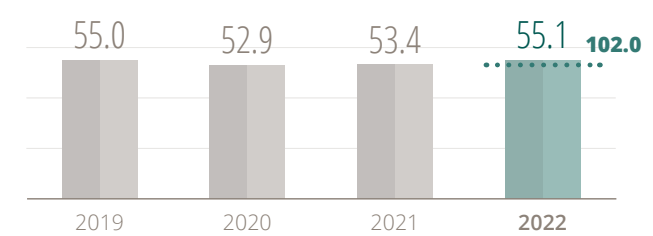
### 2022 HIGHLIGHTS

- Focused on the promotion of Magaluf (Mallorca/Spain) and promoting the culture and quality of the destination. In 2022 we supported the fifth edition of the Mallorca Festival and second edition of the Expanded Literature Festival, both with enormous success and widespread recognition.

### REVPAR (€)



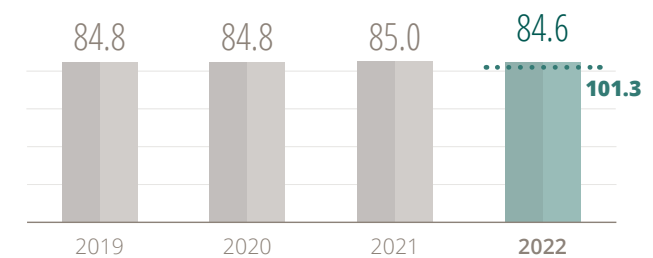
### NET PROMOTER SCORE - NPS (%)



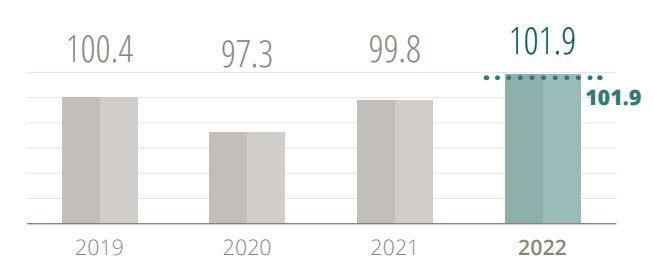
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	39	7,163	14
PIPELINE	10	1,658	8

### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)



... 2022 target accomplishment %





# FALCON'S RESORTS

BY MELIÁ

## BRAND POSITIONING

Falcon's Resorts by Meliá began in 2022 as a result of the evolution of the relationship with Falcon's Beyond. This new brand perfectly combines the hospitality and facilities of a superior-quality beachside resort with extraordinary leisure experiences for all visitors, all in an informal yet sophisticated style which reflects the new "resortainment" concept.

The brand hotels will form part of Falcon's Beyond Destinations, all specially designed to provide leisure and entertainment. Our resorts will offer direct access to a great choice of restaurants, shops and leisure facilities including Katmandu Park, giving rise to a far more comprehensive destination experience. The first brand hotel, Falcon's Resorts by Meliá - All Suites Punta Cana, is located in the Dominican Republic and opened at the end of 2022.



# SOL

BY MELIÁ

Everything  
under  
the Sol.



## Sol by Meliá

### BRAND POSITIONING

SOL by Meliá is a family brand that creates warm and welcoming environments for all travellers. From families to adult experiences. A new generation of hotels and resorts designed for modern families, with excellent facilities for children and entertainment areas and programmes for adults.

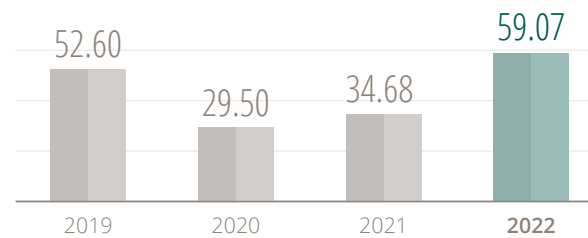
At SOL, everything is designed with the family in mind, and its goal is to provide all the ingredients required for a magical and fun experience. That's why our guests can always expect the unexpected, thanks to an intuitive and caring team that is always looking to create moments for everyone to have fun.

We always think of the kids, but also about their mothers and fathers, making sure that all their needs are attended to in the best possible way. In short, every member of the family will find a great choice of entertainment options and activities, because SOL has something for everyone.

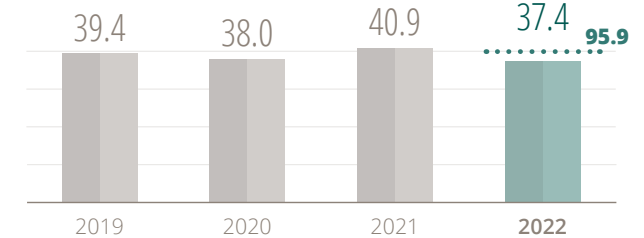
### 2022 HIGHLIGHTS

- We added the Marina Beach Sol by Meliá on the beachfront on the island of Crete.

### REVPAR (€)



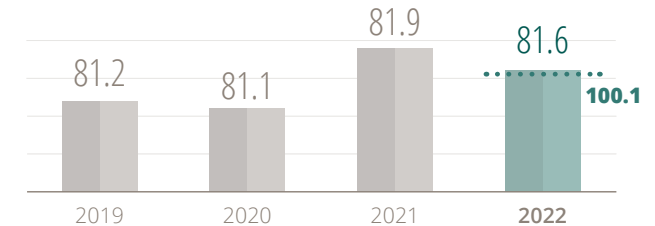
### NET PROMOTER SCORE - NPS (%)



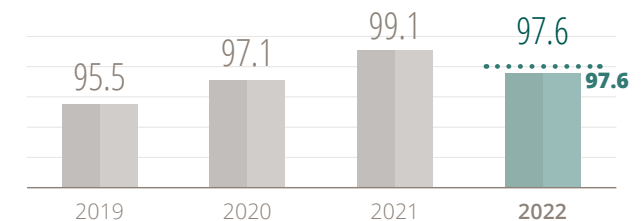
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	56	17,294	8
PIPELINE	4	1,735	3

### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)



••• 2022 target accomplishment %



# AFFILIATED

BY MELIÁ

## Affiliated by Meliá

### BRAND POSITIONING

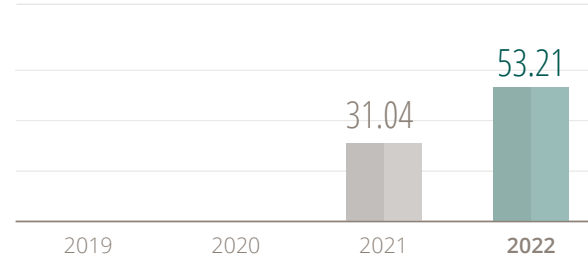
Affiliated by Meliá is a portfolio of independent mid-scale and upscale hotels selected by Meliá due to their consistency and their connection with the local environment. They are strategically located in the best beach destinations and cities, attracting travellers of all kinds, and with spaces designed both for work and for relaxing and enjoying the surroundings.

Affiliated hotels do not have to operate under one of our group brands. Affiliation creates an alliance that allows the hotels access to all the experience of an international hotel leader, with a special focus on our sales and distribution capacities.

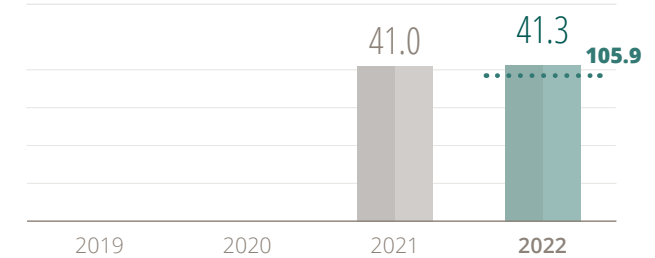
### 2022 HIGHLIGHTS

- We added the new brand identity into our marketing system

### REVPAR (€)



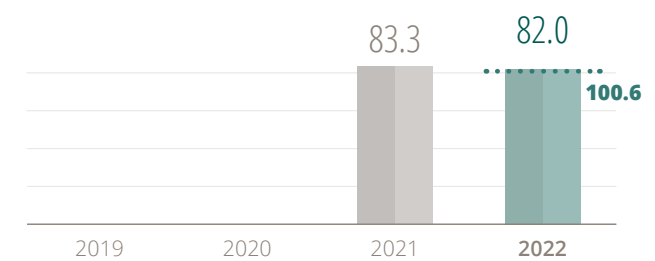
### NET PROMOTER SCORE - NPS (%)



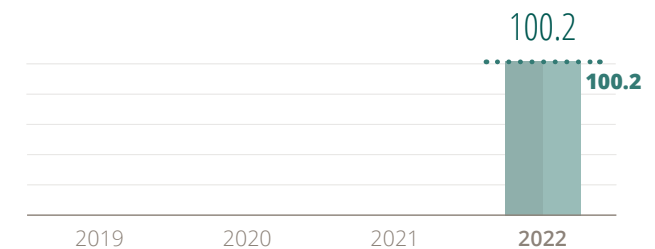
### PORTFOLIO & PIPELINE

	HOTELS	ROOMS	COUNTRIES
OPERATIONAL	83	14,999	11
PIPELINE	4	228	2

### GUEST SATISFACTION SCORE - GSS (%)



### QUALITY PENETRATION INDEX - QPI (%)



••• 2022 target accomplishment %

## ASSET MANAGEMENT

GRI 203-1; GRI 203-2

The objective of our asset strategy is to consolidate our real-estate functions as an owner and developer, and also to strengthen our real estate expertise. We aim to create value for the Group and our partners within the context of our strategy and the needs of the hotel business. These premises are thus linked to the four basic priorities of our *Roadto2024*:

- More profitable, focusing on reducing the debt caused by the pandemic.
- Better managers, consolidating our management model to grow and be more competitive as global hotel operators.
- More efficient, improving our profit margins through a more efficient and more digital operating model.
- More sustainable, making ESG criteria an integral part of everything the company does.

The key areas in our real estate strategy are:

### REAL ESTATE STRATEGY

**OPTIMISE** the value and results of real estate thanks to a successful real estate management/space management policy.

**SUPPORT** more efficient and sustainable hotel models while applying best practices to minimise our environmental impact, protect the environment and create value in those destinations where we operate.

**DEVELOP** mixed-capital models that promote the growth of the Group.



**ENSURE** the profitability and efficiency of investments, diversification of the portfolio and the differentiation of hotel products and services.

**IMPLEMENT** an asset rotation strategy based on market cycles and opportunities.

**ENHANCE** the quality of the portfolio in every dimension of its value.



## Investment policy and sustainability

We have a solid and rigorous Investment and Financing Policy. The policy requires us to make a prior assessment and justification, including the analysis of alternatives, possible impacts, returns and risks, as well as appropriate planning for their optimisation.

The Investment Committee allocates the maximum amount each year required to ensure the sustainability of the business and the creation of value for shareholders and other stakeholders.

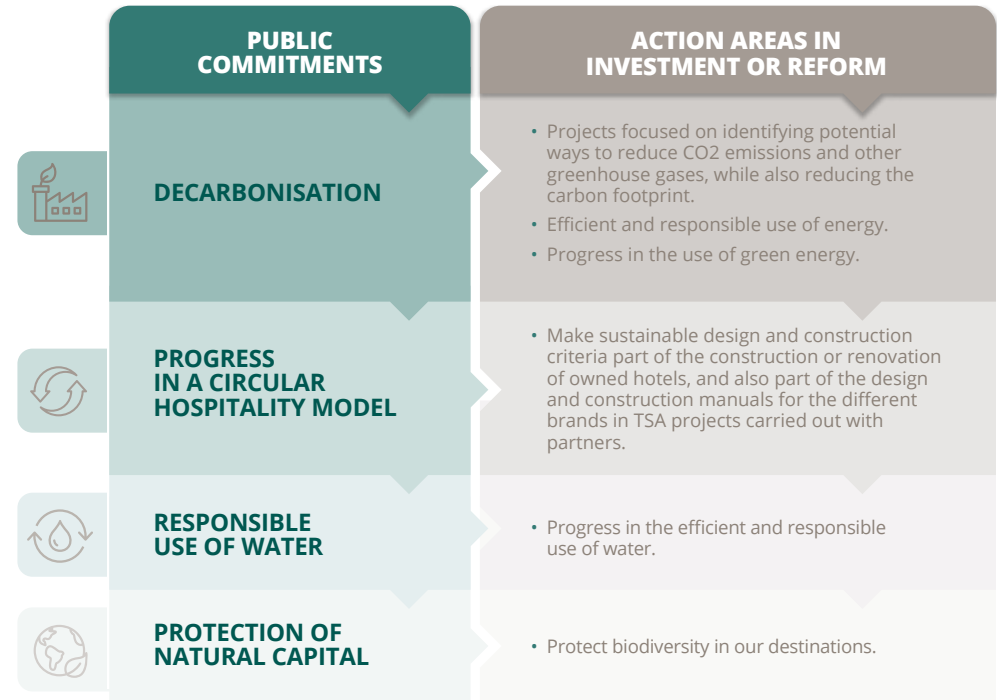
All these factors have a positive impact on our financial results, with those of last year being an obvious example.

Sustainability is a fundamental part of our Investment and Financing Policy. Over the last year we have made notable progress in making sustainability part of our asset management process. This has allowed us to enrich and improve the processes for the design, renovation or construction of new hotels. The final result is a differential and more sustainable value proposition which improves the efficiency of hotels and minimises their impact on their environment.

Our investment projects are exemplified by action areas which focus on making progress in achieving our public commitments and reducing our carbon footprint.

**A SOLID AND RIGOROUS INVESTMENT POLICY WHICH RESULTS IN A POSITIVE IMPACT ON OUR RESULTS.**

## INVESTMENT WITH SUSTAINABLE CRITERIA



Our notable experience in managing the construction and/or renovation of our owned hotels, and the constant progress made in making sustainability part of our investment strategy constitute one of our greatest strengths. This places us in an advantageous position to leverage our value proposition in our growth model. For the construction of new hotels, we offer their owners sustainability criteria which are aligned with our positioning in sustainability.

## Asset management and valuation

The management of our property portfolio is a key aspect of our asset strategy. We maximise the value of our assets throughout their life cycle and guarantee their profitability and liquidity in the markets. That's why we focus on applying a comprehensive vision of asset management, evaluating both short and long-term interests, the asset life cycle, its liquidity and possible alternatives to hotel use.

### ASSET VALUATION

In 2022 a new asset valuation was carried out by the firm CBRE, which reflected an increase in the value of assets in global integration of 7.5% (11.6% on a comparable basis) compared to the valuation made in 2018.

If we also consider assets in *joint ventures*, the value of the portfolio amounts to €4,641 Mn, 5.8% higher (10.6% on a comparable basis) than the 2018 valuation.

## Significant projects

### GRAN MELIÁ VILLA LE BLANC: A BENCHMARK IN SUSTAINABLE CONSTRUCTION

A destination declared a Biosphere Reserve by UNESCO in 1993 and known throughout the world for its commitment to sustainability deserved a hotel to match. Given the opportunity we had to undertake a comprehensive and sustainable reform of one of our hotels on this Mediterranean island, in 2022 we inaugurated the Gran Meliá Villa Le Blanc, the first Grand Luxury hotel in Menorca and a benchmark for sustainable construction and integration with the natural environment, as acknowledged by the Rethink Hotel award.

This hotel is also another important step in the process of building a responsible tourism model with a positive long-term environmental and social impact. The hotel will attract travellers with greater purchasing power and an interest in unique experiences in which sustainability plays a fundamental role, increasing the value and reputation of the destination, and creating quality employment opportunities on the island.



THE GRAN MELIÁ VILLA LE BLANC, A BENCHMARK IN HOTEL DECARBONISATION.

- Sustainability is the backbone of everything about the hotel: from a design conceived with respect for the Menorcan style and island tradition, to its management and construction. All this makes this hotel a model that will define the path towards hotel decarbonisation.
- The Gran Meliá Villa Le Blanc will reduce its CO2 emissions by 87% (scopes 1 and 2), offsetting the remaining emissions with a certified project with an impact on the environment on the island itself or in the hotel surroundings. The measures implemented to mitigate the carbon footprint include the following:
  - Bioclimatic design to use natural light and wind in hotel lighting and ventilation.
  - Installation of a SATE insulation system in the building to minimise the need for heating.
  - Instalación del *Building Management System* Installation of a Building Management System (BMS) for efficient building management.
  - Energy efficiency installations with the maximum energy rating (A).
  - Almost total elimination of fossil fuels.
  - Energy generated by photovoltaic solar panels.
  - Non-polluting energy generation with biomass boilers.
  - Pump system with variable flow for air-conditioning and geothermal energy.
  - Use of recovered heat to heat the outdoor pool and heat production with a high-performance renewable heat pump.

### *MELIÁ COLBERT: FOCUS ON LUXURY AND A TRIBUTE TO A WORLD-FAMOUS SPANISH ARTIST*

Beyond trends and fashion, one thing remains invariable: Paris remains the European capital of luxury and culture. The streets of Paris, full of history and cultural attractions, are also home to our Maison Colbert hotel. A 16th-century building declared a historical monument for having once been the residence of the famous author Simone de Beauvoir, which after a thorough renovation has become part of the select group of The Meliá Collection hotels.

Maison Colbert is also a tribute to the relationship between Spain and France through the works of Joaquín Sorolla, a Spanish artist closely linked to Paris and whose works have inspired the decoration of the hotel. All of this has helped make the Maison Colbert one of the top luxury hotels in Europe, as acknowledged in 2022 at the prestigious World Luxury Hotel Awards.

The rebranding of Maison Colbert is another step in the consolidation of The Meliá Collection, a brand that reflects the essence of each destination and, as is the case in this hotel, provides an opportunity to enjoy a unique experience.

### *OPERATION FALCONS: A STRATEGIC ALLIANCE WITH A LEADING PARTNER IN THE WORLD OF ENTERTAINMENT AND HOSPITALITY*

Finally, in an example of a strategic alliance that reflects all the key areas of our real estate strategy, this year the company made significant progress in its relationship with Falcon's Beyond, an international partner dedicated to the development of entertainment concepts, creating a new brand of hotels for leisure and entertainment: Falcon's Resorts by Meliá.

This brand will form part of the Falcon's Beyond Destinations concept, a brand offering destinations specially designed for leisure and entertainment.

Thanks to the experience and leadership of Meliá Hotels International and Falcon's in the hotel industry and in the development of entertainment concepts, respectively, Falcon's Resorts by Meliá will combine all the quality and attributes of a first-class resort with the best facilities for fun and entertainment. The hotels included in this new brand will therefore offer direct access to a wide range of restaurants, shops and leisure facilities that will help deliver a more comprehensive destination experience.

This partnership with Falcon's is a great chance to create a different type of holiday experience that includes immersive and interactive entertainment facilities and technology designed to create the most innovative holiday experience.

The first resort will be Falcon's Resort by Meliá - All Suites Punta Cana, the result of the transformation of what was previously the Paradisus Gran Cana. The destination will also feature the Katmandu Park - Punta Cana, a new avant-garde theme park scheduled to open in the first quarter of 2023, and an exclusive shopping, dining and entertainment space currently under development and planned to grow even further in a second stage of development.

Katmandu Park will be the first major theme park in Punta Cana and will feature innovative entertainment technology, interactive storytelling and innovative first-class attractions. Falcon's Central will offer numerous services and entertainment, shopping and restaurant facilities in cooperation with leading international brands

## MELIÁ HOTELS INTERNATIONAL AND FALCON'S BEYOND DESTINATIONS, A PARTNERSHIP DESIGNED TO OFFER GUESTS A UNIQUE HOTEL EXPERIENCE AND THE BEST LEISURE AND ENTERTAINMENT FACILITIES.



## MELIA.COM

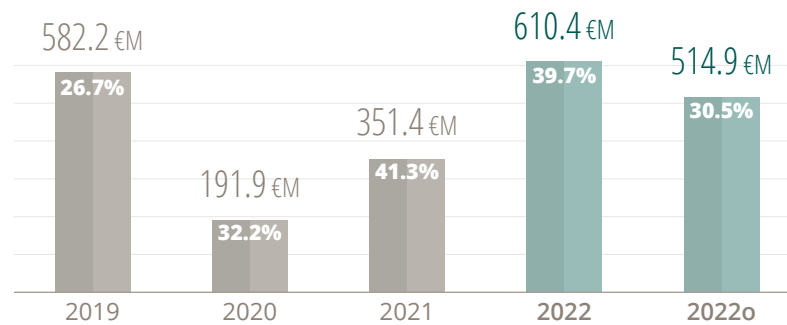
After significant growth in recent years, melia.com has become an essential driver of improvements in company performance. It is also our greatest strength in an increasingly competitive environment.

### MELIA.COM CUSTOMERS

2019	2020	2021	2022	2022o
20.4%	28.1%	34.1%	23.9%	22.0%

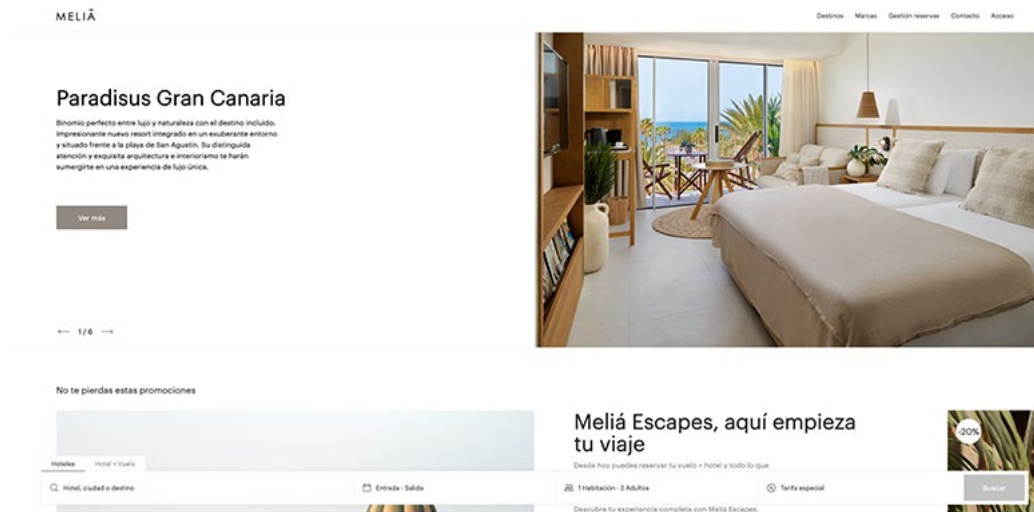
\* Total stays for melia.com customers as a percentage of total stays in the aggregate perimeter for the year.

### DIRECT SALES REVENUE



\* Over total revenue from centralised sales (room + meal plan).

# MELIA.COM HAS BECOME AN ESSENTIAL DRIVER OF IMPROVEMENTS IN OUR PERFORMANCE.





# Listening to our stakeholders

GRI: 2-29; 3-1; 3-2



1. MELIÁ IN 2022

2. BUSINESS MODEL

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

7. ANNEXES

## FOCUSED ON LISTENING

At Meliá Hotels International we encourage dialogue and active listening with our stakeholders. To this end, we have a relationship policy based on the principles of Accountability AA1000SES (2011). These principles not only define the guidelines for communication with stakeholders, they also shape how we give a comprehensive and balanced response to relevant issues, opportunities and risks that may arise in our relationships.

The principles also determine the requirements for integrating the needs of stakeholders into company business based on the principles of inclusion, relevance and response.

WE LISTEN TO OUR STAKEHOLDERS AND MAKE THEIR NEEDS PART OF OUR MANAGEMENT MODEL.



### Inclusion

Opening up participation in the development and achievement of our commitments.



### Relevance

Matters that are material, transcendent and significant and which define our priorities in transmitting information.



### Response

Offering solutions, actions, performance and communication aligned with material concerns.

## CHANNELS FOR LISTENING AND KEY MATERIAL ISSUES

Beyond the shared commitments assumed in our Stakeholder Relations Policy, each management area has its own channels and spaces for dialogue, with specific experience and know-how that allows them to better respond to the concerns and needs of each stakeholder group.

At Meliá we are very much aware that the demands of our stakeholders evolve, and in many cases are transformed into new demands. That's why we updated our materiality analysis in 2021 to better identify priority material issues for them and the importance of each of them.

As a result of this analysis, we can associate our stakeholders with their respective communication channels and address the issues that are most relevant to them, as shown below:

STAKEHOLDERS



1. MELIÁ IN 2022

2. BUSINESS MODEL

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

7. ANNEXES

	INTERNAL/ PRIORITY 1	INTERNAL/ PRIORITY 1	INTERNAL/ PRIORITY 1	EXTERNAL DIRECT/ PRIORITY 2	EXTERNAL DIRECT/ PRIORITY 2	INDIRECT EXTERNAL/ PRIORITY 3	INDIRECT EXTERNAL/PRIORITY 3	INDIRECT EXTERNAL/ PRIORITY 3	INDIRECT EXTERNAL/ PRIORITY 3
<b>Groups</b>	Shareholders and investors	Owners and partners	Employees	Suppliers	Customers	Public administration	The media	Industry and competitors	Society and community
<b>Subgroups</b>	<ul style="list-style-type: none"> <li>Institutional investors</li> <li>Minority shareholders</li> <li>Vote advisers</li> <li>Financial entities</li> <li>Financial analysts</li> <li>Rating agencies</li> <li>Sustainability analysts</li> </ul>	<ul style="list-style-type: none"> <li>Partners</li> <li>Joint ventures</li> <li>Asset owners</li> </ul>	<ul style="list-style-type: none"> <li>Partners</li> <li>Trade unions</li> </ul>	<ul style="list-style-type: none"> <li>Product suppliers</li> <li>Service suppliers</li> </ul>	<ul style="list-style-type: none"> <li>B2C (individuals)</li> <li>B2B (corporate)</li> <li>Travel agents</li> <li>Intermediaries, OTAs and tour operators</li> </ul>	<ul style="list-style-type: none"> <li>National, regional or local administrations</li> <li>Public entities</li> <li>Public-private organisations</li> </ul>	<ul style="list-style-type: none"> <li>The Media</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory bodies</li> <li>Tourism industry (competitors)</li> <li>Private business associations or organisations</li> <li>Public-private organisations</li> <li>Lobbies</li> </ul>	<ul style="list-style-type: none"> <li>Academic and educational environment</li> <li>Neighbourhood associations</li> <li>Social organisations and NGOs</li> <li>Society in general</li> </ul>
<b>Communication channels/Frequency</b>	<ul style="list-style-type: none"> <li>Institutional website</li> <li>Newsletters</li> <li>Proxy advisers</li> <li>Shareholder service desk (email)</li> </ul>	<ul style="list-style-type: none"> <li>Owners' office and website</li> <li>Press office</li> </ul>	<ul style="list-style-type: none"> <li>Meliá Home (internal website)</li> <li>eMeliá</li> <li>Internal communications</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Code of Ethics mailbox</li> <li>Central procurement offices</li> <li>Communications</li> <li>COUPA system</li> </ul>	<ul style="list-style-type: none"> <li>Meliá.com / Meliá Pro</li> <li>Mobile apps</li> <li>MeliáRewards ●</li> <li>Social media</li> <li>Quality &amp; GEX mailbox</li> <li>Advertising and campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Communication office</li> <li>Regional corporate offices</li> <li>Press room</li> <li>Secretary to the President / CEO</li> <li>CEO &amp; Meliá social media</li> </ul>	<ul style="list-style-type: none"> <li>Press office</li> <li>Virtual press room</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>Institutional communications</li> <li>Communication office</li> <li>CEO &amp; Meliá social media</li> <li>Secretary to the President / CEO</li> <li>Regional corporate offices</li> </ul>	<ul style="list-style-type: none"> <li>Press Room</li> <li>Social media</li> </ul>
<b>Spaces for dialogue</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Investor relations office ●</li> </ul>	<ul style="list-style-type: none"> <li>Governing bodies</li> <li>Meetings with owners</li> <li>Meetings with partners</li> </ul>	<ul style="list-style-type: none"> <li>Performance management</li> <li>Meetings with teams</li> <li>Equality committee</li> <li>Health and safety committees</li> <li>Dialogue with unions</li> <li>Surveys</li> <li>Social media (external talent)</li> <li>Learning communities</li> </ul>	<ul style="list-style-type: none"> <li>COUPA system</li> </ul>	<ul style="list-style-type: none"> <li>Webinars</li> <li>Surveys</li> <li>Workshops</li> </ul>	<ul style="list-style-type: none"> <li>Institutional relations</li> <li>Institutional presence</li> <li>Forums, events and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Institutional relations</li> <li>Forums and meetings</li> <li>Press conferences</li> </ul>	<ul style="list-style-type: none"> <li>Institutional relations</li> <li>Institutional presence</li> <li>Forums, events and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Forums and meetings</li> </ul>
<b>1,129 meetings</b>	<b>18 (2%)</b>	<b>94 (8%)</b>			<b>619 (55%)</b>	<b>97 (9%)</b>	<b>19 (2%)</b>	<b>58 (5%)</b>	<b>224 (20%)</b>

Frequency: Recurrent ● Regular ● Sporadic ●

TOP 5 by importance

	SHAREHOLDERS AND INVESTORS	OWNERS AND PARTNERS	EMPLOYEES	SUPPLIERS	CUSTOMERS	PUBLIC ADMINISTRATION	THE MEDIA	INDUSTRY AND COMPETITORS	SOCIETY AND COMMUNITY		
1. MELIÁ IN 2022	Energy efficiency										
	Biodiversity management										
	Waste management and circular economy	●									
	Responsible water management	●									
	Climate action	●									
2. BUSINESS MODEL	Responsible supply chain										
	Cybersecurity & Data protection	●	●	●				●			
	Trust & Reputation				●		●	●			
	Regulatory Environment			●							
	Business ethics, integrity and transparency		●	●	●		●	●			
3. FINANCIAL REPORT	Sustainable business model							●			
	Protection of human and labour rights	●			●	●			●		
	Commitment to employees				●	●			●		
	Diversity, equality and inclusion								●		
	Customer experience		●	●	●	●	●	●	●		
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	Training and development						●				
	Safety, health and well-being of employees and customers		●			●	●				
	Digital transformation & Culture of innovation		●	●			●				
	Positive impact on destinations								●		
	5. COMMITMENT TO COMBAT CLIMATE CHANGE	Measurement	<ul style="list-style-type: none"> <li>Satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Hotel owner NPS: KPIs</li> <li>Two-way survey</li> </ul>	<ul style="list-style-type: none"> <li>Work environment survey</li> <li>Training</li> <li>Training quality assessments</li> <li>People NPS</li> </ul>	<ul style="list-style-type: none"> <li>Supplier NPS</li> </ul>	<ul style="list-style-type: none"> <li>Customer NPS</li> <li>MeliáRewards NPS</li> <li>ReviewPro surveys</li> </ul>	<ul style="list-style-type: none"> <li>Quality survey segmented by media type</li> </ul>			
6. CREATION OF SOCIAL VALUE		Highlighted KPIs	<ul style="list-style-type: none"> <li>Satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Hotel owner NPS: KPIs</li> <li>Two-way survey</li> </ul>	<ul style="list-style-type: none"> <li>Work environment survey</li> <li>Training</li> <li>Training quality assessments</li> <li>People NPS</li> </ul>	<ul style="list-style-type: none"> <li>Supplier NPS</li> </ul>	<ul style="list-style-type: none"> <li>Customer NPS</li> <li>MeliáRewards NPS</li> <li>ReviewPro surveys</li> </ul>	<ul style="list-style-type: none"> <li>Quality survey segmented by media type</li> </ul>			
		7. ANNEXES									

Scope: Environmental ● Governance ● People ● Society ●

**MATERIALITY**

GRI: 3-1;3-2

In the last update of our materiality analysis we wanted to involve all those stakeholders with whom we have a closer relationship, as a reflection of our values of proximity and closeness. That's why we include both our stakeholders and the subgroups identified on the map. It is also important to highlight the increase in average participation: 27% compared to 25% in 2019.

Continuing with the process of identifying material issues, we decided to combine the internal perspective (employees, hotel owners and shareholders) with the external perspective (customers, suppliers, industry and competitors, public administration, the media and society). Another important element was to focus the materiality analysis on the importance and perception of company performance in the different areas.

WE INVOLVE ALL OUR  
STAKEHOLDERS AND THEIR  
SUB-GROUPS IN THE MATERIALITY  
ANALYSIS.

This approach has allowed us to identify the key differences between our performance and the vision of our stakeholders, and to take what we learn from this dialogue to enhance our sustainability strategy.

**Key stages in the process****Identification of issues**

We identified 19 material issues based on the standards and criteria defined by international frameworks including the Global Reporting Initiative (GRI), Sustainable Accounting Standards Boards (SASB) and others specific to the hotel industry, as well as the most relevant global trends and risks both in the industry and in the area of sustainability.

**Assessment of the issues identified**

We carried out surveys among our internal and external stakeholders and their subgroups to assess the importance of each issue and their opinion about the performance of Meliá Hotels International. A total of 1,184 surveys were analysed.

**Issue prioritisation and validation**

Depending on the specific weight of each stakeholder, we then prioritised the issues by order of importance and had them validated by the company's management team.

1. MELIÁ IN 2022

2. BUSINESS MODEL

3. FINANCIAL REPORT

4. GOOD  
GOVERNANCE,  
ETHICS AND  
INTEGRITY5. COMMITMENT TO  
COMBAT CLIMATE  
CHANGE6. CREATION OF  
SOCIAL VALUE

7. ANNEXES

## Summary of the materiality analysis process

1. MELIÁ IN 2022

2. BUSINESS MODEL

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

7. ANNEXES

### MATERIALITY ANALYSIS PROCESS

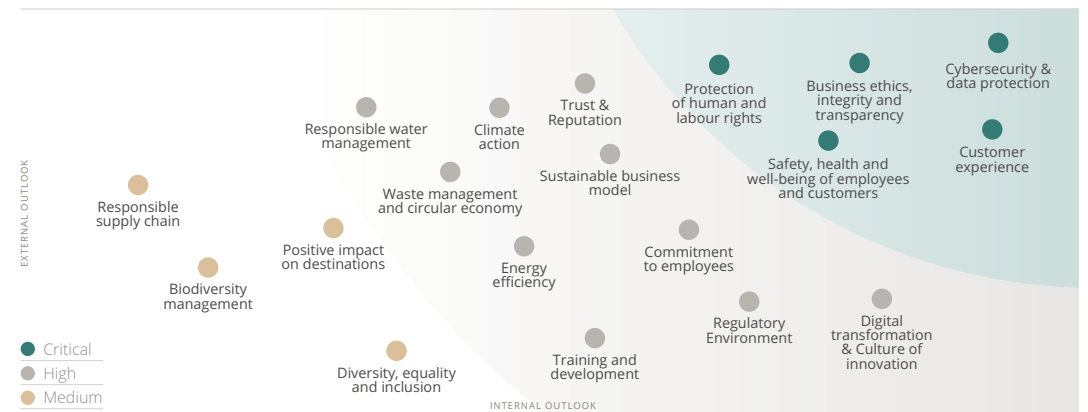


### Materiality matrix and key results of the analysis

GRI: 3-2

Our analysis allowed us to differentiate three different scales depending on the importance of the issues, as seen in the matrix.

### MATERIALITY MATRIX





CRITICAL MATERIAL ISSUES



CRITICAL MATERIAL ISSUES - PART 1

	Cybersecurity and data protection	Customer experience	Business ethics, integrity and transparency	Safety, health and well-being of employees and customers	Protection of human and labour rights
1. MELIÁ IN 2022					
2. BUSINESS MODEL	Protection of personal data, secure and responsible treatment of payment data, unauthorized installation or use of computer assets that may violate intellectual and industrial property, computer damage, business continuity, rights related to privacy and unauthorized access	A value proposal to earn the loyalty and trust of our customers and continue to surprise them every day with experiences enveloped in the Spanish warmth and passion that characterise us.  Service, excellence and the brand promise are essential to guarantee the customer experience.	Management of the business with the highest ethical standards and integrity, as well as acting rigorously and decisively before any cases of corruption, fraud or bribery.	Management of the health, safety and well-being of people as a top priority, guaranteeing a safe environment for both employees and customers. Health and Safety Management System certification based on the ISO 45001 standard. Occupational health and safety.	Our presence in more than 40 countries and the current market context requires a system of relationships and management that guarantees the defence of human and labour rights in hotels and regulatory compliance

3. FINANCIAL REPORT

CRITICAL MATERIAL ISSUES - PART 2 – HIGH IMPORTANCE

	Digital transformation & culture of innovation	Sustainable business model	Regulatory Environment	Trust and reputation	Commitment to employees
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY					
5. COMMITMENT TO COMBAT CLIMATE CHANGE	A move towards a digitised operating model through innovation, the implementation of new technologies and process re-engineering to improve efficiency and productivity, with a strong focus on the internal and external customer experience. Increased availability of information and data to improve the Group's reporting.	Integration of sustainable criteria in the Meliá business model to ensure a value chain that acts responsibly towards people, the environment and society as a whole and ensures a quality growth model based on ESG criteria and compliance with our public commitments	Compliance with legislation and regulatory obligations on a global level and the ability to anticipate and adapt to new legal requirements	Creation of a close and transparent dialogue with all stakeholders to drive value creation, allowing us to understand their concerns, meet their expectations and reinforce trust in our relationships	People are Meliá's raison d'être, the most important asset to guarantee our brand promise and ensure quality service and excellence for our customers. Promote an employment relationship that enhances the loyalty and commitment of our employees
6. CREATION OF SOCIAL VALUE					
7. ANNEXES					
	Climate action	Energy efficiency	Training and development	Waste management and circular economy	Responsible water management
	Make progress in the decarbonisation of the Meliá value chain through projects to reduce greenhouse gas emissions and ensure compliance with our public commitments.  Promote a culture focused on the management of the risks and opportunities of climate change, allowing the appropriate adaptation and mitigation.	Promote an efficient management system, under ISO 50001 criteria which prioritises the use of certified green energy and the reduction of emissions in hotels and thus contributes to the Group's decarbonisation strategy.  Make investments in efficient facilities and use artificial intelligence to improve the measurement, management and control of our energy use	Global training and development strategy to cover the skills gaps created by the evolution of the business, digital transformation, new ways of working or new skills required to ensure the development and constant improvement of our human capital	Identification of opportunities to improve the management, measurement and reduction of the waste we generate globally.  Increase in selective waste collection, recycling and composting.  Promotion of circular economy projects which allow the life cycle of products to be extended.	Identification of hotels located in areas with water stress to support more responsible use that minimises their impact on the destination.

Scope: Environmental ● Governance ● People ● Society ●

CRITICAL MATERIAL ISSUES - PART 3 - MEDIUM IMPORTANCE

	Positive impact on destinations	Diversity, equality and inclusion	Responsible supply chain	Biodiversity management
1. MELIÁ IN 2022	Positive impact on the economic and social development of destinations and the industries that form part of the value chain.	A work environment that promotes gender equality, diversity in general and the inclusion of minority groups or people at risk of exclusion	Integration into the supply chain of the sustainability commitments, objectives and criteria defined by the Group.	Responsible management of natural resources, measuring the impact that Meliá hotel activity may have on ecosystems and biodiversity, activating protective measures and raising awareness about our responsibility to preserve protected areas and species at risk as part of the natural heritage of the destinations
2. BUSINESS MODEL	Guarantee that Meliá's business activity is respectful of society and the environment in which it operates. Promote social and philanthropic activities that have an impact on the social development of the locations in which we operate.	A diversity of employee profiles and know-how is essential in an industry in a constant state of transformation.	Promote relationships of trust and mutual commitment to continue making progress in the reduction of our carbon footprint and public commitments regarding climate change. Promotion of the purchase of low-carbon goods and services.	

Scope: Environmental ● Governance ● People ● Society ●

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

Key conclusions of the analysis

KEY AREAS

The area that has greatest relevance for our stakeholders is **corporate governance**. External stakeholders rate it higher than internal stakeholders, and hotel owners and partners, the industry and competitors name it as the most important aspect of all.

The area regarding people is the second most highly rated both for internal and external stakeholders. Once again it is the hotel owners and partners who give it the highest rating, followed by the media, the industry, competitors and employees.

Climate change and the environment are also considered highly important, but without being seen as critical in the model. The analysis shows that these issues are more relevant from an external perspective than from an internal one.

MATERIAL ISSUES

Regarding the most relevant material issues, the following remain critical issues in the area of corporate governance: cybersecurity and data protection, and business ethics, integrity and transparency.

Seven out of every nine stakeholders consider cybersecurity and data protection among the five most important issues for Meliá, and six out of every nine mention business ethics, integrity and transparency.

In the people area, **customer experience is the second most highly rated issue, with a similar rating from both internal and external stakeholders**. In all, seven out of every nine stakeholders consider that the customer experience is a critical issue for the company. Also in this area, health and safety is positioned in fourth place. The protection of human and employment rights are also considered critical issues by our stakeholders.

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

7. ANNEXES

RELATIONSHIP BETWEEN PERFORMANCE AND RELEVANCE

Lastly, stakeholders include in the top 5 regarding Meliá's performance four of the five aspects they consider most important. This confirms that we are moving in the right direction when it comes to taking into account their expectations and priorities in our management.

At the same time, we remain very much aware that the road is long and there is still a long way to go. That is why we will be further increasing our efforts to reduce the gap in those issues rated most highly by our stakeholders and with a lower opinion regarding our performance: cybersecurity and data protection, training and development, commitment to employees, responsible water management and climate action.

WE INVOLVE ALL OUR STAKEHOLDERS AND THEIR SUB-GROUPS IN THE MATERIALITY ANALYSIS.

NEXT STEPS FOR 2023

In 2023 we plan to update our materiality analysis following the recommendations of the new Corporate Sustainability Reporting Directive (CSRD), which incorporates a dual materiality perspective, in addition to the guidelines on materiality assessment defined by the European Financial Reporting Advisory Group (EFRAG) in its European Sustainability Reporting Standards (ESRS).

This analysis will include the impact of the company's activities on stakeholders, society, human rights and the environment, as well their impact on the company itself.

The new materiality analysis will also respond to the updates in the Global Reporting Initiative (GRI) standards in relation to the content of the report.

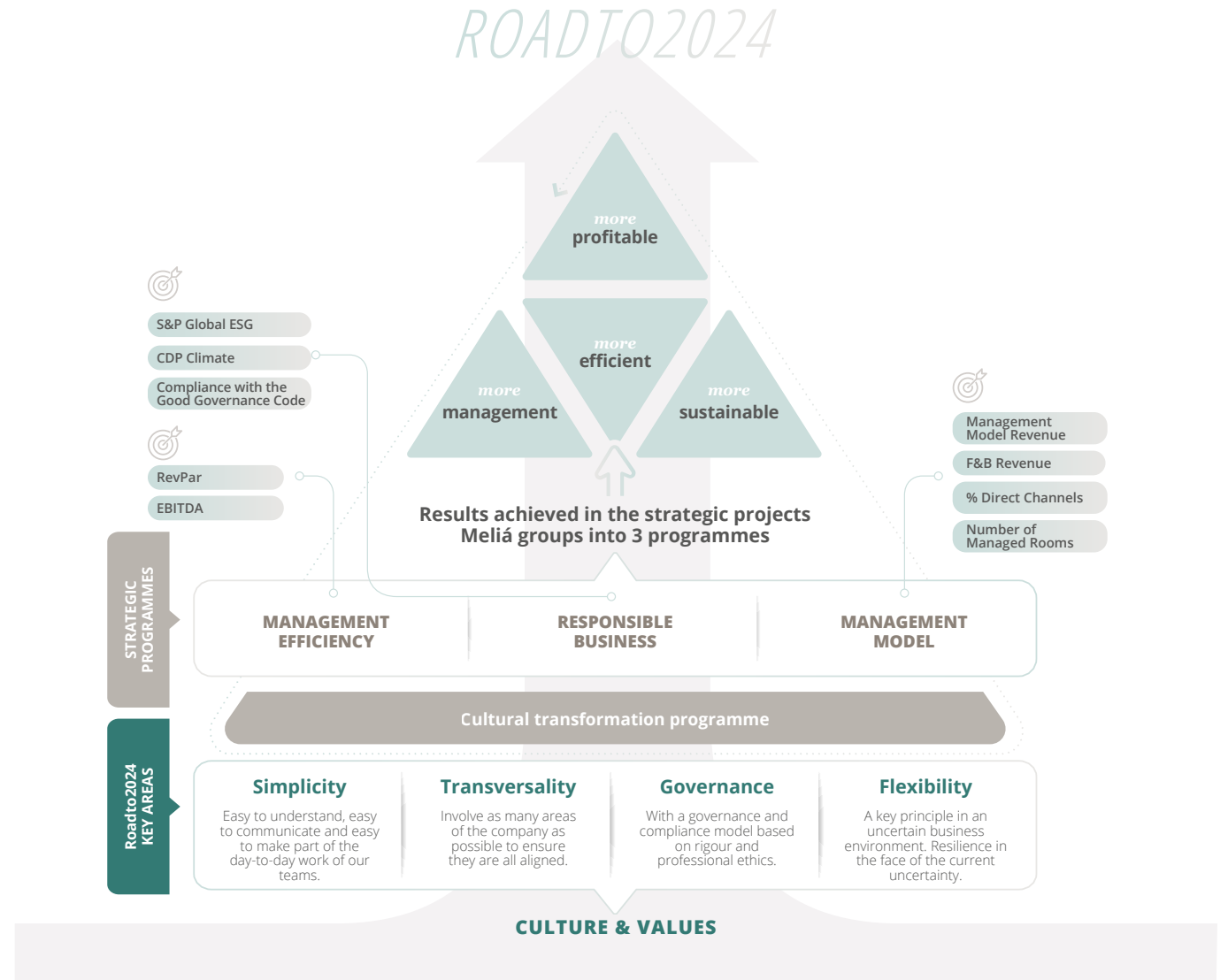


# Strategy - Roadto2024

- 1. MELIÁ IN 2022
- 2. BUSINESS MODEL
- 3. FINANCIAL REPORT
- 4. GOOD GOVERNANCE, ETHICS AND INTEGRITY
- 5. COMMITMENT TO COMBAT CLIMATE CHANGE
- 6. CREATION OF SOCIAL VALUE
- 7. ANNEXES

Given such a dynamic and changing business environment, we adapted our global strategy in 2022 with the launch of a new strategic roadmap named *Roadto2024*. This aims to provide us with an essential guide to continued growth in the resort and bleisure hotel markets based on the principles of simplicity, transversality, good governance, flexibility and agility, always underpinned by our culture and values as a family business.

The roadmap defines four major strategic priorities based on the following areas:



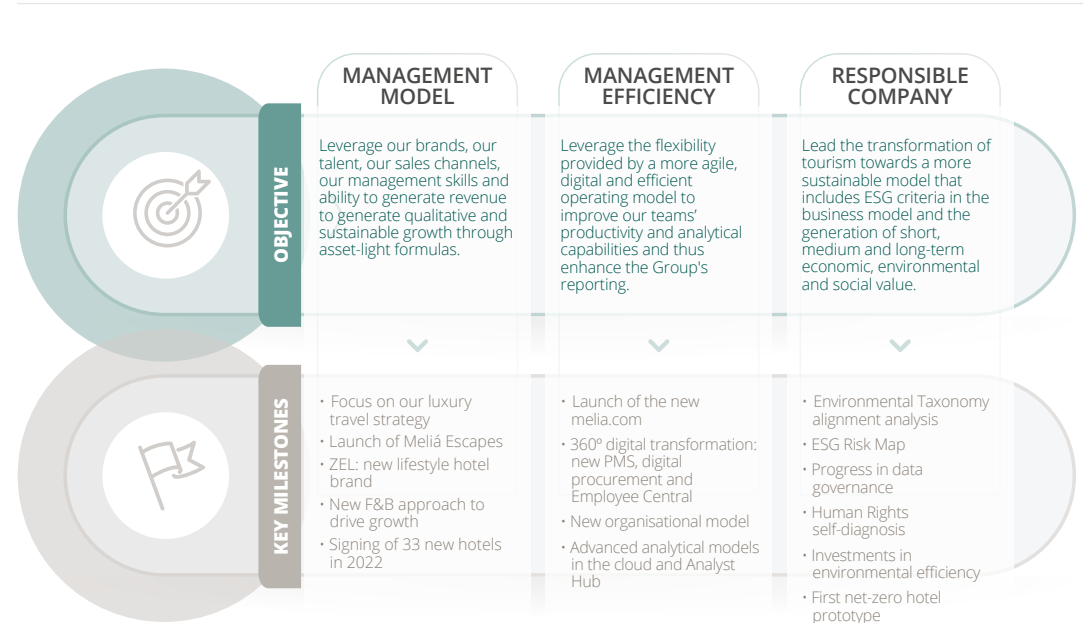
This objective to be more profitable, better managers, more sustainable and more efficient is linked to a comprehensive plan for cultural transformation to guarantee the commitment of our people, bringing continuity to projects already under way such as The Day After (our project focused on company resilience during COVID-19), Be Digital 360 and Leading a New Future, creating solid foundations for the major digital transformation and a new operational model adapted to the new market conditions. This plan also supports new areas of activity designed to create a culture with a purpose and a value proposition for our people.

Innovation is intrinsic to our strategic vision and an increasingly essential area in business environments such as the present in which differentiation is key to success. Our strategy involves a firm commitment to innovation, with the company always open to analysing best practices in other industries and adapting them to ours.

A collection of strategic projects that we have grouped into three different programmes form the structure of our roadmap, in which we define priorities aimed at leveraging our strengths and the lessons we have learned.

The key achievements in the first year of *Roadto2024* in the different programmes were:

STRATEGY MILESTONES - ROADTO2024



We are convinced that the projects included in the strategic programmes will become the drivers of a solid and lasting recovery, helping consolidate our position as a more resilient, responsible, digital and efficient company in all of our processes. In short, a genuine winner in the post-COVID-19 era.

This roadmap will help us move forwards towards our vision of becoming a global benchmark for *Leisure and Bleisure* based on a business model which is profitable, agile and focused on excellence through sustainability.



## DIGITAL TRANSFORMATION

Digitalisation is no longer just an option, having become an obligation for businesses, and even more so after the pandemic. At Meliá Hotels International we aim to be active players in this paradigm shift by supporting innovation and process re-engineering with the clear objective of becoming more efficient and productive.

*Roadto2024* is an ambitious and challenging roadmap with a global and holistic perspective in which our digital transformation is the most ambitious project of the last decade. To date we have been focusing on a digital transformation designed to offer a differential value proposition to our customers. In the new roadmap, technology developments aim to improve digital capabilities with an impact on other key stakeholders, such as the supply chain, the workforce, hotel owners and the hotels themselves.

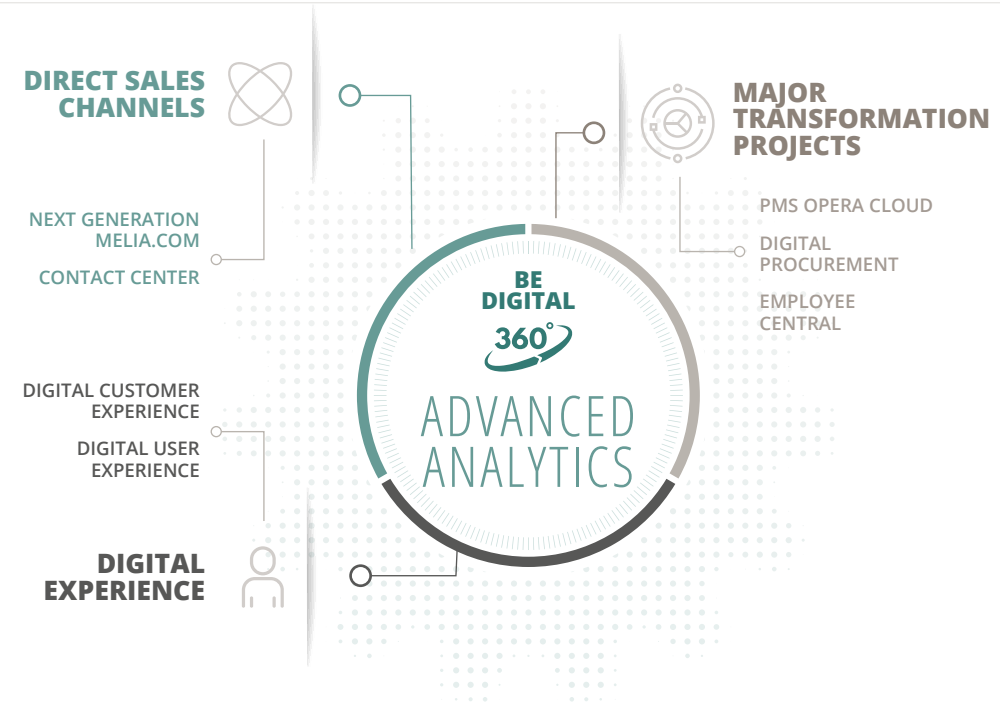
This digital transformation will develop new capabilities for our teams, boost efficiency, increase productivity and ensure greater data control, accuracy and security.

### Be Digital 360: a digital approach to efficient management

In a context in which online consumption continues to grow inexorably, we are committed to digitalisation to improve the experience we offer stakeholders. The “More efficient” area of the *Roadto2024* includes a commitment to enhance stakeholder relations through a more digital and personalised service.

*Roadto2024* lays the foundations for a genuine digital transformation in all our business areas. We are focusing significant financial and human resources to create a structure which fully integrates our relationships with B2B and B2C customers, employees, suppliers and operations associated with the business.

## BE DIGITAL 360



Major digitalisation projects continue to be added to the Be Digital 360 programme, the key attributes of which are:

### BE DIGITAL 360 ATTRIBUTES



At Meliá Hotels International we are also very much aware that the success of a digital transformation requires placing people at its heart. Our Cultural Transformation Plan aims to focus on a humanistic approach to digitalisation, bringing our people into the change management process and taking into account their day-to-day needs. To achieve this we have designed an action plan containing projects to enhance training, awareness and communication for the entire workforce.

### Significant projects

We continue working on a large number of digital projects, some of which began last year, focusing on three key areas:

#### *DISTRIBUTION (DIRECT SALES CHANNELS)*

#### CUSTOMER SERVICE AND CONTACT CENTRE

The trend towards personalisation and a focus on high-value customers led us to begin the transformation of our traditional Call Centre to create an Omni-channel Contact Centre using the most advanced technology to provide a 360° customer vision and also optimise process efficiency. The Contact Centre also covers all of the customer service functions, and the revenues it generates is increasing year upon year thanks to improvements in conversion rates and the average revenue per booking.

Over recent years we have implemented a CRM solution to get a 360° vision of the customers through Salesforce, and have also added a virtual assistant to be more efficient in more standard processes that add least value. This allows us to prioritise high-value customers using our iblue booking tool to manage all B2B and B2C bookings, after having improved the functionality and user friendliness of the tool to help improve conversion rates, the customer experience and operational efficiency. To help achieve this we are using customer data to create predictive models and personalisation through intelligent routing. **Our operations have been rated by more than 345,000 customers with an average rating of 9.45 out of 10.**

In 2023 we will implement a CCaaS system to allow us to move to a cloud-based environment and relocate our Advisors wherever they can best respond to demand.

#### NEXT GEN MELIA.COM

As part of our ongoing technological evolution and to better anticipate customer needs and behaviours, in 2022 we designed and launched a new version of our website. Melia.com is a strategic channel for the company and the source of 43.3% of our bookings from consumers and travel intermediaries.

The new design presents a different vision of our portfolio and brands, as well as the possibility to select and book travel experiences, something that is becoming increasingly necessary in a period of digital transformation in our society.

The new website is more user centric and offers the latest generation functionality for users including:

- The creation of a digital experience almost as complete and stimulating as it would be in person.
- Adaptation to a truly “mobile-first” design for users, with more than 60% of web traffic now occurring on mobile devices
- Our brands and hotels with their own graphic personality and new content.
- A one-to-one experience for users, personalised depending on their tastes and needs using an innovative real-time personalisation system based on artificial intelligence.
- Increased visibility for the MeliáRewards programme benefits to allow members to learn more about what they can do with their points.
- Increased visibility for other services in addition to a hotel room, adding other offers provided by hotels and also destination experiences that help build a 360° customer experience when they travel.
- A new booking process based on attributes which makes it easier to compare options and gives a greater sensation to users of transparency and control while also encouraging upselling to users seeking more premium products.

*TRANSFORMATION PROJECTS**OPERA CLOUD PROPERTY MANAGEMENT SYSTEM (PMS)*

The implementation of a single, centralised Property Management System (PMS) continues as planned, further standardising and enhancing the management of hotel data and providing a significant boost to operational and quality analytics based on standardised data.

In 2021 we designed the solution and implemented it in pilot hotels in Spain, EMEA and America, and had more than 30 hotels operating with the new system by the end of that year.

In 2022 deployment focused on reaching all of the hotels in global integration, which was almost achieved in full, as well as implementing the system in certain hotels under management or new openings.

In 2023 our goal is to continue implementing the solution in managed and franchised hotels. The deployment across the global portfolio of hotels will allow us to standardise processes and systems and enhance the efficient management and control of all of our hotels.

*DIGITAL PROCUREMENT (COUPA)*

We are migrating our processes to a new supply chain management system for the procurement of both products and services, allowing us to enhance our supplier relationship management and ensure solid governance of those relationships, including compliance with ESG criteria designed to create a more responsible and sustainable supply chain.

To achieve this we are implementing the comprehensive digitalisation of the entire procurement process, re-engineering processes from end to end using best-in-class technology allowing us to better management our spending in a fully digital environment.

The digitalisation of procurement processes has improved our speed, efficiency and accessibility for users, generating a direct impact on our cost optimisation.

In 2022 we achieved our objective of implementing the system in all the hotels in global integration in Spain, and in 2023 will deploy the system in international hotels and corporate areas.

*EMPLOYEE CENTRAL*

The need to digitise interactions with our team led us to implement a system to provide a comprehensive vision of several dimensions related to the Employee Journey, ensuring the standardisation of processes and better data management to help optimise the employee experience in the company.

In 2022 we focused on stabilising the system in Spain and preparing the deployment in other countries. We also integrated the system with a People Analytics module to allow us to delve deeper into the extraction, analysis and use of employee data at Meliá Hotels International.

*DIGITAL CUSTOMER EXPERIENCE*

We are currently redefining and optimising the check-in and check-out process adapted to the requirements in each country and the needs of the physical, digital and online environments.

*DIGITAL USER EXPERIENCE*

We have made major progress in the digital experience for employees using systems that enhance both work and learning. A key factor in this experience is to familiarise employees with new technologies that help them in their day-to-day work and have a strong focus on efficiency.

Be Digital 360 aims to integrate existing company technologies with new solutions such as Digital Space, RPA, digital signatures, etc.

In 2022 we made further developments to the Digital Space system as a channel for optimising communication between business units and service areas. This system contains all the technological solutions required for the digitalisation of service and hotel areas, including more than 20 new applications. Digital Space allows us to take a major step forward in terms of performance, efficiency and coordination.

Thanks to Robotic Process Automation (RPA), we have automated certain procedures to increase efficiency and allow our people to focus on tasks that add greater value, leaving the automated systems to cope with those that are more transactional and mechanical.

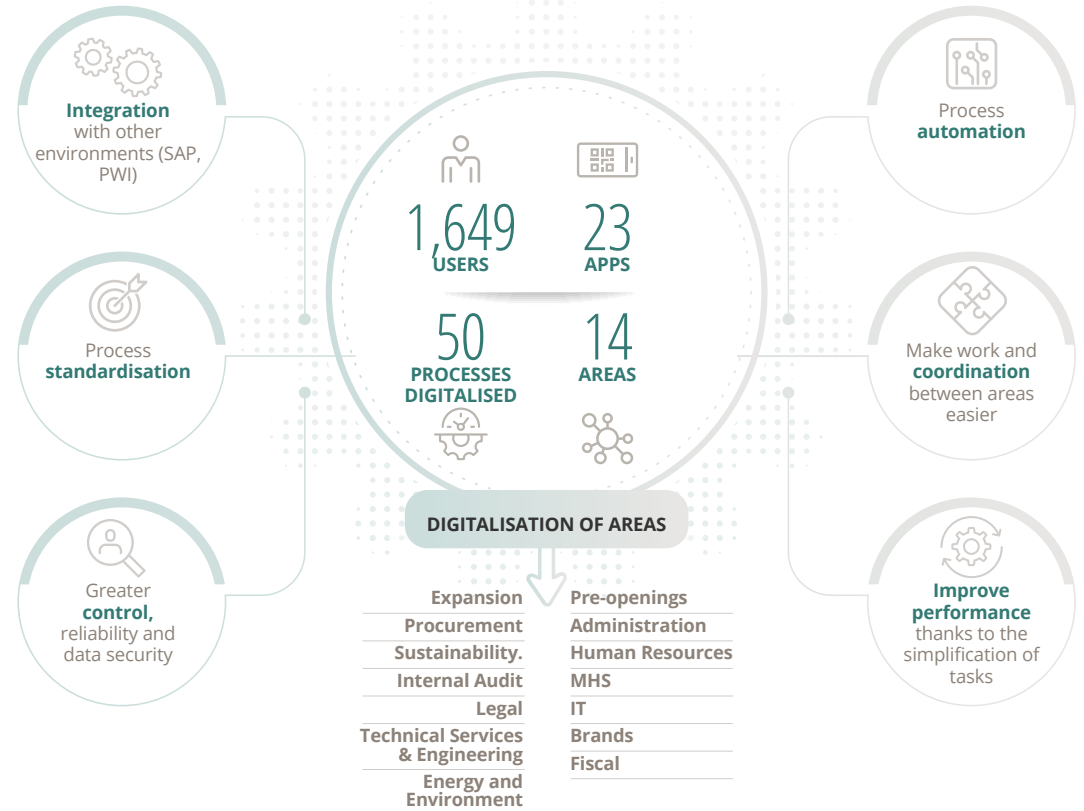
ADVANCED 360° ANALYTICS

This is a global project with a 360° vision which aims to further strengthen our analytical capabilities, enhance business intelligence and ensure decision making is based on quality data. It also aims to enhance the analytical capabilities of our teams and provide managers with the tools and information they need to ensure more professional and efficient data management.

In 2022 we created an analyst hub to coordinate the management and control of all the data available in the company. In addition, we have also designed several analytical modules to enhance the analysis of data from new sources such as the Opera Cloud PMS, Coupa or Employee Central.

At the same time we have re-engineered and optimised other operating processes while also adapting financial systems to allow a greater analytical capacity in cash-flow management.

ADVANCED ANALYTICS



In 2023 we will continue working on the digital transformation of the company to ensure a more efficient and agile business model and improve the experience of our key stakeholders: customers, employees and business units.

The Digital Efficiency project that forms part of *Roadto2024* will ensure progress is based on a holistic vision that generates value for all areas of the company.

*DIGITISATION TO OPTIMISE THE AUDIT PROCESS*

In 2022 the internal audit department implemented technology to improve audit management and all the processes and activities related to internal audits and controls. The system also helps with other more operational processes, such as team management and scheduling.

The technology makes interaction with the audited area or process more direct and immediate, with all the communications recorded on a single platform. The system is currently used by the entire team of internal auditors in Europe, Mexico and Indonesia.

We have also developed a system for mass data analysis (ACL Robotics) which allows connections with more than 200 different applications and the management of huge volumes of data for their subsequent analysis. This system will be used for audit processes on a global level and for individual projects.

**CUSTOMER EXPERIENCE**

Modern customers are increasingly demanding and require differential and authentic services that meet their needs and preferences. Our broad portfolio of brands ensures we can provide an attractive and personalised experience that reinforces loyalty to the company.

In an industry in a constant state of change, we strive to adapt our business model to the new challenges in travel without losing sight of our relationships with our customers. That is why we have bolstered coordination within the organisation and also adapted the global structure to the reality of each region and destination in which we operate.

*A CUSTOMER-FOCUSED ORGANISATION*

We aspire to build faithful, lasting and trusting relationships with our customers. To achieve this we rely on the engine that drives us on every day: our vocation for service and the proximity and excellence which are the hallmarks of Meliá Hotels International.

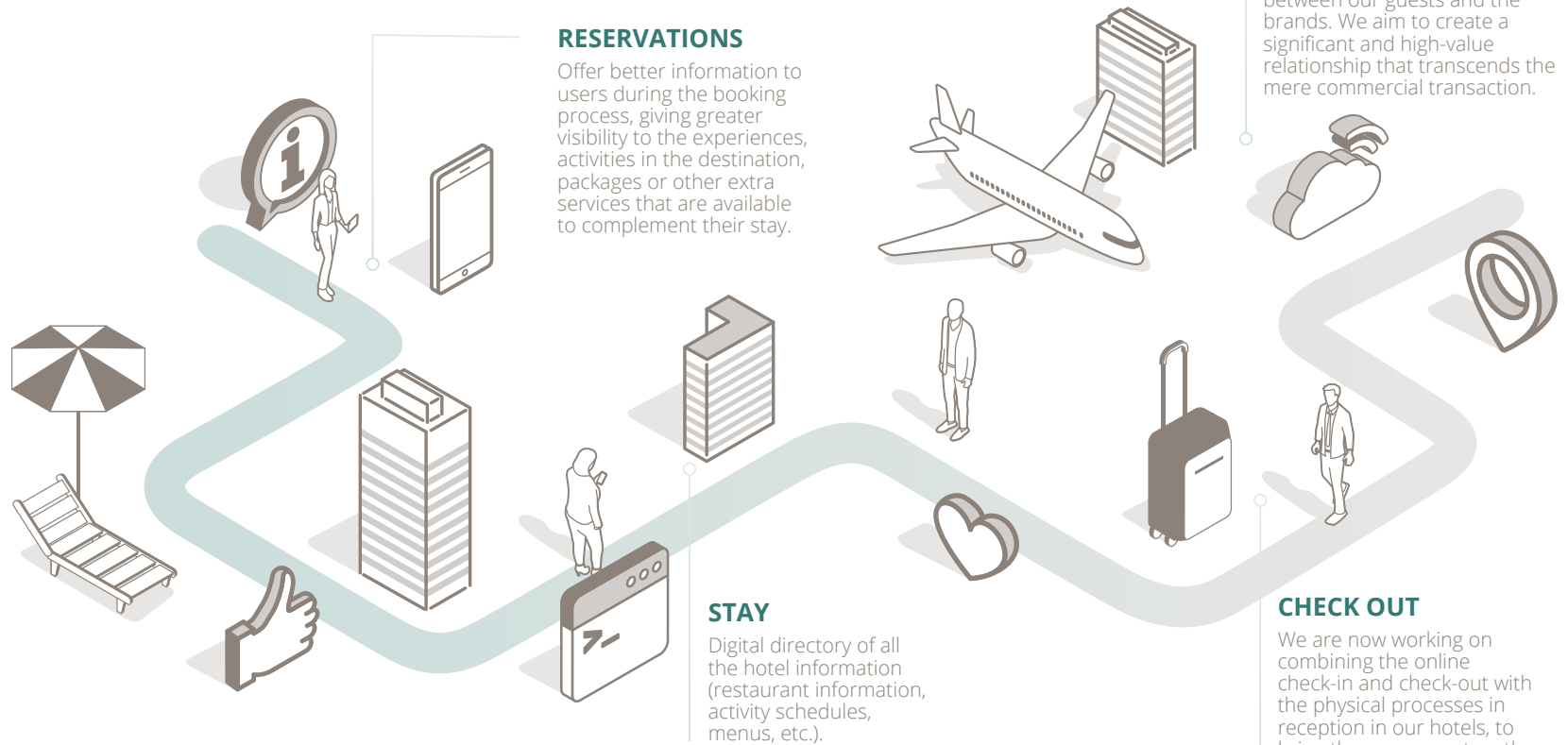
WE ASPIRE TO BUILD FAITHFUL, LASTING  
AND TRUSTING RELATIONSHIPS WITH  
OUR CUSTOMERS.

We also dedicate important financial and human resources to support our digital transformation and make every part of the customer journey an opportunity to get to know our customers better. We also support the creation of spaces to allow dialogue, where we can hear our customers' opinions first hand and then use that as an input for our strategic decision-making.



CUSTOMER JOURNEY MAP

WE DEVOTE SIGNIFICANT RESOURCES TO SUPPORTING OUR DIGITAL TRANSFORMATION AND MAKING EACH POINT IN THE CUSTOMER JOURNEY AN OPPORTUNITY TO GET TO KNOW OUR CUSTOMERS BETTER.



**RESERVATIONS**

Offer better information to users during the booking process, giving greater visibility to the experiences, activities in the destination, packages or other extra services that are available to complement their stay.

**MELIÁ REWARDS**

In 2022 we continued to strengthen the relationship between our guests and the brands. We aim to create a significant and high-value relationship that transcends the mere commercial transaction.

**STAY**

Digital directory of all the hotel information (restaurant information, activity schedules, menus, etc.).

**CHECK OUT**

We are now working on combining the online check-in and check-out with the physical processes in reception in our hotels, to bring the processes together in a unique digital environment.

360° DIGITAL TRANSFORMATION

Further strengthened by a pandemic which was a catalyst for the digitalisation of society in general, the importance of digitalisation in recent years has become a key factor behind the success of companies. We find ourselves in a society where digital transformation is one of the major agents of change, and this transformation is also associated with cultural and social changes.

At Meliá we have made digitalisation a part of our business model and developed systems that allow us to improve the customer experience and their relationship with us every day. This approach allows us to exceed the expectations of customers who are increasingly sensitive to the use of technology and digitalisation of our relationship with them. Knowing them better allows us to better personalise their experience and align our products and services with their preferences and needs.

MELIA.COM: A WEBSITE FOR A NEW GENERATION OF TRAVELLERS

In line with our commitment to technological evolution and anticipating customer needs, in 2022 we launched a new state-of-the-art website, enhancing the performance of what is now one of our most relevant distribution channels.

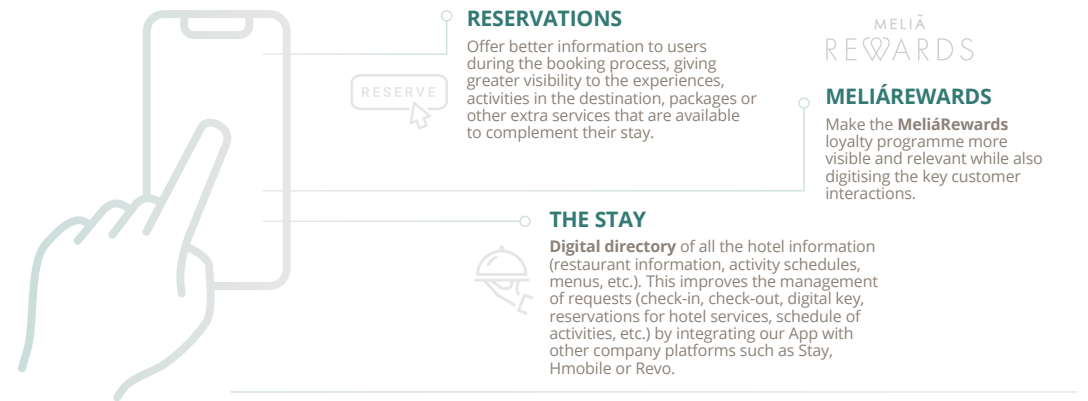
Designed for more demanding and experienced travellers and using the latest cloud-based and microservice technology, the channel enriches the digital experience for users thanks to its key characteristics:

- **Brand Centric**, to allow our brands and hotels to express their own personality
- **Mobile First**, adapted to multichannel use by our customers.
- **User Centric**, using artificial intelligence to personalise the experience of each user in real time depending on their tastes and needs.
- **New Products**, that enrich our value proposition with extra services, attributes, experiences and offers.

NEW MOBILE APP

Given the growing use of mobile applications, companies have to adapt their apps to the needs of customers, making sure they are useful, usable and accessible.

At Meliá we constantly redesign and renew our app to increase user satisfaction through a simple, visual, agile and reliable experience.



THE APP AS A DRIVER OF THE DIGITAL EXPERIENCE DURING THE STAY

In 2022 we focused on developing an online check-out process which was successfully piloted and implemented in five hotels. The process works in conjunction with Opera Cloud, allowing us to offer it to a greater number of customers and ensuring a seamless process for users. We also launched a digital key technology on mobile devices as part of our wider digital transformation.

We are now working on combining the online check-in and check-out with the physical processes in reception in our hotels, to bring the processes together in a unique digital environment. The project will align the technology used on our customers' mobile devices with the technology

we use in the devices installed in reception. This strategy allows greater customer independence throughout the customer journey, and also simplifies processes in reception to reduce waiting times.

The next stage of the digital check-out has begun with the payment process in a series of pilot hotels. We have managed to develop solutions that allow customers quicker access to the system to increase conversion rates. We will start the development of a web-based check-out in 2023. We have set ourselves the challenge of implementing the full check-out process in all the hotels with Opera Cloud during the year.

We are also completely redesigning the digital check-in process we first deployed in 2017, working on:

- Integration with the PMS to allow a greater number of customers access to the digital check-in.
- Opening up the process and aligning the traditional process with the digital equivalent. To achieve this, the check-in will be carried out on the same day as the customer arrives, allowing improvements in both the process and the customer experience, especially if customers are members of our MeliáRewards loyalty programme.
- Enhancing the process with technology that reduces friction for customers, including document readers, paperless solutions, digital signatures and room key vending machines are all prominent features in the project.

#### *MELIÁREWARDS: BELONGING STILL MEANS MUCH MORE*

In 2022 we continued to strengthen the relationship between our guests and the brands. We aim to create a significant and high-value relationship that transcends the mere commercial transaction. Based on customer data and behaviour, that is why we are analysing the different stages in which loyalty and bonds are built.

The programme aims to work in a real-time context, guaranteeing to our members the best available offer at all times and offering value-added campaigns for each period of the customer journey (pre-stay, resort credit and post stay).

In 2022 we activated a special campaign named “14 million” to celebrate having reached that number of members. The campaign included a range of actions for the different customer segments, including high-impact gamification activities on social media in coordination with selected influencers.

MeliáRewards is a key factor in achieving our objective to ensure the delivery of our values and brand promise in hotels, and always ensures that members receive more favourable conditions. Among these conditions, highlights include;

- A longer expiry period for points, reminder messages to prevent their loss and incentives to redeem them.
- Maintenance of the membership tier until the end of the year, eliminating the previous possibility of demotion to a lower tier.
- Incentives for redeeming points using only points or points and cash.
- A more dynamic programme by allowing payment with points or points plus cash.

#### *NEW PROGRAMME WEBSITE*

In 2022 we presented the new programme website with significant improvements in both public and private website areas. The new website highlights the transactions most used by customers and offers an innovative conversational system to make it easier for customers to earn or redeem points in hotels, trips or shopping at MeliáRewards Shopping, a new market place where members can earn points for buying on-line from hundreds of popular brands.

Members also have access to a network of more than 120 partner brands and almost 600 complementary options for redeeming points in our hotels. We have also extended the redemption options through gift cards, with specific catalogues for Asia Pacific and America. The new gift card allows members to select the number of points they want to include on the card and the time of delivery to the beneficiary.

The addition of the new Falcon's Resort by Meliá brand on the BeyondME platform makes available both real and digital experiences in the metaverse. This allows our guests to interact with games, attractions and experiences in our hotels.

We understand that an important part of the value the programme brings to the company and the customer experience requires members knowing the programme as well as possible and thus get the most they can out of it. We use educational content and the latest trends in gamification to try to keep members of the programme up to date with all the latest news on MeliáRewards.

Finally, MeliáRewards has also developed a new strategy for the luxury segment based on a new way of identifying our highest value customers and a new way of communicating with them. We have also created specific actions for travel agents in the luxury segment, also designed to encourage reservations of suites and superior rooms.

#### *NEXT GENERATION IN OUR MELIÁ PRO AND B2B CHANNELS*

The relationship with travel professionals is a fundamental part of our distribution strategy, as seen in the strong growth in all the professional market segments in 2022.

Companies have gradually resumed travel for business reasons after the pandemic. Although it is true that digitalisation has made online meetings easier, direct contact and face-to-face experiences continue to be very important for business meetings and events.

However, one thing that the pandemic highlighted was the importance of health and safety policies or our duty of care. This makes it essential to ensure the highest safety standards for business travellers without adversely affecting the peace and comfort they also require on their business trips.

To continue responding to these needs, we launched Business Traveller Benefits and Rewards, a programme for business travellers to the most important international city destinations covering their needs and significantly improving their experience with us.

The programme also offers a range of facilities and benefits in the booking and check-in processes, benefits to add greater comfort to the stay, easier transactions and shorter waiting times. It has been very well received by companies and specialist travel agencies, helping us to consolidate a segment of vital importance for our city hotels.

In the luxury segment we have further strengthened the Meliá PRO Premium programme, now in its second year, reaching 369 high-end travel agencies with the greatest potential for our luxury hotels.

More than half of the agencies are located in key feeder markets for the luxury segment, mainly in the United Kingdom, United States, Mexico, France and, of course, Spain. The excellent results the programme has had allowed us to achieve 15% growth in average room rates compared to 2021.

Following the strategy defined in 2021, a greater focus has been placed on luxury networks. These accounts have increased by 35% compared to 2019, confirming the recovery from the pandemic and a comprehensive recovery for trade fairs and commercial events, with a gradual return of face-to-face meetings with customers at trade fairs and events and the return of fam trips since April.

Our permanent search for constant improvement also led us to add new features to Meliá PRO, the programme that allows us direct relations with B2B customers. In 2022 we continued to develop the programme and make our channel for travel professionals one of the most important sales channels for the company.

We have therefore further reinforced the strategy we defined during the pandemic to strengthen our own channels for professional users. We now have an even stronger communications channel, online store, and above all the possibility of managing our relationships with professional users in a direct, more agile, more efficient and more personal way.

Meliá PRO already generates 5% of our total revenue, now with more than €100 million per year. It has become the most important channel for sales through intermediaries, surpassing the traditional GDS systems. With regard to the management of group business, the programme has become the top source for leads, even above Cvent, the most important OTA in the MICE segment.

We have continued to add partners to our website, with more than 56,000 travel agencies enjoying all the benefits and facilities offered by the channel by the end of 2022. In the corporate travel area we have more than 400,000 companies that also enjoy exclusive benefits for their leisure and business trips when they stay at our hotels.

In corporate travel we have also seen the recovery of attendance in person at Spanish and international trade fairs, although we continue to offer virtual meetings through Meliá PRO Travel Labs, allowing us to contact professional customers from all over the world and easily present our latest news.

### ENRICHING THE EXPERIENCE

#### LUXURY STRATEGY

Our current strategic approach to the luxury travel segment dates back to 2018. We aim to strengthen our global positioning through a strong focus on marketing, sales, revenue and a superior-quality hotel experience.

In 2022 we announced a new brand architecture in the luxury travel segment: Gran Meliá Hotels & Resorts, The Meliá Collection, ME by Meliá and Paradisus by Meliá.

We have defined different product and service strategies to support this new vision of luxury and to enhance the experience and perception of our customers. The following are highlighted:

- Greater focus on the personalisation of each of the projects and a greater attention to detail in a more comprehensive vision of design, products and experiences. We want to combine the hotel itself, local culture and art into a truly unique experience.
- Alignment of customer service departments after a review of the structures of guest experience, customer service, porters, bellboys, concierges and butlers to ensure a luxury service that delivers on the brand promise to each of our customers.
- A strategy which redefines the product and marketing strategy for our superior rooms, offering new attributes that enhance revenue for business units through the delivery of a superior product and experience.
- A programme of exclusive experiences designed for each hotel and destination for the customers of our luxury brands. In 2022 we started a pilot project in eight hotels accompanied by a comprehensive online and offline communication and sales campaign. In 2023 we will implement the project in all of our remaining portfolio of extraordinary hotels, in which genuine luxury is reflected in their authenticity.

At the start of 2022, Paradisus by Meliá carried out a detailed analysis of the voice of the customer and the international market for all-inclusive luxury travel that allowed us to analyse all the key areas for the correct operation of the brand and create a new product vision more aligned with customer needs, current facilities in the market and new growth opportunities.

The new vision of the Paradisus by Meliá brand is described under the Destination Inclusive ® Luxury Resorts concept. Its development was based on the key premise that each of the hotels is an integral part of its destination. A combination of luxury with local culture and nature are vital in offering our guests a truly unique experience.



Guests are able to enjoy entertainment and local cuisine in each of our resorts while also learning more about culture in the destination. During 2023, Paradisus by Meliá will implement new product and service standards in all of its resorts and also begin operations in Spain, with the opening of Paradisus Gran Canaria and Paradisus Salinas Lanzarote.

#### CULTURAL EVENTS PROGRAMME FOR THE ME AND INNSIDE LIFESTYLE BRANDS

In 2022 we created programmes and a full schedule of events designed to attract local customers to our lifestyle hotels and F&B outlets, in line with current industry trends. These hotel brands allow us to promote attractive events that are appropriate to the lifestyle of our customers and allow our hotels to become cultural epicentres in the city or district where they are located.

To guarantee the visibility of the programmes and events we are working with Eventbrite to offer a space to promote events on the website of each hotel. Based on the results of the pilot projects, we will propose its extension to new hotels in this segment throughout 2023.

#### SOL BY MELIÁ - BRAND VISION

In recent years, we have increased the number of hotels under the Sol by Meliá brand. This has led us to focus efforts on enhancing the online reputation of the brand, starting with a review of its brand vision in 2022.

We have made an extensive analysis of the voice of customer, the resort hotel market and multi-generational consumers, paying special attention to the millennial generation that already visit our hotels and to younger generations that have an influence on the purchase decision, such as the Z and Alpha generations.

The new brand vision aims to offer a fresh and revitalised holiday experience, adaptable to different customer types and also extending its segmentation and penetration of new markets.

At the end of 2022 and throughout 2023, we will work on all the key areas for the development of the new brand vision, defining specific strategies to enhance the brand image, communication, attributes, sales strategy and growth opportunities.

#### ENTERTAINMENT

In 2022 we worked on creating a unique vision of hotel entertainment for our different resort brands and products, allowing us to improve communication with customers, entertainment management, and the implementation of programmes in franchised hotels.

We have designed this strategy taking into consideration all those areas to ensure a consistent, solid and attractive programme for guests at Paradisus by Meliá, Meliá Hotels & Resorts and Sol by Meliá hotels and also support our centralisation strategy.

The new vision will be implemented in 2023 and include the following innovations:

- Entertainment Hub, an online space with all the training and operational materials required to guarantee the success of the implementation and entertainment programmes or concepts in business units
- An online training programme for monitors specialising in kids, sports and wellness
- Creation of a collection of guidelines for activities, workshops and events, including visual aids for each of our employees
- Revamp of The Kidsdom programme to bring all of the affected brands under the same programme umbrella

#### GUEST SERVICE CENTRE

In line with our digitalisation strategy, in 2022 we continued to centralise back-of-the-house customer service processes in hotels. The creation of the Guest Service Centre in Madrid in 2022 was the continuation of a project we began previously in the Dominican Republic and Mexico.

This centralised service is based on the following key features:

- Insights to manage the online reputation of each hotel and monitor the voice of the customer through satisfaction surveys
- Creative Services to professionalise all in-house physical and digital communication through a team of graphic designers.
- Guest Service Line to reinforce quality management by telephone (internal and external calls) through a special contact centre to be implemented in 2023. The use of the latest technology will allow constant and effective communication with the operations team in each hotel without altering or interrupting the customer experience,

In 2023 we will continue to monitor the project to define the correct strategy for its implementation in the different countries in EMEA.

#### WEDDINGS BY MELIÁ

We have introduced a new and unique marketing concept called Destination Weddings as part of a redesign of the Weddings by Meliá programme offered on our website as an exclusive experience for customers of the Paradisus, Meliá, Gran Meliá and ME brands.

This new value proposition allows us to redefine our wedding services, offering guests an exceptional and unforgettable experience in highly attractive travel destinations through access to personalised wedding packages with a wide variety of services both for couples and their guests.

#### YHI SPA & WELLNESS

With the aim of giving greater visibility to our well-being services and experiences, an essential part of our brand promise, we created a new space on our website for health and beauty services available to both hotel guests and local residents. It is currently available for some of our hotels in America.

All of our YHI Spa teams in Mexico and the Dominican Republic have been trained and certified in providing complementary health and wellness treatments to guests suffering from cancer.

#### OUT OF OFFICE COWORKING

The pandemic increased the number of people teleworking, the number of digital nomads and an interest in highly flexible work spaces. Our ability to adapt allowed us to identify opportunities and new products that better responded to a trend towards people seeking a better way to do hybrid or remote work.

Our first experience in the coworking market was the creation of a new concept with the Init Group, a company that managed a space at the INNSIDE by Meliá Zaragoza.

Out Of Office is a space that combines leisure and business and is complemented by a weekly schedule of varied events and experiences. We wanted to leverage our know-how and leadership in the bleisure segment to meet the growing demand from companies and workers who require modern, convenient, comfortable and safe workspaces that also offer opportunities for socialising.

This new space is designed to stimulate innovation and share know-how in areas such as job diversity, sustainability, an agile culture or sustainable fashion, while also offering a project acceleration service.

Out Of Office is a concept with a strong focus on our lifestyle brands ME by Meliá and Ininside, perfect for connecting people and companies, leisure and business.

#### STRATEGIC ALLIANCES

##### MELIÁ ESCAPES

Logitravel and Meliá Hotels International have joined forces to create a high-value service that enriches the customer experience throughout the customer journey. The partnership combines technological skills with customer intelligence and the considerable professional experience of both partners.

We offer a product that makes it easier for customers to book packages with a hotel stay, flights and destination experiences based on very detailed information to help them organise their trip.

Meliá Escapes is currently available to millions of MeliáRewards members in Spain, the United Kingdom, Italy, France, Germany, Portugal, Mexico, Canada and the United States, and also includes all the benefits of our loyalty programme. Over time we will continue to implement development in other key feeder markets.

FALCON'S BEYOND DESTINATIONS

Our partnership with Falcon's Beyond helps provides customers with a unique holiday experience resulting from a combination of fantastic resorts with entertainment experiences that are increasingly immersive and interactive.

The brand is part of the larger Falcon's Beyond Destinations concept, which develops purpose-built destinations for leisure and entertainment. This partnership confirms our commitment to provide new experiences in which technology plays a major role.

LISTENING AND CUSTOMER SERVICE

Online reputation

We maintain the ambitious objective of aligning our Quality Penetration Index (QPI) with the average for our competitive set. Our QPI has improved over the last four years, ending 2022 at 98.6%, the highest result that we had ever achieved.

In 2022 we updated the online feedback response protocols and defined actions to enhance our online reputation and see this reflected in our price policies.

To make it easier to respond to online customer comments, we have worked on greater integration with some OTAs and metasearch engines to allow hotels to make a direct response from our own online reputation management platform.

We are also using all the available technology to help hotels respond better and faster. In 2022 we improved our response rate to customer online reviews by 10.6 points compared to 2019.

Internal satisfaction

In 2022 we updated the response protocols for internal satisfaction surveys and defined response objectives for each brand.

We are currently working on the integration of the internal satisfaction management system used by Leading Hotels of the World and known as Qualtrics. This will help us consolidate all the voice of customer data and make it easier to analyse.

Our Net Promoter Score (NPS) in 2022 was 46.2. Although this result did not achieve our target, it was 0.1 points above 2019, the base year for comparability, reflecting both the number of hotels open and the stability achieved after the pandemic. We achieved growth in the NPS thanks to improvements in the evolution of both ARR and RevPar since 2019.

SATISFACTION LEVELS

	2019	2020	2021	2022	2022 OBJECTIVE
NPS Customers (Global) MHI	46.10%	48.10%	48.20%	46.20%	48.00%
GSS MHI Customers	82.80%	83.00%	84.00%	82.70%	83.00%
QPI MHI Customers	96.60%	96.50%	97.90%	98.60%	100.00%
OVERALL Experience	87.40%	86.60%	84.70%	84.00%	

### Incident management

An essential part of ensuring a high level of satisfaction and loyalty among our customers is being able to quickly and effectively resolve any possible incidents. That's why we try hard every day to reduce the number of incidents that happen and the time it takes for us to respond and resolve those that do. Our customers can contact us through [myexperience@melia.com](mailto:myexperience@melia.com) to report any incident, make suggestions or just give their opinions on hotels and other products, the service, the cuisine, or any other aspect related to the delivery of the brand promise. Our hotels must respond within a maximum of 48 hours. In 2022 there were 3,591 incidents, of which 100% were resolved and 84% of them in less than 48 hours.

#### TOWARDS THE FINEST DINING EXPERIENCES

The hotel experience in its broadest sense is one of the key material issues for our stakeholders and involves a degree of experimentation with new products and services that might enrich the customer stay. Among the growing expectations of travellers, dining experiences are one of the most important.

Hotels open their doors both to their guests and also to local residents and visitors to their locations, attracted by attractive and high-quality culinary experiences.

Changes in consumer habits show a growing interest in an increasingly healthy diet based on local products which also help protect and support local ecosystems and the planet. The ability to offer attractive dining facilities has become an important differentiating factor for hotels.

In a world in which technology plays such a major part in our daily lives, new restaurant technology is making it possible to make important progress in process optimisation, improving customer dining experiences and enriching our customer intelligence, allowing us to offer diners a more personalised value proposition in line with their tastes and preferences.

At Meliá Hotels International we aim to offer a unique and differential value proposition that invites our visitors to discover the culinary concepts designed for each of our brands.

#### FOOD & BEVERAGE, AN ESSENTIAL DRIVER FOR OUR BRANDS

The Food & Beverage (F&B) area is carrying out a significant transformation process to enhance the attractiveness of our brands and their products and services from a culinary perspective. The quality of our hotel portfolio is being enriched by different value propositions for every type of customer by services and facilities that adapt to the needs of our brands, always reflecting the characteristics and attributes of each of them.

We want our F&B services to be a key driver for our growth as a company and to continue to promote innovation and sustainability in our value proposition. We have therefore designed a new strategic proposal for the future to support our product positioning and better respond to the needs of each area while also allowing the optimisation of our management and performance, improving profitability and increasing the consistency of our value proposition and a focus on attracting and retaining customers.



Our strategy to achieve these objectives is based on six areas and a number of specific activities;

- **Digitalisation:** Artificial intelligence and new management and reporting systems to drive greater efficiency, professionalism and a constant improvement in the customer experience.
- **Distribution and sales:** To make our F&B strategy and positioning visible in sales channels and design a global marketing and distribution strategy
- **Process improvement:** Optimise operations by optimising our processes.
- **Talent:** Support the development of our teams through the acquisition of new skills (reskilling and upskilling).
- **Innovation:** Working with strategic partners to achieve greater culinary excellence.
- **Sustainability:** Promote responsible management and consumption to help build a more sustainable hotel model.

We aim to improve the customer experience through the implementation of digital tools which also guarantee the efficiency and professionalisation of our services. We are working on the adoption of new digital systems in F&B through the Be Digital 360 transformation programme, allowing us to quickly and accurately analyse the performance of our food and beverage services and generate standardised F&B reports with key data.

We have defined an analytical model for pricing and benchmarking that allows us to optimise our revenue management, enrich our business intelligence and adapt to new trends to improve our profit margins.

We have also identified alternatives to optimise procurement processes and we are making progress in improving operational efficiency to increase the value of customer experiences through differentiation and personalisation.

At the same time we are working on improving the positioning of our F&B products and services in our direct sales channels and implementing a common distribution and marketing strategy.

Innovation, sustainability and the creation of a responsible management model are factors that we always take into account in our activities and which also help us in the search for culinary excellence at a time when consumers are becoming increasingly demanding. One of the ways we achieve this is through the My Balance programme, which provides a choice of healthy options in hotel points of sale. It is designed to satisfy the demands of guests who want to stick to a healthy diet during their stay in our hotels. Although the programme is currently only implemented in the Meliá Hotels & Resorts brand, we are already in the process of introducing it in our other brands.

Our activities to achieve our strategic objectives and improve our F&B performance are classified in two main groups: personalisation for our Luxury brand portfolio and process optimisation for our Premium and Essential brands.

The development of digital systems applicable across the entire company also plays a key role in the management model. Two projects stand out in this respect in 2022:

- **Implementation of new Hazard Analysis and Critical Control Points (HACCP) software.** This system allows us to digitalise the sanitary registry in our kitchens and restaurants and ensure the health and safety of our customers and employees. We have piloted the project in 2022 and will roll it out to new hotels in 2023.
- **Board Meal Control.** Technology applied to the management of real-time information on the status of meal plan services. The system provides critical data for management on the number of customers and service hours. This helps us to use analytics to increase our production levels and reduce food waste and has currently been implemented in 114 hotels.



Nowadays our customers want to know the services available in real time and to also have digital applications that can speed up the order process and response times. That is why Meliá is making progress towards implementing increasingly digital experiences that use technology to improve speed and efficiency.

Our responses to this demand to date include offering customers digital product labels in our buffets, self ordering from their rooms or the use of bracelets for opening their room doors and paying for services.

In 2023 the company will focus on the following areas:

- Implement a system to manage recipes and cost breakdowns with a holistic view of the entire value chain to bring about improvements in production, consumption and product loss ratios.
- Implement the Hazard Analysis and Critical Control Points (HACCP) software in almost a hundred city and resort hotels.
- Installation of technology in 40 hotels to continue improving the management and reduction of the carbon footprint of events.

THE MICE SEGMENT, EVEN MORE SUSTAINABLE

We are working on redefining our value proposition for the MICE segment, with the primary objective of being a strategic partner for hosting more sustainable events. This is obviously a fundamental attribute that is sure to define the new path for the entire industry.

In May 2022 we launched a pilot project at the Meliá Barcelona Sarriá and Meliá Berlin hotels together with CREST, a partner specialising in measuring the environmental footprint of major events. The project aims to make it easier to measure, reduce and compensate the carbon footprint of events in the two hotels.

In line with our firm commitment to reduce our carbon footprint, we have offset the emissions of all the events held in 2022 in these two pilot hotels and will roll out the project to new hotels in 2023.

Measurement is a fundamental factor in detecting opportunities to reduce our carbon footprint and define ambitious but achievable goals. Measurement will also help create an important knowledge base to help define the future structure of more sustainable events and meetings in Group hotels, at the same time supporting our global objectives to reduce emissions.

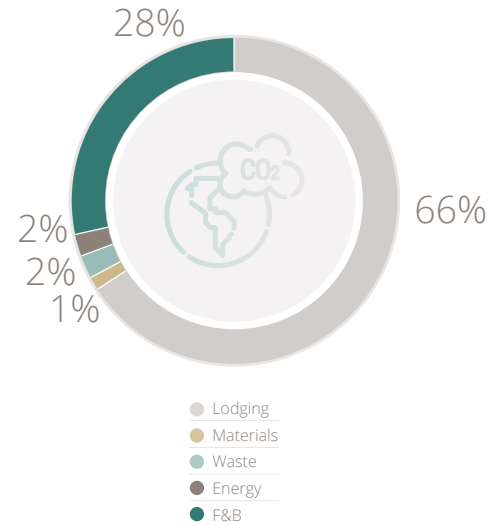
EVENTS MEASURED

228

CO2 EMISSIONS OFFSET

485.6Tn

EMISSIONS BY CONCEPT



Inside Manchester, UK

This project is a fundamental step in moving towards carbon neutrality, responding to a need that is increasingly in demand among professionals in the MICE industry.

To further reinforce this approach, we launched the Meeting Means More campaign to promote the contracting of groups with a clear environmental focus through Meliá PRO. We rewarded each participating group with a direct contribution (1 MeliáRewards point per euro or dollar billed) to a certified environmental protection project through our The Planet We Love programme. The programme uses blockchain technology to guarantee the full traceability of the destination of donations and is endorsed by the United Nations Climate Change.

MEETING MEANS MORE

HOTELS INVOLVED

50

GROUPS

85

ORIGIN OF GROUPS

7 countries

CO2 EMISSIONS OFFSET

731Tn

MELIÁREWARDS POINTS GENERATED

1.13Mn



## RESPONSIBLE COMPANY

The pandemic obviously had a devastating impact on the global travel industry. Despite the almost total absence of travel for the first time in history, the industry has managed to reactivate and reinvent itself, adapting to a new context characterised by the importance of health and safety. There is now a new narrative in the industry, one that puts people at the heart of the value proposition and at the forefront of the recovery.

As a result of the global crisis, a number of intangible factors have become increasingly relevant. Among them, sustainability is the one that is applicable in the broadest sense to companies, which now have an opportunity to make it a fundamental driver of their transformation in a period of significant external pressure.

We see three major trends in this demanding business context. The first is related to regulatory changes: 2022 was a year in which regulators focused on mitigating the risk of “greenwashing”, emphasising the credibility of companies, their narrative and their real value proposition. Along these lines, the need to enhance climate risk management has become more relevant, with companies having to adapt their management to this new situation and take measures to mitigate its impact.

The objective of ensuring the transparency and reliability of sustainability data provided by companies is also undeniable, aimed at providing a true vision of what they are really doing and helping stakeholders make better informed decisions. Here there are two groups of major interest: institutional investors who can make long-term investment decisions with greater certainty; and financing entities who are showing (especially in the United States and Europe) a growing interest in supporting sustainable projects.

The second trend is related to consumers expecting far more from companies and higher degrees of commitment that are consistent with their own individual commitment. In our case, both business and leisure travellers expect to find sustainable products, attributes and services in the hotels they visit.

Finally, the third major trend has an eminently social focus. Changes in priorities and values caused by the pandemic have also reshaped consumer expectations and their concerns about sustainability, health and well-being. From the hotel perspective, we saw this in bleisure travel in 2022, with an increase in demand for accommodations with a value proposition focused on health and well-being, digital capabilities and the personalisation of the customer experience.

As a company that offers services provided by people, this also led us to make even greater efforts to take good care of our employees. Our people are the engine that drives Meliá Hotels International, and their commitment and talent are what allows us to exceed the expectations of our stakeholders and achieve the commitments we make as a company. We therefore placed an important focus on stability, training and talent development, on making progress in equality and diversity, and on guaranteeing a safe work environment.

## Strategic vision

In the current business context, the promotion of our responsible management model and long-term vision becomes even more relevant as we aspire to consolidate ethical, transparent and responsible management within our business model.

We aim to be a benchmark in the transition to a new tourism model in which sustainability is a strategic factor in management, allowing us to help minimise our impact on the planet and support economic and social development in all the destinations in which we operate. This focus is made more tangible through a programme that we have named Responsible Business.

The programme is the result of a learning process and the maturity we have acquired through activities that we began more than a decade ago. This process has led us to support the integration of sustainability as a key driver for value creation in our core business. This understanding of sustainability will allow us to continue making progress in our sustainability strategy and achieve our 2030 Vision to position ourselves among the leading hotel groups in the world in midscale and upscale city and resort hotels, consolidating our leadership in resort and bleisure hotels, and being seen as a global benchmark for excellence, responsibility and sustainability.

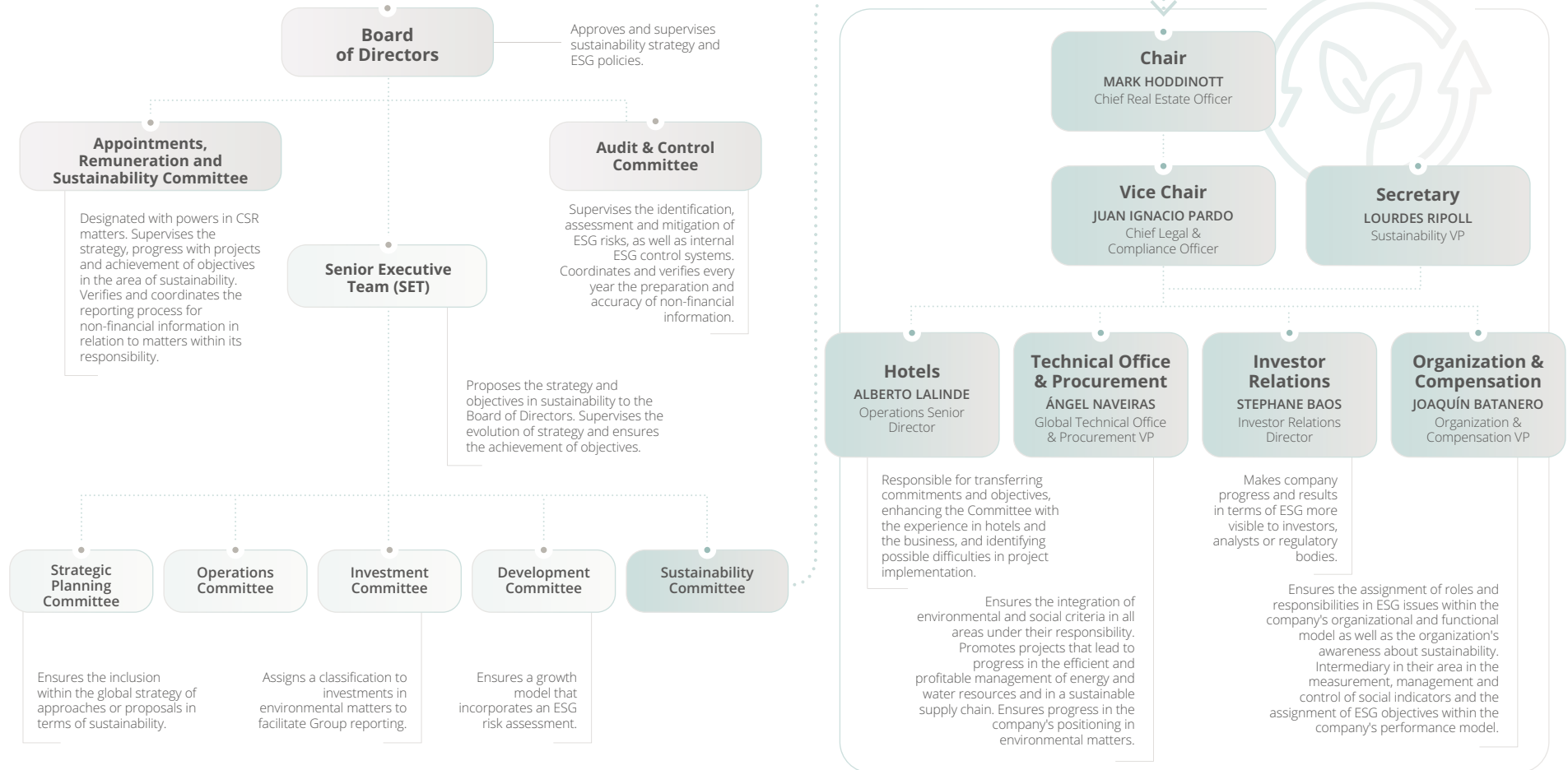
## Governance of sustainability

We are committed to an agile and flexible governance model to ensure our transformation and adaptation to the increasingly demanding requirements of our stakeholders and regulations.

We must also ensure relevant and agile decision-making based on a rigorous data analysis to help create a solid narrative that can be transmitted both externally and internally. To help achieve this, **we have activated our governance bodies for sustainability, each of them with different but complementary roles.** Our Sustainability Committee plays a key role in our performance. Created in 2020, it holds meetings at least every month to coordinate the three major dimensions of sustainability. The Chair and Vice-Chair of the committee are two members of the Executive Committee (SET), meaning that it has the highest possible degree of executive support. It also has a close link with the Board of Directors through a direct report to the Appointments, Remuneration and Sustainability Committee.

The approach to sustainability in our day-to-day activities is coordinated by the Sustainability Department, which reports directly to the Executive Vice President and CEO. This department also forms part of the Sustainability Committee, in which it also acts as secretary. The department also reports periodically to the Board of Directors through the Appointments, Remuneration and Sustainability Committee.

STRUCTURE OF SUSTAINABILITY GOVERNANCE





Our sustainability governance structure has been designed to encourage transformation and also provide the company with the proactive and reactive controls we consider necessary to accompany the transformation process.

Our major strategic commitment to digitalisation is also vitally important, given that we operate in a context where there is a strong demand for information and transparency from regulators and stakeholders, and by the need to make management decisions based on high-quality, accurate and traceable data. **We aim to move towards a situation in which our sustainability data is as reliable as our financial data.** There are two critical areas in which we made significant progress in 2022: technology that helps ensure a more responsible and sustainable supply chain, and an internal data control system for environmental information.

We have made significant progress in sustainability since our first approaches in 2008. Our current level of maturity has allowed us to define increasingly ambitious goals. We have gone from a very operational approach to approaches aimed at responding to global public commitments regarding sustainability aligned with supra-corporate objectives. This drives us to take on more ambitious challenges and to have achieved important ESG milestones in 2022. Our focus has allowed us to recover the top position in the Top 1% in the industry in the Corporate Sustainability Assessment (CSA) published by S&P Global in 2022.

### Transition to sustainability

Given that the focus on sustainability requires balanced progress in all of its dimensions, the current situation creates a priority challenge for the company: to make progress in the decarbonisation of our business and move towards a more efficient, more responsible and more sustainable tourism model. We have assumed this commitment throughout our entire value chain and devoted the financial resources required to achieve our goals.

To move towards decarbonisation of an activity we carry out in more than 40 countries and that is based on a third-party asset management model, we considered it more appropriate to focus on a financial perimeter rather than an operational perimeter, and one that can be validated under the criteria in the Science Based Targets initiative (SBTi) in 2023.

That's why in 2022 we decided to align our public commitments to our global integration perimeter and adjust our decarbonisation objectives under the financial control model. This variation does not in any way condition our commitment to work resolutely and permanently towards the decarbonisation of our business model, which must also involve our entire value chain.

We have also given continuity to projects to reduce emissions from our activities. On the one hand, we are becoming more efficient in our use of natural resources thanks to investments and efficiency measures aided by innovations driven by new technology. In addition, we are also using less energy and water. At the same time, we have identified opportunities to support circular economy projects and food waste reductions, among other areas.

We also renewed our commitment to transparency in environmental issues with our eleventh consecutive participation in CDP Climate Change, a leading international monitor of climate change and environmental management, in which we have retained our B rating. We also renewed our participation in CDP Water, a ranking that measures corporate water management, for which we also retained the B rating we achieved in 2021.

SUSTAINABILITY TRAINING (HOURS PER PERSON)

1.2

## Responsible business model

Given the market context and global challenges, we defined an objective to consolidate our business model based on ESG criteria in our hotel portfolio, offering an attractive and profitable value proposition to hotel owners and partners thanks to our vast experience in sustainable management throughout recent years. We understand that part of our duty as a responsible company is to extend our best practices to hotels owned by third parties and our commitments to all the key players in our value chain.

### Next steps for 2023

The pandemic period has influenced our agenda in an important way. What we have achieved since then, now allows us to define new challenges in a very challenging context for business. To lay the foundations for the consolidation of our business model in 2023, we are working on different areas which include:

- Accelerating our ability to adapt to regulatory requirements, rolling them out to all the affected management areas.
- Continuing to work on data gathering processes to better respond to the environmental taxonomy.
- Preparing ourselves to be in the best conditions to apply the new European sustainability reporting standards in response to the new requirements of the Directive regarding corporate information on sustainability.
- Reviewing and adapting our human rights due diligence model to ensure its alignment with the new European directive on this subject.
- We will continue to promote an ESG risk management culture.

- Making progress in the consolidation of our sustainability governance model to ensure the entire organisation assumes our commitments and objectives and supports them in all the different areas of our management structure.
- Reinforcing a focus on data to ensure our sustainability data is as reliable and accurate as our financial data at all levels.
- Continuing with our commitment to reduce our carbon footprint in line with our objectives and make progress in reducing our water footprint.
- Exploring new opportunities to continue working on circular economy projects.
- Focusing our efforts on raising awareness among our internal and external, individual and corporate customers to make them an active part of our transformation.

# 03.

## INTEGRATED FINANCIAL REPORT



# Financial and business results

GRI: 201-1

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## GLOBAL HOTEL BUSINESS

### FINANCIAL RESULTS: OWNED & LEASED

<b>OWNED &amp; LEASED</b> (€ millions)	<b>2021</b>	<b>2022</b>	<b>Δ%</b>
<b>Revenues Owned and Leased Hotels</b>	<b>704.6</b>	<b>1,500.8</b>	<b>113.0%</b>
Owned	354.4	692.2	95.3%
Leased	350.2	808.6	130.9%
<b>Of which, Room Revenues</b>	<b>403.4</b>	<b>969.3</b>	<b>140.3%</b>
Owned	181.4	396.6	118.6%
Leased	222.0	572.7	158.0%
<b>EBITDAR</b>	<b>102.2</b>	<b>420.3</b>	<b>311.1%</b>
Owned	47.4	152.2	221.1%
Leased	54.8	268.1	388.9%
<b>EBITDA</b>	<b>96.9</b>	<b>401.9</b>	<b>314.5%</b>
Owned	47.4	151.7	220.2%
Leased	49.5	250.1	404.9%
<b>EBIT</b>	<b>-144.8</b>	<b>208.3</b>	<b>243.8%</b>
Owned	-28.4	114.6	503.3%
Leased	-116.4	93.8	180.5%

### FINANCIAL RESULTS: MANAGEMENT MODEL

<b>MANAGEMENT MODEL</b> (€ millions)	<b>2021</b>	<b>2022</b>	<b>Δ%</b>
<b>Revenue</b>	<b>108.4</b>	<b>291.0</b>	<b>168.5%</b>
Fees from third parties	17.0	45.7	169.2%
Fees from owned and leased hotels	35.0	83.6	138.8%
Other revenues *	56.4	161.7	186.7%
<b>EBITDA</b>	<b>-2.4</b>	<b>81.4</b>	<b>3,504.9%</b>
<b>EBIT</b>	<b>-10.7</b>	<b>76.4</b>	<b>812.3%</b>

(\*) Other hotel revenues

### FINANCIAL RESULTS: OTHER REVENUES

<b>OTHER HOTEL REVENUES</b> (millions of €)	<b>2021</b>	<b>2022</b>	<b>Δ%</b>
<b>Revenue</b>	<b>15.6</b>	<b>54.6</b>	<b>249.8%</b>
<b>EBITDA</b>	<b>0.3</b>	<b>4.2</b>	<b>1,466.1%</b>
<b>EBIT</b>	<b>-1.0</b>	<b>2.7</b>	<b>387.4%</b>

(\*) Other hotel revenues

**BUSINESS RESULTS: KEY STATISTICS**

	OWNED & LEASED						OWNED, LEASED AND MANAGED						
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR		
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%	
<b>1. MELIÁ IN 2022</b>	<b>Total Hotels</b>	<b>61.6%</b>	<b>20.31</b>	<b>148.57</b>	<b>26.0%</b>	<b>91.54</b>	<b>88.0%</b>	<b>53.4%</b>	<b>16.81</b>	<b>130.76</b>	<b>21.3%</b>	<b>69.84</b>	<b>77.0%</b>
	SPAIN	66.1%	19.8	139.7	14.9%	92.2	64.2%	64.2%	18.8	128.4	8.0%	82.4	52.9%
	EMEA	55.8%	23.3	167.2	36.4%	93.4	133.8%	55.5%	22.7	172.4	30.9%	95.6	121.2%
	AMERICAS	59.0%	16.6	148.3	38.3%	87.5	92.7%	57.1%	19.3	132.5	39.4%	75.7	110.8%
<b>2. BUSINESS MODEL</b>	ASIA	-	-	-	-	-	-	36.0%	7.8	82.0	19.6%	29.5	52.6%
	CUBA	-	-	-	-	-	-	35.1%	15.4	122.5	83.1%	42.9	226.3%



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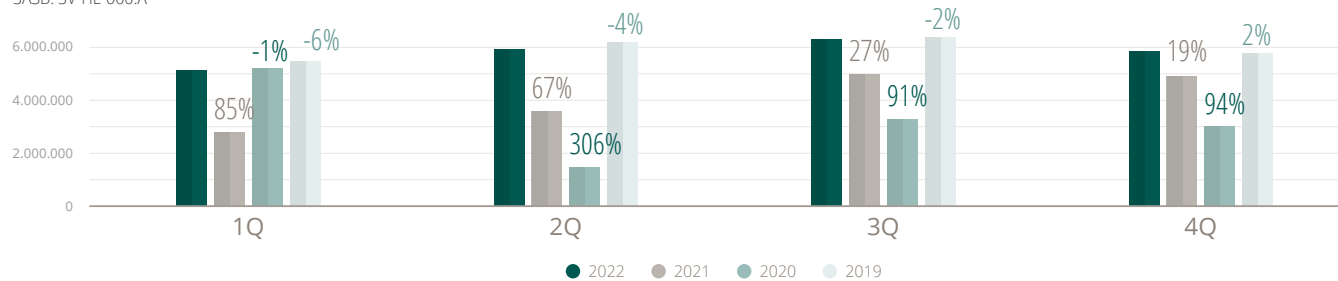
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**BUSINESS RESULTS: ROOMS AVAILABLE**

SASB: SV-HL-000.A


**BUSINESS RESULTS: OPERATIONAL PORTFOLIO & PIPELINE**

SV-HL-000.D

	OPERATIONAL PORTFOLIO						PIPELINE					
	2021		2022		2023		2024		>2024		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	37	11,854	37	11,923	-	-	-	-	-	-	-	-
Leased	105	21,872	100	21,176	1	84	1	271	1	149	3	504
Managed	129	38,822	151	44,456	23	5,168	11	2,972	13	3,729	47	11,869
Franchised	45	11,224	59	13,361	1	83	5	674	3	700	9	1,457
<b>Total</b>	<b>316</b>	<b>83,772</b>	<b>347</b>	<b>90,916</b>	<b>25</b>	<b>5,335</b>	<b>17</b>	<b>3,917</b>	<b>17</b>	<b>4,578</b>	<b>59</b>	<b>13,830</b>



## BUSINESS RESULTS: CHANGES TO THE PORTFOLIO



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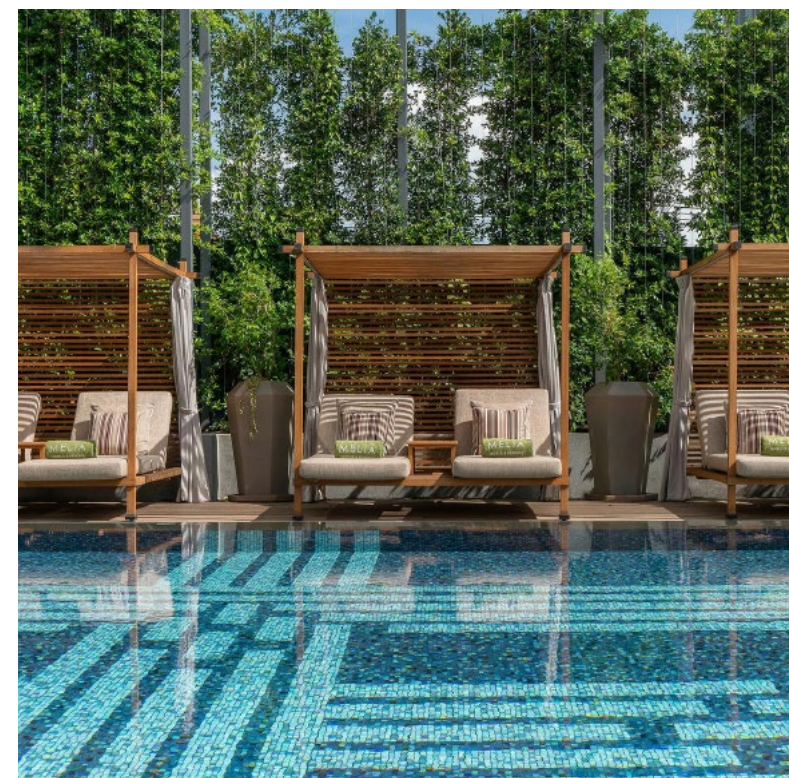
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OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	TYPE	ROOMS	HOTEL	CITY	TYPE	ROOMS
Vinpearl Quang Binh	Quang Binh	Management	127	Sol House Bali Legian	Kuta / Bali	Management	115
Vinpearl Hue	Hue	Management	213	Gijón Rey Pelayo Affiliated by Meliá	Gijón	Leased	132
Brasil 21 Suites Affiliated by Meliá	Brasilia	Management	182	Madrid Leganés Affiliated by Meliá	Madrid	Franchised	112
Brasil 21 Convention Affiliated by Meliá	Brasilia	Management	143	Meliá Recoletos	Valladolid	Leased	80
Las Arenas Affiliated by Meliá	Benalmádena	Franchised	162	Córdoba Medina Azahara Affiliated by Meliá	Cordoba	Leased	107
Vinpearl Danang Riverfront	Da Nang	Management	864				
Tenuta di Artimino member of Meliá Collection	Artimino	Management	102				
Meliá Chiang Mai	Chiang Mai	Management	254				
Vinpearl Resort & Spa Long Beach Nha Trang	Cam Ranh	Management	200				
Vinpearl Discovery Cua Hoi	Cua Hoi	Management	199				
Vinpearl Discovery Ha Tinh	Ha Tinh	Management	42				
Vinpearl Ha Tinh	Ha Tinh	Management	311				
Vinpearl Luxury Phu Quoc	Phu Quoc	Management	118				
Vinpearl Tay Ninh	Tay Ninh	Management	127				
Vinpearl Condotel Phu Ly	Phu Ly	Management	180				
Sol Marina Beach	Crete	Management	396				
Blue Sea Beach Affiliated by Meliá	Crete	Franchised	226				
Vinpearl Rivera Hai Phong	Hai Phong	Management	211				
Vinpearl Thanh Hoa	Thanh Hoah	Management	295				
Vinpearl Condotel Empire Nha Trang	Nha Trang	Management	1221				
Vinpearl Discovery Coastalland Phu Quoc	Phu Quoc	Management	240				
Vinpearl Discovery Greenhill Phu Quoc	Phu Quoc	Management	164				
Hotel Bonavia Plava Laguna Affiliated by Meliá	Rijeka	Franchised	120				
Apartments Bellevue Plava Laguna Affiliated by Meliá	Poreč	Franchised	211				
Hotel Molindrio Plava Laguna Affiliated by Meliá	Poreč	Franchised	265				
Hotel Gran Vista Plava Laguna Affiliated by Meliá	Poreč	Franchised	170				
Hotel Mediteran Plava Laguna Affiliated by Meliá	Poreč	Franchised	332				
Garden Suites Umag Plava Laguna Affiliated by Meliá	Umag	Franchised	54				
Hotel Las Águilas Tenerife Affiliated by Meliá	Puerto de la Cruz - Tenerife	Franchised	216				
Hotel Spa Portamaris	Alicante	Management	141				
Hotel Suites del Mar	Alicante	Management	39				
Hotel Elisa Tirana Affiliated by Meliá	Tirana	Franchised	46				
Hotel de Tredós Baqueira Affiliated by Meliá	Tredos - Lleida	Management	39				



Meliá Chiang Mai, Thailand

## Performance

In general terms, 2022 picked up in most destinations as the year went on. The first quarter was affected by the Omicron variant, with a high number of cancellations and low number of bookings. The second quarter saw a turnaround that would later lead to a third quarter with revenues above pre-pandemic levels for the first time. Results remained positive at the end of 2022, with higher average rates and occupancies below those of 2019 leading to a higher RevPar. The year was also marked by the dominance of last-minute bookings, a preference for flexible rates and the return of international travellers. This last factor was very positive and helped consolidate the recovery of the business, bringing prospects for growth and opening up to new markets.

## Outlook at the beginning of 2023

Even with limited visibility, booking trends are positive, with bookings higher than for the same date in 2019 and 2022. This is in addition to a recovery in air traffic and a strong performance by tour operators. MICE and corporate travel have been lagging behind other segments, but are also showing signs of recovery in several regions, indicating robust demand despite fears of a possible economic downturn. That is why the current outlook for the start of the year invites us to be cautiously optimistic.



Paradisus Palma Real, Dominican Republic

## HOTEL BUSINESS BY REGION



## SPAIN Region

## 1. MELIÁ IN 2022

## FINANCIAL RESULTS: OWNED &amp; LEASED

OWNED & LEASED (€ millions)	2021	2022	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>303.6</b>	<b>670.1</b>	<b>120.7%</b>
Owned	112.9	222.6	97.2%
Leased	190.8	447.5	134.6%
<b>Of which, Room Revenues</b>	<b>209.2</b>	<b>486.2</b>	<b>132.4%</b>
Owned	76.7	157.3	105.2%
Leased	132.5	328.9	148.2%
<b>EBITDAR</b>	<b>49.2</b>	<b>176.8</b>	<b>259.8%</b>
Owned	20.2	38.7	91.9%
Leased	29.0	138.1	376.6%
<b>EBITDA</b>	<b>46.1</b>	<b>164.1</b>	<b>255.9%</b>
Owned	20.2	38.7	91.9%
Leased	25.9	125.3	383.3%
<b>EBIT</b>	<b>-75.7</b>	<b>55.8</b>	<b>173.7%</b>
Owned	-1.3	21.5	1,747.6%
Leased	-74.4	34.3	146.1%

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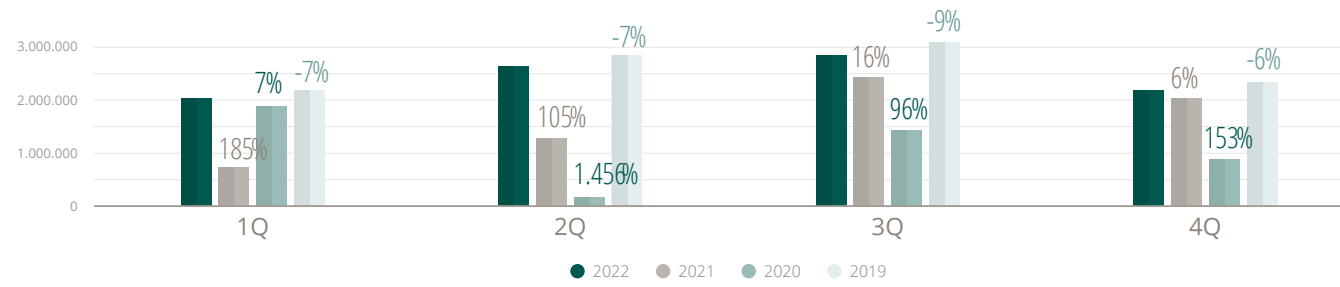
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## FINANCIAL RESULTS: MANAGEMENT MODEL

MANAGEMENT MODEL (€ millions)	2021	2022	Δ%
<b>Revenue</b>	<b>31.1</b>	<b>61.5</b>	<b>97.4%</b>
Fees from third parties	10.3	22.5	118.7%
Fees from owned and leased hotels	16.8	36.4	116.2%
Other revenues *	4.0	2.7	-34.4%

## BUSINESS RESULTS: KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total SPAIN Hotels</b>	<b>66.10%</b>	<b>19.8</b>	<b>139.7</b>	<b>14.90%</b>	<b>92.2</b>	<b>64.20%</b>	<b>64.20%</b>	<b>18.8</b>	<b>128.4</b>	<b>8.00%</b>	<b>82.4</b>	<b>52.90%</b>
City	63.70%	17.9	138.9	37.00%	88.5	90.40%	63.40%	20.2	134.9	30.30%	85.5	91.20%
Resort	68.90%	22.2	140.5	-4.10%	96.7	41.40%	64.70%	17.5	123.8	-6.00%	80.2	28.70%

**BUSINESS RESULTS: ROOMS AVAILABLE**

**BUSINESS RESULTS: OPERATIONAL PORTFOLIO & PIPELINE**

	OPERATIONAL PORTFOLIO				PIPELINE						TOTAL	
	2021		2022		2023		2024		>2024			
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	14	3,957	14	3,957	-	-	-	-	-	-	-	-
Leased	64	14,228	60	13,619	-	-	1	271	-	-	1	271
Management	46	14,235	50	14,690	1	308	3	600	1	835	5	1,743
Franchised	16	2,860	17	3,112	1	83	-	-	-	-	1	83
<b>Total SPAIN</b>	<b>140</b>	<b>35,280</b>	<b>141</b>	<b>35,378</b>	<b>2</b>	<b>391</b>	<b>4</b>	<b>871</b>	<b>1</b>	<b>835</b>	<b>7</b>	<b>2,097</b>

**BUSINESS RESULTS: CHANGES TO THE PORTFOLIO**

OPENINGS				DISAFFILIATIONS			
HOTEL	CITY	TYPE	ROOMS	HOTEL	CITY	TYPE	ROOMS
Las Arenas Affiliated by Meliá	Benalmádena	Franchised	162	Gijón Rey Pelayo Affiliated by Meliá	Gijón	Leased	132
Hotel Las Águilas Tenerife Affiliated by Meliá	Puerto de la Cruz - Tenerife	Franchised	216	Madrid Leganés Affiliated by Meliá	Madrid	Franchised	112
Hotel Spa Portamaris	Alicante	Management	141	Meliá Recoletos	Valladolid	Leased	80
Hotel Suites del Mar	Alicante	Management	39	Córdoba Medina Azahara Affiliated by Meliá	Cordoba	Leased	107
Hotel de Tredós Baqueira Affiliated by Meliá	Tredos - Lleida	Management	39				



## PERFORMANCE

With regard to city hotels, the initial months of the year were made very difficult due to the impact of the Omicron variant. Second-tier destinations performed best thanks to local travellers and the “bleisure” segment. The bigger destinations began to see an improvement in operations in the second quarter, where the rapid recovery from the pandemic gave a strong boost to the number of bookings. In the third quarter we equalled the figures for 2019, mainly due to an increase in average room rates and the return of international travellers. Sales in our direct channels and through OTAs performed strongly from the start, supported by a gradual recovery in the number of flights and their seat occupancy levels. The Corporate Travel and MICE segments recovered more slowly, with a lower number of congresses and events in annual terms. However, although not reaching pre-pandemic levels, the growing number of events that have taken place indicate a positive change in trend. The end of the year saw the same overall trend, with a second consecutive quarter seeing higher RevPar than in 2019.

The first part of the year in resort hotels was hugely affected by the return of travel restrictions in Europe and the United Kingdom, which remained in place until mid-February. However, once the threat of the Omicron variant dissipated, the recovery in sales was immediate. This allowed us to focus on a strategy to add value in our luxury hotels and promote our superior rooms, which led to an increase in our average room rates. The second quarter confirmed the change in trend, and then the third quarter saw confirmation of the recovery, after a very positive summer in which we managed to exceed pre-pandemic revenues for the first time, with RevPar showing a +17.2% increase compared to the third quarter of 2019. The return of international travellers was a very important factor behind these results. We not only saw a recovery in our traditional feeder markets, but also in markets such as North America and the United Arab Emirates, where our luxury hotels have seen the largest increase in

revenue and room rates compared to previous years. By market segment, direct sales, OTAs and tour operators had a positive performance, with a strong trend towards booking at the last minute and with flexible rates.

## OUTLOOK AT THE BEGINNING OF 2023

In Spain, the forecasts for city hotels are positive, with double-digit percentage price increases and occupancy levels slightly lower than in 2019. The difference between current results in the MICE segment and 2019 continues to narrow, while corporate travel is recovering more slowly. Resort hotels present very positive results for the first quarter thanks to the last-minute bookings that continued at the beginning of the year, allowing us to exceed our expectations thanks to the focus since 2022 on increasing average room rates. Recently we have seen an increase in bookings, mainly in the UK, German and domestic markets, which are also beginning to book early for the summer. The Canary Islands continues to be the area with the highest expectations, where the debut of the Paradisus brand in Europe will also have a positive effect. On the other hand, the opening of the first hotel under the new ZEL brand is destined to become a major milestone in 2023.



## EMEA Region



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## FINANCIAL RESULTS: OWNED &amp; LEASED

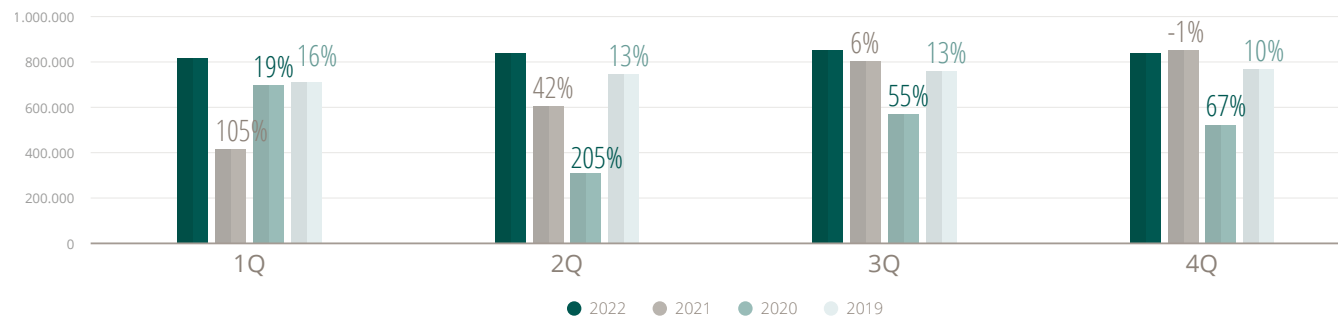
OWNED & LEASED (€ millions)	2021	2022	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>181.4</b>	<b>422.9</b>	<b>133.1%</b>
Owned	38.7	96.8	150.1%
Leased	142.7	326.1	128.5%
<b>Of which, Room Revenues</b>	<b>94.5</b>	<b>281.4</b>	<b>197.8%</b>
Owned	18.5	68.3	269.4%
Leased	76.0	213.1	180.3%
<b>EBITDAR</b>	<b>26.3</b>	<b>137.3</b>	<b>422.8%</b>
Owned	2.7	21.3	690.4%
Leased	23.6	116.0	392.2%
<b>EBITDA</b>	<b>26.2</b>	<b>134.6</b>	<b>413.3%</b>
Owned	2.7	21.3	690.4%
Leased	23.5	113.3	381.6%
<b>EBIT</b>	<b>-57.9</b>	<b>64.3</b>	<b>211.0%</b>
Owned	-21.8	17.7	181.0%
Leased	-36.1	46.6	229.0%

## FINANCIAL RESULTS: MANAGEMENT MODEL

MANAGEMENT MODEL (€ millions)	2021	2022	Δ%
<b>Revenue</b>	<b>10.7</b>	<b>33.0</b>	<b>208.4%</b>
Fees from third parties	1.2	2.9	132.4%
Fees from owned and leased hotels	5.6	20.9	273.6%
Other revenues*	3.9	9.2	138.1%

## BUSINESS RESULTS: KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total EMEA Hotels</b>	<b>55.80%</b>	<b>23.3</b>	<b>167.2</b>	<b>36.40%</b>	<b>93.4</b>	<b>133.80%</b>	<b>55.50%</b>	<b>22.7</b>	<b>172.4</b>	<b>30.90%</b>	<b>95.6</b>	<b>121.20%</b>
Germany	53.60%	23.8	129.2	43.80%	69.3	158.80%	53.60%	23.8	129.2	43.80%	69.3	158.80%
France	58.30%	13.3	209.4	64.80%	122.2	113.60%	58.30%	13.3	209.4	64.80%	122.2	113.60%
Italy	59.80%	13.4	266.1	32.60%	159.1	70.90%	57.70%	11.3	260.3	29.70%	150.2	61.40%
United Kingdom	58.20%	24.9	186.7	7.40%	108.7	87.90%	57.70%	24.1	189.9	8.40%	109.5	86.10%
Other EMEA	56.60%	29	169.7	29.90%	96	166.80%	55.40%	24.4	194.3	12.70%	107.7	101.40%

**BUSINESS RESULTS: ROOMS AVAILABLE**

**BUSINESS RESULTS: OPERATIONAL PORTFOLIO & PIPELINE**

	OPERATIONAL PORTFOLIO						PIPELINE					
	2021		2022		2023		2024		>2024		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	7	1,395	7	1,396	-	-	-	-	-	-	-	-
Leased	39	7,050	38	6,960	1	84	-	-	1	149	2	233
Management	8	812	9	913	11	1,953	5	1,214	5	1,216	21	4,383
Franchised	28	8,218	41	10,103	-	-	5	674	3	700	8	1,374
<b>Total EMEA</b>	<b>82</b>	<b>17,475</b>	<b>95</b>	<b>19,372</b>	<b>12</b>	<b>2,037</b>	<b>10</b>	<b>1,888</b>	<b>9</b>	<b>2,065</b>	<b>31</b>	<b>5,990</b>

**BUSINESS RESULTS: CHANGES TO THE PORTFOLIO**

OPENINGS				DISAFFILIATIONS		
HOTEL	CITY	TYPE	ROOMS	HOTEL	CITY	ROOMS
Tenuta di Artimino member of Meliá Collection	Artimino	Management	102			
Sol Marina Beach	Crete	Management	396			
Blue Sea Beach Affiliated by Meliá	Crete	Franchised	226			
Hotel Bonavia Plava Laguna Affiliated by Meliá	Rijeka	Franchised	120			
Apartments Bellevue Plava Laguna Affiliated by Meliá	Poreč	Franchised	211			
Hotel Molindrio Plava Laguna Affiliated by Meliá	Poreč	Franchised	265			
Hotel Gran Vista Plava Laguna Affiliated by Meliá	Poreč	Franchised	170			
Hotel Mediteran Plava Laguna Affiliated by Meliá	Poreč	Franchised	332			
Garden Suites Umag Plava Laguna Affiliated by Meliá	Umag	Franchised	54			
Hotel Elisa Tirana Affiliated by Meliá	Tirana	Franchised	46			

## PERFORMANCE



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1. MELIÁ IN 2022

The start of the year in the region was affected by the Omicron variant and new travel and capacity restrictions. This had a negative impact on the desire and ability to travel which affected the entire region. From the second quarter onwards the change was notable, with all the different countries increasing booking numbers to a greater or lesser extent, culminating in the recovery of a number of events that boosted demand. Similarly to the other regions, hotels achieved higher average room rates and lower occupancies than in 2019.

2. BUSINESS MODEL

Germany saw two different patterns in its recovery. On the one hand, cities more focused on business travel saw a slower recovery and did not reach the levels of 2019. On the other hand, hotels in the east of the country that have a mix of both business and leisure travellers performed better thanks to direct sales and OTAs. One very positive note was the recovery of several trade fairs and major events, including the Oktoberfest and the Davis Cup, which despite having less visitors than in previous years, were a sign of the recovery of events and a good sign for the future. The end of the year was affected by the slowdown in Corporate Travel and MICE in the hotels more dependent on these segments, which was not fully compensated by direct sales.

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

2022 was a positive year in the UK. Despite a slow start due to travel restrictions, the eventual recovery of air travel allowed the return of international travellers. Direct sales and OTAs recovered quickly, fuelled in part by a number of concerts and important events such as Wimbledon, as well as the release of the pent-up demand after the pandemic. Corporate Travel and MICE took a little longer to recover, although by May a reactivation of both segments was becoming tangible. The new hotels opened in the north of the country, such as in Newcastle and Liverpool, performed well, increasing our brand recognition in the country.

6. CREATION OF SOCIAL VALUE

7. ANNEXES

Italy saw a turning point after the end of COVID travel restrictions in April. All of the different market segments saw a very positive dynamic. Rome was favoured by the lengthening of the high season and the demand for superior rooms in our luxury hotels. This allowed us to achieve a significant average room rate increase, with the return of the North American market also being a key factor. In Milan there was a combination of important events and concerts together with an increase in direct sales, leading to very positive results. Despite the strong impact of Omicron in the first quarter, the excellent performance in the final part of the year made it possible to recover what was lost at the beginning, with revenues for the full year being above those of 2019.

In France, the positive trend began after Easter and continued with the hosting of the Champions League final. June ended with historic results for average room rates in the city's hotels. Special mention should be made of the positive impact of the Meliá Collection brand after the repositioning of the Maison Colbert and Villa Marquis, allowing the hotels greater access to premium travellers and making it possible to double room rates. An important factor in this achievement was the return of North American travellers, as well as the strong performance of direct sales channels throughout the year. Recovery came later in the MICE and Corporate Travel segments and with a lower increase than in other segments. The dominant trend throughout the year was the lack of large congresses and less business travel. However, in October the MICE segment saw numbers similar to 2019 thanks to the celebration of major events such as the International Food Fair.

*OUTLOOK AT THE BEGINNING OF 2023*

In EMEA, Germany continues with the trends seen in the fourth quarter, with revenues slightly affected by a lack of corporate travel that is not fully compensated by alternative segments. Some trade fairs are attracting fewer exhibitors, which will also have a negative effect on operations. However, the prospects for hotels that are more focused on leisure travel in the east of the country are positive.

In the United Kingdom, the prospects still do not foresee a recovery of demand to 2019 levels. London hotels currently have a lower number of groups and direct bookings. Hotels in the north of the country have a more positive outlook, with an increase in MICE demand offsetting the decrease in OTAs. The start of January was marked by strikes, which had a negative effect on business.

In Italy, the positive trend continues thanks to group bookings and continued growth in average rates. No major events are expected, except for Milan Fashion Week.

France is still performing positively, especially in terms of average rates, with a high double-digit percentage improvement in our luxury hotels. The celebration of two major congresses and a fashion week will have a great boost for the MICE segment. The only negative issue is the possible impact of strikes that may affect our operations.

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Meliá Berlin, Germany

## Americas Region



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## FINANCIAL RESULTS: OWNED &amp; LEASED

<b>OWNED &amp; LEASED</b> (€ millions)	<b>2021</b>	<b>2022</b>	<b>Δ%</b>
<b>Revenues Owned and Leased Hotels</b>	<b>219.6</b>	<b>407.9</b>	<b>85.8%</b>
Owned	202.9	372.9	83.8%
Leased	16.7	35.1	109.5%
<b>Of which, Room Revenues</b>	<b>99.7</b>	<b>201.7</b>	<b>102.3%</b>
Owned	86.3	171.0	98.2%
Leased	13.4	30.7	128.7%
<b>EBITDAR</b>	<b>26.8</b>	<b>106.2</b>	<b>295.8%</b>
Owned	24.5	92.2	275.7%
Leased	2.3	14.0	510.9%
<b>EBITDA</b>	<b>24.6</b>	<b>103.2</b>	<b>319.3%</b>
Owned	24.5	91.7	273.9%
Leased	0.1	11.5	13,586.8%
<b>EBIT</b>	<b>-11.2</b>	<b>88.3</b>	<b>890.0%</b>
Owned	-5.3	75.4	1,524.0%
Leased	-5.9	12.9	318.8%

## FINANCIAL RESULTS: MANAGEMENT MODEL

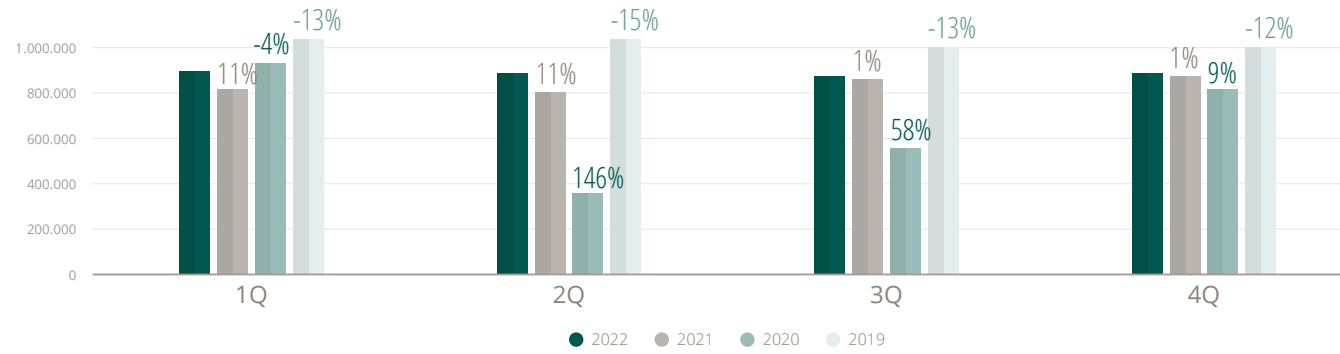
<b>MANAGEMENT MODEL</b> (€ millions)	<b>2021</b>	<b>2022</b>	<b>Δ%</b>
<b>Revenue</b>	<b>16.0</b>	<b>63.6</b>	<b>297.5%</b>
Fees from third parties	1.4	5.3	283.3%
Fees from owned and leased hotels	12.5	26.2	109.1%
Other revenues*	2.1	32.1	1,447.2%

## BUSINESS RESULTS: KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total Hotels AMERICA</b>	<b>59.00%</b>	<b>16.6</b>	<b>148.3</b>	<b>38.30%</b>	<b>87.5</b>	<b>92.70%</b>	<b>57.10%</b>	<b>19.3</b>	<b>132.5</b>	<b>39.40%</b>	<b>75.7</b>	<b>110.80%</b>
Brazil	-	-	-	-	-	-	54.00%	23.6	79.5	69.30%	42.9	200.40%
Mexico	59.00%	8.8	170.6	46.70%	100.6	72.40%	59.00%	8.8	170.6	46.70%	100.6	72.40%
Dominican Republic	68.10%	26.5	117.7	30.70%	80.1	114.00%	68.10%	26.5	117.7	30.70%	80.1	114.00%
Others AMERICA	46.00%	15.9	158.2	37.30%	72.7	110.00%	47.50%	19.5	172.6	42.60%	82	141.40%



**BUSINESS RESULTS: ROOMS AVAILABLE**



**BUSINESS RESULTS: OPERATIONAL PORTFOLIO & PIPELINE**

	OPERATIONAL PORTFOLIO				PIPELINE							
	2021		2022		2023		2024		>2024		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	16	6,502	16	6,570	-	-	-	-	-	-	-	-
Leased	2	594	2	597	-	-	-	-	-	-	-	-
Management	17	3,918	19	4,195	4	1,271	1	180	-	-	5	1,451
Franchised	1	146	1	146	-	-	-	-	-	-	-	-
<b>Total AMERICA</b>	<b>36</b>	<b>11,160</b>	<b>38</b>	<b>11,508</b>	<b>4</b>	<b>1,271</b>	<b>1</b>	<b>180</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>1,451</b>

**BUSINESS RESULTS: CHANGES TO THE PORTFOLIO**

OPENINGS				DISAFFILIATIONS		
HOTEL	CITY	TYPE	ROOMS	HOTEL	CITY	ROOMS
Brasil 21 Suites Affiliated by Meliá	Brasilia	Management	182			
Brasil 21 Convention Affiliated by Meliá	Brasilia	Management	143			

## PERFORMANCE

In Mexico, 2022 started with an increase in cancellation rates both from direct customers and MICE groups due to the Omicron variant in feeder markets. From the second quarter onwards, a higher number of flights and seat occupancy to the key destinations allowed an increase in the number of guests. These changes also had a positive effect on the MICE segment, which saw an increase in demand mainly from the United States. By the third quarter, every segment was showing a tangible recovery, with our direct sales channels bringing in 32% of all revenues for the period. Reservations were generally made at the last minute, with customers looking for flexibility for their holidays. The end of the year was also very positive thanks to a significant increase in rates (in USD: +45% vs. 3Q2019) and good results from major promotions such as Black Friday or Cyber Monday. Our brand strength and positioning in the luxury market were key factors behind these results and will be very relevant in view of the entry of new competitors in the market.

The Dominican Republic experienced a general recovery as a destination and also a significant transformation. During the year we carried out a thorough remodelling of the Paradisus Palma Real and also repositioned the Meliá Punta Cana Beach. We also introduced new products and concepts, such as “resortainment” under the new Falcon's Resorts by Meliá brand together with our strategic partner. The hotel previously known as Paradisus Grand Cana has adopted the new name, and the project to open the first theme park on the island has begun. Our brand strength and the strong performance of the travel industry allowed us to optimise our room rates and occupancy to levels above those of 2019.

With respect to the United States, the poor start to the first quarter due to the Omicron effect was partly offset by a strong performance in the Canadian market and corporate travel, which made up for the lack of

international travellers from other parts of the world. By the second quarter the prospects were much better and led to a very positive season in both Orlando and New York. The domestic market remained the most important one in both destinations, although the return of international travellers was an important catalyst for increasing rates and occupancy to levels above those of 2019. The celebration of major events such as the United Nations General Assembly and Fashion Week in New York also had a considerable impact. Orlando saw an increase in events held by the theme parks which led to additional demand.

## OUTLOOK AT THE BEGINNING OF 2023

In Mexico we expect a full recovery from the effects of the pandemic in the first quarter, in which the number of bookings already taken is very solid. We would also highlight the recovery of the MICE segment, which has come back strongly and is the most relevant segment for the first quarter of the year. The entry of new competitors in the market bolsters our strategy regarding positioning in the luxury sector, where we have a strong brand identity in the destination. In the Dominican Republic, the recovery in the MICE segment and the promotion of the new products announced at the end of 2022 point towards a positive outlook. The US and Canadian markets are showing the greatest increases both from tour operators and direct bookings, although European feeder markets are still sluggish due to a lower number of flights.

In the United States, the beginning of the year has been positive. In Orlando we are entering the high season of the year, with holidays periods and scheduled trade fairs. New York has a solid outlook for January and March, although some events expected in February have been moved to other dates during the year. The objective will be to make up for this lack of business with more direct bookings, especially at the last minute.

## ASIA Region



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### FINANCIAL RESULTS: OWNED & LEASED

OWNED & LEASED (€ millions)	2021	2022	Δ%
<b>Revenues Owned and Leased Hotels</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
Owned	-	-	-
Leased	-	-	-
<b>Of which, Room Revenues</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
Owned	-	-	-
Leased	-	-	-

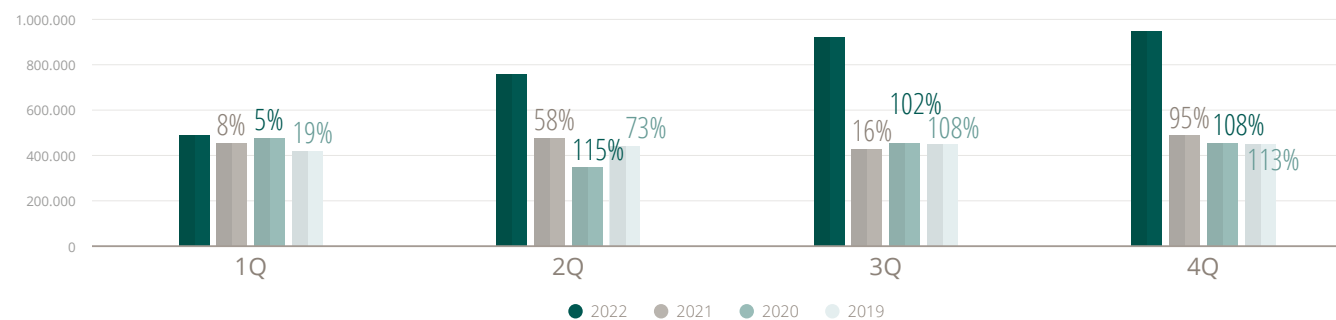
### FINANCIAL RESULTS: MANAGEMENT MODEL

MANAGEMENT MODEL (€ millions)	2021	2022	Δ%
<b>Revenue</b>	<b>3.1</b>	<b>5.7</b>	<b>84.1%</b>
Fees from third parties	1.7	3.0	83.2%
Fees from owned and leased hotels	0.0	0.0	0.0%
Other revenues*	1.5	2.7	85.1%

### BUSINESS RESULTS: KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total ASIA Hotels</b>	-	-	-	-	-	-	<b>36.00%</b>	<b>7.8</b>	<b>82</b>	<b>19.60%</b>	<b>29.5</b>	<b>52.60%</b>
China	-	-	-	-	-	-	38.80%	-7	82.4	5.50%	32	-10.50%
Southeast Asia	-	-	-	-	-	-	35.40%	15.2	81.9	39.20%	29	143.10%

### BUSINESS RESULTS: ROOMS AVAILABLE



## BUSINESS RESULTS: OPERATIONAL PORTFOLIO &amp; PIPELINE

	OPERATIONAL PORTFOLIO						PIPELINE					
	2021		2022		2023		2024		>2024		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
1. MELIÁ IN 2022												
Owned	-	-	-	-	-	-	-	-	-	-	-	-
Leased	-	-	-	-	-	-	-	-	-	-	-	-
Management	26	5,941	41	10,738	3	712	2	978	7	1,678	12	3,368
Franchised	-	-	-	-	-	-	-	-	-	-	-	-
2. BUSINESS MODEL												
<b>Total ASIA</b>	<b>26</b>	<b>5,941</b>	<b>41</b>	<b>10,738</b>	<b>3</b>	<b>712</b>	<b>2</b>	<b>978</b>	<b>7</b>	<b>1,678</b>	<b>12</b>	<b>3,368</b>

## BUSINESS RESULTS: CHANGES TO THE PORTFOLIO

	OPENINGS				DISAFFILIATIONS			
	HOTEL	CITY	TYPE	ROOMS	HOTEL	CITY	TYPE	ROOMS
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	Vinpearl Quang Binh	Quang Binh	Management	127	Sol House Bali Legian	Kuta / Bali	Management	115
	Vinpearl Hue	Hue	Management	213				
	Vinpearl Danang Riverfront	Da Nang	Management	864				
	Meliá Chiang Mai	Chiang Mai	Management	254				
5. COMMITMENT TO COMBAT CLIMATE CHANGE	Vinpearl Resort & Spa Long Beach Nha Trang	Cam Ranh	Management	200				
	Vinpearl Discovery Cua Hoi	Cua Hoi	Management	199				
	Vinpearl Discovery Ha Tinh	Ha Tinh	Management	42				
	Vinpearl Ha Tinh	Ha Tinh	Management	311				
	Vinpearl Luxury Phu Quoc	Phu Quoc	Management	118				
6. CREATION OF SOCIAL VALUE	Vinpearl Tay Ninh	Tay Ninh	Management	127				
	Vinpearl Condotel Phu Ly	Phu Ly	Management	180				
	Vinpearl Rivera Hai Phong	Hai Phong	Management	211				
	Vinpearl Thanh Hoa	Thanh Hoah	Management	295				
	Vinpearl Condotel Empire Nha Trang	Nha Trang	Management	1221				
	Vinpearl Discovery Coastalland Phu Quoc	Phu Quoc	Management	240				
7. ANNEXES	Vinpearl Discovery Greenhill Phu Quoc	Phu Quoc	Management	164				

## PERFORMANCE

Asia suffered the impact of the pandemic throughout the year without any of the major changes seen in other regions. China was the country most affected due to strict anti-COVID policies which remained in place throughout the year. This caused the vast majority of events and congresses in the major cities to be cancelled or postponed, with a very negative effect on the MICE and Corporate Travel segments. These restrictive policies also had a negative effect on other destinations in the region for which China is an important feeder market. The positive note, however, came at the end of the year, when the Chinese government announced the relaxation of restrictions, allowing the entry of international travellers without any need for quarantine and also allowing travel within the country. Finally, it is worth noting that the pent-up demand caused by COVID-19 in China has still not been fully released as the population has still not had the opportunity to enjoy a holiday or attend events.

In other Southeast Asian countries the trends were more similar to the other regions. The early part of the year suffered from a lack of international travellers, although sales efforts in domestic markets helped us achieve occupancies similar to those of 2019 in several of our hotels. After the Omicron variant was overcome, the arrival of international travellers allowed the recovery of destinations such as Bali or Thailand, especially in resort hotels. However, destinations that are more dependent on the Chinese market had more problems replacing Chinese visitors with domestic travellers. Our growth in the region merits a special mention thanks to the opening of 15 hotels in Vietnam through an agreement with Vinpearl. These additions to our portfolio position the company as the second largest operator by number of rooms in the country.

## OUTLOOK AT THE BEGINNING OF 2023

In APAC, after the relaxation of anti-Covid measures in China, a notable increase in the number of reservations has been seen, especially for the Chinese New Year. We therefore expect a change in trend and a recovery in both business and leisure travel. In Southeast Asia, the start of the year is expected to be positive, coinciding with the high season in Thailand and Bali. We also see an improvement in demand for Vietnam from the Korean market, especially in holiday destinations such as Danang or Nha Trang. Destinations that are most dependent on the Chinese market are also beginning to see an improvement after the removal of travel restrictions, although a more significant recovery is not expected until March or April 2023.



Meliá Danang, Vietnam

## CUBA Region



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### FINANCIAL RESULTS: OWNED & LEASED

OWNED & LEASED (€ millions)	2021	2022	Δ%
<b>Revenues Owned and Leased Hotels</b>	N.A.	N.A.	N.A.
Owned	-	-	-
Leased	-	-	-
<b>Of which, Room Revenues</b>	N.A.	N.A.	N.A.
Owned	-	-	-
Leased	-	-	-

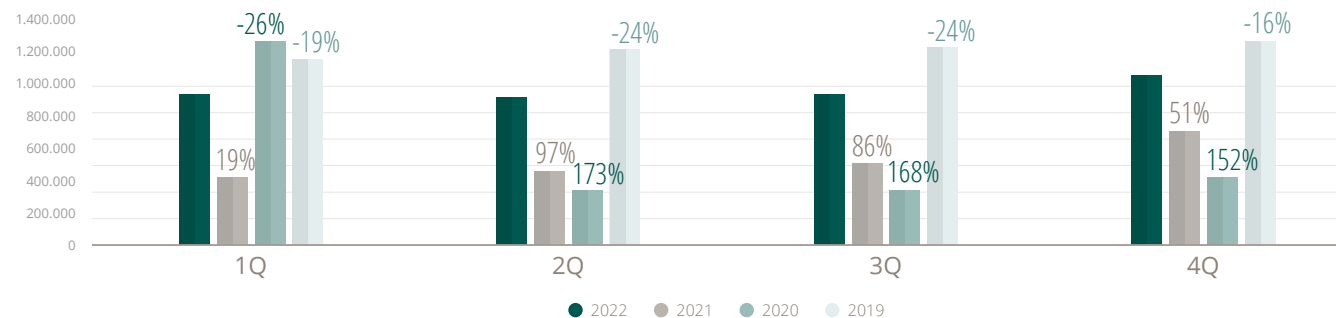
### FINANCIAL RESULTS: MANAGEMENT MODEL

MANAGEMENT MODEL (€ millions)	2021	2022	Δ%
<b>Revenue</b>	2.5	20.2	698.3%
Fees from third parties	2.4	12.0	394.0%
Fees from owned and leased hotels	-	0.0	0.0%
Other revenues*	0.1	8.2	8,521.2%

### BUSINESS RESULTS: KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED AND MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
<b>Total CUBA Hotels</b>	-	-	-	-	-	-	35.10%	15.4	122.5	83.10%	42.9	226.30%

### BUSINESS RESULTS: ROOMS AVAILABLE





**BUSINESS RESULTS: OPERATIONAL PORTFOLIO & PIPELINE**

	OPERATIONAL PORTFOLIO						PIPELINE					
	2021		2022		2023		2024		>2024		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
1. MELIÁ IN 2022												
Owned	-	-	-	-	-	-	-	-	-	-	-	-
Leased	-	-	-	-	-	-	-	-	-	-	-	-
Management	32	13,916	32	13,920	4	924	-	-	-	-	4	924
Franchised	-	-	-	-	-	-	-	-	-	-	-	-
2. BUSINESS MODEL												
<b>Total CUBA</b>	<b>32</b>	<b>13,916</b>	<b>32</b>	<b>13,920</b>	<b>4</b>	<b>924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>924</b>

**BUSINESS RESULTS: CHANGES TO THE PORTFOLIO**

	OPENINGS				DISAFFILIATIONS			
	HOTEL	CITY	TYPE	ROOMS	HOTEL	CITY	TYPE	ROOMS

*PERFORMANCE*

2022 saw the resurgence of tourism in Cuba after almost two years of very limited activity due to the pandemic. We saw a significant improvement in results compared to 2021, although still below the figures for the years prior to the health crisis. The growth in the number of flights has allowed us to recover several traditional feeder markets, among which Canada had a particularly strong performance. Other markets such as Germany, Spain and the UK also showed good progress. Tour operators continued to be the dominant booking channel for the region, followed at a significant distance by direct sales. This strong performance allowed us to mitigate the impact of the almost total disappearance of the Russian market after the conflict with Ukraine. Finally, we would highlight that the hotels that remained closed after the pandemic finally reopened in 2022, many of them after being remodelled during their closure.

*OUTLOOK AT THE BEGINNING OF 2023*

In Cuba, bookings continue as in recent months, with a very positive comparison to the same period in the previous year. The recovery of air traffic points towards an increase in potential demand, and we expect to operate with 27 hotels. During the first quarter we have continued with improvements to several hotels.

## CLUB MELIÁ & THE CIRCLE

Sales for 2022 reached US\$ 42.5 M, +25% above 2021. This improvement was made possible by greater efficiency in sales rooms, upgrades to Circle memberships, an extension of the Circle experience and the opening of new sales rooms and creation of new products.

Revenues (IFRS 15) increased by +41.2%, confirming the improvement in the confidence of our members.

The improvements we carried out in the different hotels during the year are of note, with new spaces reserved for our Circle by Meliá members such as the one included in the relaunch of Paradisus Palma Real.

## REAL ESTATE BUSINESS

No asset disposals were made in 2022, unlike the transaction carried out in the second quarter of 2021 which generated revenue of €170 million and capital gains at the EBITDA level of approximately €64 million. The amounts noted as capital gains on fixed assets in 2022 are due to the revaluation of assets thanks to an improvement in the business for an amount of €12.2 M

in assets held in joint ventures. The total value of our assets therefore amounts to €4,641 million, an increase of +5.8% compared to the previous valuation in 2018. On a comparable basis, the increase is 10.6%.

The following tables present a detailed description of the asset valuation in global integration carried out by CBRE:

The company continues to work on an asset rotation transaction.

A new asset valuation was carried out and published in 2022 by the firm CBRE. The asset valuation resulted in a total value by global integration of €4,041 M, to which an extra €600 M must be added from our participation

ASSET VALUATION



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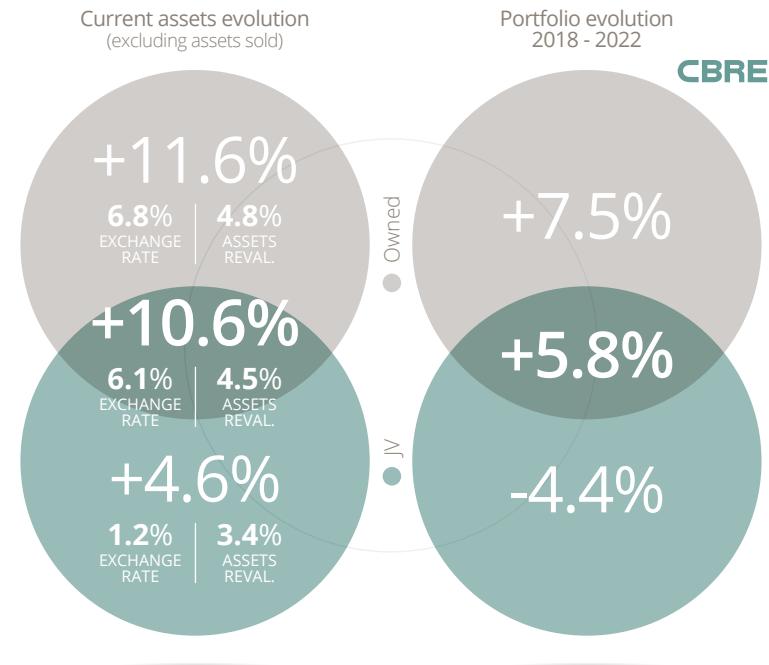
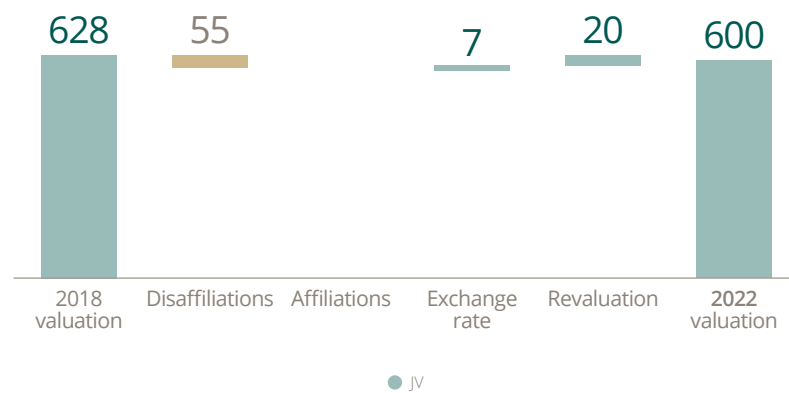
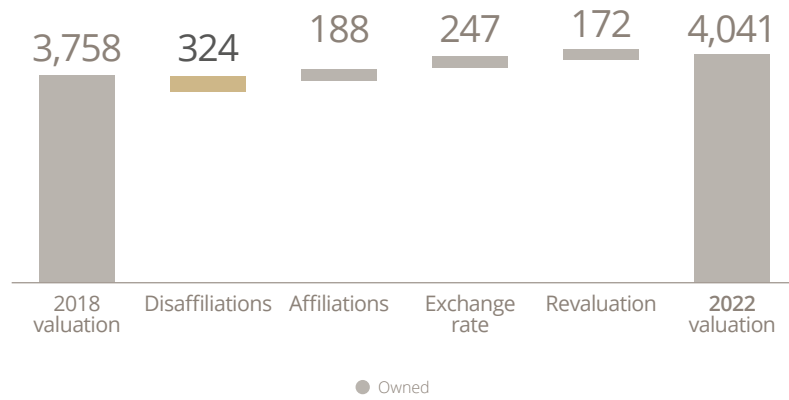
5. COMMITMENT TO COMBAT CLIMATE CHANGE

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GLOBAL INTEGRATION	JUL-22
Value of Assets in Global Consolidation	€4,041 M
Total Rooms	12,722
Average Rate per Room	€ 307,275
% change average rate per room vs. June 2018	21.20%
Discount Rate / Exit Rate	10.68% / 7.06%

EQUITY METHOD	JUL-22
Value of Assets by Equity Method	€600 M
Total Rooms	9,734
Average Rate per Room	€ 147,250
% change average rate per room vs. June 2018	3.30%
Discount Rate / Exit Rate	10.68% / 7.06%



## VALUE OF HOTELS PER ROOM

ASSET	TYPE	2018	2022	VALUE INCREASE
LatAm hotels		€ 243,043	€ 291,432	19.90%
Spanish hotels	City	€ 243,611	€ 310,341	27.40%
	Resort	€ 211,310	€ 227,777	7.80%
Rest of Europe hotels		€ 415,674	€ 525,178	26.30%
<b>TOTAL</b>		<b>€ 253,588</b>	<b>€ 307,275</b>	<b>21.20%</b>

## VALUATION RESULT

LOCATION	TYPE	VALUE M€	% / TOTAL
Americas	Hotel	1,899.30	47.00%
	Real estate	80.5	2.00%
	Other Assets	9.6	0.20%
<b>Total America</b>		<b>1,989.30</b>	<b>49.20%</b>
Spain	Hotel	1,244.20	30.80%
	City	612.4	15.20%
	Resort	631.8	15.60%
	Real estate	20.6	0.50%
	Other Assets	21.4	0.50%
<b>Total Spain</b>		<b>1,286.10</b>	<b>31.80%</b>
Rest of Europe	Hotel	765.7	18.90%
<b>Total</b>		<b>4,041.20</b>	

The methodology used in the valuation process is the one defined by the Royal Institute of Chartered Surveyors (RICS). The valuation date is July 31, 2022, with the report issued on November 18, 2022

The valuations carried out by CBRE were based on the vision of CBRE Hotels regarding the business forecasts for each property. The sales history of the property, planned investments and expected changes in supply or demand were taken into account in their preparation. Discounted cash flows were mainly used to determine the value of the assets.

As a result of the new asset valuation, the company has reversed impairments and revalued certain assets for a total impact of €73.1 M, of which €35.1 M correspond to reversals of rental impairments (rights of use) and an amount of €20 million in tangible assets.



Paradisus Playa Mujeres, Mexico

# Value for our shareholders



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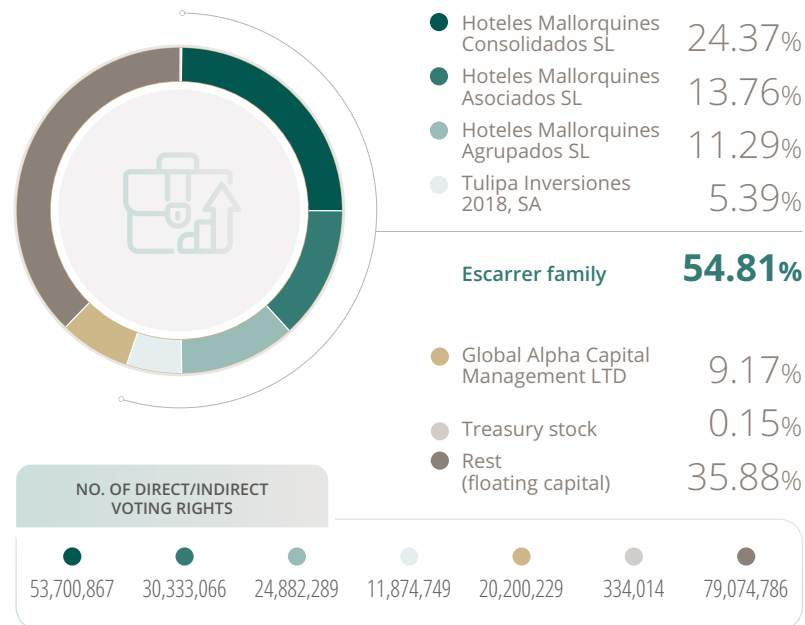
6. CREATION OF SOCIAL VALUE

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## SHAREHOLDER DISTRIBUTION

As of December 31, 2022, our shareholder structure is as follows:

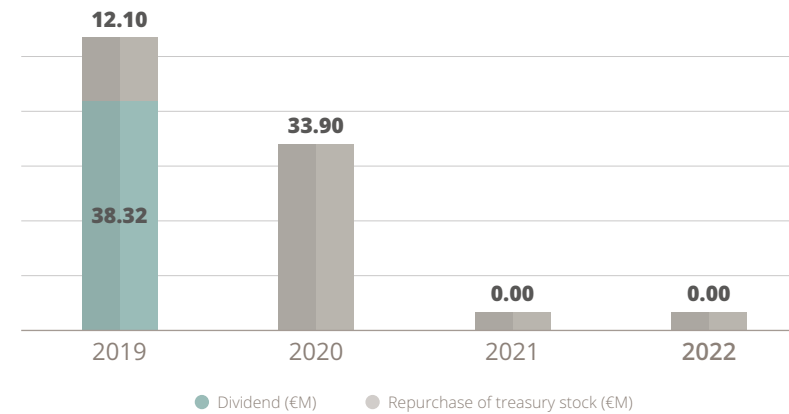
### SHAREHOLDER STRUCTURE



## SHAREHOLDER REMUNERATION

Shareholder remuneration policy aims to offer an attractive, predictable and sustainable dividend over time. This policy is compatible with the maximum priority of ensuring a sufficient amount of resources to guarantee investments for the future growth of the company and value creation.

To strengthen company solvency and liquidity, this year the Board of Directors proposed not to distribute dividends in the ordinary meeting of February 27, 2023.



## STOCK MARKET EVOLUTION

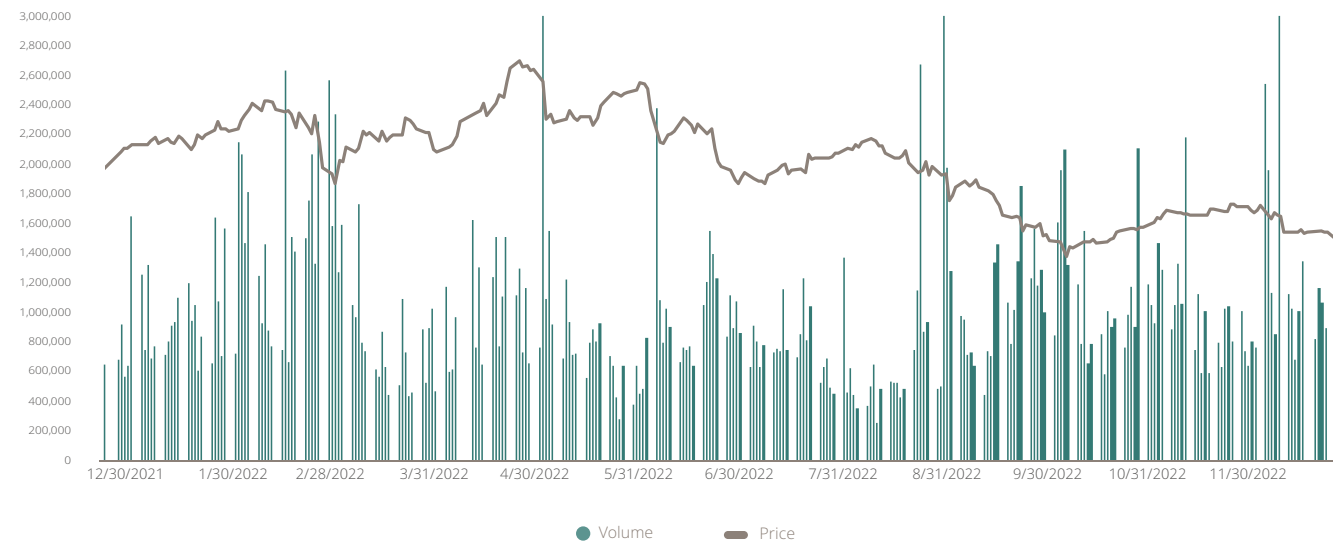
In 2022 our share price suffered a decline of 23.7% while the Ibex-35 lost only 5.56% over the same period.

The fall in the share price was accentuated in the final part of the year, when the stock market in general, and hotel and travel industry in particular, were penalised by several factors. On the one hand, the growing fear of a possible recession at the beginning of 2023. And on the other hand, an increase in interest rates and a general increase in inflation

to the highest levels in the last 20 years. The invasion of Ukraine by Russia contributed in part to this situation, adding stress to energy markets and causing instability and greater volatility in the markets.

However, it should also be noted that the beginning of 2023 has been accompanied by a significant rebound in the market and a significant revaluation of our share price, erasing the losses in 2022.

## STOCK MARKET EVOLUTION



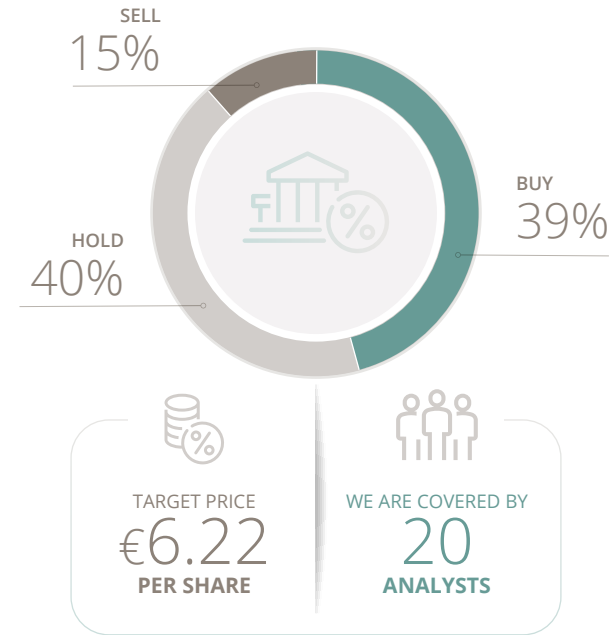


### MAIN STOCK MARKET INDICATORS

	1T 2022	2T 2022	3T 2022	4T 2022	2022
Average daily volume (thousands of shares)	1,155.49	948.10	916.89	1,136.16	<b>1,039</b>
Meliá (% change)	13.40%	-11.03%	-21.32%	-3.90%	<b>-23.73%</b>
Ibex 35 (% change)	-3.08%	-4.10%	-9.04%	11.71%	<b>-5.56%</b>

	DEC-22	DEC-21
Number of shares (millions)	220.4	220.4
Average daily volume (thousands of shares)	1,038.6	1,018.9
Maximum price (euros)	8.09	7.30
Minimum price (euros)	4.13	5.33
Final price (euros)	4.58	6.00
Market capitalisation (millions of euros)	1,009.0	1,322.8
Dividend (euros)	-	-

### ANALYST RECOMMENDATIONS





 INDEX

GOOD  
GOVERNANCE

ETHICS  
AND INTEGRITY

RISK  
MANAGEMENT

CREATION  
OF A CYBERSECURITY  
CULTURE

FISCAL  
TRANSPARENCY

04.

GOOD GOVERNANCE,  
ETHICS AND INTEGRITY



## CURRENT COMPOSITION OF THE BOARD

GRI: 2-9

BOARD MEMBER	CATEGORY	BOARD POSITION	COMMITTEES	YEARS AS A BOARD MEMBER	AGE	MEMBERSHIP OF OTHER BOARDS OF DIRECTORS (LISTED COMPANIES)
<b>Gabriel Escarrer Juliá</b>	Proprietary	President		26	87	-
<b>Gabriel Escarrer Jaume</b>	Executive	Vice President and CEO		23	51	-
<b>Francisco Javier Campo García</b>	Independent	Spokesperson	Audit and Compliance Appointments, Remuneration and Sustainability	10	67	Caixabank
<b>Fernando D'Ornellas Silva</b>	Independent	Spokesperson and Coordinating Director	Audit and Compliance Appointments, Remuneration and Sustainability	10	65	Prosegur
<b>Luis María Díaz de Bustamante y Terminel</b>	Proprietary	Secretary	Appointments, Remuneration and Sustainability	12	70	-
<b>Alfredo Pastor Bodmer (Hoteles Mallorquines Asociados, S.L.)</b>	Proprietary	Spokesperson		3-star	78	-
<b>Ms. Carina Szpilka Lázaro</b>	Independent	Spokesperson	Audit and Compliance Appointments, Remuneration and Sustainability	6	54	Grifols
<b>Cristina Henríquez de Luna Basagoiti</b>	Independent	Spokesperson	Audit and Compliance	3	56	Applus Services Viscofan GSK
<b>Jose María Vázquez-Pena Pérez (Hoteles Mallorquines Agrupados, S.L.)</b>	Proprietary	Spokesperson	-	2	74	-
<b>Cristina Aldamiz-Echevarría González de Durana</b>	Independent	Spokesperson	-	1	52	-
<b>Montserrat Trapé Viladomat</b>	Independent	Spokesperson	-	0	62	CriteriaCaixa

## Board of Directors

GRI: 2-9; 2-10; 2-11; 2-13

### *FUNCTIONS OF THE BOARD OF DIRECTORS*

After the amendment of article 5 of the Regulations of the Board of Directors, in 2022 the Board of Directors exercised functions associated with:

- The Annual General Meeting and the involvement of shareholders: calling the meeting, defining the agenda, formulating the proposals presented for approval, executing the agreements approved by the meeting, etc.
- Company and Group policies and strategies: monitoring the strategic plan, determining the tax strategy, defining the shareholder remuneration policy, etc.
- The organisation of the Board of Directors: updating and modify the Regulations of the Board, supervising the operation of the specialist committees, performing the evaluation of the operation of the Board, etc.
- Information the company must provide: preparing the annual accounts and the statement of non-financial information, approving the annual corporate governance report and report on the remuneration of directors, etc.
- Remuneration of directors and executives: proposing to the Annual General Meeting the appointment or ratification of directors, monitoring the succession plan for the Chairman of the Board, etc.

### *COMPOSITION*

In 2022, the following changes took place in the composition of the Board of Directors and Delegate Committees:

- Resignation of the External Proprietary Director María Antonia Escarrer Jaume after more than 20 years on the Board and on the Appointments, Remuneration and Sustainability Committee.

- Appointment of Luis María Díaz de Bustamante y Terminel as External Proprietary Director on behalf of the significant shareholder Hoteles Mallorquines Consolidados, S.L.
- Ratification of the appointment by co-optation of the Independent External Director Cristina Aldámiz-Echevarría de Durana.
- Appointment of the Independent External Director Montserrat Trape Viladomat.

The only change in the Delegate Committees was the resignation of María Antonia Escarrer Jaume as a member of the Appointments, Remuneration and Sustainability Committee. 75% of the members of this committee are currently independent.

### *DIVERSITY*

Following the Director Selection and Diversity Policy and recommendation 15 of the Good Governance Code of listed companies from the CNMV, since 2021 the Board of Directors of Meliá Hotels International has four female directors, 36.36% of the total of eleven members of the Board.

Our progress in diversity has allowed us to form part of the IBEX Gender Equality Index, the first monitor that measures the number of women in management positions in Spanish companies and which consists of 30 listed companies with at least 25% of women members on their Board of Directors.

In the future we plan to continue implementing measures that encourage and guarantee diversity throughout the organisation.

### *REMUNERATION OF THE BOARD OF DIRECTORS*

GRI: 2-19; 2-20; 2-21

The remuneration of the Board of Directors is based on our Remuneration Policy, best market practices, and the applicable regulations and recommendations in this matter. We also use remuneration research carried out by external consultants.

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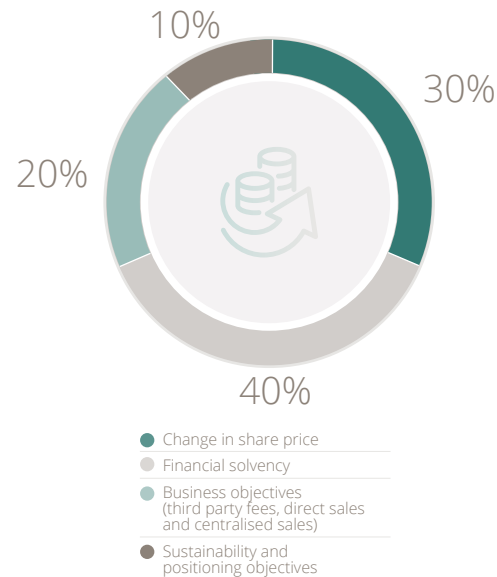
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In 2021 we approved the [Board Remuneration Policy for 2022 to 2024](#) including the latest recommendations of the Good Governance Code for Listed Companies and the new requirements in the latest adjustments to the Corporate Enterprises Act regarding the long-term involvement of shareholders.

In 2022 after a proposal by the Appointments, Remuneration and Sustainability Committee, the Board of Directors approved the resumption of the long-term remuneration scheme for the CEO which had been suspended during the pandemic in 2020 and 2021. The scheme is linked to the strategic objectives of the company, sustainability and the positioning of Meliá Hotels International.

**VARIABLE RETRIBUTION**



In compliance with the Corporate Enterprises Act, the Board of Directors submitted the long-term remuneration system to the Annual General Meeting for approval. The remuneration is partially linked to the company's share price and applies to the Executive Vice President, senior management and other Group executives.

The Annual General Meeting approved the Annual Remuneration Report for the previous year with 97.55% of the votes in favour. This majority support has been achieved year after year since 2017, a year in which it received less support. The support seen in 2022 ratifies the approval of our shareholders and investors for the Remuneration Policy of Meliá Hotels International.

During the process of preparing the 2022 Annual Remuneration Report, the recommendations received from the proxy advisers during the preparation of the Annual General Meeting (Glass Lewis and ISS) and the latest review of the Corporate Enterprises Act were also taken into account.

**APPROVAL OF THE ANNUAL REMUNERATION REPORT**

	2017	2018	2019	2020	2021	2022
Approval of the Annual Remuneration Report AGM	69.95%	94.88%	97.28%	99.84%	99.49%	97.55%
Growth vs. 2017		24.93 pp	27.33 pp	29.89 pp	29.54 pp	27.60 pp



The remuneration model for the Board of Directors for 2023, as defined in the aforementioned Remuneration Policy, is structured as follows:

#### DETAIL OF BOARD AND SENIOR MANAGEMENT REMUNERATION

(In thousands of €)

	2021						2022					
	SALARY	FIXED REMUNERATION	ALLOWANCES	SHORT-TERM VARIABLE REMUNERATION	LONG-TERM VARIABLE REMUNERATION	TOTAL	SALARY	FIXED REMUNERATION	ALLOWANCES	SHORT-TERM VARIABLE REMUNERATION	LONG-TERM VARIABLE REMUNERATION	TOTAL
<b>CEO</b>	695	22	32	457	-	1,206	869	22	32	457	-	1,380
<b>Non-Executive Directors</b>	-	233	602	-	-	835	-	206	580	-	-	786
<b>Senior Management</b>	-	1,762	-	837	-	2,599	-	2,004	-	869	-	2,873
<b>TOTAL</b>	<b>695</b>	<b>2,017</b>	<b>634</b>	<b>1,294</b>	<b>-</b>	<b>4,640</b>	<b>869</b>	<b>2,232</b>	<b>612</b>	<b>1,326</b>	<b>-</b>	<b>5,039</b>

In 2022, the difference between the annual remuneration of the Executive Vice President & CEO and the average remuneration of staff in the consolidated perimeter was a multiple of 64. The average remuneration for Directors and Senior Executives (including the Internal Auditor) is €82,955 for women and €208,328 for men. The average fixed and variable remuneration for Directors and Senior Executives is €97,955 for women and €279,135 for men.

#### ASSESSMENT OF THE BOARD OF DIRECTORS

GRI: 2-18

The Board of Directors makes an annual assessment of the operation and composition of the board itself and of its committees, as well as of the company's CEO. The Appointments, Remuneration & Sustainability Committee is responsible for approving and implementing this process. The report with the results of the 2022 assessment is presented to the Board of Directors in the first quarter of the following financial year.

In relation to recommendation 36 of the Good Governance Code for Listed Companies, which refers to the assistance of an external consultant in the board evaluation process, in 2022 the Appointments, Remuneration and Sustainability Committee received advice from PriceWaterhouseCoopers when reviewing the evaluation questionnaires for the Board of Directors and CEO.

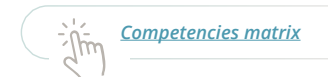
As a result of the self-assessment carried out in 2021, in 2022 the Board has had access to a training plan concerning sustainability, non-financial risks and cybersecurity.

#### COMPETENCIES MATRIX

GRI: 2-17

During 2022 we aimed to further enhance the diversity of profiles and know-how that enrich our Board. As part of this process, the competencies that we had previously grouped together in ESG have been separated to differentiate between competencies in social issues, corporate governance and environmental matters.

The skills matrix continues to be used as a method for the selection of new directors, as indicated in our Director Selection and Diversity Policy. Based on the analysis that was made, it was seen as convenient to strengthen competencies in areas related to fiscal issues. The new Independent External Director, Montserrat Trapé Viladomat, therefore has extensive experience and know-how in fiscal matters, among others.



[Competencies matrix](#)

CONFLICTS OF INTEREST

GRI: 2-11; 2-15

The Executive Vice President and CEO (Gabriel Escarrer Jaume) has not participated in the debate and vote on matters dealt with in Board meetings related to decisions in which he or a person related to him might have a potential direct or indirect conflict of interest with the company.

Specialist Committees

GRI: 2-9

After the changes in the Regulations of the Board of Directors (amendment of articles 14 and 15) and the Corporate Bylaws, in 2022 we have consolidated both the operation and functions of our specialist committees to align them with recommendations on good governance.

APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE

GRI: 2-14; 2-18; 2-20

COMPOSITION

MEMBERS	WOMEN	EXTERNAL PROPRIETARY DIRECTORS	EXTERNAL INDEPENDENT DIRECTORS	MEETINGS 2022	PRESIDENT	ASSISTANCE
4	1 (25%)	1 (25%)	3 (75%)	8	Independent Director	100%

RESPONSIBILITIES

- Prepare proposals for appointments and re-elections of directors and senior managers, as well as proposing their remuneration.
- Report on transactions that imply or may imply conflicts of interest.
- Lead a periodic assessment of the structure, size, composition and

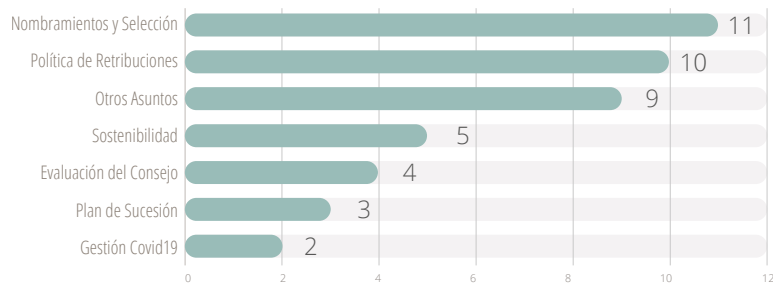
performance of both the Board of Directors and specialist committees and make the appropriate recommendations in each case.

- Ensure that the knowledge and experience of directors with regard to ESG issues are aligned with the latest trends and best practices in sustainability.
- Monitor sustainability strategy and practices and assess compliance with the same in coordination with the Sustainability Committee.
- Propose criteria and conditions for the Remuneration Policy to the Board of Directors and ensure their transparency.

In 2022 the committee focused on appointments and re-elections given that there were several changes in the composition of the Board during the year. There was also a focus on remuneration, with constant monitoring of the measures affecting the remuneration of the Executive Vice President and CEO and preparation of the long-term variable remuneration proposal linked to the share price that was submitted for approval to the Annual General Meeting for 2022.

Below is a summary of the key activities carried out by the committee in 2022:

## COMMITTEE ACTIVITIES



### AUDIT AND COMPLIANCE COMMITTEE

#### COMPOSITION

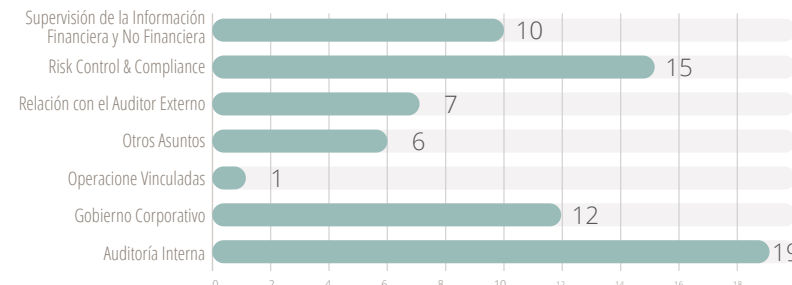
MEMBERS	WOMEN	EXTERNAL INDEPENDENT DIRECTORS	MEETINGS 2022	PRESIDENT	ASSISTANCE
4	2 (50%)	4 (100%)	8	Independent Director	100 %

#### RESPONSIBILITIES

- Support for the Board in supervising the effectiveness of the company's internal control and risk management systems, coordinating communication with the internal and external auditors.
- Supervision of the preparation and presentation of financial and non-financial information to the Board.
- Compliance with legal provisions and internal regulations.
- Supervision of the Internal Audit.
- Supervision of Risk Control & Compliance.
- Relationship with the external auditor of the Group (Deloitte).

Below is a summary of the key activities carried out by the committee in 2022:

## COMMITTEE ACTIVITIES



### EXECUTIVE COMMITTEE

The Executive Committee or SET (Senior Executive Team) is the collegiate body that leads Meliá Hotels International and ensures the vital and constant review of the business performance. It thus ensures compliance with the objectives defined by the Board of Directors and supports the Executive Vice President and CEO in his leadership.

The Executive Committee also ensures the sustainable growth of the business and the creation of value for shareholders, supporting the projects the company has chosen to pursue and which have been attributed to it. It also defines priorities, allocates the resources required and ensures that objectives are achieved.

Another of its functions is to provide the Board of Directors with updated, objective and sufficient information to allow it to carry out its supervisory responsibilities.

# Ethics and integrity

GRI: 2-23; 2-24; 2-25; 2-26; 3-3



## 1. MELIÁ IN 2022

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## 5. COMMITMENT TO COMBAT CLIMATE CHANGE

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Managing the business based on the premises of ethics, integrity and transparency is a priority for everyone who forms part of Meliá Hotels International. We believe that ethical and responsible conduct reinforces our value proposition and reflects the trust that our stakeholders have placed in us, among other things. Our focus and commitment to these premises also helps ensure the responsible, solid and strong business model that we work hard to continue building day after day. **We see integrity as a fundamental principle behind our strategy and, therefore, our operations.** That is why we are fully committed to always complying with the highest and most rigorous standards of conduct in business. At Meliá we see ethics as an integral part of our daily work and we manifest that through our corporate values, principles, codes of conduct and mechanisms for complaints and dialogue that combine to define the operating culture of our organisation. We aim to ensure that these approaches go beyond mere regulatory compliance, aspiring to create a culture that fosters exemplary conduct from all our employees, instilling a sense of shared responsibility among all of us who form part of the company.

From the highest levels of leadership in the company, we all have a permanent focus on encouraging and facilitating the ethical conduct of our teams. This commitment is supported by solid, coherent and comprehensive regulations that ensure that we continue to combat corruption, fraud and money laundering, we respect human rights and

establish a direct, transparent and honest dialogue with our stakeholders. We have also implemented transparent and public complaint mechanisms which help to guarantee the appropriate treatment of cases in which a breach of our ethical principles may have occurred. These principles underlie our organisational model and also extend to our decision-making processes, providing a standardised and coherent framework for all our stakeholders.

## CODE OF ETHICS

The Code of Ethics is the cornerstone of our governance model and encompasses all the principles and public commitments we assume as a company, as well as a collection of guidelines for our activities that provide order and meaning to our culture and values.

### Meliá Hotels International Code of Ethics

Our objective is to consolidate a responsible hotel management model that is fully committed to the common good. That is why the Code of Ethics is built around the world's most important regulations and models regarding business conduct. To achieve our objective, we are supported by these public commitments:

MELIÁ HOTELS INTERNATIONAL CODE OF ETHICS



Although Meliá Hotels International has made many public commitments, there are two that have a special influence on the way we carry out our activity:

- Compliance with current national and international legislation and regulatory obligations.
- Acting with the greatest rigour and decisiveness with regard to corruption, fraud or bribery.

The Code of Ethics guides the conduct of our employees and lays the foundations to ensure alignment of all the company's internal policies, regulations, processes and procedures. It is the compass that helps guide us in our relationships with our stakeholders, always ensuring that relationship is based on ethical behaviour and the delivery of the commitments we have made to them.

All of our employees must assume and comply with the content of our Code of Ethics. By assuming its content, they accept its guidelines on responsible management and honest and ethical conduct. Being aware of its content, accepting it and complying with it are the best guarantee we could have that the company's values and principles are reflected in our day-to-day activity.

The Code of Ethics is available both on the [corporate website](#) and the intranet.

All of our employees can also register any complaints they may have regarding breaches of the Code of Ethics through the internal Complaints Channel.

TRAINING IN ETHICAL CULTURE (HOURS PER PERSON)

3.1

*DUE DILIGENCE WITH OUR SUPPLIERS*

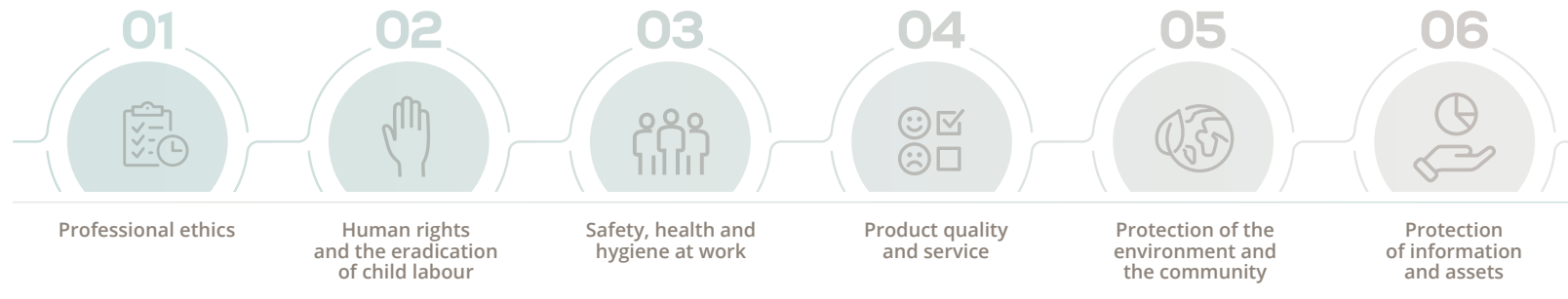
Integrity is one of our founding principles, and we expect the same from our business partners. We are committed to a legal, fair and honest way of doing business.

We are also keenly aware of the importance of the behaviour of our suppliers throughout the value chain. That's why we have had a **Supplier**

**Code of Ethics since 2018 to ensure that suppliers also consider our commitments, principles and values as their own.** Any supplier who wishes to work with us has to accept the Code from the beginning of our business relationship.

The Supplier Code of Ethics is based on the general principles and commitments in our Code of Ethics and covers the following areas:

**SUPPLIER CODE OF ETHICS**



All our suppliers and stakeholders have access to a Complaints Channel through which they can report any conduct that is contrary to the Meliá Hotels International Code of Ethics or the Supplier Code of Ethics.

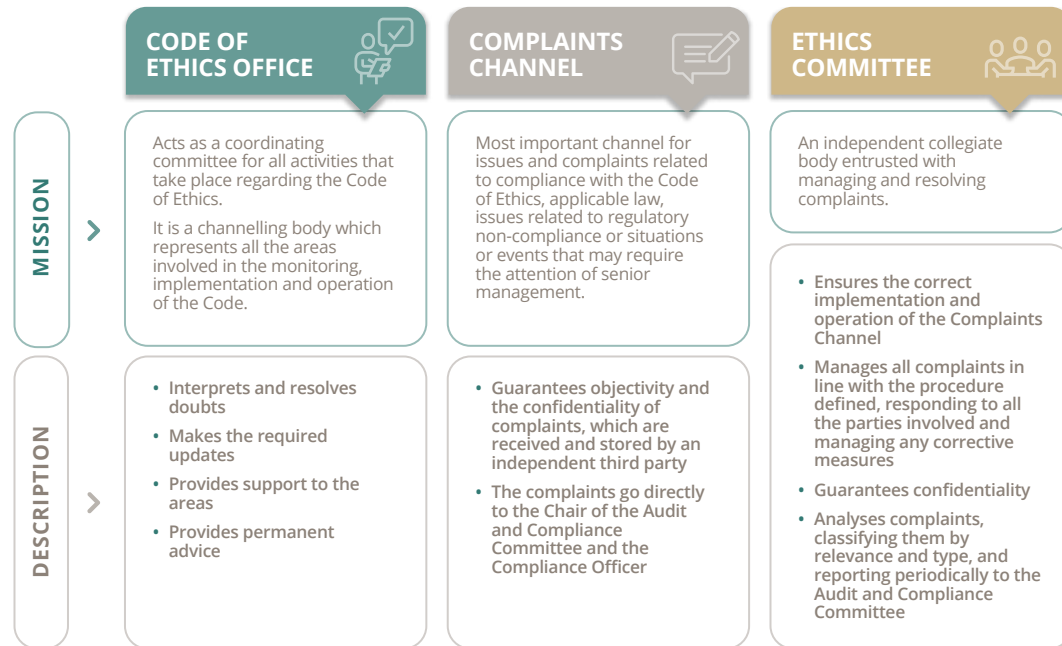
The Complaints Channel works in a similar way to the channels available to Meliá employees, and has its own regulations, also approved by the Audit and Compliance Committee.



## Mechanisms and tools associated with the Code of Ethics

There are three mechanisms to guarantee the operation of the Code of Ethics:

### MECHANISMS OF THE CODE OF ETHICS



Both the Complaints Channel and the Ethics Committee have their own operating regulations, approved by the Audit and Compliance Committee.

All the information on these three mechanisms is available on the employee portal to guarantee the greatest visibility. The Complaints Channel can also be visited through the corporate website.

### COMPLAINTS CHANNEL

In 2022 we launched a new global campaign to raise awareness about the Complaints Channel, distributing a brochure with the key aspects of the channel to all personnel in corporate offices and business units:

- What is the Complaints Channel?
- Why should it be used?
- What types of complaints can be made?
- What is the procedure applied to complaints?
- How can you register a complaint?

COMPLAINTS PROCEDURE

COMPLAINTS PROCEDURE



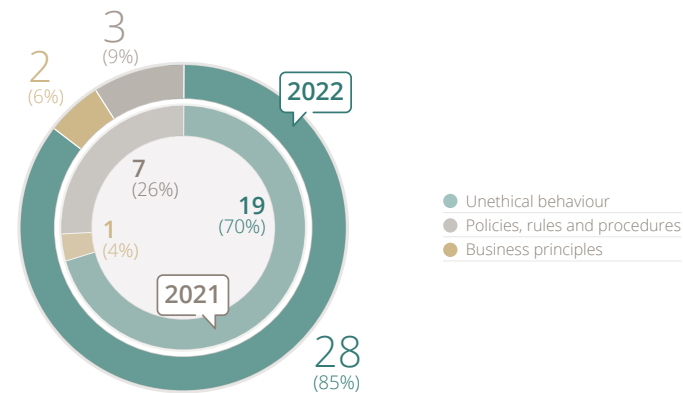
**How?**

- Through Meliá Home (employee portal), in the “Code of Ethics” section, clicking on “Complaints Channel”.
- Through the Meliá corporate website: <https://www.meliáhotelsinternational.com/es/accionistas-e-inversores/gobierno-corporativo/canal-de-denuncias> Clicking on the Complaints Channel.
- Visiting the URL: <http://melia.xperta.es/incidencias/crear>
- By courier or ordinary post: Note: Ethics Committee Meliá Hotels International, S.A. Gremio Toneleros, nº 24 (Polígono de Son Castelló) 07009 · Palma de Mallorca

After a complaint has been analysed and accepted, an investigation process supervised by the Ethics Committee begins. We guarantee both the confidentiality of the process and the absence of retaliation of any kind at all times. The Risk and Compliance Department regularly reports to the Audit and Compliance Committee on the progress made in the management of complaints.

In 2022 we received 33 complaints through the Employee Complaints Channel of the following types:

TYPE OF COMPLAINTS



The external complaints channel enabled for other stakeholders received 11 complaints in 2022: eight made by customers, one related to suppliers and two from other types of stakeholders.

The complaints received in 2022 had no significant impact on the company from a criminal, financial or reputational point of view. After the investigation was carried out in each case, the appropriate corrective measures were taken in some cases, including disciplinary measures in certain cases, while in others it led to training activities or improvements in our processes or procedures.

## COMPLIANCE MODEL

GRI: 2-23; 2-24; 2-25; 2-26; 3-3

The guiding principles behind the Meliá Hotels International Compliance Model are defined in a Compliance Policy which includes the following global commitments:

- Comply with national and international legislation and regulatory obligations, as well as with internal regulations.
- Ensure that internal regulations and the activities of executives and managers are based on ethical criteria and aligned with the principles and values of the company and the Code of Ethics.

The key elements that ensure its proper implementation are the following:

- The Board of Directors, through the Audit and Compliance Committee, is responsible for supervising risks and compliance.
- The Risks and Compliance Department reports directly to the Audit and Compliance Committee through the company's Compliance Officer. Through the Compliance Officer, this department is responsible for promoting a culture of compliance throughout the organisation supported by the implementation of the mechanisms required. Among other things, it is responsible for developing the compliance model and ensuring the validity of controls, with a special focus with compliance with criminal law. The department aims to promote anticipation of compliance risks on a global level and ensure efficient their control, guaranteeing coordination and standardisation in the way they are managed and improving internal controls.

- The Meliá Hotels International Code of Ethics and its regulatory framework, consisting of policies, regulations and processes. Additionally, this section also includes the Supplier Code of Ethics.
- The Ethics Committee guarantees the proper management of complaints reported through the complaints channels provided by the company.

As they have a higher degree of exposure, company executives must accept and sign the Executive Conduct Regulation every two years, defining criteria for conduct with regard to issues such as conflicts of interest, the use of confidential and privileged information, the use of resources, the Family Relations Policy, Personnel Policy and Sanctions Policy. Signature of this document also reflects their commitment to comply with and enforce the Code of Ethics, internal policies and regulations.

## Crime prevention and detection protocol

As part of the Compliance Model, the Crime Prevention and Detection Protocol (in line with legal requirements and UNE 19601 standards) aims to prevent criminal offences by company employees, and especially those that entail criminal responsibility for the legal person.

This protocol is available on the [Meliá Hotels International](#) corporate website and consists of the following:

- The general ecosystem for control within the company.
- The criminal risk map, which identifies and assesses the criminal offences to which we may be exposed, as well as the behaviours associated with them. 23 risks of this type have currently been identified.
- The company's regulatory system and general measures and controls that help prevent and detect crime.
- The specific controls defined for each of the criminal risks identified.



At the end of 2022, a total of 359 controls have been defined. These controls are verified every year to assess their appropriateness, recording the evidence revealed by said controls.

The Crime Prevention and Detection Protocol is reviewed every year. Among other things, the 2022 review led to the elimination of three controls and addition of six new controls. As a result of this review and the entry into force of Law 10/2022 on comprehensive guarantees regarding sexual freedom, including relevant changes to the criminal liability of legal persons, these matters will be assessed and then the corresponding crimes added to the protocol.

We also have a regular reporting model to ensure the results of the analysis of the protocol are reported to the Executive Committee, Audit and Compliance Committee and Board of Directors, as well as all those people affected.

In 2022 we carried out internal and external audits of the Crime Prevention and Detection Protocol to verify compliance with the UNE 19601 standard. The external audit was led by AENOR, who in May 2022 certified once again that the Group has a Criminal Compliance Management System that is in compliance with the mentioned standard.

We achieved certification for the first time in 2019 and have maintained it ever since after successfully completing the audit process. The renewal of our certification in 2022 once again reflects our commitment to best practices in ethics and compliance.

### Commitment to combat corruption and bribery

GRI 205-1; 205-2

Corruption is one of the criminal offences included in our Crime Prevention and Detection Protocol and related to 106 specific controls which we evaluate every year to mitigate this criminal risk.

We have an Anti-Corruption Policy which we updated in 2021, the objective of which is to define the principles that govern our actions to prevent, detect, report and remedy any actions that applicable regulations might classify as corruption or bribery, either active or passive, and always attending to a zero-tolerance principle with regard to any such practices.

This policy includes commitments to:

- Comply with applicable national and international legislation and regulatory obligations
- Define mechanisms for the monitoring and control of our principles, values and commitments, at all times guaranteeing action in the case of any irregular conduct, particularly corruption, fraud or bribery.
- Reject gifts and courtesies from third parties if they exceed the reasonable value of mere courtesy, nor accept any type of economic consideration, gift or invitation from our suppliers that due to their value may exceed the purely symbolic or mere courtesy.

In addition to the Anti-Corruption Policy, we also have other internal policies and regulations that define guidelines to avoid corruption. These include, for example, our Philanthropy Policy, which expressly prohibits contributions of any nature (financial or in kind) to political parties and their foundations, extending this policy to unions, individuals or privately promoted initiatives. In line with this guideline, in 2022 no contributions to political parties were made on behalf of the Group.

In addition to the above, the Hotel Administration and Internal Control Regulation is available to all employees through the employee website and defines clear guidelines in the sections on accounts payable and cash management to avoid corruption and fraud in the receipt, validation and accounting of invoices, payments to third parties, cash management, bank reconciliation and the opening and management of bank accounts.

## Prevention of money laundering

Money laundering is also included in our Crime Prevention and Detection Protocol, with a total of 63 controls implemented to help prevent this criminal offence.

Meliá has a Money Laundering Manual available to all company employees through the employee website which defines the way we work to prevent this crime and the due diligence measures to be applied in hotels that offer currency exchange services. As indicated in the manual, we also have a collegiate internal control body which oversees the application of internal control procedures.

As the third line of defence, our Internal Audit annually reviews:

- The Crime Prevention Model
- The Internal Control System for Financial Information (SCIIF)
- The correct implementation in business units and corporate offices of policies, standards and internal processes, including those indicated.

Internal Audit carried out 160 audits in 2022 (11% more than 2021) on a global level, covering all the different regions, areas and businesses of the company. As a result, based on the results of the audits, in 2022 we have not detected any practices that might expose the company to crimes of corruption or fraud.

### TRAINING TO DEVELOP AND CONSOLIDATE A CULTURE OF ETHICS AND COMPLIANCE

An ethical culture based on constant improvement requires involvement at every level of the company. We are well aware that the more we train our employees, the more we strengthen our compliance.

Our eMeliá training platform has an online training course on ethics and compliance consisting of three modules that forms part of the mandatory training for all employees. The modules in this course refer to:

- Code of Ethics and Complaints Channel: including specific training on the Code, its content and objectives.
- Compliance: regarding the role and culture of compliance in the company and the role and responsibilities of the Compliance Officer.
- Most relevant criminal offences: those to which the company is most exposed (such as corruption or money laundering), the conduct or situations that might lead to their commission, and the mechanisms in place for their prevention and communication.

The course is global in nature and is **already available to more than 25,000 employees**. Among those employees are all of the team members with a greater exposure to criminal risks, including the Executive Committee, senior management, corporate directors and general managers and assistant general managers in hotels. This group of employees amounts to 452 people in total.

**85.5% of the personnel most exposed to criminal offences have completed their training in *compliance* and the three mandatory modules.**

### CHALLENGES 2023

In 2023 we will update our Code of Ethics to adapt it to the draft version of the European Due Diligence Directive on human rights and the environment, as well as other relevant trends and recommendations. We will also review and update the Supplier Code of Ethics to extend its scope to third parties, among other improvements.

# Risk management



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Risk management is an issue that is relevant for the entire company. Our risk management culture is based on values which are intrinsic to all our operations and activities and shared and put into practise by all our employees. It forms a natural part of the daily work of all our managers and their respective teams, and also extends to our business partners and suppliers. From the beginning of our relationship with our employees we aim to ensure that they internalise our risk management culture and take a proactive and collaborative attitude in their activities.

We firmly believe that a strong risk management culture brings important benefits for our company, not only financially, but also in terms of the long-term sustainability of our business. Our risk management culture encourages responsibility, increases our employees' sense of belonging, motivates employees, helps prevent irregularities, and helps strengthen the company's due diligence procedures, among other benefits.

## RISK MANAGEMENT GOVERNANCE

GRI: 2-12; 2-13; 2-17

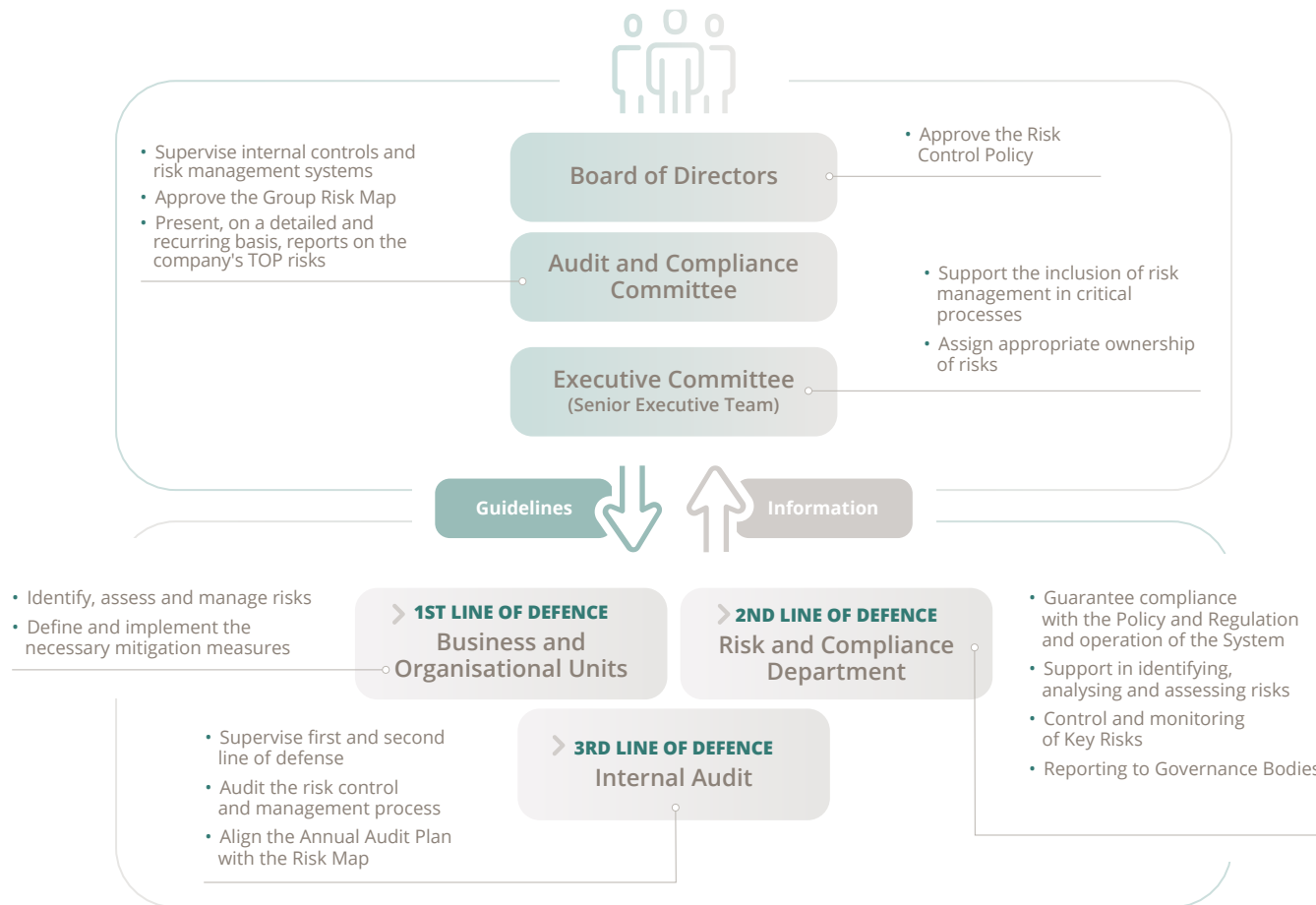
Meliá Hotels International has had a Risk Control and Management System since 2009 that was considered a best practice in the industry in the S&P Global ESG Corporate Sustainability Assessment 2022. The system emphasises the importance of creating a culture of control and risk management that leads to greater trust and transparency.

This model and its governance are based on three essential areas:

- The existence of a Risk Control Policy and internal regulation that define the general framework for action and the basic principles, guidelines and criteria that the company's Risk Management System should apply to guarantee total alignment with strategy. Both documents were updated and approved by the Audit and Compliance Committee in 2020.
- A **structure consisting of Governing Bodies** with specific functions and responsibilities related to risk management.
- A **system to segregate and ensure the independence of functions** following the 3-lines-of-defence model, ensuring comprehensive and integrated management across the entire company, and with maximum responsibility lying with the Board of Directors.



**RISK MANAGEMENT GOVERNANCE**



**Risk management model**

Our Risk Management Model is based on the COSO framework. Every year we use standardised criteria to identify and evaluate the key risks that may affect both our strategy and objectives.

The model has five different stages:



## RISK IDENTIFICATION AND EVALUATION

This Risk Management Model is applicable to the entire organisation. This means that both business units and corporate areas participate directly and use standardised criteria to identify and assess those risks that affect them directly.

The update of the Group Risk Map in 2022 directly involved 67 managers from different areas and the preparation of 88 risk maps: individual maps for each participating area and aggregated maps for each department and the Group as a whole. All of the participants

receive training every year and guidelines on risk assessment in order to standardise the process as far as possible and continue consolidating our risk management culture.

The resulting update of the Risk Map is analysed by the Executive Committee, the Audit and Compliance Committee, and finally by the Board of Directors. The Risk Control and Compliance Department prepares an in-depth analysis of the top 20 risks which is submitted to the Audit and Compliance Committee for supervision. The reports contain the following information:

- An analysis of the context and the evolution of the risks.
- Identification of indicators to use for the control, monitoring and measurement of risks.
- The action plans implemented or planned to mitigate the risks.

In order to ensure effective risk management, our Risk Map is one of the inputs used to define company strategy and variable remuneration criteria, thus ensuring that both strategy and variable remuneration also focus on mitigating the most important risks to the company.

**RISK IDENTIFICATION PROCESS**

We have identified a total of 78 risks in six categories:

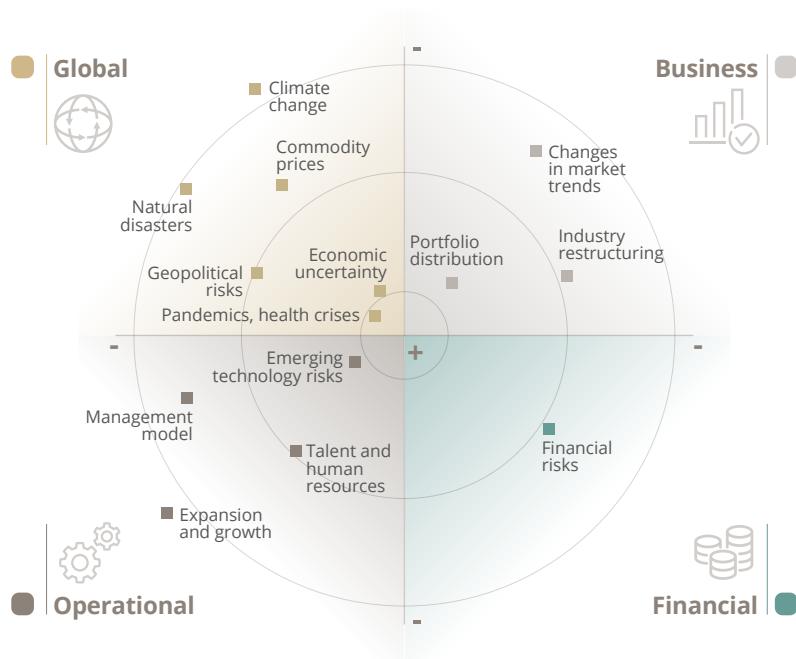


## Main risks identified

Our model identifies and rates risks according to their criticality. Proximity to the centre indicates a higher degree of criticality. Although the identification of these risks does not imply their materialisation during the year, Meliá is nevertheless working on implementing the mechanisms required for the management and control of those risks.

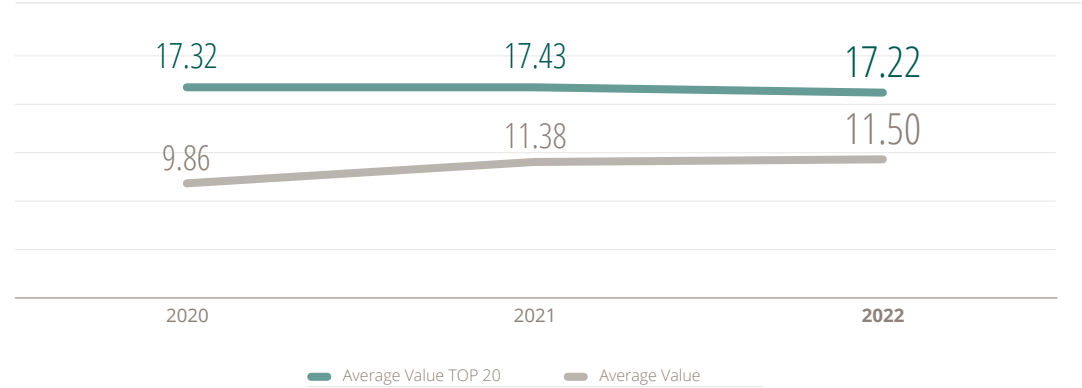
NOTE: More information available in the Annual Corporate Governance Report (section E)

### RISK MAP (GLOBAL, BUSINESS, OPERATIONAL AND FINANCIAL)

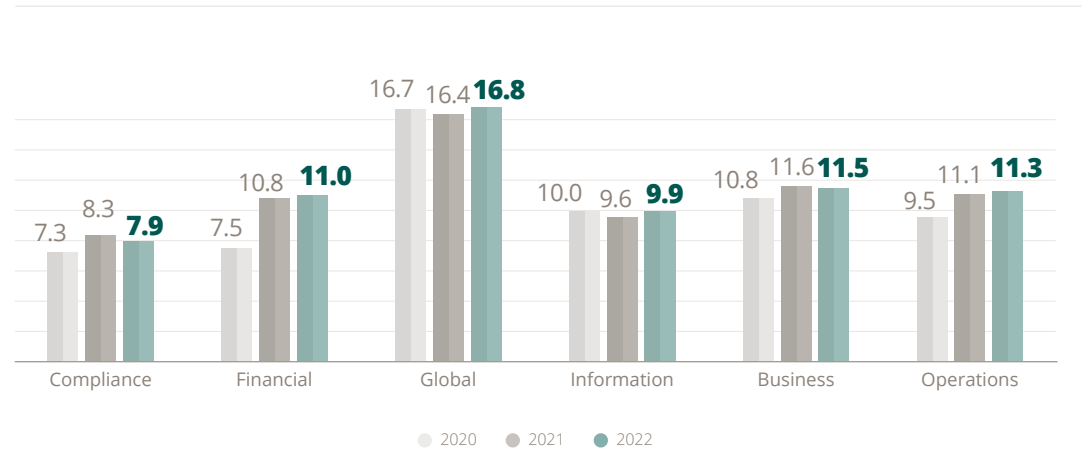


NOTES:  
Proximity to the centre indicates a higher degree of criticality.  
The identification of risks does not imply their materialisation during the year. However, the Group does work on ensuring that the necessary mechanisms are in place for their management and control.  
Greater detail of the Risk Management Model is available in the Annual Corporate Governance Report (section E)

### EVOLUTION OF AVERAGE VALUE



### EVOLUTION OF AVERAGE VALUE BY RISK CATEGORY



As can be seen in the graph, all of the risks in the catalogue have seen an upward trend in the average value over the last three years, although far less last year. On the contrary, with regard to the top 20 risks on the Risk Map, the average value actually decreased compared to the previous year.

## Implications: impact analysis for the preparation of an action plan

To respond to risks with the most appropriate action plans, we identify and evaluate all the possible impacts that risks may have in each of the areas.



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### CATEGORY RISK CONSEQUENCE TREND

CATEGORY	RISKS	ESG	CONSEQUENCE	STRATEGIC ROADMAP
GLOBAL	Economic uncertainty		• Economic uncertainty or crises at the national or international level	⬆️
	Commodity prices	☑️	• Price increases or scarcity of natural resources and raw materials which can change the market or even cause the interruption of operations.	⬆️
	Pandemics, health crises	☑️	• Lack of adaptation or capacity to respond to minimise the impact of this type of crisis on a local or global level, which can even cause the interruption or suspension of operations.	⬇️
	Geopolitical risks	☑️	• Terrorism: - Political crises or insecurity in countries in which we operate - Wars, popular uprisings or military coups	⬆️
	Catastrophes or natural disasters	☑️	• Hurricanes; Earthquakes; Volcanoes	➡️
	Climate change	☑️	• Adverse effects of climate change • Lack of adaptation to climate change	⬆️
BUSINESS	Portfolio distribution			⬇️
	Industry restructuring		• Mergers, acquisitions, closures	⬇️
	Changes in market trends	☑️	• Demographic changes • Changes in preferences, habits, values, procurement systems, etc.	⬇️
OPERATIONAL	Talent and human resources	☑️	• Loss or flight of talent • Talent and people management • Organisational model • Change management • Succession or relief	➡️
	Management model	☑️	• Hotel Management Culture • Competitiveness of the Management Model • Generation of new revenue streams • Profitability	⬆️
	Expansion and growth	☑️	• Appropriate choice of areas, countries and partners • Delays in planned openings • Need for resources and ability to assimilate the pace of growth • Lack of growth	➡️
FINANCIAL	Emerging technology risks	☑️	• Computer security breaches from cyberattacks • Risks related to data protection and security and intellectual property • Lack of evolution or adaptation of systems to technological risks	⬇️
	Data and system risks		• Dispersion and disparity of systems and data • Manual data processing	⬇️
	Financial Risks		• Liquidity • Debt • Exchange rate	⬇️

- The identification and mitigation of the key risks requires constant management. That is why our Strategic Roadmap includes programmes and projects designed largely to mitigate the risks identified in our periodic mapping. These actions focus on different areas, among which we would highlight the following:
- Promote selective growth based on quality, leveraging our experience in hotel management to consolidate the positioning of the company as a benchmark in resort and leisure hotels.
- Increase the focus on quality experiences that are innovative and add considerable value to increase our ability to generate additional revenue.
- Strengthen our F&B area together with business partners and with a clear objective to increase total revenue
- Be more efficient and improve our productivity ratios through technology and digitalisation.
- Strengthen our decision-making culture and our flexibility and agility to increase the profitability of our operations.
- Improve our increasingly comprehensive and accessible reporting system, improving our analytical capacity and data-based decision-making.
- Consolidate our governance model given its importance as an essential part of our company transformation and a key driver of our adaptation to an increasingly complex and competitive business environment.
- Make progress in the decarbonisation of our business model.
- Continue working on a transparent and measurable relationship model.
- Accelerate the organisational and cultural transformation of the company to ensure greater agility.
- Promote the creation of spaces open to innovation, striking the right balance between our experience and know-how on the one hand and external trends and best practices on the other.

Notes: The list is in order of criticality (see graph of main risks). For more information we recommend you see section E. Control and Risk Management Systems in the Annual Corporate Governance Report 2022.

## ESG RISKS

The identification in the Group's Global Risk Map of risks based on ESG criteria allows us to give greater visibility to risks that affect our sustainability strategy. All of them are reviewed and analysed by our Sustainability Committee.

Of the company's top 20 risks, nine are classified under sustainability criteria and six of them have increased compared to the previous year.

Although some weather incidents occurred in destinations such as Mexico, the Dominican Republic or Florida in 2022, the impact on our business units was not significant. The desire to travel has not diminished after two years of travel restrictions and in spite of the heat waves in some parts of Europe in summer.

Not only do we aim to make sustainability criteria and principles part of the management of our owned and rented hotels, we also intend to raise awareness among hotel owners to get their commitment to a more responsible and sustainable hotel management model.

## TOP 3 ESG RISKS

### Environmental



Commodity prices

Catastrophes or natural disasters

Climate change

### Social



Pandemics, health crises

Talent and human resources

Social media and communication

### Governance



Management model

Expansion and growth

Contract risk

## EMERGING RISKS

In such a globalised, changing and turbulent world, we must always be very attentive to a more dynamic context regarding risks, a context which changes more and more quickly and risks which often materialise in unexpected ways. These changes can alter risks we are already aware of, create new risks or open up new opportunities.

Globalisation and deglobalisation trends, fragmented global value chains, and the increasing integration and interaction of digital systems are some of the factors driving increasing complexity.



This means that companies have to consider the detection and evaluation of emerging risks, defined as recently developed or changing risks which are generally characterised by major uncertainty or, as defined by the International Risk Governance Council (IRGC), as "new or familiar risks in a new or unfamiliar context or under new context conditions". We analyse and monitor these emerging risks on a regular basis to anticipate them as far as possible and/or ensure we prepare appropriately to deal with them if they finally occur.

**2022 was a particularly turbulent year for developed economies, with some unexpected risks emerging with great force, some of them due to the health crisis that began in 2020. Here are some of the most relevant:**

### Quiet quitting

The total closure of the hotel industry for many months and the opening and closing of hotels caused by new waves of the virus led many employees to look for new jobs and even change to industries with greater job security and certain improvements in employment conditions. On the other hand, remote work has shown us that different ways of working exist.

It cannot be ignored that younger generations want to avoid living only to work and to have a better balance between their work and their personal life. They continue to want to perform their duties, but no longer have the mentality that their work has to be their life.

In this case the travel industry faces a major challenge given that it is an industry with a significant need for human resources. Restoring the appeal of our industry as an employer and talent developer has been a major challenge for the industry as a whole. To minimise this impact in the months when human resources are most in demand, we designed an action plan at the start of the year to attract the people we needed which included a different value proposition adapted to the requirements and needs of this new profile.

### Fractures in the supply chain

The lack of activity during the pandemic largely dismantled both domestic and international supply chains. After activity restarted, supply chains gradually got back to normal, but there were still inventory problems and irregular deliveries of supplies at certain times of year.

These interruptions to demand and scarcity of certain products had a direct effect on the costs of almost all our supplies, forcing us to implement the most rigorous control of our consumption and ensure a guarantee of supplies to our hotels.

Growing inflation of between 12 and 15% in most of the world's economies led to an increase in costs and a consequent reduction in profit margins. In 2022 we monitored the difficulties in our supply chain in real time to speed up decision-making based, more than ever before, on the relationships of trust and proximity we enjoy with our suppliers..

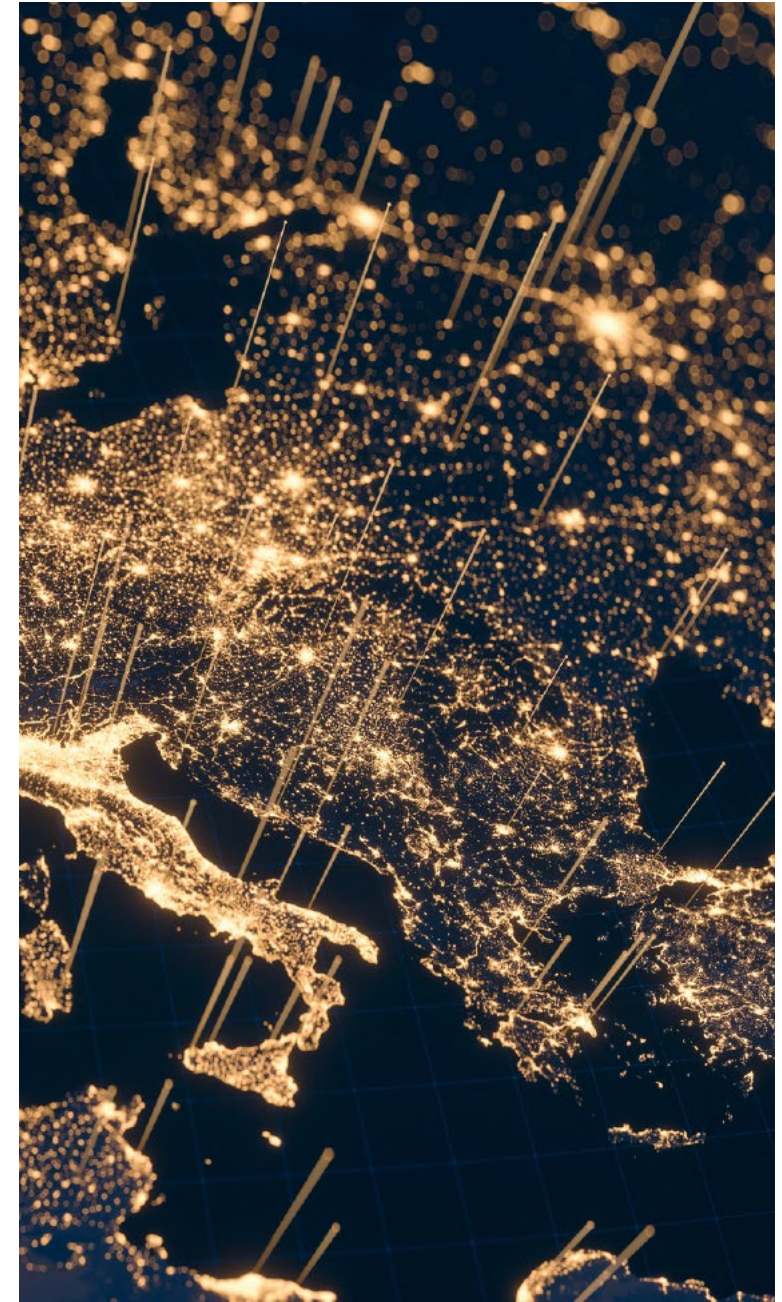
The implementation of the new procurement platform (Coupa) has allowed us to improve our procurement management and reduce complexity in our portfolio of products and services. Services are gradually being centralised with the benefits that brings, reviewing our portfolio of suppliers and rationalising products and services. We have also focused on dynamic and balanced management of both demand and supply, identifying possible bottlenecks to minimise their negative impact on hotel supplies.

## Geopolitical crisis

The unexpected invasion of Ukraine by Russia, starting a war on the borders of the European Union, forced countries to reduce their energy dependence on Russia. This led to a global energy and food crisis which caused energy price increases of almost 82% along with increases in the price of grain due to the fact Ukraine is one of the world's biggest exporters.

The invasion of Ukraine has had a profound impact and many humanitarian, economic and business consequences. During the year we were well aware that the war was going to last longer than originally expected and that we therefore had to make decisions that would reduce its impact on our margins and energy use.

As we faced these unexpected challenges, we aimed to strengthen our resilience through a series of extraordinary initiatives and measures to continue supporting the *Roadto2024* and its focus on digital transformation, constant monitoring of our supply chain management, and an improvement in average room rates thanks to a hotel portfolio that provides greater added value for customers.



# Creation of a cybersecurity culture



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Cybersecurity is one of the most relevant and significant issues for the governing bodies and senior management of companies worldwide. This was confirmed in the Global Risks Report 2022 by the World Economic Forum, where there was no hesitation in classifying cyberattacks as one of the emerging risks with the greatest impact in the short and medium term. Spanish CEOs ranked cyberattacks as the second biggest risk, only surpassed by a greater concern about the changing economic environment.

New regulatory requirements mean that companies have to develop detailed systems to prevent cyber-attacks and specific cybersecurity training plans to raise awareness about the importance of the correct use of both systems and data.

The exponential, global growth of the digitalisation of companies and the transition to a greater amount of teleworking due to the pandemic have changed the cybersecurity landscape as greater interconnectivity inevitably leads to greater vulnerability. This has all made organisations much more aware of the risks and dangers of a potential cyberattack.

At Meliá Hotels International we prioritise cybersecurity throughout our operations, as well as in our relations with all of our different stakeholders.

## POLICY AND REGULATIONS FOR EFFECTIVE AND STANDARDISED MANAGEMENT

GRI: 2-23; 2-24; 3-3

Meliá is firmly committed to reducing risks related to data security. That is why we have created the regulations in our Data Security Policy, further reinforced by a Systems Security Regulation approved by the Executive Committee in September 2020.

The guiding principles of our Data Security Policy focus on the following:

- Personal data protection
- Secure and responsible processing of credit card data and payment methods
- Unauthorised installation or use of IT assets that may undermine intellectual and industrial property
- Computer damage
- Business continuity
- Rights regarding privacy and unauthorised access

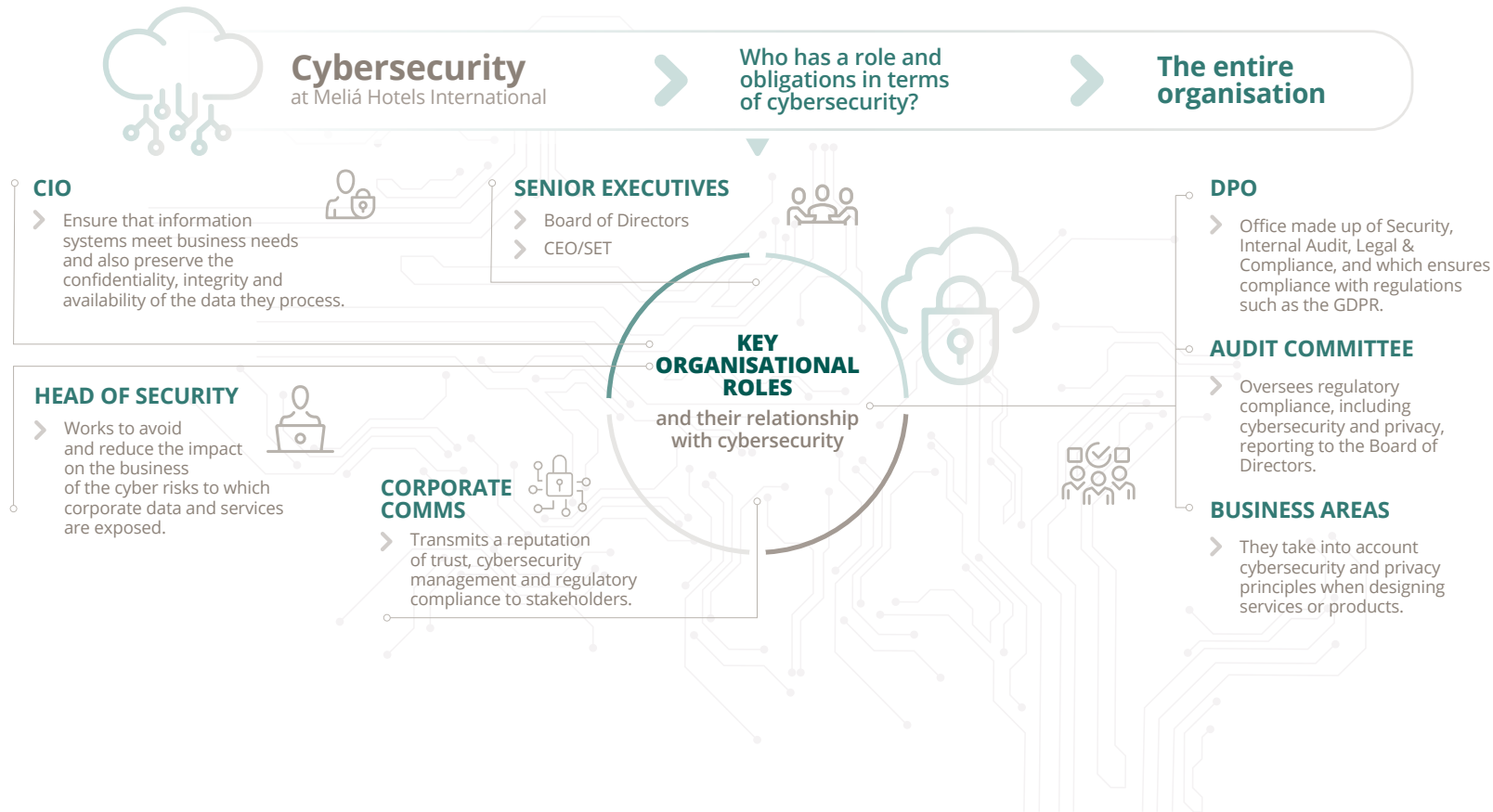
The protection of personal data and the security of the data of all our stakeholders is of paramount importance. We have put structures in place to guarantee data security, along with all the security plans and control mechanisms to ensure compliance with the legislation and regulations in each country in which we operate.

Our System Security Regulation covers the following aspects:

- Classification of the sensitivity of data by level of confidentiality
- Data classification process
- Information systems security framework
- Associated roles

- Mandatory compliance with the Payment Card Industry Data Security Standard (PCI DSS) and its external certification
- Security incidents and crisis management
- Procedures for non-compliance

In addition to our cybersecurity policy and regulations, we also have several governing bodies that supervise the company's cybersecurity:



## CENTRALISED MANAGEMENT

GRI: 3-3

The best practices we have implemented in cybersecurity have allowed us to face new requirements and risks in a very agile and secure way. Our aim is that all of our stakeholders benefit from the maximum security guarantees that are offered by our workplaces.

At Meliá Hotels International we have a Security Operations Centre (SOC) operated with the support of our technology partner. **The SOC allows us to supervise and manage cybersecurity on a global level through preventative measures and the monitoring and control of data security in our different technological environments.** The objective is to detect,

analyse and resolve security incidents that are managed using a system that monitors all of the security events that are reported.

The SOC also analyses activity in networks, servers, databases, applications and websites to detect anomalies that might indicate a security incident or breach. If we detect an anomaly, the SOC helps ensure that potential security incidents are correctly identified, analysed, blocked and reported.

The capabilities of our SOC and the issues it manages are shown below:

### SOC



## Cloud Managed Security Solutions

Cloud solutions comply with all the required security measures to guarantee technological alignment with data security, risk management and regulatory compliance. Across the whole company, starting with the most critical areas, regular security reviews are carried out on the different systems.

The objective of this process is to regularly and systematically evaluate the alignment of security controls in each environment, measure the risks detected, and define and implement action plans.

### Maximum security in the supply chain (third party risks)

We carry out analyses of data security requirements with all our suppliers based on their access to data and/or technological environments. This analysis focuses on guaranteeing compliance with our internal regulations. We have also implemented a technological risk management framework with third parties to ensure visibility and allow the verification of data security and technological environments within the entire supply chain.

## Protection of personal data in payments (PCI DSS)

In line with our duty to ensure the safekeeping and appropriate management of credit card data, in 2022 we renewed the Payment Card Industry Data Security Standard (PCI DSS) certification of our booking systems for the twelfth consecutive year.

Similarly, we also apply best practices in data security to ensure proper use of the different means of payment offered to customers.

### Contingency plans to prevent cyberattacks

In 2022 we did not detect nor report any cyberattacks, although we do have a procedure in place that defines the steps to take and identifies the people directly responsible for correctly notifying, managing and recording security incidents. The main objective of this procedure is to minimise the impact of potential incidents and avoid the loss or deterioration of data under our responsibility.

Below is the workflow for security incident management and responses at Meliá Hotels International which we follow with the assistance of our technology partner:

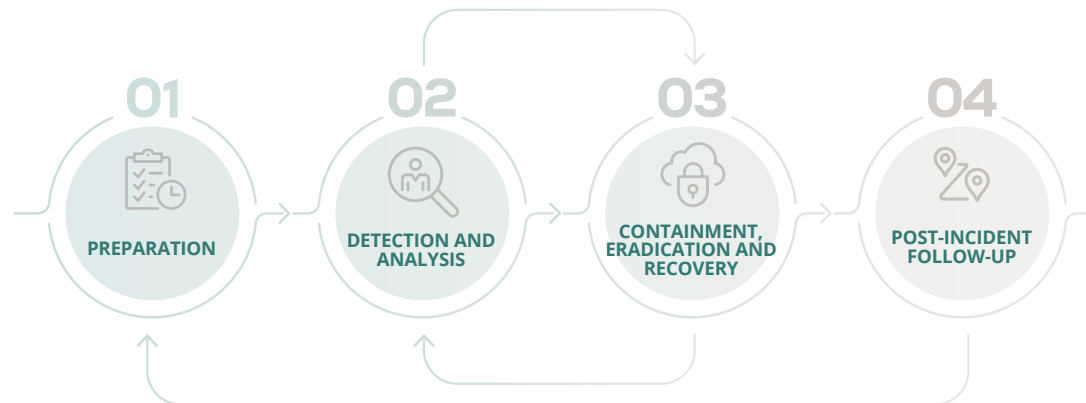
TRAINING IN DATA SECURITY (HOURS PER PERSON)

0.9

CYBERSECURITY TRAINING (HOURS PER PERSON)

0.8

### INCIDENT MANAGEMENT WORKFLOW



This procedure is mandatory for all internal and external personnel at Meliá Hotels International with access to personal information and data.



# Fiscal transparency

## A FISCAL STRATEGY BASED ON VALUES

GRI 207-1; 207-2

Our Fiscal Strategy Policy was approved by the Board of Directors in 2016 and updated in June 2018. Its purpose is to define our approach to fiscal issues based on three fundamental values: transparency, rigour and good governance.

The Fiscal Strategy is based on the following guiding principles:

### GUIDING PRINCIPLES



At Meliá Hotels International we have also implemented a Fiscal Risk Control and Management System to monitor risks related to major investments and operations, the creation or acquisition of stakes in special purpose companies or companies domiciled in jurisdictions considered non-cooperative, and transactions involving directors or shareholders.

This system forms part of the functions of our Tax Department with the support of all the business units and is deployed to ensure compliance with applicable tax legislation and internal policies, including the Tax Strategy itself.

The Audit and Compliance Committee supervises the system and all tax risks inherent to the activities and processes at Meliá Hotels International. Our Tax Department reports directly to the Board through the Audit and Compliance Committee on a regular basis (at least once a year) and whenever there is an issue considered to be particularly relevant.

We also have a Complaints Channel available to suppliers and all of our employees regardless of their position, function or location to report tax irregularities that are contrary to our Code of Ethics.

Another aspect that ensures our compliance with best practices is that our auditor is responsible for the following processes and not for any type of fiscal advice: accounts audit, management system audit, and verification of the NFIS and other indicators.

### Highlighted awards and certifications

The Haz Foundation (known as the Commitment and Transparency Foundation until 2021) and the Cumplen Association made a positive assessment of our fiscal governance in the Contribution and Transparency Report 2021 regarding fiscal responsibility in IBEX 35 companies. This

report particularly highlights the information we provide about our tax contribution, our activities to combat money laundering and our ethical and compliance management.

We have also been certified by AENOR for our Criminal Compliance Management System under UNE 19601:2017 standards since 2021. The certification process involved a favourable analysis of 55 controls we have implemented to prevent and/or avoid different tax crimes.



## COMMITTED TO FISCAL RESPONSIBILITY

GRI 207-4

Within the framework of our commitment to fiscal responsibility and our economic and social contribution in all the countries in which we operate, we have a structure aligned with the business and appropriate to legal requirements, all within a transfer pricing policy framework aligned with value creation and the principles of free competition.

All of our financial and tax information can be found in the Group's Consolidated Annual Accounts and in the Individual Annual Accounts of

Meliá Hotels International S.A. and its subsidiaries. In particular, the tax notes provide details about tax expenses and the main litigation issues related to tax payments. The total amount of taxes paid appears in the Cash Flow Statement and the Consolidated Annual Accounts.

The following table shows the earnings before taxes\* and taxes on profits paid in both 2021 and 2022 and their evolution:

### RESULT AND TAXES BY COUNTRY

Thousands of euros

	EARNINGS BEFORE TAXES		TAXES PAID ON PROFITS	
	2021	2022	2021	2022
Germany	-26,343	-7,269		
Argentina	392	988	19	138
Austria	-1,452	-311	-41	
Brazil	-5,538	12,106	1	
Bulgaria	711	32	55	107
China	-1,117	-2,009	203	
Costa Rica	1		1	
Cuba	-576	13,669	100	719
USA	-12,026	243	143	22
Spain	-90,977	11,275	-14,060	6,062
France	-16,087	-1,837	-237	
Greece	-96	-89		
Indonesia	-228	-323	10	-21
Cayman Islands	-69	-188		
Italy	-9,373	5,558		

Thousands of euros

	EARNINGS BEFORE TAXES		TAXES PAID ON PROFITS	
	2021	2022	2021	2022
Luxembourg	-768	311	352	-162
Mexico	-4,832	53,137	-35	3,892
Netherlands	-2,570	-4,861	-39	49
Panama	496	-582		
Peru	-790	-655	215	45
Puerto Rico	468	1,313	-981	
United Kingdom	-29,916	-21,727	-10	
Rep. Dominican Republic	-14,460	2,709	565	1,606
Switzerland	99	54	-1	4
Venezuela	2,350	1,512	53	14
Vietnam	140	-347	34	109
<b>Total</b>	<b>-212,561</b>	<b>62,709</b>	<b>-13,653</b>	<b>12,584</b>

\*Following the guidelines for the preparation and presentation of country reports issued by the OECD (Action 13 BEPS report), the results before tax include the aggregate data of each jurisdiction and exclude dividends from other Group entities.

The main difference between 2021 and 2022 is due to the recovery in the hotel activity after the pandemic and a subsequent increase in tax

payments. In Spain the difference is also due to a delay in the collection of a tax refund.

## PRESENCE IN LOW-TAX COUNTRIES

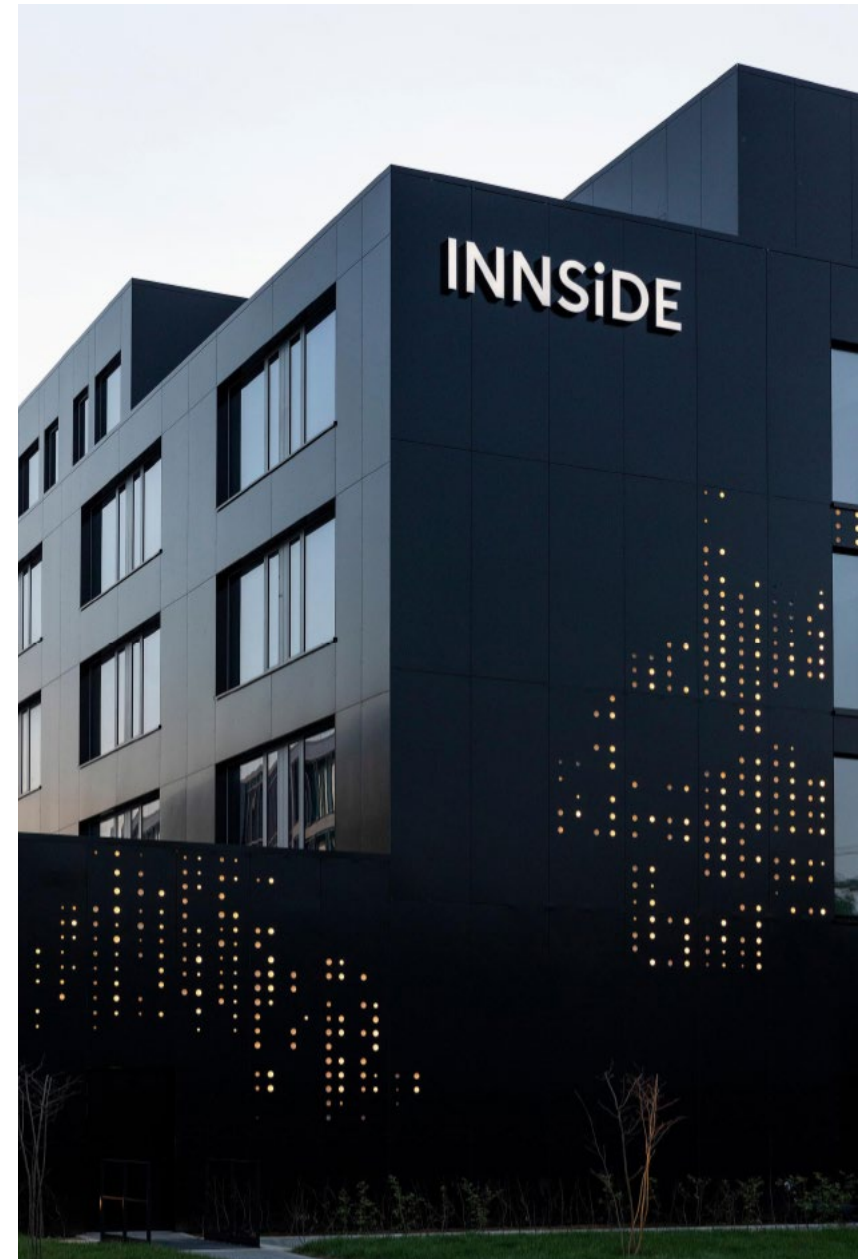
GRI 207-2; 207-4

The creation or acquisition of a stake in companies with a special purpose or domiciled in non-cooperative countries or jurisdictions must be reported to and approved by the Board of Directors. This approval is a non-delegable power. Similarly, any presence in non-cooperative jurisdictions must be due to legitimate financial motives.

Meliá Hotels International has hotel operations in countries that are not considered non-cooperative jurisdictions under Spanish legislation, but which some external observers consider jurisdictions with a tax system that is more favourable than the Spanish system, as may be the case in Panama, the Netherlands or Luxembourg. Our presence in these jurisdictions is due to genuine business activities, and all the mentioned jurisdictions have reached an agreement with Spain to avoid double taxation that includes a data exchange provision.

Meliá also has an entity named Sol Meliá Funding domiciled in the Cayman Islands. Despite the fact that the Cayman Islands has not been on the European Union's blacklist for non-cooperative jurisdictions since 2020, it is included in a list of countries and territories with non-cooperative jurisdiction. Our Cayman Islands company carries out a residual activity that is related to our old vacation club and applies all the general administration and management control criteria and procedures defined by the Group, cooperating with the competent authorities to provide the information they deem necessary.

In 2022 we liquidated a number of Group subsidiaries to simplify our corporate structure.





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05.

COMMITTED TO COMBATTING  
CLIMATE CHANGE

# Climate change strategy

GRI: 2-23; 2-24; 3-3 SASB: SV-HL-160a.2



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In 2022 we defined our short and medium-term climate change strategy. The strategy aims to position the company as a benchmark in combatting climate change, complying with our commitments and leading the sustainable transformation of the hotel industry while also making this vision part of our growth model. Our approach has two perspectives: how our activity impacts the planet and how the current context affects and challenges us in our management.

### GOVERNANCE

Our organisational structure and governance assigns and attributes ESG responsibilities to the different executive bodies and committees of the Board of Directors, in addition to all those aspects related to climate change.

The Board of Directors approves and supervises ESG and climate change strategy and delegates their internal data control to its committees in addition to defining incentives for the achievement of objectives.

The Sustainability Committee created in 2020 has a key role: to ensure the integration of sustainability at all levels of the organisation, ensuring that the roadmap contributes to complying with the public commitments made regarding ESG and to face the key challenges of the 2030 Agenda.

### CLIMATE RISK MANAGEMENT: HOW THE PLANET AFFECTS US

In 2021 we ratified our carbon footprint reduction targets in accordance with the Science Based Target initiative (SBTi), defining objectives for 2025 and 2035 with 2018 as the base year for comparison.

In 2021 we also identified the risks and opportunities regarding climate change following the recommendations prepared by the Task Force on Climate Related Financial Disclosure (TCFD). This working group was launched in 2015 by the Finance Stability Board and encourages companies to inform their stakeholders, particularly their financiers and investors, about any risks and opportunities regarding climate change and their management model.

#### Integration of climate risk with risk management

Our Global Risk Map identifies the key risks we face as a company. The map is reviewed every year and presented to the Board of Directors, and also to the Audit and Compliance Committee, responsible, among other things, for the supervision of Risk Management Systems, including those that affect ESG issues.

In the specific case of risks related to climate change, this year's assessment showed a rise of **11 positions in the risk ranking**, ranking amongst the top 12 and 20 risks in the company's Global Risk Map.



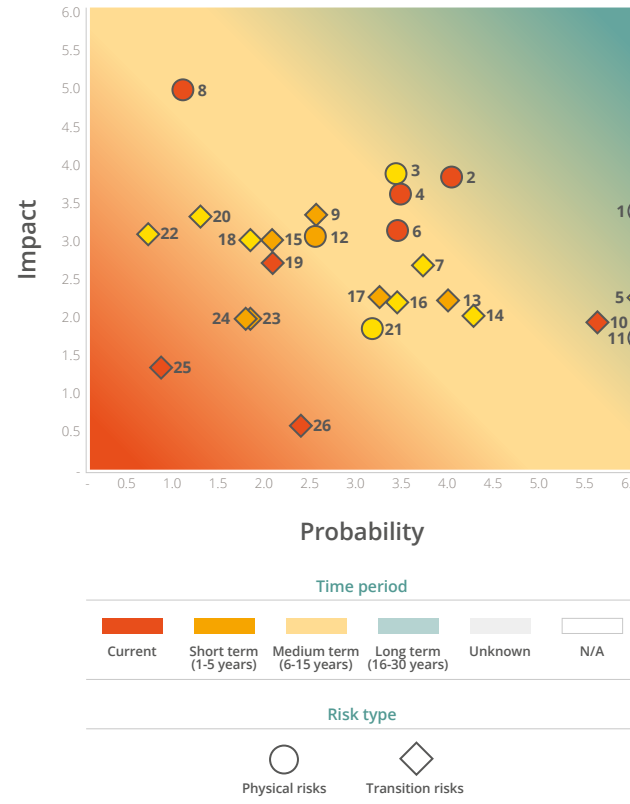


MATRIX AND RANKING OF CLIMATE RISKS

Our map identifies 26 climate risks. Of these, nine are physical risks and 17 are transition risks. The most relevant risks are the physical risks, both in the present and in the medium term, according to their severity rating (probability × impact). In addition, 65% of the transition risks are considered risks that may occur in the present or in the short term.

MATRIX AND RANKING OF CLIMATE RISKS

1	Rising sea levels	20.10	14	Change of insurance conditions	9.78
2	Extreme precipitations: torrential rain, hailstorms, snowfall, etc.	17.01	15	Changes in customer perception	8.94
3	Extreme weather events: cyclones, hurricanes, typhoons and tornadoes	15.32	16	Transition to low-emission technology	8.83
4	Imbalance in the living organisms in marine ecosystems	14.49	17	New legal requirements in energy efficiency matters	8.73
5	Changes in customer behaviour or preferences	13.22	18	Increased stakeholder concerns or negative feedback from stakeholders	8.39
6	Insect plagues	12.48	19	Failure to meet climate targets	8.20
7	Taxes related to GHG emissions	11.21	20	Geopolitical and social instability	8.00
8	Forest fires	11.21	21	Alteration of biodiversity	7.01
9	Variation in resource availability	11.14	22	Difficulties in obtaining financing	6.11
10	New reporting requirements	10.81	23	Damage to the image of the industry	5.52
11	Increased average temperature	10.74	24	Damage to the image due to the use of resources/services	5.52
12	Reduced availability of water	10.31	25	Increased exposure to environmental litigation/infractions	2.79
13	New legal requirements related to the reduction of GHG emissions and climate risk management	9.79	26	Vehicle-mobility restrictions	1.86



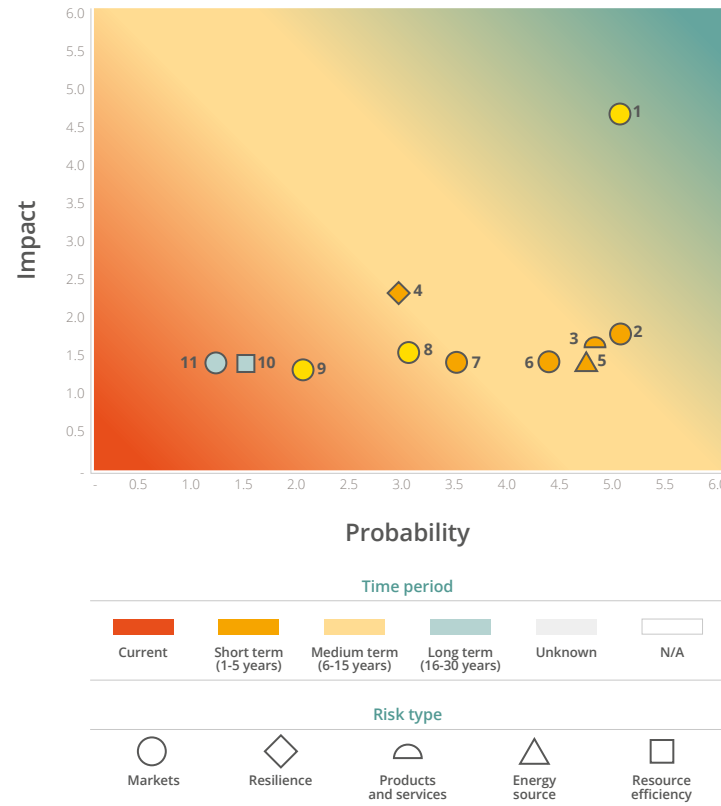
\* Ranking based on the severity of the opportunities (probability x impact). Opportunities classified as priority 1 and 2 are included.

MATRIX AND RANKING OF CLIMATE OPPORTUNITIES

The analysis has allowed us to identify 11 climate opportunities. Of these, seven are market opportunities and the others are one each in the products and services, resilience, energy sources and resource efficiency categories. The analysis reflects a large difference in terms of severity of the opportunity in first position of the ranking (23.06) compared to the second (8.98).

MATRIX AND RANKING OF CLIMATE OPPORTUNITIES

1	Opening of new markets	23.06
2	Differentiation from competitors	8.98
3	Changes in customer behaviour or preferences	7.91
4	Direct incentives from the authorities related to combatting climate change	6.68
5	Direct incentives from the authorities related to the decarbonisation of transport	6.63
6	Changes in customer perception	6.20
7	Obtaining financing	4.91
8	Improvement to the image of the industry	4.64
9	Change of insurance conditions	2.66
10	Indirect incentives from public authorities	2.05
11	Direct incentives from the authorities related to energy efficiency and use of resources	1.66



\* Ranking based on the severity of the opportunities (probability x impact). Opportunities classified as priority 1 and 2 are included.

Given that we have the challenge of continuing to create an ESG risk management culture, in 2023 we will develop a roadmap designed to minimise the most significant risks in our analysis and to take advantage of the most significant opportunities.

### TOWARDS THE DECARBONISATION OF OUR BUSINESS MODEL: HOW WE AFFECT THE PLANET

We are a benchmark company in the hotel industry for the way we understand hotel management based on the principles of sustainability. That is why we have assumed firm commitments to respond to the need for adaptation and mitigation of climate change in our activity, confirmed in 2021 through our emission reduction targets in line with the Science Based Target initiative (SBTi) in order to not increase average global temperatures by more than 1.5 °C, the basis on which we develop our projects to combat climate change.

Our objectives have been defined for two periods: a reduction of 29.4% by 2025 and of 71.4% by 2035.

At Meliá Hotels International we measure the three scopes of our carbon footprint using the Greenhouse Gas Protocol (*GHG-Protocol*) methodology.

#### Scopes 1 and 2 according to the Science-Based Target initiative (SBTi)

In 2022 we measured emissions in 100% of our owned, leased and managed hotels (346 hotels).

Scope 1 emissions are direct emissions generated by assets in which the company has control over hotel operations. At Meliá they correspond to the emissions caused by burning fuel in our own facilities (96.9%) and emissions caused by refrigeration equipment (3.1%).

Scope 2 emissions, or indirect emissions, are those that are generated as a result of the operation of assets in which the company controls the hotel activity but which are not generated on-site. In our case, they are the emissions produced by the generation of electricity, steam, district heating or district cooling purchased by the company.

In particular, the scope 2 calculation is made using a location-based methodology. This procedure involves calculating emissions by country and energy source (electricity, district heating and district cooling), reflecting the average intensity of emissions from the network in which consumption occurs.

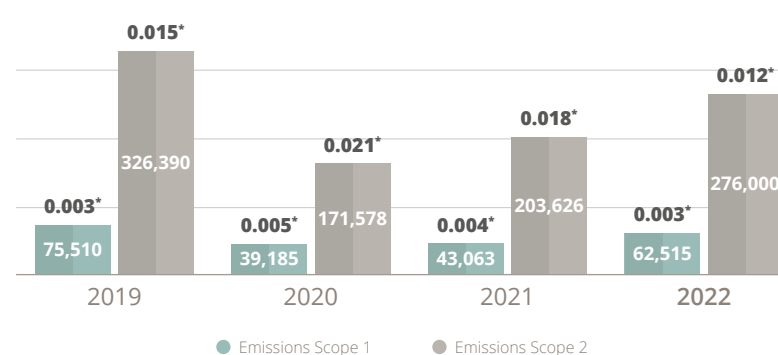
We consider it relevant to mention that although the commitment validated by SBTi accepts the use of the operational perimeter and our responsibility for reducing emissions in all the assets over which we have control of the hotel operation, this definition of control does not reflect the complexity of our capacity to respond in those assets that we do not own.

It is also important to state that the location-based calculation method does not take into account the results of our strategy to purchase energy from renewable sources which has already been implemented in Spain, Italy, Germany, France, the Netherlands and the United Kingdom.

REDUCTION OF SCOPE 1 AND 2 EMISSIONS (BASE YEAR 2018)

**-17.04%**

#### CARBON FOOTPRINT A1 AND A2 EMISSIONS SBTi (TCO2)\*\*



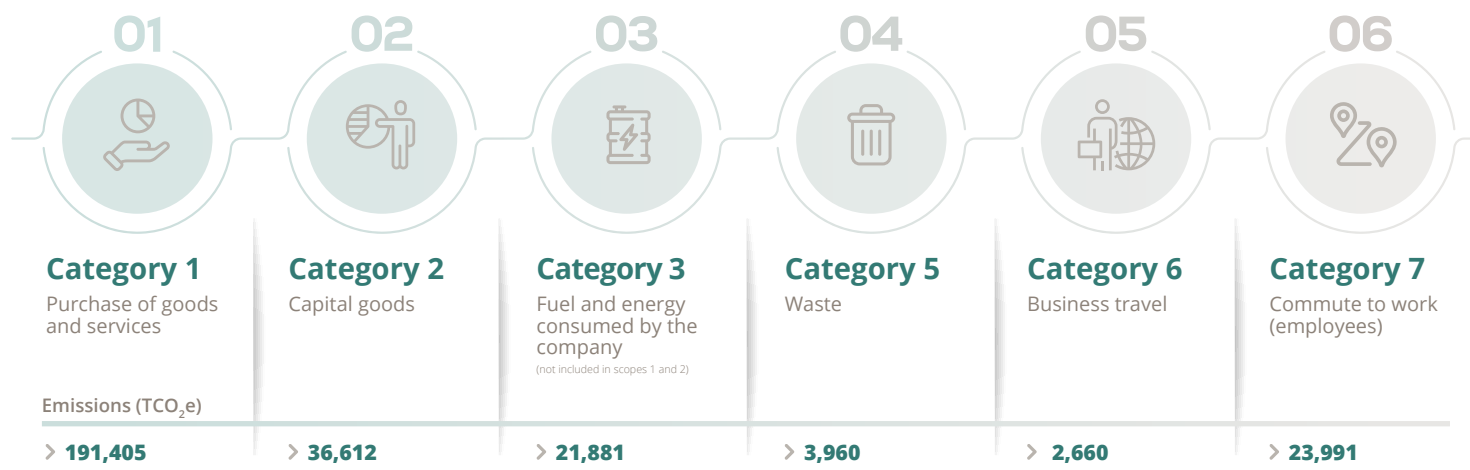
\* Intensity ratio per stay.

### Scope 3

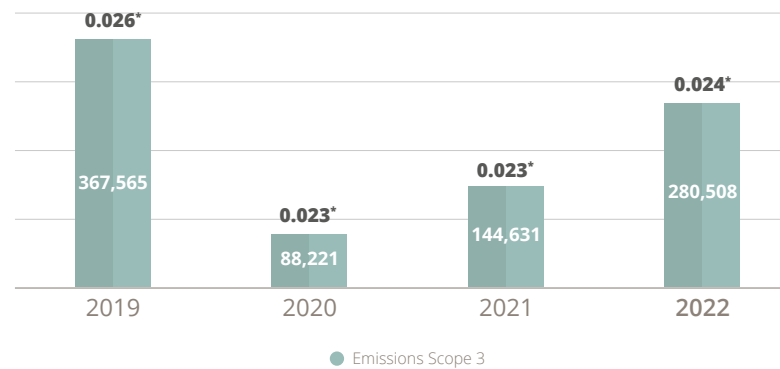
Finally, Scope 3 emissions are those that are not produced directly by Meliá Hotels International but are the result of our activity. This includes emissions in our value chain, i.e. the emissions from activities upstream and downstream of our hotel activity. Given the nature of our business model, Scope 3 emissions are very significant in our activity.

We currently report on 6 of the 15 categories defined by the GHG Protocol. Those that are not related to our activity or are estimated to have a relevance of less than 1% have been excluded, provided the sum of them all does not exceed 5%. For more information see the Annex: carbon footprint methodology.

#### SCOPE 3 CARBON FOOTPRINT



Under the current calculation method, at the end of 2022 Scope 3 emissions represented 70% of our carbon footprint and undoubtedly present the greatest challenges with regard to their reduction. The complexity is caused by the large number of categories that Scope 3 comprises and the large number of interlocutors involved.



\* Global integration

\* Intensity ratio per stay.

## Mitigating our impact

As mentioned above, our objective is to continue making progress in the decarbonisation of our business model. To achieve this we have to carry out different activities that will allow us to move towards a more efficient, responsible and sustainable tourism model that we can also make extensive to our entire value chain.

To face the challenges of climate change and respond to growing social awareness about climate issues, we have made important progress in the transition towards a low-carbon economy. We have implemented measures that we believe contribute to mitigating the impact of our activity, such as improving energy efficiency in our operations or increasing the products and services we offer that have a reduced environmental impact, reducing our environmental footprint, reducing our water use and carrying out actions to raise awareness among our customers, key players in the whole process.

We have therefore defined a mitigation strategy with three key areas:

### *PROGRESS IN THE USE OF GREEN ENERGY*

In 2022 we supported projects designed to reduce our emissions, mainly in scopes 1 and 2, and identified new investment needs to promote the more proactive management of related risks and opportunities.

We have also defined a strategy to boost the commitment of hotel owners, reinforce their alignment with our decarbonisation strategy and expand the scope of our environmental management model to hotels operated under management agreements.

We have continued to make direct investments in energy efficiency and defined a plan to lessen our dependence on fossil fuels, increasing the use of 100% green energy, focusing on guarantees of origin (GdO) and

Public Purchase Agreements (PPAs) with energy retailers. In PPAs, the energy retailers invest in the installation and operation of energy systems while Meliá makes a commitment to acquire the energy generated during a specific period of time, also opening up opportunities for the self-generation of green energy.

### *CIRCULAR ECONOMY*

We are aware that a focus on solutions to the energy transition will only partially help us to resolve the problem. A large part of the improvement will inevitably involve transforming the way we treat materials, from the acquisition of goods to construction processes or the handling of waste generated by our activity.

We understand that a commitment to a circular economy model is a key factor in moving towards a more sustainable business model, increasing our capacity to generate inclusive economic growth wherever we operate and going beyond the efficient use of natural resources and reduced waste. We aim to continue growing with a business model that sustainably creates value and reduces our environmental footprint to a reasonable minimum.

### *BIODIVERSITY*

Our activity, especially in resort hotels, is intrinsically related to the natural environments in which a large part of our hotels are located. The biodiversity in these destinations is part of their natural capital and attractiveness for tourists, and also of our value proposition for customers. That is why we see the protection of biodiversity from the most holistic perspective, as a direct consequence of our Environmental Management System, the design and construction of our hotels, the training of our teams and awareness among our customers, as well as hotel operations that respect and protect the natural environment.



# Eco-efficient management

GRI: 2-23; 2-24; 3-3



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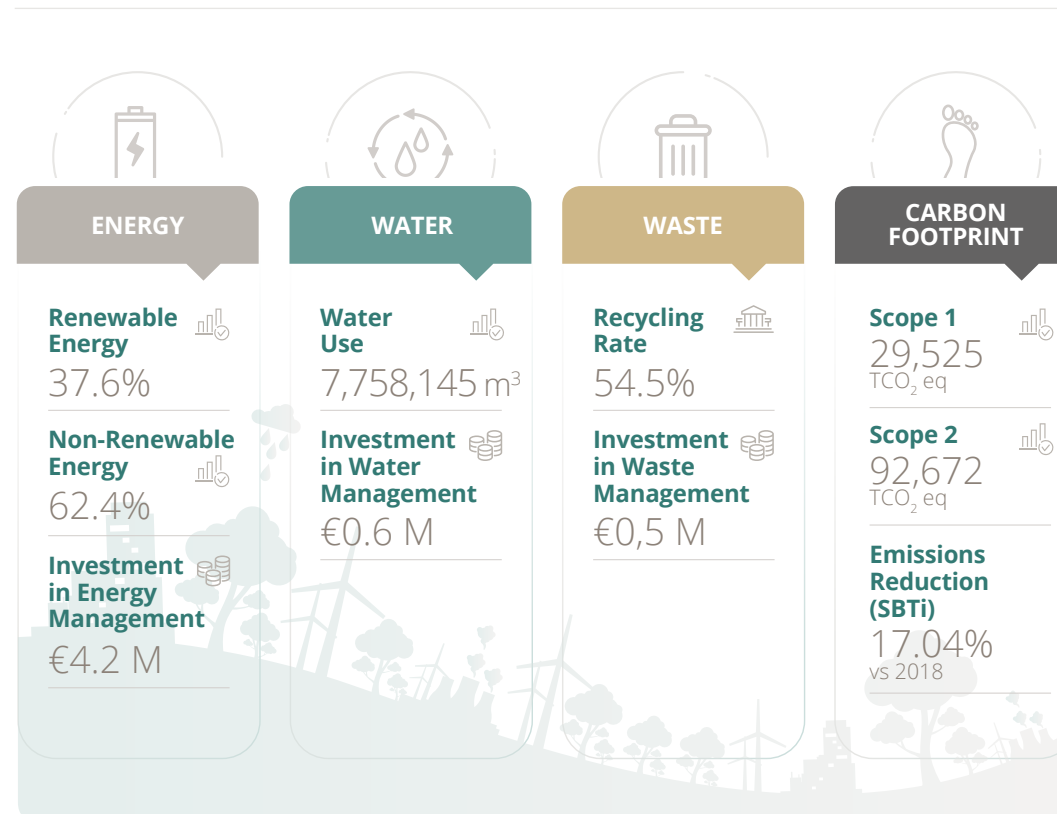
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6. CREATION OF SOCIAL VALUE

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Our Environmental Management System is called SAVE and was designed internally by our engineers in 2007. It allows us to measure and manage key environmental indicators related to energy, water and waste on a global level. This system guarantees the constant analysis of our management and enables us to identify opportunities for improvement and monitor compliance with our annual objectives.

## ECO-EFFICIENT MANAGEMENT: KEY FIGURES



Our Climate Change and Environment Policy prioritises the acquisition of renewable energy, investments to reduce emissions and the constant monitoring of energy and water use to identify deviations, opportunities for improvement and take corrective actions if necessary.

## CERTIFIED PORTFOLIO

In 2022 we prioritised the total reactivation of our activities after the pandemic. For that reason we suspended the audit process for the renewal of sustainable certifications by Earthcheck, an organisation endorsed by the Global Sustainable Tourism Council (GSTC). In 2022 we designed a reactivation plan for 55 hotels, in which the audit and verification process will begin in the first quarter of 2023.

In our portfolio of managed hotels, highlights include the LEED (Leadership in Energy and Environmental Design) environmental certifications awarded in 2022 to the ME Barcelona and the BREEAM (Building Research Establishment Environmental Assessment Method) certification achieved in 2021 by the ME Sitges. The Meliá Costa del Sol and Meliá Castilla hotels also renewed their environmental management system according to ISO 14001 standards until 2024.

## ENERGY MANAGEMENT

GRI: 302-1; 302-3; 302-4; 302-5. SASB: SV-HL-130a.1

### Energy Management System

Our Energy Management System is certified under ISO 50001 standards and has been acknowledged over the years for its commitment to sustainability and reducing our impact on the environment.

The system aims to focus the energy performance of our hotels on energy savings, optimisation of energy use, efficiency and constant improvement in energy-consuming facilities and therefore minimise the environmental impact of hotel operations.

### Investments in energy efficiency









Given our commitment to moving towards the decarbonisation of our activity, we strongly focus on investment planning to make a direct contribution to the decarbonisation of our value chain.

In 2022 we allocated €2.2 M to achieve our objectives in reducing energy use and thus our greenhouse gas emissions. Among these investments, the amounts devoted to the CO2perate and SAVE projects were particularly relevant.

### SAVE INVESTMENTS

After the opportunities to save energy and water in hotels have been identified, we carry out feasibility studies to prioritise the investments with the greatest environmental and financial impact. In 2022 we implemented 67 projects to monitor consumption, install more efficient chillers and heat recovery systems, LED lighting, control systems and frequency inverters and also to prepare for the installation of photovoltaic panels to generate our own electricity.

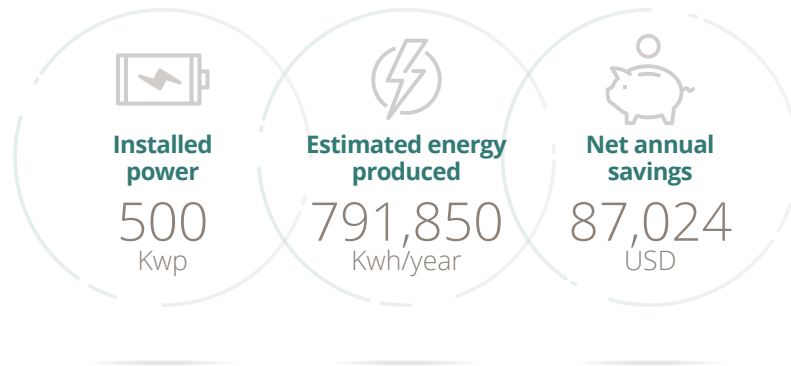
### PHOTOVOLTAIC INSTALLATION (EXPECTED SCENARIO)

 Facilities	30 hotels
 Peak Installed Power	1,866 kWp
 Square metres	7,623 m <sup>2</sup>
 Annual production kWh	2,741,123 kWh/year
 Investment	€2.1 M
 Emissions avoided (CO <sub>2</sub> )	674 Tn/year
 Savings €0.2/kWh	€0.4 M
 Return on investment	5 years

Many of the installations could not be completed in 2022 due to a lack of components. In 2023 we expect all the facilities to be operating at full capacity, allowing us to measure savings from both an environmental and financial point of view.

We have also agreed the installation of significant photovoltaic capacity with energy services in the Dominican Republic (CEPM) in 2023 in the Paradisus Palma Real Golf & Spa Resort, one of our larger resorts in this important travel destination with almost 600 rooms. All of the energy that we expect to generate will power the pump mechanisms in the water deposits in the entire resort.

**CEPM PROJECT - KEY FIGURES**



*CO2PERATE*

The key objective of this project is to optimise energy use in air conditioning. By using artificial intelligence for cooling, improvements have been made to the control and management of the facilities that use most energy. Training and communication activities regarding energy and the environment have also been carried out. Since its launch in 2019, the company has managed to implement the project in 91 hotels.

The key impacts on the consolidated perimeter (global integration) are detailed below, in addition to those obtained in managed hotels, where the CO2perate project has already been implemented as a result of our commitment to raise awareness among owners of our managed hotels about the importance of reducing their environmental footprint.

**CO2PERATE INVESTMENTS: OWNED AND LEASED HOTELS**

	TOTAL	2022	2021	2020	2019-18
Hotels involved		81	85	87	87
Accumulated investment	€2.2 M	€0.03 M	€0.06 M	€0.5 M	€1.6 M
Reduction of Energy Costs	€3.8 M	€2.0 M	€1.0 M	€0.5 M	€0.3 M
Energy saved	<b>30,825,367 kWh</b>	12,626,675 kWh	9,505,337 kWh	5,085,267 kWh	3,608,088 kWh
Emissions avoided (CO <sub>2</sub> )	<b>12,926 TnCO<sub>2</sub></b>	4,172 TnCO <sub>2</sub>	3,951 TnCO <sub>2</sub>	2,809 TnCO <sub>2</sub>	1,993 TnCO <sub>2</sub>

**CO2PERATE INVESTMENTS: MANAGED HOTELS**

	TOTAL	2022	2021	2020	2019-18
Hotels involved		10	11	11	11
Reduction of Energy Costs	€0.3 M	€0.2 M	€0.07 M	€0.006 M	
Energy saved	<b>1,438,124 kWh</b>	851,183 kWh	519,308 kWh	68,257 kWh	-624 kWh
Emissions avoided (CO <sub>2</sub> )	<b>503 TnCO<sub>2</sub></b>	292 TnCO <sub>2</sub>	173 TnCO <sub>2</sub>	40 TnCO <sub>2</sub>	-1 TnCO <sub>2</sub>

The total number of hotels shows variations due to changes in the company's portfolio due to disaffiliations or asset sales. To continue making progress in our commitment to reduce energy use, in 2022 a specialist consultant was hired to identify new opportunities that enable us to ensure compliance with the objectives defined in energy management.

*INTEGRATION OF SUSTAINABLE CRITERIA IN CONSTRUCTION WORKS*

As a management company for hotel assets owned by third parties, Meliá Hotels International provides advice and manages the design and construction of new hotels, leveraging all the know-how acquired over the years and ensuring the application of sustainable criteria during construction and subsequent operations.

In 2022 the company inaugurated its first prototype net-zero hotel on the island of Menorca in the Balearic Islands in Spain, the Gran Meliá Villa Le Blanc. We analysed numerous technologies during the design stage to select and install those with the highest efficiency and lowest environmental impact.



**SUSTAINABLE ENERGY ATTRIBUTES VILLA LE BLANC**

**Building**

- Energy Certification A (highest category)
- Insulation on the façade to reduce heat loss (SATE)
- Building Management System
- Chillers that use heat recovery
- Ultra-quick charging stations

**Biomass**

- Energy source for boilers (hot water, drinking water and heated pools)
- Use of pellets (pruning)
- Silo 25 m3

**Photovoltaic**

- Surface 300 m2
- 122 solar panels installed
- 32,472 kWh per year equivalent to 6,494 Kg of CO2 and 324 trees

**Geothermal**

- Renewable energy source for hotel air-conditioning
- Condensation by seawater wells

**Green energy**

- Guarantee of origin

The actions described above have enabled us to achieve the highest possible energy rating (A). The decarbonisation project has also helped reduce CO2 emissions by 87% compared to the situation prior to the reform. All of the remaining emissions will be offset through a project that will have a positive impact on the destination.

At Meliá we are also very much aware of the importance of water, given that it is a scarce resource in the hotel location. Taking advantage of the comprehensive reform of the hotel, that is why we have installed facilities that allow circularity in our water use and a reduction in consumption.

VILLA Le BLANC  
— A GRAN MELIÁ HOTEL —  
MENORCA

SUSTAINABLE ENERGY ATTRIBUTES VILLA LE BLANC

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## Water



- Recovery of grey water for toilets and outdoor cleaning



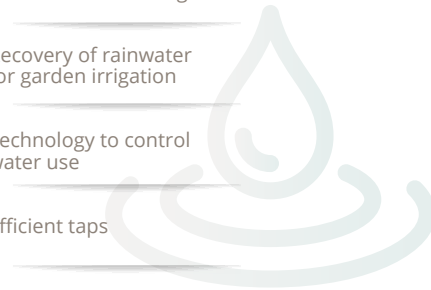
- Recovery of rainwater for garden irrigation



- Technology to control water use



- Efficient taps



In addition to the Gran Meliá Villa Le Blanc, other works on some of our iconic hotels have been carried out based on sustainability criteria: Paradisus Gran Canaria, the first Paradisus resort in Spain, Meliá Zahara Atlántica and the first Falcon's Resort by Meliá hotel next to Katmandu Park.

In 2022 we invested a total of €3.1 M in other reforms and equipment based on energy efficiency criteria, continuing to optimise our energy use in hotels and also applying the standards defined in our design and construction manuals.

### ENERGY EFFICIENCY INVESTMENTS IN WORKS, REFORMS AND EQUIPMENT RENEWAL

	INVESTMENT	FINANCIAL SAVINGS	ENERGY SAVED	EMISSIONS AVOIDED
SAVE INVESTMENTS	€2.2 M	€0.7 M	2,244,551 kWh	552 TnCO <sub>2</sub>
CO2PERATE	€0.03 M	€2.0 M	12,626,675 kWh	4,172 TnCO <sub>2</sub>
EFFICIENCY MEASURES IN WORKS/REFORMS	€3.1 M	€0.3 M	1,201,066 kWh	295 TnCO <sub>2</sub>
<b>TOTAL</b>	<b>€5.3 M</b>	<b>€2.9 M</b>	<b>16,072,292 kWh</b>	<b>5,019 TnCO<sub>2</sub></b>

## VILLA Le BLANC

— A GRAN MELIÁ HOTEL —  
MENORCA

### ENERGY CERTIFICATIONS

To comply with Spanish regulations, Meliá has obtained an energy certification for all its hotel assets (global integration) pending compliance with the required legislation.

In order to identify opportunities for improvement and optimise the life cycle of equipment and facilities, the scope of the project was extended to identifying energy-saving measures in each hotel and carrying out a full inventory of energy-consuming equipment and its technical characteristics such as wattage, year it was manufactured, etc. This information will help prioritise and schedule future investments to optimise energy use and monitor the useful life of facilities.

### ENERGY EFFICIENCY OPPORTUNITIES

	OWNED AND LEASED	MANAGED
Energy saving measures	242	25
Total investment	€12.7 M	€2.0 M
Estimated energy savings	15,407,550 kWh	806,886 kWh
Estimated water savings	4,651 m <sup>3</sup>	591 m <sup>3</sup>
Estimated savings	€1.9 M	€0.1 M
Return on investment	6.7 years	13.8 years

## Alliances with strategic partners

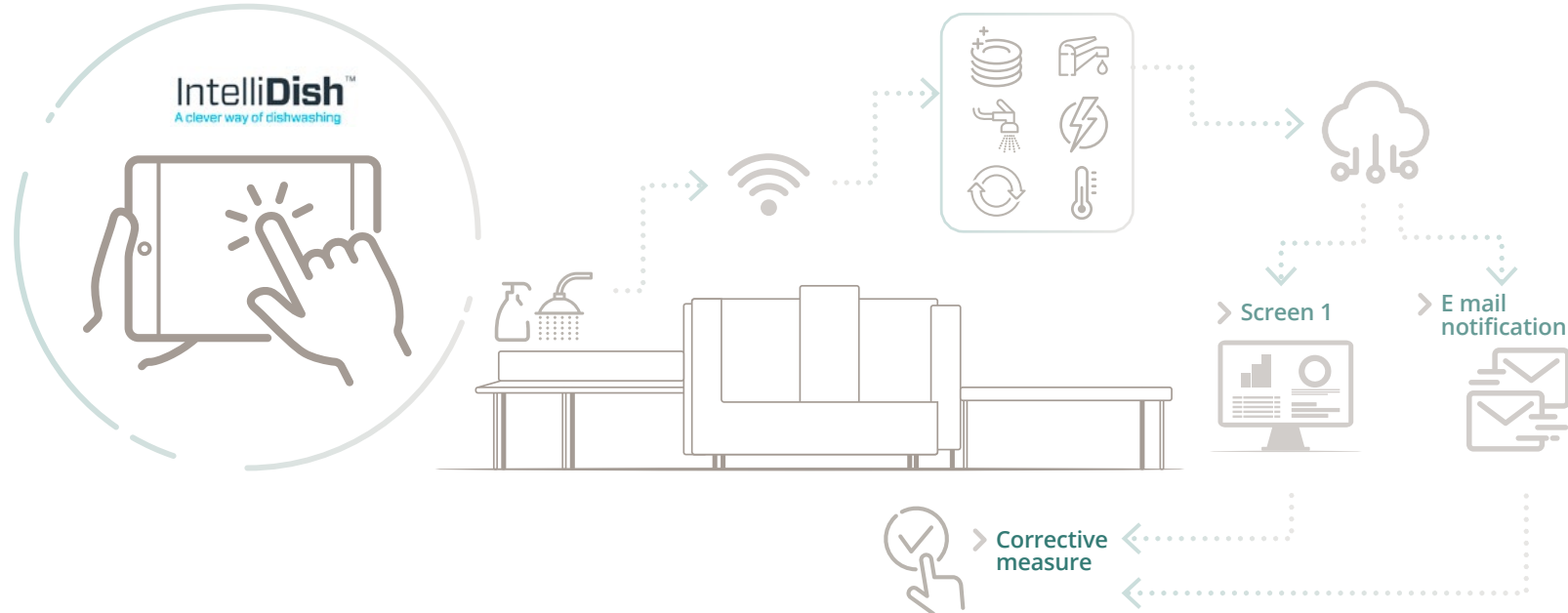
### SMART WASHING SYSTEM

As a result of the long-term relationship with Diversey, in 2022 we installed an intelligent management system in three company hotels to improve the washing process in our laundries and tunnel dishwashers. IntelliDish and IntelliLinen monitor the use of water, energy and chemicals, analyse

trends and send notifications to apply corrective measures when necessary to guarantee optimum performance.

This new system will reduce the consumption of energy, water and washing products. In 2023 we plan to extend the system to another nine large resorts or hotels with laundry facilities.

### SMART WASHING SYSTEM





SUSTAINABLE MOBILITY

We are also aware of the increasing reluctance of our customers to use transportation that uses fossil fuels. To allow more sustainable mobility, raise awareness and reduce emissions in customer transportation, in 2021 we reached a strategic agreement with WENEA, a supplier of electric mobility solutions. Since reaching the agreement we have installed charging stations in hotels where we have car parks (internal and external). This first stage began in Spain with the installation of eight charging stations in 2021 and continued in 2022 with 53 new charging stations in owned, leased and managed hotels.

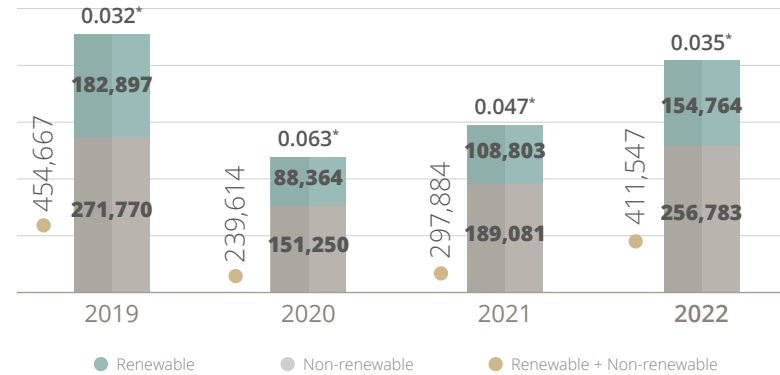
Energy consumption

The gradual recovery in activity in our hotels in 2022 had a direct influence on energy use.

Company policy is to contract renewable energy in all those countries where it is viable. The entire hotel portfolio in Spain, the United Kingdom, France, Italy, the Netherlands and Germany currently operates with green energy, with the hotels representing 56% of the entire portfolio in global integration.

Energy costs have also been affected by an increase in consumption due to high occupancy, increasing temperatures caused by climate change and significant price increases and volatility in energy markets throughout the year as a result of the war between Russia and Ukraine.

CONSUMPTION OF RENEWABLE AND NON-RENEWABLE ENERGY (MWH)



(\*) Intensity ratio (MWh per stay) (\*\*) Consolidated Perimeter.



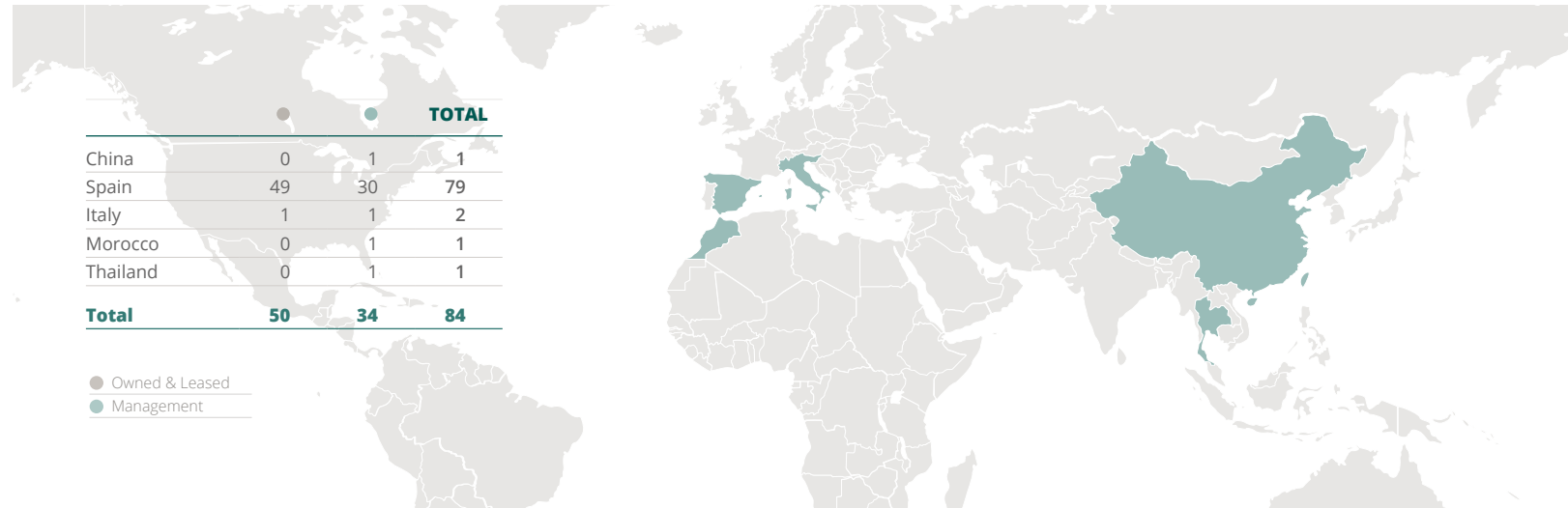
Meliá Costa del Sol, Spain

## WATER MANAGEMENT

GRI: 303-1, SASB: SV-HL-140a.1

### Portfolio in areas with water stress

#### LOCATION OF HOTELS IN AREAS WITH WATER STRESS



HOTELS LOCATED IN AREAS WITH WATER STRESS (GLOBAL INTEGRATION)

**50**  
(36%)

Hotels located in areas with water stress (MANAGED)

**34**  
(23%)

Water is an essential resource for quality tourism, and in certain destinations, particularly holiday resorts, water is an intrinsic part of their appeal. We are very much aware that water must be provided and enjoyed responsibly given the significant impact it has on the sustainability of the destinations in which we operate.

The first step in our responsible water management is to analyse the situation regarding water in our hotel portfolio. Every year we update the analysis of the hotels located in areas with water stress using the Aqueduct Water Risk Atlas. The analysis includes relevant data on the quality and availability of water in each area.

This allows us to identify areas with water risks and provide greater visibility regarding hotels located in high-risk areas caused by climate change, defining strategies to instil a culture of risk management with regard to environmental issues and climate change and implementing actions to adapt and mitigate those risks in the short term.

In order to assess risks associated with water stress and determine whether or not they are significant, we analysed the entire portfolio based on two key parameters: probability and magnitude of impact. The combination of these parameters allows us to calculate the financial impact of each hotel in terms of water stress risks.

The probability evaluation is based on the results of the analysis and assigns a score of 3.5 to hotels located in high-risk areas and 4.5 to hotels in extreme-risk areas.

The magnitude of the impact is based on the importance or relevance that each hotel in a risk area has for our overall business. When the financial impact is above the significance threshold (> 3% of total annual revenue), a hotel is considered to have a substantial impact on the business.

### Water management system

An essential part of our commitment to the responsible use of water is proactive management and the implementation of efficiency measures.

To achieve this, Meliá uses a system that allows us to identify and analyse the most important operational risks related to the extraction and discharge of water. This system forms part of our Environmental Management System (SAVE).

The system also makes it easier for us to manage water and anticipate possible risks and impacts, as well as ensuring that water is treated in line with applicable regulations.

The constant monitoring of our water use and operational controls in our facilities help us reduce water use and thus contribute to achieving our commitment to responsible water management. Investments to improve facilities and raising awareness about best practices among both our customers and employees are also fundamental to improving our management.

Almost €0.6 million was invested in 2022 in repairing leaks in swimming pools, waterproofing cisterns or surfaces, digitalising water use systems and leak detection systems through the monitoring of water deposits.

### Water efficiency measures

*MAGNUM PROJECT: PLATFORM FOR DIGITAL MANAGEMENT OF WATER FOOTPRINT IN TOURISM*

SASB: SV-HL-450a.1

Next Generation Funds aim to provide financial support to the member states of the European Union through credits for a total of €750,000 million between 2021 and 2026 in response to the crisis caused by COVID-19. The support aims to encourage investment to ensure a sustainable and resilient recovery.

Meliá has been constantly analysing opportunities to contribute to the objectives defined by the European Union. As a result of this analysis, in February 2022 we presented the RETOS Programme, focused on public-private partnerships to promote scientific knowledge and an innovation project to optimise water footprint management.

The project aims to use BIM (Building Information Modelling) technology and artificial intelligence to optimise the management of the water footprint in our hotels. The objective of the project is to improve our strategic and operational water footprint management from various perspectives, including the implementation of real-time operational recommendations, enriching our analytical data with disaggregated information on water use, the implementation of systems to monitor the occupation and use of services, and the optimisation of operational management, among others.

The project has been designed by a consortium of companies that are experts in the fields of management, water use, data management, technology and facilities, in which each of the parties involved has a specific role. Meliá is a promoter and partner with a 24% contribution, supported by CETAQUA and IDP as technology partners (39% and 19%, respectively) and AQUATEC as a marketing partner (18%).

Approved at the end of 2022, the project will involve three hotels in Spain: Gran Meliá Don Pepe (Marbella), Gran Meliá Palacio de Isora (Santa Cruz de Tenerife) and Meliá Palma Marina (Palma de Mallorca).

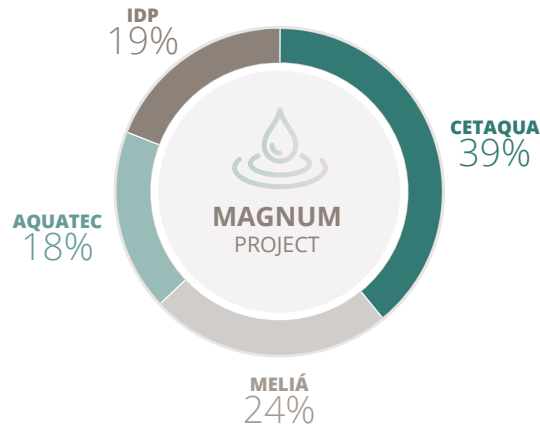
HOTELS IN AREAS WITH FLOOD RISK (GLOBAL INTEGRATION)

**18**  
(13%)

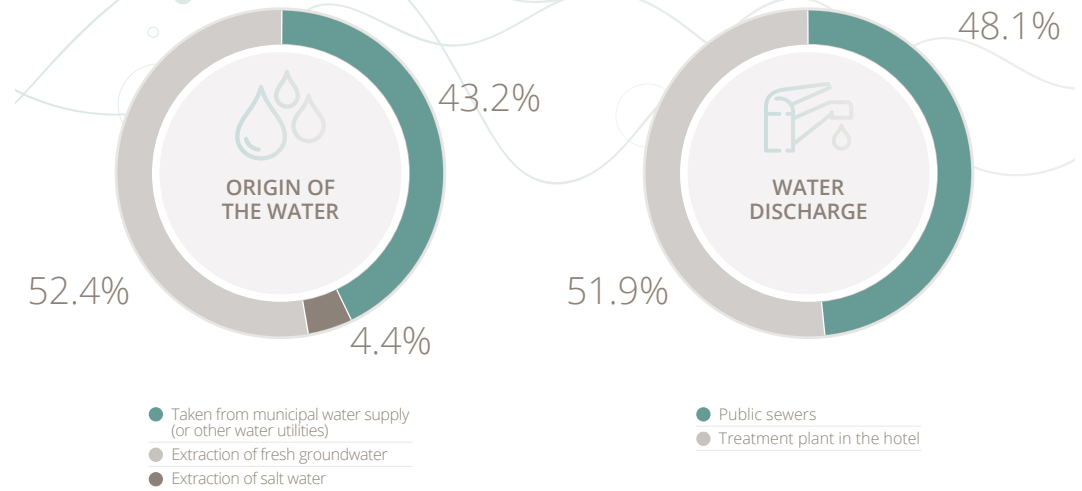
HOTELS IN AREAS WITH FLOOD RISK (MANAGEMENT)

**83**  
(55%)

**PARTICIPATION BY COMPANY**



**WATER USE BY SOURCE AND DISCHARGE BY DESTINATION**



**Water extraction, consumption and discharge**

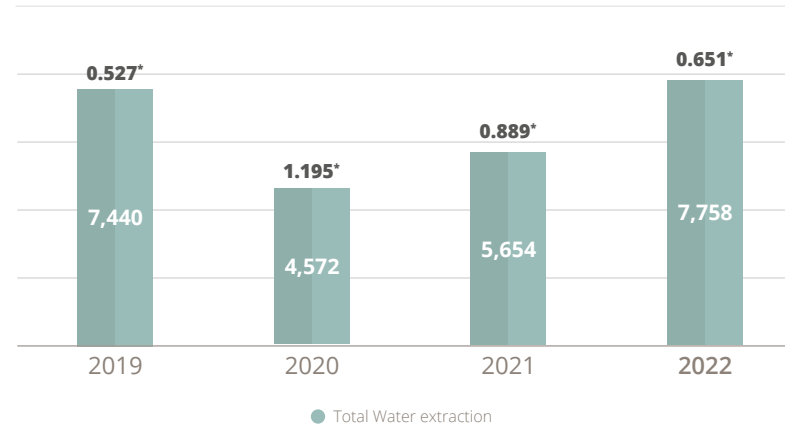
GRI: 303-2; 303-3; 303-4; 303-5

The calculation of our water footprint identifies water use depending on its source or origin. For hotels in global integration, the origin of our water is mainly public or private water suppliers (43.2%), fresh groundwater from wells (52.4%) and a lesser amount from salt water purified through desalination plants (4.4%). Water extracted from wells has such a high percentage mainly due to the 5 owned hotels in the Dominican Republic (47.5% of total water use), due to the fact that there is no other water source in the country.

We also measure the types of water discharged in each hotel, always guaranteeing that discharges comply with applicable regulations by carrying out the necessary quality tests on samples to ensure water is discharged back to the network with a quality similar to the water extracted for use.

Wastewater is discharged to the public sewage network (48.1%) and to water treatment plants (affected hotels) (51.9%).

**WATER USE (THOUSANDS M<sup>3</sup>)\*\***



\* Water use intensity ratio.

## CDP Water Security

For the third consecutive year we took part in CDP Water Security, a monitor that measures efforts made by companies to mitigate the impact of their activity, particularly regarding water safety and quality, achieving a B rating as we also did in 2021.

Participation in the ranking encourages us to continue making progress in our sustainable water management and also evaluate the risks and opportunities in the areas where we operate.

## Awards and recognition

Meliá is committed to making sustainability an integral part of both the construction of new hotels and hotel renovations. This commitment was prominent in 2022 in the reform of the Paradisus Salinas Lanzarote in the Canary Islands, due to become the second Paradisus by Meliá resort in Spain. The hotel was awarded the Rethink Hotel Award by the Habitat Group Futura, designed to acknowledge hotel projects with the most integrated approach to sustainability.

This award particularly recognised the efforts made to deploy energy efficiency systems in air-conditioning, lighting and home automation systems. The project also involves significant efforts to reduce water use through more efficient equipment and taps.

This hotel was also named an Asset of Cultural Interest in the Historical Garden category thanks to the exceptional work done by the company to restore and protect all the splendour of an asset of significant importance to the Canary Islands, and designed by the world-famous, local artist César Manrique in 1977.

The Gran Meliá Palacio de Isora Hotel also received the Sustainable Coastal Accommodation Award at the second Sustainable Tourism Travel Awards from the magazine Viajar. The magazine awards acknowledge projects, destinations and public or private accommodation that have supported the economic, social and environmental needs outlined in the Sustainable Tourism Strategy 2030 defined by the Ministry of Industry , Trade and Tourism as a response to the climate emergency. Our hotel received the award for its comprehensive commitment to sustainable management.

# Circular economy

GRI: 2-23; 2-24; 3-3



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In line with the European Union goal to achieve climate neutrality by 2050 and also with its Green Deal, in March 2022 the European Commission proposed the first package of measures to accelerate the transition towards a circular economy. The proposals include the promotion of sustainable products, the empowerment of consumers in the ecological transition, the review of regulations on construction materials and a strategy to promote sustainable textiles, among others.

We are convinced that the transition of the hotel industry towards a circular economy is fundamental to ensure a sustainable future for our industry. Although it is a path that has its challenges and difficulties, we are also aware that it offers us many opportunities both in operations and development. Up to now, some of the key challenges are due to the very fragmented nature of our industry, the many different ownership structures and the heterogeneity of stakeholders.

**One of the greatest challenges to making progress in circularity is encouraging collaboration and coordination at all levels:** from the involvement of employees and customers in hotels to coordination with our suppliers and business partners to ensure that actions are aligned throughout the entire value chain, with common approaches and objectives.

### CIRCULAR STRATEGY

Meliá is working on defining a strategy to help create a circular hotel model and **meet the objective in Europe to recycle 55% of urban waste**

**by 2025.** We are also always analysing opportunities to involve partners to accompany us in the transition, as seen in our participation in the Circular Hotels project.

We consider **circularity a key factor in the transition towards a more sustainable business model** and driver of economic growth in our destinations, with a more efficient use of resources and minimising waste. In short, we aim to continue growing through a business model that creates value in a sustainable way, minimising our footprint and the environmental impact caused in the locations in which we operate.

That is why we focus our efforts mainly in two directions: optimising the use of resources and minimising waste. To achieve this we use technology and digital tools in direct collaboration with strategic partners that help us implement precise actions and measures to achieve our objectives.

To reduce the waste we generate and its impact on the carbon footprint (scope 3), we are taking the following measures:

- Strengthening our Environmental Management System (SAVE) to improve the treatment of the most important waste generated by our activity, specifically urban solid waste, hazardous waste and spillage.
- Using technology to ensure a more accurate and detailed measurement of the type of waste generated in cooperation with the Mallorcan start-up WDNA.
- Implementing an operational risk management system to identify the key needs of hotels and improve the management of solid urban waste and hazardous waste.



- Identifying opportunities in the management of urban solid waste and hazardous waste and defining a roadmap based on data from operational risk audits.
- Preparing a manual that ensures the correct management, control and separation for each type of waste, in addition to allocating investments to install different containers for separating and recycling waste.
- Implementing several projects to reduce waste, with a special focus on reducing plastics, packaging and food waste, as well as raising awareness and encouraging participation among our customers and employees.

## WASTE MANAGEMENT

GRI: 306-1; 306-2; 306-3; 306-4; 306-5

### Technology for waste measurement

In 2022 we tested different alternatives for measuring waste, such as weighing scales embedded in the ground or gauges in containers. These devices in containers based on Internet of Things (IoT) technology is the option we consider most appropriate to ensure constant measurement, the elimination of possible occupational risks, and efficiency in the weighing process by our operations teams.

This technology developed by WDNA makes all the information on waste available on a platform which also allows us to carry out a real-time analysis of the kilos of waste by type and by hotel.

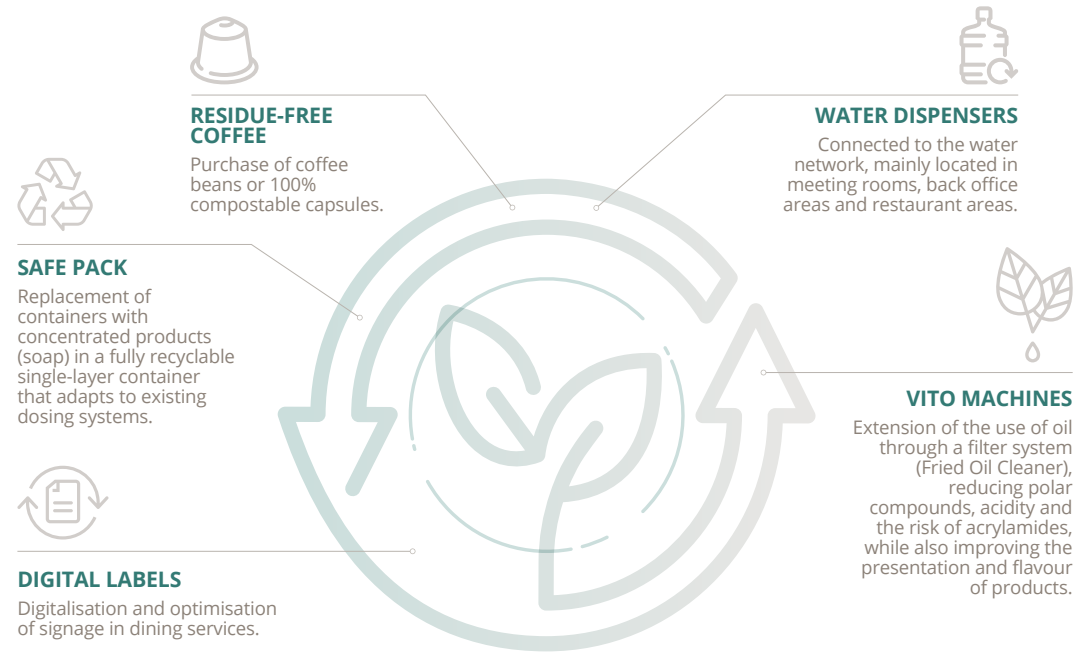
### Recyclable waste: glass, paper, plastics and packaging

The impact of plastic on the environment and human health forced us to have a rethink about its use and our management of plastic waste. Less than 30% of the plastic used in the world is recycled and a small part is exported to certain countries for treatment. The rest ends up in landfills, is burnt or, in the worst case, ends up in our seas, rivers, forests or beaches, with a consequent negative impact for natural ecosystems.

In 2018 we promised to work towards eliminating single-use plastics, and we continue working with our supply chain to acquire recyclable plastic products and implement alternatives that cause less pollution.

We have already eliminated all single-use plastic products in hotels, replacing them with refillable or organic products, using refillable dispensers for bathroom amenities and alternative materials for utensils such as cutlery, straws, tableware, stirrers, etc.

Our new supply chain management platform (Coupa) also allows to have access to greater details on the specifications of each product and the volume of their packaging, allowing us to work together with our suppliers to minimise our carbon footprint.



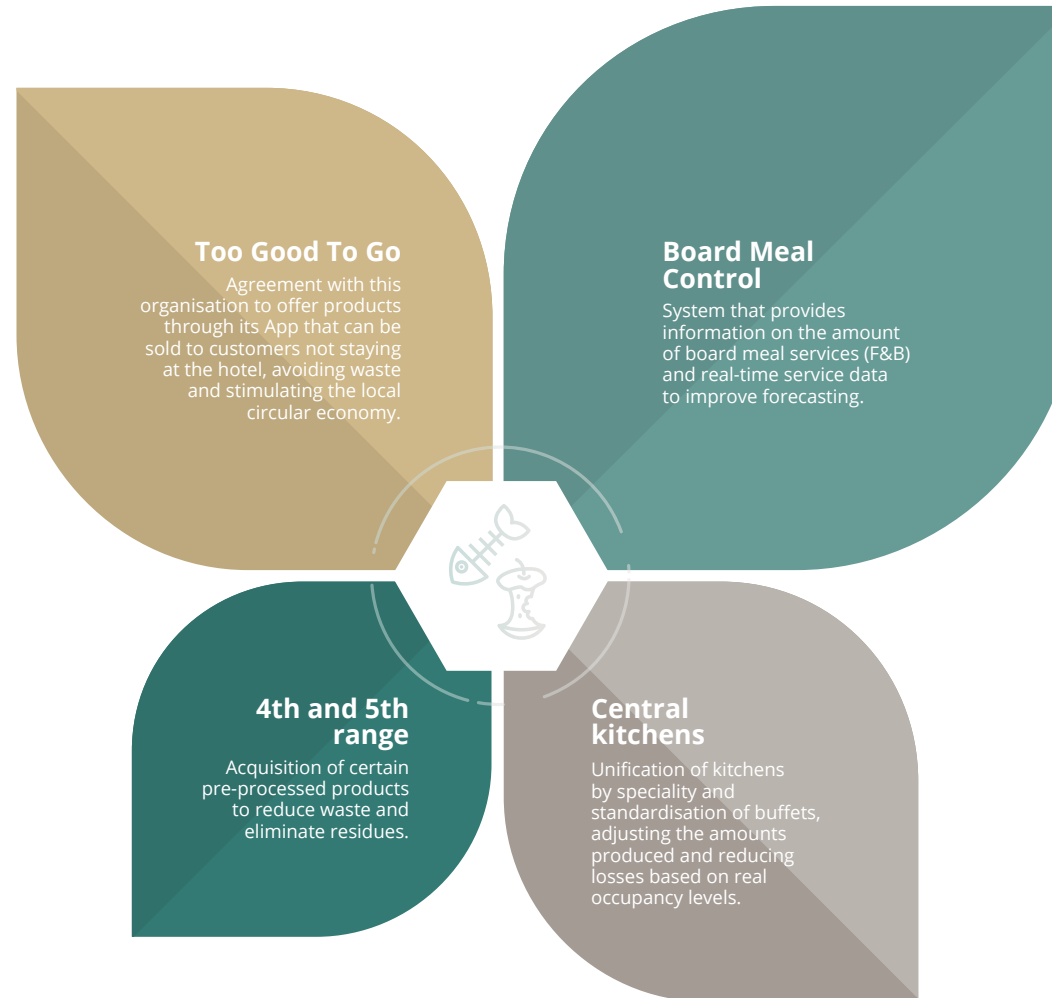
## Organic waste

Almost a third of the food produced in the world is spoiled or wasted according to the European Environment Agency.

Organic waste is mainly produced by losses in the preparation of food services and surplus products that are prepared but not consumed. In addition to waste reduction being an ethical imperative, we also have to adapt our production considering the consumption habits of our customers. Our objective is to create a more responsible and sustainable production chain and improve our knowledge about our customers using technology that allows us to find the right balance in all the critical aspects of production.

We are currently working on projects to better balance supply with demand and therefore minimise food waste.

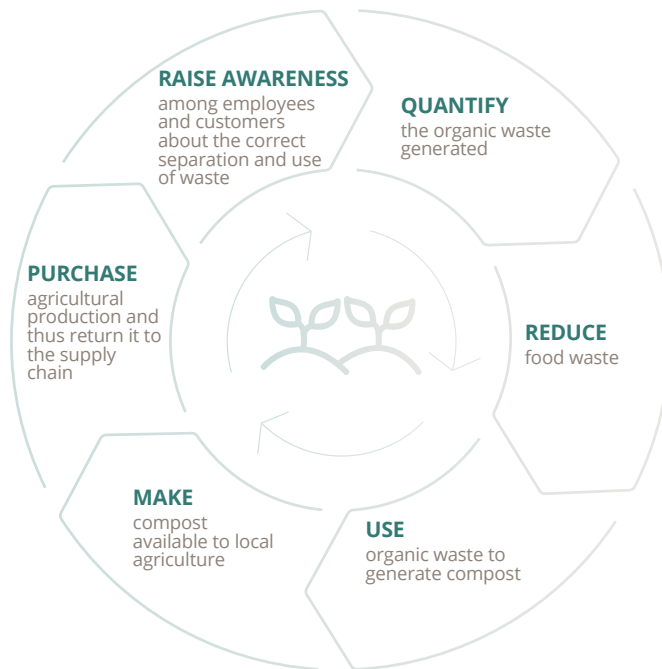
In 2022 we implemented several projects to help reduce our environmental footprint:



Our hotels in Mallorca in Spain are taking part in a Circular Hotels project with a private company named TIRME that is responsible for the management of urban waste, with other hotel companies and with farmers to use organic waste to make compost and then purchasing from farmers the products grown using the compost. This project helps enhance environmental sustainability in a tourism destination with limited resources given its location on an island in the Mediterranean.

The project has been running for almost 4 years and its success encourages us to continue looking for opportunities in the key destinations in which we operate.

**CIRCULAR HOSPITALITY**



**Recycled and discarded waste**

GRI 306-1; 306-3; 306-4; 306-5

The data on the waste produced and separated for recycling in each hotel is provided by the private waste collection company or by the hotel itself, which measure waste every day and report it every month. This helps us calculate the global recycling rate and the kg/stay ratio in each hotel. If we do not have detailed information for certain hotels, we make estimates based on real data which we extrapolate to apply to each fraction of waste.

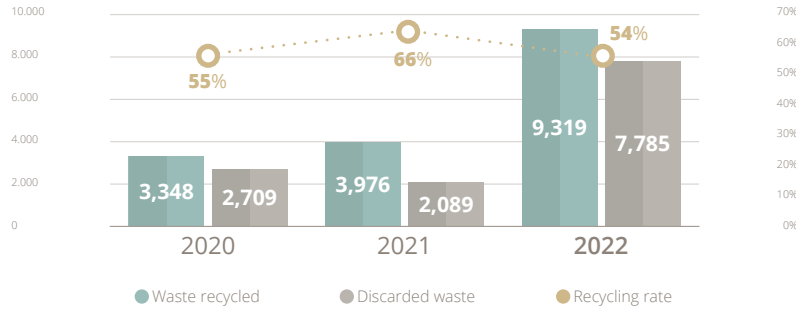
During the pandemic and the practical paralysis of our activity, we updated our waste management model and extended the measurement of urban solid waste to our global portfolio. This allowed us to define better measurement indicators. In 2022 the global measurement sample involved 20 hotels in managed hotels and 50 hotels in global integration. The figures below are based on real information from these 70 hotels and the extrapolation mentioned above.

With regard to recycled waste, we normalise the data using the percentage of selective waste collected and the total number of stays per year.

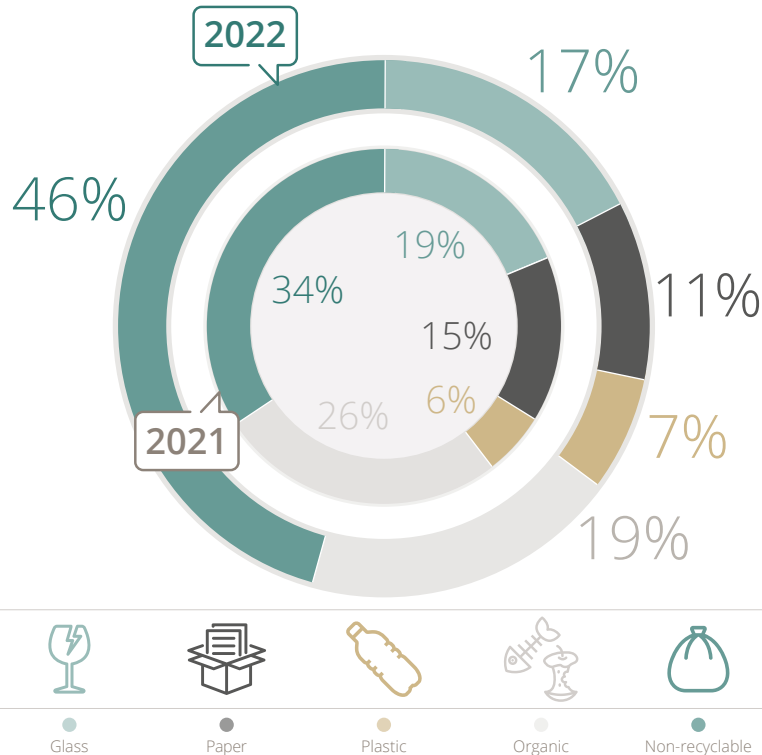
It is also important to highlight that the amount of waste in this report refers to the 5 main categories of urban solid waste (packaging, glass, cardboard, organic, refuse), with recycled waste understood to mean waste that is not refuse.

In 2022 the recycling rate of 54.5% (global integration) was lower than the previous year due to improvements in the traceability of waste management data in our portfolio.

HOTELS
<b>4</b>
ORGANIC FRACTION RECOVERED (Tn)
<b>164</b>
(2021: 26)
COMPOST PRODUCED (TN)
<b>49</b>
(2021: 8)
CO2 EMISSIONS AVOIDED (TN)
<b>23</b>
(2021: 4)



The waste generated by type was 45.51% refuse, 19.40% organic, 17.30% glass, 11.08% paper/cardboard and 6.71% packaging.



## Encouraging participation among customers and employees

### BUSINESS TRAVEL

We encourage the participation of all of our employees in achieving our objective to reduce our carbon footprint by raising awareness and measuring the impact on the environment of the use of all means of transport.

We now have a new travel tool which makes the organisation of business travel easier and more flexible for company employees and also incorporates sustainability criteria into the process. Users can see the impact on emissions that their choices have and thus help us to combat climate change.

The tool also makes it possible to calculate the total emissions caused by business trips by all the staff in corporate offices all over the world and the trips made by staff in owned and leased hotels.

At Meliá we also allocate the points we generate through airline loyalty programmes to offset the carbon emissions of business travel.

CO2 EMISSIONS OFFSET

**26Tn**

JOIN UP

To achieve our scope 3 emission-reduction targets, it is essential that we work hand in hand with the key players in our value chain. Since 2018, we have been working with JoinUp to reduce the carbon footprint of our employees' business travel. The result of this alliance has been a reduction of almost 40% in the emissions generated by our trips.

THE PLANET WE LOVE:

The Planet We Love is a project launched on a global level in June 2021 to involve customers in the fight against climate change. Developed with the

leading Spanish fintech company in carbon credit management, Climatrade, it is a fundamental step forward in our environmental commitment and the transition to a low-carbon economy.

The project allows MeliáRewards loyalty programme members to exchange points for carbon credits certified by the United Nations using blockchain technology, ensuring the traceability of the whole process. The credits are used to support a selection of projects in developing countries to reduce greenhouse gas emissions.



KM TRAVELLED

**17,494**  
(2021:17,998)

CO<sub>2</sub> EMISSIONS  
GENERATED (KG)

**1,549**  
(2021:1,683)

REDUCED CO<sub>2</sub>  
EMISSIONS

**39.7%**  
(2021: 100%)

MELIÁREWARDS POINTS  
REDEEMED

**1,133,509**  
(2021: 50,000)

CO<sub>2</sub> EMISSIONS OFFSET

**731Tn**  
(2021: 42)

# Biodiversity management, a growing challenge

GRI: 2-23; 2-24; 3-3; 304-2



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According to the World Economic Forum, the loss of biodiversity is the third most important risk to the global economy. Since 2019 this risk has been climbing positions in the ranking and is now close to others such as climate change and extreme weather events. Over the next ten years, the loss of natural capital is expected to accelerate at the same time as the demand for social, regulatory, financial and impact metrics.

The need to protect natural capital is becoming a requirement for companies, either because of the impact companies may have on their ecosystems or because certain activities such as tourism rely on them to make destinations more attractive. This has a positive effect that also influences improvements in the economic, social and environmental well-being of such areas.

At Meliá Hotels International we are well aware of the role we have to play with regard to this material issue for our stakeholders. Although biodiversity has a medium level of criticality, it is associated with other more critical issues which require our special attention due to their impact on ecosystems: waste management and the circular economy, responsible water management, a sustainable supply chain and climate actions associated with our activity.

## OUR COMMITMENT

We aim to contribute to the conservation and protection of our surroundings, the environment and biodiversity in our destinations. We are focused on preserving ecosystems and protecting native fauna and flora, and also on mitigating the possible impact of our activities and ensuring the responsible and efficient use of natural resources.

Our commitment to biodiversity drives us to adopt measures to combat climate change, minimise our impact and take a responsible approach to the risks and opportunities caused by that impact.

We understand protection of biodiversity from a holistic perspective: a consequence of our Environmental Management System that involves the design and construction of our hotels, the training of our teams and the awareness of our customers. We aim to move towards a hotel management model based on circularity that allows the reduction, recycling, reuse and/or gradual elimination of the waste we generate.

Although our approach today is largely preventative, we understand that we will have to assume a much more proactive role in the near future. We see this as inevitable given that our hotels are located in high-value ecosystems and in protected areas that require an even stronger commitment.



ENVIRONMENTAL PROTECTION



We also consider biodiversity in the criteria we apply to our expansion. Our ESG Risk Map takes into account the protection of biodiversity at sea and on land when we add new assets to our portfolio. In 2023 we will restart the sustainability certification processes in 55 of our hotels which was temporarily suspended due to the need to focus on our core activities

and on reactivating hotels after the pandemic. Certification includes key factors in the protection of ecosystems, bearing in mind that tourism in or around natural ecosystems can potentially have a negative impact on them which has to be minimised, but also a positive impact if there is a focus on their protection and conservation.

## ACTIONS BASED ON RESPECT FOR BIODIVERSITY

### Special protection zones

GRI: 304-1. SASB: SV-HL-160a.1

We have hotels located in areas of huge natural wealth, normally due to their proximity to the sea, nature reserves or areas of special natural beauty. Our design and construction manuals include sustainable construction criteria and the design of our hotels is also influenced by the characteristics of the natural environment.

Given the natural wealth of many of our destinations, particularly our holiday resorts, we pay special attention to their conservation and protection. We take on extra responsibilities with regard to their conservation, helping our customers understand their importance and involving them in different activities to ensure they respect the environment, as well as working with expert organisations to train our teams to ensure they respect the ecosystem in their day-to-day work.

Through Protected Planet, the world's most comprehensive source of information on protected areas, we update the analysis of our hotels in such areas every year. Our hotels are classified as being in or near special protection areas if they are no more than 2 km away for resorts hotels or 0.5 km away for city hotels.

Although all special protection areas should be taken care of, the areas in which we can have the biggest positive impact or best minimise any potential negative impact are those near our resort hotels. These ecosystems are the source of a large part of the attractiveness of destinations and the area around our hotels thanks to the significant value of their natural capital. One example of this is the Balearic Islands, which has protected areas on land and at sea, home to biodiversity of incalculable value and including, for example, an area of special protection for birds.

In 2022, our owned, leased and managed hotels occupied a total estimated surface area of 6,824,192 m<sup>2</sup>, of which 49.98% is located in protected areas or near a special protection area.

### HOTELS IN PROTECTED AREAS

	HOTELS	PORTFOLIO	SURFACE AREA OCCUPIED	SURFACE AREA PROTECTED
<b>Resort</b>	<b>86</b>	<b>29.86%</b>	<b>3,367,474 m<sup>2</sup></b>	<b>49.35%</b>
Cuba	19	6.60%	1,396,106 m <sup>2</sup>	20.46%
Spain	45	15.63%	1,082,259 m <sup>2</sup>	15.86%
Mexico	6	2.08%	460,563 m <sup>2</sup>	6.75%
Vietnam	6	2.08%	144,854 m <sup>2</sup>	2.12%
Indonesia	3	1.04%	104,879 m <sup>2</sup>	1.54%
Bahamas	1	0.35%	49,717 m <sup>2</sup>	0.73%
Thailand	2	0.69%	42,983 m <sup>2</sup>	0.63%
Morocco	1	0.35%	30,231 m <sup>2</sup>	0.44%
Tanzania	2	0.69%	29,658 m <sup>2</sup>	0.43%
Argentina	1	0.35%	26,219 m <sup>2</sup>	0.38%
<b>City</b>	<b>9</b>	<b>3.13%</b>	<b>43,566 m<sup>2</sup></b>	<b>0.64%</b>
Venezuela	2	0.69%	23,013 m <sup>2</sup>	0.34%
Germany	4	1.39%	11,588 m <sup>2</sup>	0.17%
Spain	2	0.69%	7,220 m <sup>2</sup>	0.11%
Italy	1	0.35%	1,743 m <sup>2</sup>	0.03%
<b>Grand Total</b>	<b>95</b>	<b>32.99%</b>	<b>3,411,040</b>	<b>49.98%</b>

## HOTELS IN PROTECTED AREAS

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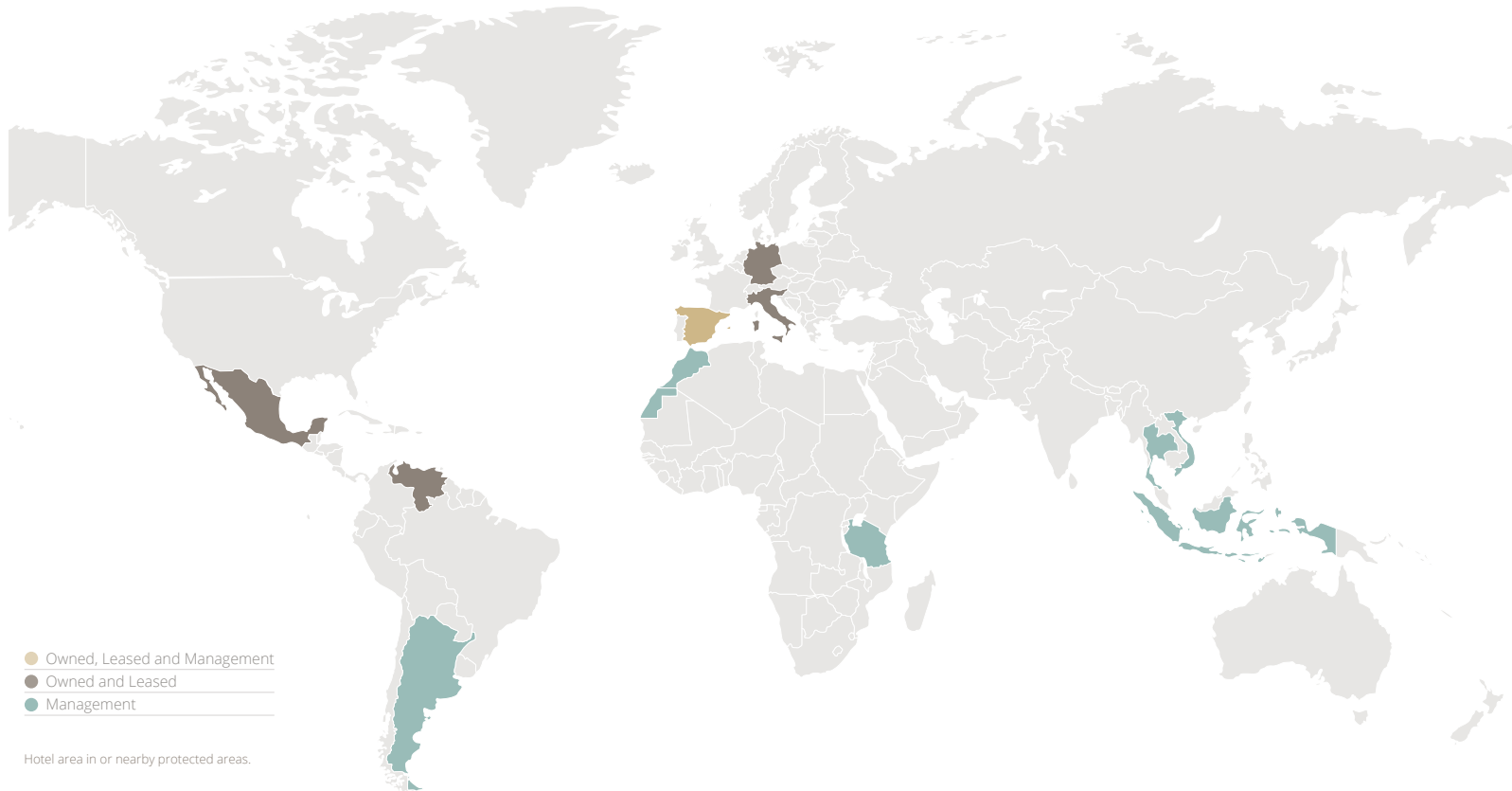
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Only eleven hotels operated by Meliá are located in or near national parks: Morocco (1), Mexico (2), Tanzania (1), Indonesia (3), Vietnam (1), Argentina (1) and Spain (2). Only nine of our city hotels are near protected areas and do not entail any risks of direct impact on deforestation in the immediate environment.

We prioritise products and materials with a sustainable origin in our supply chain: cellulose and furniture using guaranteed certified wood and environmentally friendly cleaning products.

<sup>1</sup> Estimate based on data available from 74 hotels (26,667 rooms)

## Programmes with specialists in the protection of ecosystems

We consider it essential to help protect and preserve biodiversity together with experts in each field. For this reason we have created alliances to continue making progress in our commitments in all those destinations where biodiversity is a significant issue. We would like to highlight two major projects:

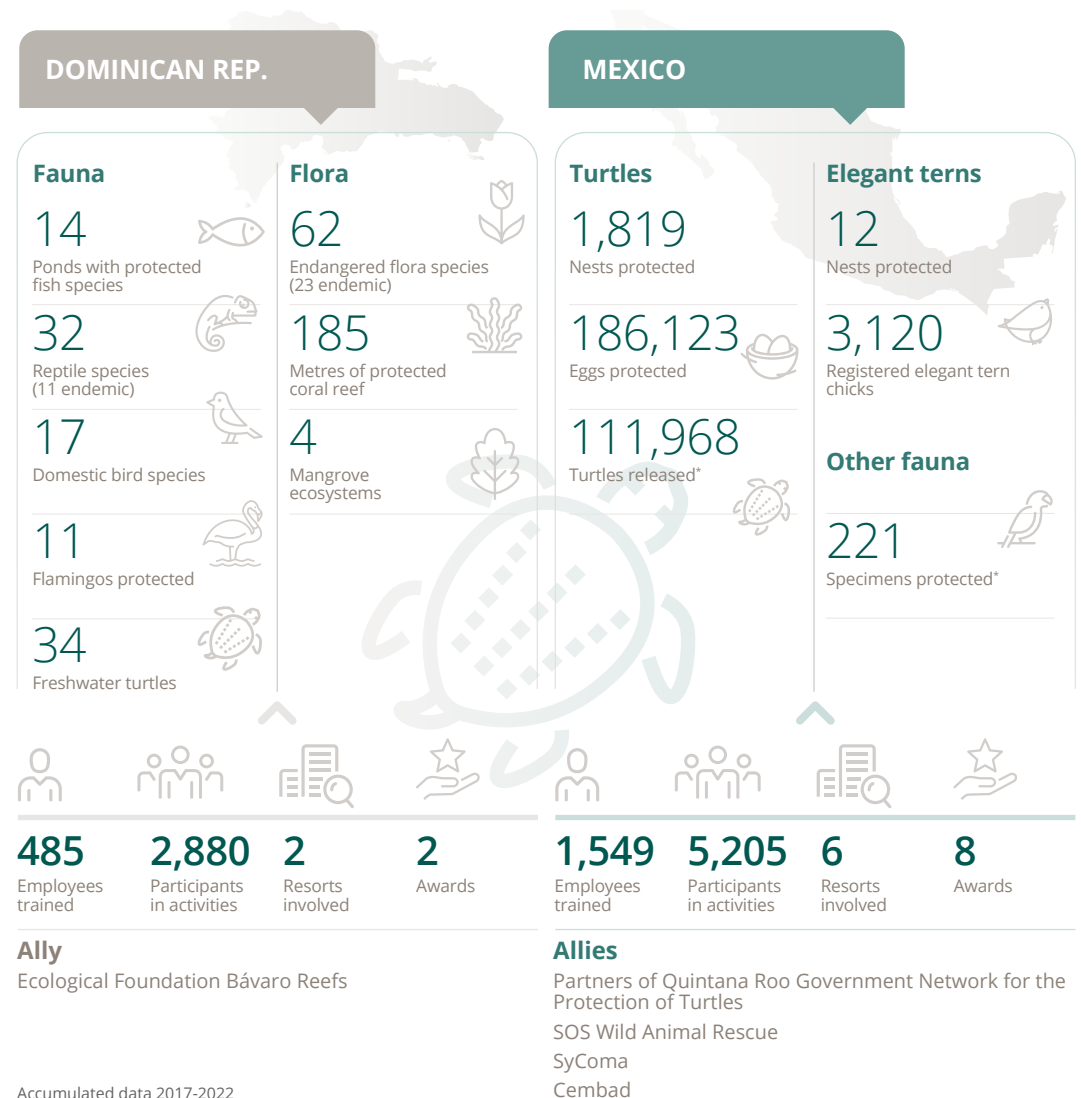
### WELCOME TO LIFE

Welcome to Life is our programme to protect endangered species in Mexico and the Dominican Republic. Since 2017 our employees, guests and their families have been active participants in learning about and protecting biodiversity. We work with local NGOs and specialists in the control and monitoring of animal and plant species to achieve the programme objectives.

We also have the support and involvement of the local community, through volunteering, and specialised events. Among the main areas in which we work, we would like to highlight the training of our teams in biodiversity protection, monitoring beach environments, relocation of nests found in high-risk areas, care for hatchlings during their first 5 hours of life, and the registered release of hatchlings.



## IMPACTS OF WELCOME TO LIFE



Accumulated data 2017-2022

BIODIVERSITY PROJECT

The objective is the protection of endangered loggerhead turtle (Caretta Caretta) nests and the reduction of impacts on the spawning beach at Algodoeiro.

Cape Verde is probably the largest spawning area for this type of turtle in the world, with Sal being the island with the second highest number of nests. Females come to the beaches to spawn from June to October. From the end of August to mid-December the eggs begin to hatch and thousands of hatchlings make their way to the sea.

Use of the beaches, light pollution from building alongside the sea or attacks by stray dogs are a growing threat to nests. The Biodiversity Project has been protecting all the nests on Algodoeiro Beach in front of our hotels since 2015. The nests are transferred to a hatchery where the natural conditions of the nests are maintained and they are permanently monitored until they hatch.

It is also important to raise awareness among visitors about turtle conservation, the impact of coastal development and sea pollution as many tourists visit nesting beaches without any guide or information, having a big impact on the behaviour of the turtles and the ability to monitor and protect their nests.



IMPACTS OF THE BIODIVERSITY PROJECT



After the hatchery was created in 2022, Meliá and the Biodiversity Project Association NGO created an action plan for 2022-2024 to:

- Protect and monitor endangered nests on Algodoeiro Beach
- Increase the release of newborn turtles
- Encourage participation of the private sector in the conservation and management of the beachfront
- Train hotel staff in turtle conservation and protected areas
- Raise awareness among hotel guests to minimise their negative impact

NEXT STEPS FOR 2023

We will continue to enhance our positioning in biodiversity through new projects that allow us to standardise our contribution in key destinations.



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RESPONSIBLE  
SUPPLY CHAIN

DUE DILIGENCE  
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# People



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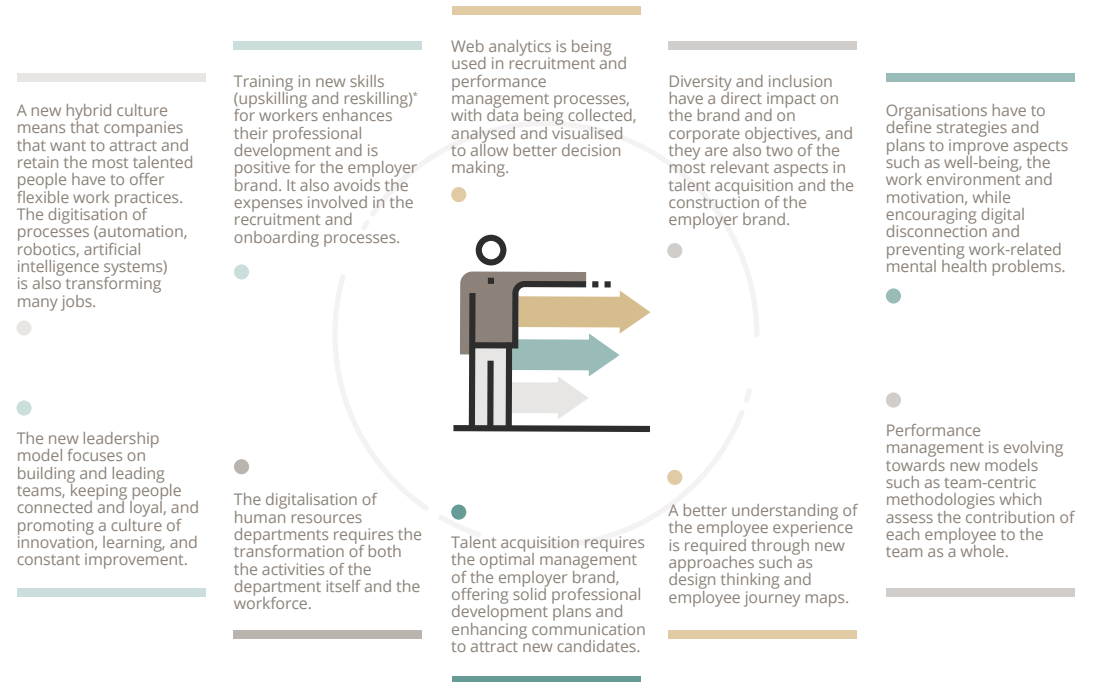
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Now we find ourselves in a Fourth Industrial Revolution involving robotics, big data and artificial intelligence, we can already begin to see how the next transformation is shaping up. Industry 5.0 will involve growth and progress accompanied by concepts such as sustainability, the environment and respect for human rights.

Unstoppable digitalisation is transforming the workplace and talent management. **People are becoming more digital, diverse, global and accustomed to social media and automation.** The needs and expectations of companies are also changing faster than ever: new profiles, tools, technology, business models, etc.

The current labour market present several challenges for organisations. Companies have to bridge the gaps between the needs of their teams and the requirements of today's business ecosystem. The tourism industry is equally affected by this business context. The industry has also suffered significantly from a loss of talent as a result of the pandemic, and has a pressing need to find increasingly technological and heterogeneous people to assist in the transformation of the industry.

## CURRENT LABOUR MARKET



## MANAGEMENT BY VALUES MODEL

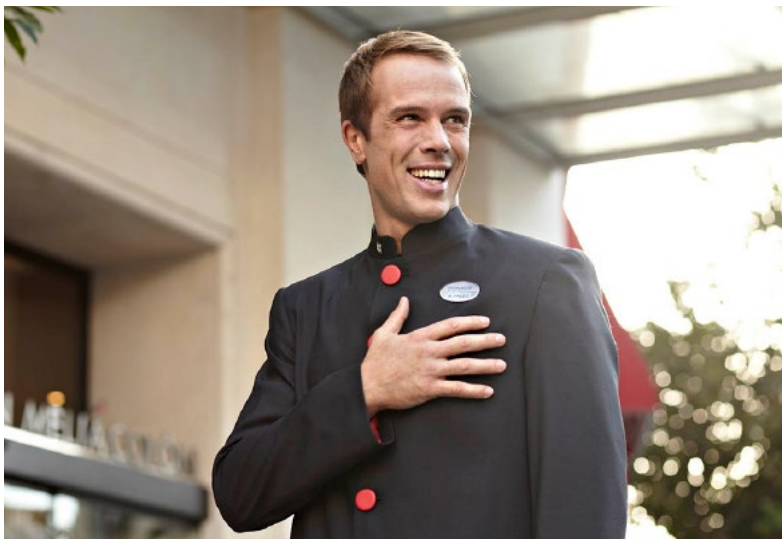
GRI: 2-23; 2-24; 3-3

The culture of Meliá Hotels International is based on our mission and values, which together form the identity of the company.

Values make our “Leisure at heart, business in mind” corporate slogan tangible and express the perfect balance that defines us: a balance between the heart and mind, between the exceptional hospitality we provide and our excellence and rigour in management.

- SERVICE VOCATION born of our passion for hospitality
- EXCELLENCE AND CONSISTENCY because we do things well, professionally and efficiently
- PROXIMITY because we love to share, listen and feel.
- INNOVATION because we anticipate events and innovate to become better every day

## OUR TALENT MANAGEMENT MODEL FOCUSES ON OUR VALUES.



## VALUES MODEL



### YOURSELF

Excellence and consistency



### YOUR RESULTS, THE COMPANY

Innovation



**YOUR RELATIONSHIPS WITH OTHERS**  
Proximity



Our talent management model focuses on our values to create a homogeneous culture and company-wide behaviours that define what we are today and what we want to be tomorrow. Our 2030 Vision focuses precisely on that desired future, aligned with our values and the strategic priorities of our *Roadto2024*. Becoming better managers, more profitable, more efficient and more sustainable can only happen if there is a profound cultural transformation of our teams and the way we work.

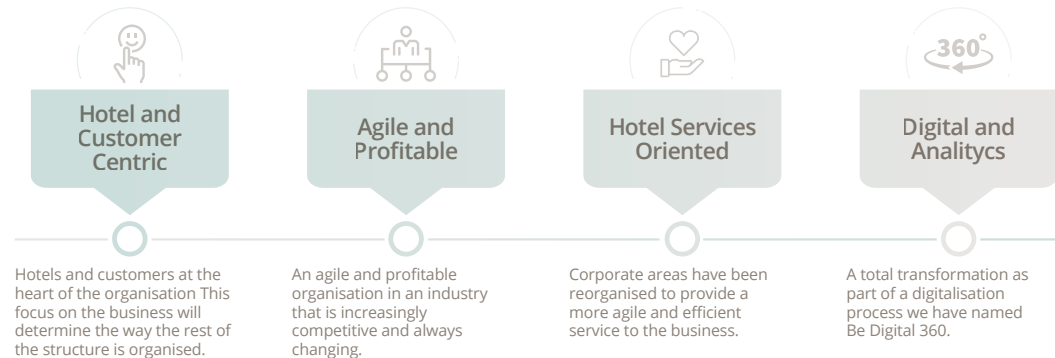
Our human resources processes are aligned with a management by values and accompany our employees throughout every stage of their employee life cycle: talent attraction, selection, training and development.

## New organisational model: Leading a New Future

Since 2019 we have been working on an organisational model compatible with our strategic roadmap and the latest trends appearing in a changing and disruptive business environment.

In 2020 we accelerated this process due to the onset of the pandemic, and in 2021 our new organisational model became a reality. In 2022 we made progress in consolidating this organisational and cultural transformation.

The new organisational model is based on four key areas:



This new organisational model involves a new way of organising ourselves, behaving, working together and relating to each other that is designed to make us more agile and ensure our profitability in an increasingly competitive and demanding business environment.

The corporate vision and business areas have been brought under the same umbrella to enhance a culture of service delivery to hotels, placing the customer and hotel at the heart of our business model.

# IN 2022 WE MADE PROGRESS IN CONSOLIDATING THIS ORGANISATIONAL AND CULTURAL TRANSFORMATION.



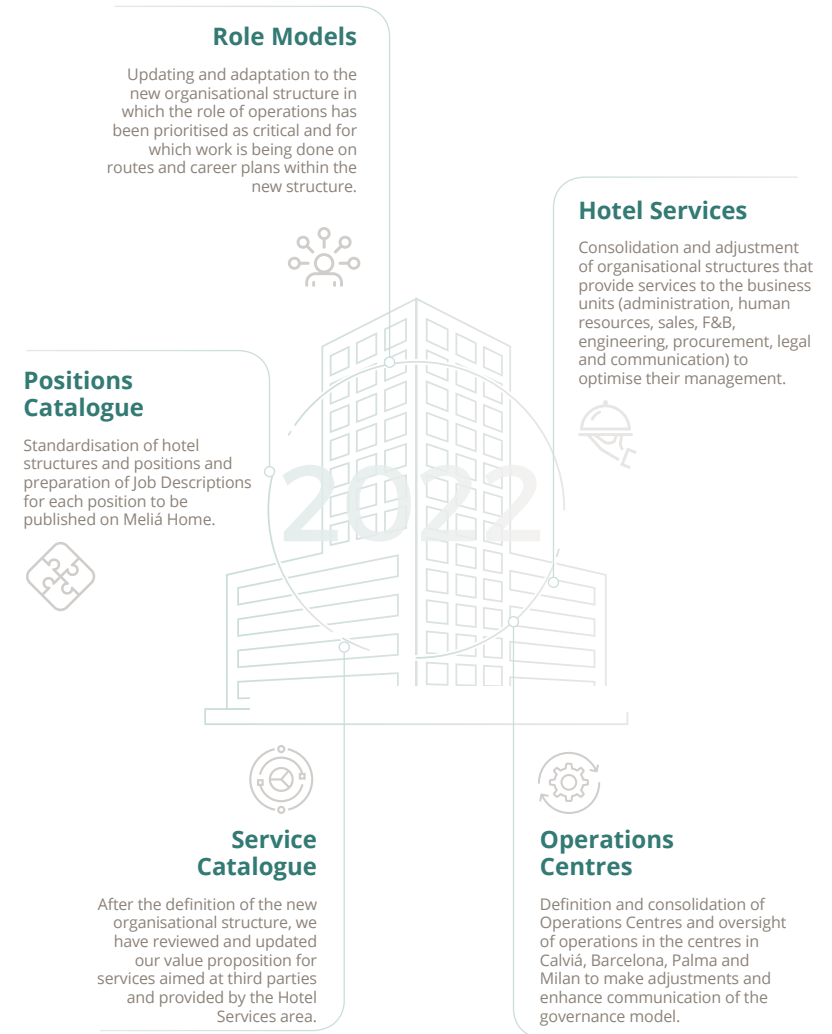


*CULTURAL TRANSFORMATION TO GET CLOSER TO THE BUSINESS*

The new organisational model lays the foundations for a more efficient, digital and competitive organisation while also preserving a fundamental value of our 65 years of history: a service vocation which is reflected in the work done by all our employees day after day.

In 2022 we launched a number of projects to strengthen the relationship between hotels and corporate areas, their awareness about their different responsibilities, ensuring a closer look at the business itself, connecting our teams in corporate offices and hotels, and all in a closer and more entertaining way.

**PROGRESS IN 2022 IN CONSOLIDATING THE ORGANISATIONAL MODEL**



HOTEL AND CORPORATE RELATIONSHIP PROJECTS



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**"In Good Company" Podcast**

A new internal communication format to raise awareness about the leaders of the new organisational structure and the functions in each area so that people can see what they do and the services they offer our hotels.

- > 38 podcast
- > 16,917 views

**"The human side of change" programme**

Aimed at company executives to assist them in the transformation process and strengthen their relationships. Networking as a key tool in ensuring internal unity in the face of strategic challenges, working on change management, psychological safety, trust and coherence.

- > 150 participants

**"Discover our hotels"**

Monthly webinars to learn more about the company's key hotels and most notable new hotel openings led by the operations teams and the teams from each hotel. They raise awareness about hotel operations, the value they contribute to the company's portfolio and the challenges faced by their teams.

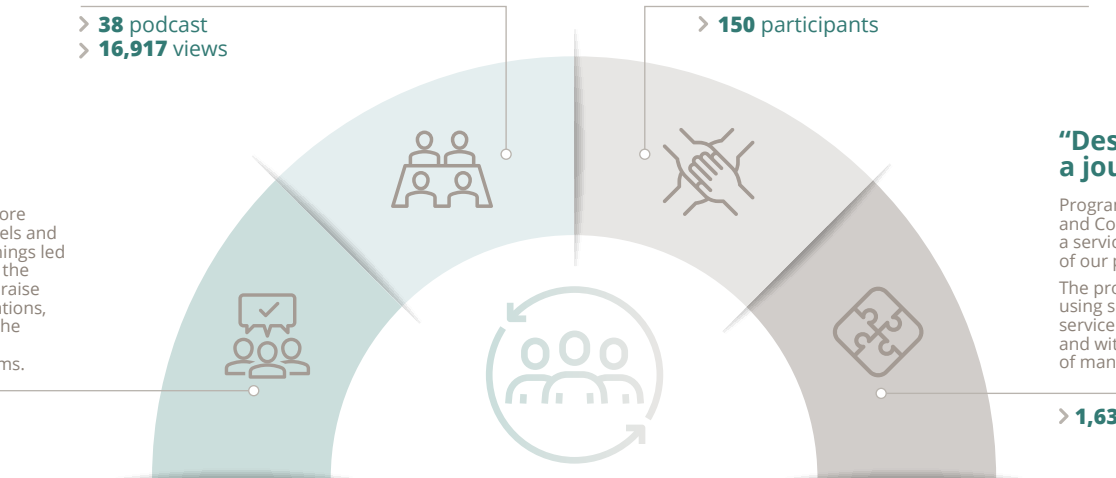
- > 11 webinars held
- > 2,533 participants

**"Destination Meliá, a journey to service"**

Programme for all the Hotel Services and Corporate Services teams to make a service vocation the genuine hallmark of our people's identity.

The programme will continue in 2023, using specific tools to strengthen service behaviours in each department and with special attention to the owners of managed or franchised hotels

- > 1,633 employees



**Our employer brand, a key to attracting talent**

Our focus on attracting the best available talent is affected by a context in which the pandemic has caused a loss of talent from the industry, creating a very competitive environment for access to talent which is also impacted by the so-called quiet quitting. Given this context, our people management is focused on attracting the best available talent and, above all, enhancing the commitment and pride of belonging of our existing team members. To achieve this we offer an attractive value proposition that is consistent with the expectations of employees, and which also ensures our competitiveness as an employer brand.

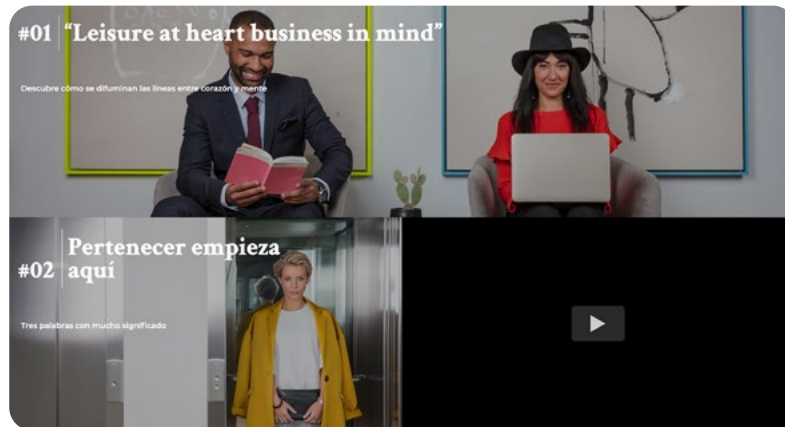
In 2022 we worked very intensively on the new approach for a future employer brand based on our values and culture. Adapted to the post-COVID-19 world and influenced by enormous competition in talent acquisition, this new approach will seek to leverage our value proposal to contribute to the recovery and general attractiveness of the tourism industry for people working in other industries, providing them with an opportunity to grow and develop professionally.

A BRAND THAT SETS US APART

We have worked on creating an image as an employer that reflects our values and our commitment to our people based on an attractive, dynamic and innovative training and development programme. The result is a brand that we believe differentiates us from the rest of the industry and also shows the industry a new way to attract talent.

With this in mind, we have launched projects such as the redesign of the website at <https://careers.melia.com/> which is dedicated to our new employer brand, a communication campaign focused on our commitment to employees, and several projects to enhance a pride of belonging in the company.

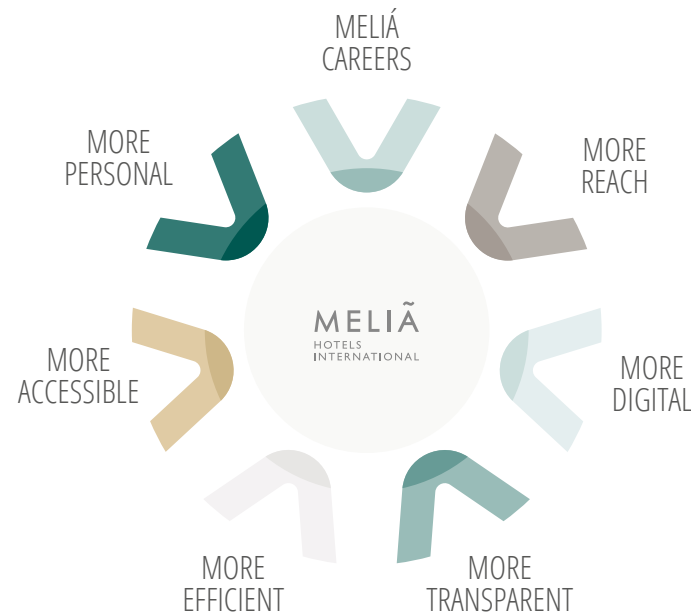
WEBSITE REDESIGN



We believe that the pride of belonging of our people is an essential asset in leveraging their talent. In 2022 we started our Employee Testimonials, a project designed to give our employees a voice and allow them to show what it is like to work with us. The project allows employees to share their experiences, explain their careers with Meliá and highlight the culture and

values of our company. These testimonials are published on our social media and are a way of showing potential candidates what it's like to work in our company from the point of view of our own employees.

VALUES



NEW HIRES (GLOBAL INTEGRATION)

**10,474**  
(2021 - 7,593)

THE REPUTATION OF OUR EMPLOYER BRAND

Our talent management strategy is focused on attracting the best available talent and, above all, enhancing the commitment and pride of belonging of our people.



In 2022 we obtained Top Employer certification in Spain, Mexico and the Dominican Republic, three markets that employ 47.29% of our workforce worldwide. We aim to continue making progress in this area and have set ourselves the challenge of also becoming a Top Employer in other countries such as Italy and Germany. We aim to achieve certification that covers more than 50% of our global workforce.

This certification is awarded to the best companies in the world in talent management and is the highest external recognition available to acknowledge a company's commitment to its people. It also has a very special significance after the profound impact that COVID-19 has had on our industry and our company.

Top Employer certification is based on a comprehensive analysis of different variables related to human resources management, and Meliá has been especially active in areas such as training, commitment, ethics and integrity, values and change management. All of these are particularly significant factors in the Meliá Culture and vitally important in the value proposition we make to employees.

#### *CANDIDATE EXPERIENCE*

The implementation of digital tools and platforms allows us to offer a faster, easier and more efficient experience for candidates and also to optimise the management and monitoring of selection processes. These online tools include a human resources platform, an evaluation system and a data monitoring and analysis tool.

#### *TALENT ATTRACTION HUBS*

Located in different areas of the world, they consist of specialist teams with the job of helping professionalise processes in the region and improve the efficiency and effectiveness of our talent acquisition strategies.

These hubs are responsible for identifying talent needs within the company, defining acquisition strategies and implementing action plans. They also help promote the training and professional development of employees and awareness about our corporate culture.

#### *CLOSE TO THE ACADEMIC WORLD*

Strengthening bonds with the academic world is a priority that goes beyond mere talent acquisition. As a company, we understand we play an essential role in bringing together two types of organisation that can generate feedback to help build a better society based on greater knowledge, especially in a business context that requires flexibility and adaptability.

We aim to play an active role in helping educational organisations to interpret, understand and enrich their training models with the latest trends in a travel industry which is increasingly digital and dynamic. To achieve this, we have created a relationship model with the academic world that we have consolidated over time and which allows us to be closer to sources of knowledge, contribute to its development and also, of course, identify talent in all those fields that are appropriate to our needs as a company.

RELATIONSHIP WITH THE ACADEMIC WORLD

**Innovation, research and technology**

We support the academic world in their research on the tourism industry.

**Experience in a real work environment**

We offer training opportunities in the hotels themselves. We open the door to a first professional experience.

**Knowledge sharing**

We help adapt training to the real needs of the industry.

Meliá team members help raise awareness about trends in the industry.

**Recruitment and selection**

We prioritize hiring local talent.

We provide opportunities for people at risk of exclusion.



INTERNSHIPS (GLOBAL INTEGRATION)

**271**

To ensure the enhancement of these relationships, we work on several specific, but complementary approaches:

**AREAS OF WORK**

**We promote** research and development projects with undergraduate and postgraduate students with universities and prestigious domestic and international organisations.

**We participate** in job fairs and networking events organised by educational institutions and universities to explain the attractiveness of the hotel industry, the needs of the company and the types of people that are in demand.

**We offer** students or recent graduates work experience through scholarships and internship programmes as a source of the company's future talent.

**We organize** workshops and special meetings to raise awareness about our business model and the opportunities available in a company with operations in more than 40 countries.

The definition and development of this model allows us to reinforce relationships based on one of our key values, proximity. We act as a partner for academic organisations that we promote in our day-to-day activities with the following objectives:

- To allow young people to experience day-to-day life in our company.
- To share our know-how and experience with these organisations, working hand in hand with them to design a quality value proposition for young people through access to training content and the development of the skills required in a VUCA environment (volatile, uncertain, complex and ambiguous).
- To actively contribute to the creation of spaces for debate, reflection and innovation through the challenges we present to young people.
- To identify multidisciplinary, creative and innovative talent that helps us achieve our objectives.

EQUALITY, DIVERSITY AND INCLUSION



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Over the last ten years the principles of equality, diversity and inclusion have been seen to be a fundamental factor in business competitiveness. Actions taken by companies to make progress in the incorporation of these principles into their business strategies and models have proliferated. The most innovative diversity and inclusion strategies go one step further and also include a sense of belonging to the company as a key factor in building loyalty and encouraging the involvement of all stakeholders.

We are convinced that there is a direct relationship between a greater diversity in company management teams and a greater probability of achieving better results. Far from causing setbacks in this process, the pandemic led many companies to reinforce their commitments to equality, diversity and inclusion.

At Meliá we publish annual reports on our progress and results in this area, in which we have made significant progress in terms of the measurement, management and control of the relevant KPIs. This has allowed us to detect barriers, assess our performance and the results of our actions and also identify areas for improvement.

We have always considered diversity a powerful driver of competitiveness that is reflected in the positive performance of the company. We believe that the inclusion and acceptance of people from diverse backgrounds enriches us as a company and introduces new perspectives and management styles that help us to become more innovative and grow in a more responsible way.

That is why we aim to continue making progress in this area, using technology and an inclusive leadership model to continue building a culture of equality, diversity, fairness and inclusion that will gradually permeate every aspect of our business. This is particularly challenging in our industry due to the numerous different types of professional profiles required in the management of a hotel, which are also increasingly

different to the traditional roles in the tourism industry. In our particular case, the challenge is even greater as we operate in almost 40 countries with very different cultures and levels of maturity in matters related to equality, diversity and inclusion.

Diversity and inclusion have a direct impact on our brand image, performance and the achievement of our objectives as a company. It is also one of the most relevant aspects in building an employer brand that is capable of attracting the finest talent. That is why we form part of the *CEO Alliance for Diversity*, whose mission is to unite the CEOs of the most important companies in Spain around a common and innovative vision of diversity, equity and inclusion. The CEOs lead the response to these challenges in their respective companies to accelerate the implementation of strategies that foster talent and reduce inequality and exclusion in Spanish society.

At Meliá Hotels International we focus on improving our internal processes and taking the actions required to tackle any possible issues regarding inequality based on gender, race, ethnicity, religion, disability, age, sexual orientation, identity, beliefs or of any other nature.

We are well aware that progress in this area means that we have to face up to certain challenges. That is why we implemented specific actions and measures in 2022 to guarantee and promote equality, diversity, fairness and inclusion in our corporate culture.

TRAINING IN EQUALITY AND THE CODE OF ETHICS

Second Equality Plan (Spain)

The company's second Equality Plan was approved in 2019 after an update of the first plan published in 2011, including commitments to defend workers in terms of equality between men and women. At Meliá Hotels International we have implemented measures to ensure equality in areas such as: **access to the company, hiring, promotion, training, compensation, occupational health, gender violence, communication and conciliation.**

TRAINING IN EQUALITY, DIVERSITY AND INCLUSION (HOURS PER PERSON)

1.0

In 2023 we will reactivate meetings of the Equality Plan Negotiating Committee for the preparation of our third Equality Plan, taking into account two important decrees announced by the Employment Ministry that reinforce the performance of a diagnosis of the current situation and introduce a new requirement for a remuneration audit.

**Protection against sexual or workplace harassment**

SASB: SV-HL-310a.4

Our Code of Ethics includes an express commitment to combat any type of violence or harassment in the workplace. In 2013 we reached an agreement with the International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers (UITA) regarding the defence of employment rights, which we reinforced in 2019 with a specific agreement to combat sexual or workplace harassment. We have also introduced improvements in our processes related to the protection of victims of gender violence in matters such as time off work and help in moving house, justification of absences and refuge in hotels, among others.

**Integration of people at risk**

We understand that talent must be encouraged regardless of its origin, which is why we continue to offer job placement opportunities through relevant social organisations. Together with the La Caixa Banking Foundation (Spain) and through the Incorpora Programme, of which we have been members since 2018, we have managed to place 368 people in our hotels.

In 2022 we placed a total of 80 people in jobs in 29 hotels in Spain, 58 more than in 2021, reaching a recruitment level of 85%. We have also made progress in the quality of hiring processes, having achieved a ratio of 65% with permanent contracts.

Another group of people we aim to support consists of people with disabilities. Meliá understands that disability management is something that has to be considered for both internal and external customers. Raising our sustainability standards requires us to act at different levels of technical and sustainable management.

Our design and construction manuals include universal accessibility criteria such as motion sensors for lighting, wide lifts, ramps, pool lifts, public areas free of any obstacles and specially adapted guestrooms, among others. The manuals provide our teams with design criteria and standards which must be applied to all renovation projects or new hotels, regardless of their location.

We also defend equal opportunities and aim to make an active contribution to building a more inclusive and diverse environment. In addition to taking on employees with disabilities, we understand that we must also train our teams to provide the best service to people with disabilities, whether they are colleagues or customers. That is why we are working with ILUNION (ONCE Group) to provide specific training to better receive people with disabilities, removing any barriers to mobility and promoting more accessible travel. This helps our teams learn techniques to ensure appropriate communication and better service for people with disabilities, encourages their participation in the activities offered by the local environment, and get access to tools and resources that allow them to better understand the concepts related to accessibility.

*REMUNERATION POLICIES*

GRI: 2-19

In 2023 we will analyse the living wage criteria in the key countries in our portfolio of hotels under global integration (7 countries).

After a suspension of the short-term variable remuneration scheme in 2021, in 2022 we restored our traditional model with an added objective related to sustainability. The objective was linked to the results of the S&P Global ESG Index.

INCORPORA PROGRAMME HIRES (2018-2022)

**368**

EMPLOYEES WITH DISABILITIES (GLOBAL INTEGRATION)

**132**

(2021: 97)

PEOPLE TRAINED IN SERVICE FOR PEOPLE WITH DISABILITIES

**92**

PEOPLE WITH SHORT-TERM VARIABLE REMUNERATION

**2,500**

PEOPLE WITH INDICATOR ASSOCIATED WITH THE ESG OBJECTIVE

**649**

## BENEFITS FOR EMPLOYEES

Our commitment to our people requires constant attention to our value proposition, using the My Melia Benefits programme to offer our employees flexible benefits adapted to the needs of each of them.

**The programme is one of the drivers** used to enhance the emotional salary of our employees, offering flexible options adapted to their needs.

**BFLEX**

A flexible remuneration programme for employees where they can enjoy certain tax benefits when buying products and services such as health insurance, childcare, transportation, training or daily meals.

**PRIVILEGE**

An employee discount programme offering a wide range of products and services for all employees regardless of their place of work.

**MY INSURANCE**

Offers special and competitive benefits for health insurance adapted to our needs.

**MY FINANCES**

Access to financial products through a virtual office and advice on tax declarations.

**MY WELLNESS**

Programme that promotes a healthy lifestyle with options ranging from nutritional advice to therapeutic sessions.

**MY SOCIAL RESPONSIBILITY**

Employees can make donations to charities and get special prices for sustainable and socially responsible products.

## Talent and development, keys to organisational and cultural transformation

GRI: 404-1; 404-2

To accompany our organisational and cultural transformation, the company has developed and launched an ambitious programme focused on empowering our people and providing them with the skills and abilities they require in an increasingly competitive and demanding environment.

Our objective is to inspire new leadership models and create an increasingly dynamic company which is team centric and better connected. We train our leaders to build and lead teams, encourage their unity and loyalty, and promote a culture of innovation, learning and constant improvement.

- DRIVE PROGRAMME**

An internal development programme aimed at supporting the management and key people in the organisation accelerate their adaptation to the new competencies and roles required by the change in the organisational model. A 360° assessment of the person allows the creation of a personalised roadmap for each manager supported by personalised training, coaching and/or mentoring programmes.

This programme is supported by prestigious partners such as ESADE Business School and CoachHub.

- PERSONALISED CONTACT PLAN**

Aimed at helping hotel management in the process of change and adaptation to the new role expected of hotel managers. Focused on the identification of individual competencies, the development of emotional self-management skills and the impact on their personal well-being.

Participants have an online coach that helps them achieve their objectives and identify growth and development opportunities in their career.

- **TRANSITION PROFILE GUIDANCE**

Designed to accompany the leaders of different business areas in the process of self-development and assimilation of the new know-how and skills required to face the challenges of their new responsibilities.

## TALENT IDENTIFICATION, DEVELOPMENT AND TRAINING PROGRAMMES

In such a competitive market for talent, we need to boost our value proposition around professional growth and development in order to fill the most critical positions.

To help achieve this, we launched and reinforced a number of projects in 2022 that are designed to promote the growth and development of key employees, with the implementation and/or relaunch of development activities to create solid grounds for building and strengthening career development programmes based on three essential areas

- **TALENT MAPPING**

Digital tool for effectively identifying talent from a global perspective.

This allows us to better cover vacant positions, support the development of our people's careers and reinforce our employer brand.

- **TALENT HUNTERS**

The mission is to implement a culture of development in the company.

The objective is to create a culture of talent development as a key driver in achieving the objectives defined by the company.

- **MENTORING**

The objective is to support hotel managers in their role as mentors of the management talent pool and guide the people in the talent pool in their development as future hotel managers.

This 12-month programme also includes face-to-face workshops for mentors and talent pool members focused on the fundamental aspects of mentoring.

### TRAINING PROGRAMMES

GRI: 404-2

The dynamism of the current business environment requires us to be constantly reviewing different trends, tools and new skills. Our aim is to incorporate new profiles, know-how and ways of doing things. That is the only way we can reinforce a value proposition that ensures the delivery of our brand promise.

To achieve this we are investing in strengthening our talent and the skills of our teams, developing their capabilities so that we can consolidate an employer brand that is becoming increasingly important in the context of a company which is more digital and more focused on hotel management.

At Meliá Hotels International we support this process through a number of training programmes that form part of our organisational and cultural transformation.



PROGRAMMES

SCOPE	PROGRAMME	OBJECTIVE
People	Feel the beat	Incorporate our values into our service culture, reinforcing the specific behaviours required by each brand
	Onboarding	Updating the onboarding process for employees in hotels and corporate offices that authentically expresses the warmth, hospitality, professionalism and creativity that are our trademarks
	Mindfulness and wellness	Specific training for hotels with wellness facilities and services to take the experience, attributes and service to a higher level
F&B	Transformation	After organisational and cultural changes, we reinforce the culture of performance and profitability based on innovation and professionalism
	Inspirational Talks	We work with international experts to raise awareness about the importance of culinary experiences in the customer experience
	Gastro by Meliá	Training programme to update know-how, standards and operating procedures in kitchens, dining and bar areas and guarantee professionalism and the excellence of our teams
	Culinary training	We offer specialist training in culinary techniques for our chefs together with the Basque Culinary Centre, a leading training centre
Hotels and Brands	Hotel Life by Meliá	New hires with no previous hotel experience receive basic training for day-to-day activities in key areas such as restaurants, kitchens or housekeeping.
	Upselling	We provide training for employees with revenue responsibilities to improve their knowledge of upselling techniques and other skills and tools that add value for customers.
	Openings and rebrandings	Training for new hotels or rebranded hotels on our global vision as a company, our culture and values, essential attributes of their brand and essential responsibilities such as customer service, team motivation and adaptation to change.

TALENT POOLS AND PROFESSIONAL DEVELOPMENT PROGRAMMES

Our growth as a company requires that we have the best professionals in the industry. That is why we have implemented talent development programmes for our teams to help cover critical positions in the medium and long term.

We have implemented programmes to identify people that after receiving the appropriate preparation and training will be able to face

the challenges raised by our growth and also offer training opportunities for team members to improve their skills and extend their know-how to advance in their current areas of responsibility.

These programmes cover all the different layers in the hierarchy of our business and define the path for continuing to work on the development of our people on a corporate level.

**TALENT POOLS**

OBJECTIVE	PROJECT	FOCUS	BENEFITS EMPLOYEES	MHI BENEFITS
<b>PROFESSIONAL DEVELOPMENT</b>	GRADUATE PROGRAMMES	Development of recent graduates and people with no experience	To focus their career on a certain area of specialisation	Coverage of medium/long-term vacancies with people that meet the expectations of MHI
	MIDDLE-MANAGEMENT DEVELOPMENT PLANS	Development of general staff to occupy positions as heads of department	Professional career based on training and development activities to consolidate their know-how and skills	Coverage of critical positions as heads of department in the short and medium term
	HOTEL MANAGEMENT TALENT POOL	Development of heads of department to occupy hotel management positions		Coverage of hotel management positions in the short and medium term
<b>PROFESSIONAL GROWTH</b>	MASTER FORCE	Established and experienced department heads	Possibility of expanding their professional know-how through international experiences for a certain period of time and access to a range of exclusive benefits	Transmission of the culture and best practises of MHI through internal ambassadors
	TASK FORCE	Experienced hotel staff		Support for the growth of MHI with staff who are very familiar with the internal culture

INVESTMENT IN TRAINING (GLOBAL INTEGRATION)

**€2.3 M**

INVESTMENT PER EMPLOYEE (GLOBAL INTEGRATION)

**€136**

PEOPLE TRAINED

**6,313**  
(2021: 11,601)

TOTAL HOURS OF TRAINING

**35,004**  
(2021: 101,706)

TRAINING (HOURS PER PERSON)

**5.5**  
(2021:8.7)

A GLOBAL DIGITAL TRAINING PLATFORM IN A STATE OF CONSTANT TRANSFORMATION

To provide greater access to the company's eMeliá training platform, in 2022 we approved 10,000 new licenses, making the platform available to 30,000 Meliá Hotels International employees (50% of the workforce). Given the importance of making sure people receive training in their own language so they can correctly assimilate its content, we have also added Dutch and Polish to the languages available.

We have also extended the training catalogue with specific content for the hospitality industry such as kitchens, catering, maintenance and housekeeping, as well as adding training programmes for the

new technology platforms introduced as part of the company's digital transformation.

In addition to offering a global vision for every type of employee, our training opportunities are also adapted to the needs of different types of people and teams in hotels.

In 2022 we implemented a process to provide a more personalised service for the different destinations and employees.

The eMeliá training catalogue consists of 3,458 training resources in 23 languages and has been developed with the cooperation of several prestigious international partners.

## TRAINING CATALOGUE



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1. MELIÁ IN 2022

2. BUSINESS MODEL

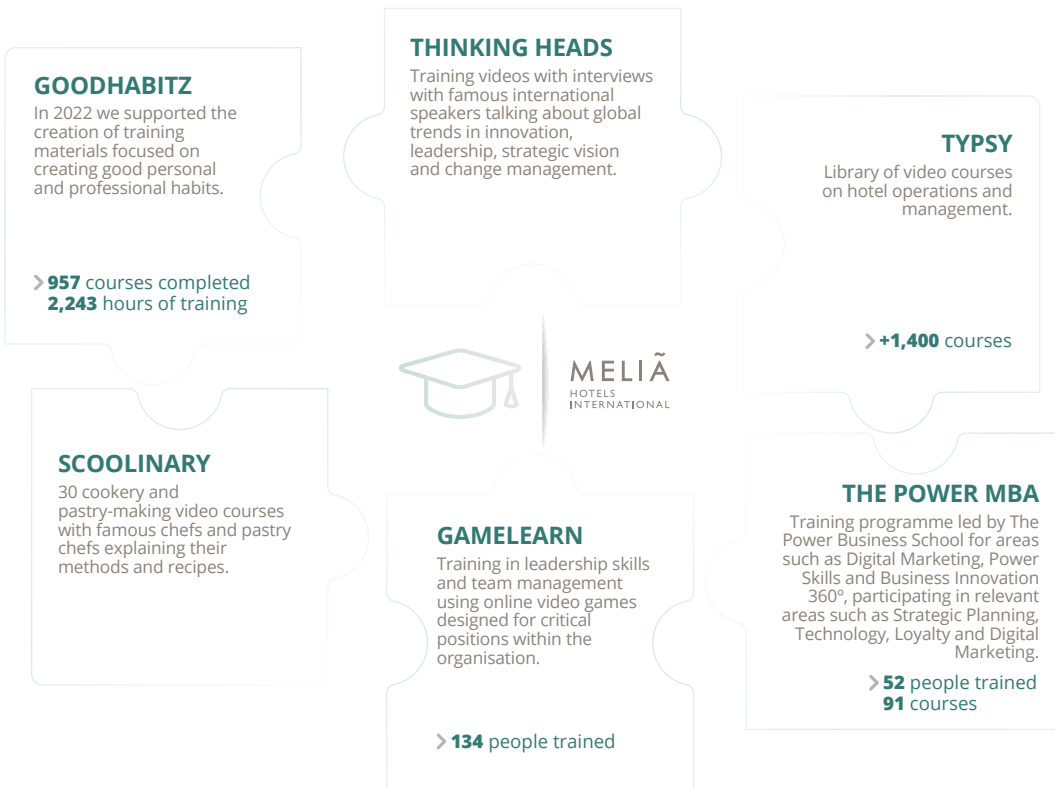
3. FINANCIAL REPORT

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Every year we make two calls for enrollment in the online language school to improve abilities in English, Spanish, French, German, Italian or Portuguese. 234 employees received training in 2022. We also offer access to the Learnlight platform which provided more than 47 hours of training per user in language learning with personalised support from native teachers.

We also aim to enhance knowledge about our governance and regulations to strengthen a culture of compliance in the organisation, including mandatory training programmes associated with the Code of Ethics, compliance, criminal offences, equality, occupational health, the GDPR, cybersecurity, etc.

## Listening to our teams

### MELIÁ LISTENS

We support active listening as a way of achieving constant improvement and are committed to consolidating an open and honest culture among our people. In 2022 we relaunched the Meliá Listens survey on a global basis to collect the anonymous and confidential opinions of our employees on certain aspects of our value proposition. As a result of the situation caused by COVID-19, we also wanted to monitor the emotional condition of our teams and their opinion about the way the company was managed during the pandemic.

The objective was provide input to allow us to take the actions required to ensure that all our employees feel proud to form part of a company that puts people at its heart. After a process in which employees from all over the world took part, our teams defined and agreed an action plan and global plan for the company to enhance the commitment and pride of belonging of our team members.

PARTICIPATION MELIÁ LISTENS (GLOBAL INTEGRATION)

**6,799**

MELIÁ LISTENS COMMITMENT INDEX (GLOBAL INTEGRATION)

**83%**

PERFORMANCE MANAGEMENT

After gradually getting back to normal in our operations, in 2022 we resumed our Performance Management process, a key factor in the management of internal talent within the company. This process was implemented several years ago and is a key driver behind a culture of constant feedback through conversations between employees and their manager. The conversation revolves around how we can put our values into practise, enhance our strengths and work on areas for improvement, focused on jointly defining an action and development plan for the employee.

For the first time ever, in 2022 the process applied to all employees (except Cuba) with more than six months of experience in the company and included general hotel staff through My Place, the new global human resources management tool that allows employees to actively participate in all the company's key processes.

Digitalisation and people

Our important focus on digitalisation in people management resulted in the implementation of the Success Factors - Employee Central platform. In 2022 we began implementation in Spain, allowing us to design, categorise and standardize all the personnel administration processes and have access to an analytical tool that includes reliable data on the most relevant indicators for optimising our personnel management.

The cloud technology we use also allows a digital interaction with all employees and thus a more comprehensive management of our people and the processes associated with their work. The result has been a substantial improvement in the experience for employees and managers thanks to the possibility of having access to the system from any type of mobile device.

Our commitment to digitalisation also led us to reinforce training in new tools that allow us to move towards a more digitised and efficient operating model, affecting many areas of the organisation.

To achieve this we designed training programmes together with the affected areas which are adapted to the roles and positions of each of our employees in areas mainly related to the business, operations, management and control.

NEW WAYS OF WORKING

The growing trend towards hybrid work means that companies that aim to attract and retain the top talent are increasingly required to implement more flexible work practices. The increasing adoption of cognitive technology and process digitalisation (automation, robotics and artificial intelligence systems) are also transforming the workforce and making organisations redesign job descriptions to take advantage of these technologies.

After two years of teleworking due to the pandemic, we were very much aware of the importance of analysing opportunities that a hybrid work approach may provide.

In 2022 we analysed, designed and implemented a range of different approaches for our corporate teams in Spain, aiming to enhance the work-life balance and leverage all the learning of recent years about digitalisation and collaborative work.

We analysed best practices in different industries and those we consider key for Meliá, such as a service vocation and the diversity of the people that provide our corporate services, aiming to ensure we continue to be in the best conditions to offer the most excellent service, regardless of the location from which the service was provided.

PERFORMANCE MANAGEMENT PARTICIPATION (GLOBAL INTEGRATION)

36.4%

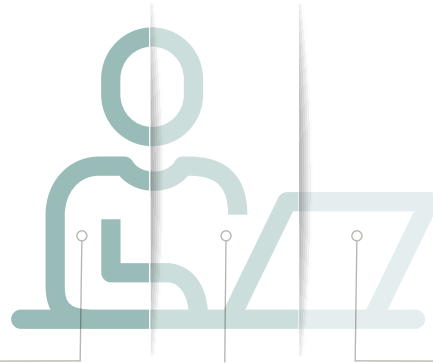
TRAINING HOURS PER EMPLOYEE

3.7

We have also deployed several tools to enhance communication and the relations between people, operations centres and hotels.

**NEW WAYS OF WORKING**

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**OFFICE FIRST**

For employees with roles and responsibilities linked to the company strategic vision, both with respect to design, definition and implementation, and also to the coordination, execution and management of projects.

**REMOTE FIRST**

For those employees whose activity is highly specialised, standardised and recurrent, which allows their activity to be monitored without requiring regular interaction with other employees.

**OFFICE**

For those employees whose roles require their presence in the workplace or corporate offices.



Hybrid work is in line with our recognition and respect for employees' rights to digital disconnection outside of the working hours defined by law or convention, respecting rest periods, leave and holidays, as well as personal and family privacy. A commitment in this respect is included in our Human Resources Policy.

To help ensure compliance, we offer a digital awareness training course which forms part of the mandatory training our employees must take to ensure they learn about the legal measures and policies adopted.

We make sure that employees are aware of the implications of hyperconnection and its impact, and we encourage digital disconnection to ensure the well-being of employees and an appropriate work-life balance.

In terms of work-life balance, the plan improves access to training and promotion and extends facilities for people with children or other dependants, introducing greater flexibility so they can accompany children to school tutorials, visits to the doctor or hospital, greater flexibility in adjusting shifts and the possibility of reaching a mutual agreement with the company to change their working hours during the first year after the birth of a child without the need to reduce the number of hours.

TRAINING ON DISCONNECTION (HOURS PER PERSON)

**0.8**

SOCIAL RELATIONSHIPS



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Meliá is firmly committed to respecting the fundamental rights of its employees and the key role of their union representation. This is made clear in the Code of Ethics, which reflects the guidelines of the International Labour Organisation (ILO) of 1998 regarding respect for the principles and rights of freedom of association, the right to belong to a union and to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in employment.

The company aims to promote a constructive social dialogue to explore solutions that allow the exercise of the rights of its employees in the best possible conditions. This basic premises of this dialogue are equal treatment regarding remuneration and working conditions, no discrimination in any form, the protection of people's health and job security and the social and labour conditions of its employees, among others. These commitments are included in the Code of Ethics and the Meliá Human Rights Policy, and it also extends to the employment rights of suppliers, who are required to endorse these commitments through their signature.

The company also keeps up a permanent dialogue with unions to discuss relevant issues, as is the case with the constitution of the negotiating table for the third Equality Plan for which talks will begin in 2023, or the work done together with the IUF to combat sexual harassment in the workplace. Meliá is also the creator of a working group involving companies and international unions to work on protocols for the Prevention of Sexual Harassment. In Spain the company took part in meetings with the biggest trade unions to report on the performance of the business, was actively present in the negotiation of collective

bargaining agreements for the hospitality industry in the Balearic Islands, Madrid, Las Palmas and Tenerife, and closed agreements with local unions regarding salaries in the collective bargaining agreement for the industry in the Canary Islands.

Regarding direct communication with its employees, Meliá offers a number of channels such as the corporate intranet, with sections where employees can get information on their contract, payroll, social benefits, education and training, occupational health and safety programmes and advice, as well as all the latest company information, among other content. In that line, the company activated Meliá Listens in 2022 as explained in the People section in this report.

This promotes active listening as a tool for constant improvement in relationships based on an open and honest culture. On the other hand it offers stakeholders, including both employees and their union representatives, a complaints channel through which they can report any violations of their rights. This subject is explained in greater detail in the Good Governance, Ethics and Integrity section of the 2022 Management Report. As a result of the commitment to people and their rights, and as mentioned in the section on Due Diligence in Human Rights, in 2022 Meliá updated its self-diagnosis with a major focus on the employment rights of its teams, their awareness of their employment rights, and the existence of communication and complaint channels, among others.

WORKFORCE WITH A COLLECTIVE AGREEMENT (AGGREGATE PERIMETER)

**54.55%**  
(2021: 65.8%)

<sup>2</sup> According to article 49, paragraph 6. II fourth indent of the Commercial Code of Law 5/2021 of April 12, companies must provide information on social and personnel-related issues and, specifically: "Social relations: organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them; percentage of employees covered by collective agreements by country; a summary of collective agreements, particularly in regard to health and safety at work; mechanisms and procedures the company has to encourage the involvement of workers in company management, in terms of information, consultation and participation".



# Occupational health and safety

GRI: 2-23; 2-24; 3-3; 403-1; 403-2; 403-3; 403-6; 403-8



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After two years of COVID-19, in 2022 we were able to witness how the pandemic had been a turning point for our society. It created a greater appreciation of the importance of health, safety and well-being in the motivation and commitment of our people and our teams.

Although figures related to COVID-19 reduced considerably in 2022 compared to the previous two years to their lowest levels since the start of the pandemic, at Meliá Hotels International we continued to make major efforts to minimise infections among our employees and customers. The knowledge acquired during the pandemic led us to adapt protocols, define new measures, adapt certain products, redesign processes and make investments to guarantee the health and safety of all our people.

## COVID-19 CRISIS COMMITTEE

GRI: 403-1

During the first quarter of 2022 we decided to continue with the committee set up in 2020 to manage the health crisis. Originally set up to manage the pandemic, while it was active it was also a space for reflection and debate, with the objective of continuing to guarantee the health and safety of employees and customers, defined as the top priority since the very start of the pandemic.



ORGANISATION CHART



The Health & Safety Director reports directly to the Chief Human Resources Officer and is the person responsible for the definition, management and control of company health and safety protocols. Responsibility is on a global level, and in the event of a health crisis involves defining and implementing the technical and health-related guidelines for control and the minimisation of its impact. All the decisions made in this area are deployed throughout the organisation to ensure their correct implementation.

The Health & Safety Director is also responsible for managing emergencies caused by natural phenomena such as the volcanic eruption on the island of La Palma in Spain in 2021, and taking all the actions required to control similar situations.

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

GRI: 403-1

Since 2018 we have had a global Occupational Health and Safety Policy. Approved by the Board of Directors and updated in 2021, this policy defines our principles and commitments regarding occupational health and safety and the organisational well-being of employees on a day-to-day basis. We aim to go beyond mere regulatory compliance and ensure the highest levels of physical, mental and cognitive health for all our team members.

Our commitment to our people has led us to join forces for many years in this area, consolidating an Occupational Health and Safety Management System aligned with the ISO 45001:2018 international standard. Our system was certified in 2021, and the certification was renewed in 2022.

The Health and Safety Management System includes the following instruments:

- The manuals for the Occupational Health and Safety Management System and the Healthy Work Environment Programme, designed in line with the parameters and recommendations of the World Health Organisation (WHO), are the basis of a comprehensive plan to ensure physical, mental and cognitive health, and provide the requirements for defining, implementing and maintaining the system.
- Occupational Health and Safety Procedures which define the specific way to carry out an activity or process within the Occupational Health and Safety System.

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM MANUAL



The reduction of workplace accidents and occupational illnesses of internal and external personnel is a priority for the company. Our Occupational Health and Safety Management System ensures compliance with legal, regulatory and contractual requirements, and confirms its suitability for achieving our objectives, in addition to providing tools for control, measurement of results and identification of improvement areas.

At the same time, and with the assistance of the Occupational Health Department, the Internal Audit Department plans audits to ensure the correct application of the system and its most critical points.

### Coordination of business activities

The implementation of the Health and Safety Management System guarantees the coherent and responsible application of the principles of preventative action, working methodologies and control of interactions and/or incompatibilities of the activities carried out by external companies.

Our model also extends to all the people who carry out any work or service within the business unit, regardless of whether or not they are employees of the company. All Meliá Hotels International business areas and units control access by other companies and are responsible for:

- Requesting from visiting companies, contractors, subcontractors, temporary employment agencies, self-employed workers and suppliers the documentation required concerning occupational health and safety.
- Inform companies about the risks in the business unit and the necessary preventative measures.
- Ensure compliance with the regulations on health and safety at work by external companies.
- Comply with the coordination measures defined to avoid accidents in the facilities.

We have also defined a prevention plan for all hotels with general objectives in terms of organisational safety, health and well-being. The business units also define their own objectives depending on their own prevention plan.

All the objectives are grouped by characteristics and/or areas and each of them is further developed with the definition of specific goals and actions. We define a verification system or indicator for each objective and goal that allows us to measure performance and their degree of achievement.

### Risk assessment and incident handling

GRI: 403-2

We also have specific monitoring procedures for the early identification, evaluation and control of risks, and the identification and assessment of opportunities. On a regular basis, the technical team in the Occupational Health Department carries out the corresponding risk analysis both in hotels and corporate offices.

To ensure the appropriate management, we define and assign responsibilities to different corporate areas which have to ensure their implementation in the business units affected. We also carry out assessments to ensure healthy working environments and conditions. These evaluations analyse the positions in each hotel, the tasks assigned to each manager and the work environment and facilities in which they are carried out. The preventative services of the hotels define the periodicity of the evaluations in agreement with the bodies responsible for consultation and participation.

INTERNAL AUDITS OF THE OCCUPATIONAL HEALTH SYSTEM (GLOBAL INTEGRATION)

**18**  
(2021: 13)

These evaluations are updated in cases such as:

- Implementation of new equipment
- Use of chemical substances or preparations
- Incorporation of new technology
- Modification or improvements to the work environment
- Changes or adjustments to the work environment caused by changes in processes
- Incorporation of employees that are especially sensitive to certain risks (pregnant, lactating, previous cases, etc.)
- Detection of insufficient or inappropriate preventative activities

Our Internal Audit Department regularly verifies the validity of both the risk assessments and prevention plans. Their report indicates the degree of compliance with corrective measures and the plans implemented with regard to a series of specific KPIs (incidence rate and frequency, severity index, average duration, days lost due to accidents, percentage absenteeism due to work-related illness or common illness). All this information allows us to optimise our decision making.

In addition to our internal audits, we also carry out all the regulatory audits to verify occupational health and safety conditions and our management system. For example, in Spain in 2022, the company Prevycontrol, Auditoría de Riesgos Laborales, S.L. carried out an audit of the Prevention System whose results were determined satisfactory.

Ensuring the comprehensive health of our teams also requires taking a preventative approach. Although our business activity does not involve positions with a high risk of illness, some activities related in the housekeeping and food and beverage departments are more exposed to certain occupational illnesses such as musculoskeletal disorders (carpal tunnel, tendonitis, rotator cuffs). We carry out training activities and take preventative and corrective actions to minimise their impact.

## Healthy work environment

GRI: 403-4; 403-5; 403-6

In 2022 we achieved certification for our Healthy Work Environment Programme, designed in line with the parameters and recommendations of the World Health Organisation (WHO). This programme complies with the WHO principles as it includes both individual and organisational actions to create healthy, safe and stable work environments over time, in which all employees are able to participate.

The following are some of the measures implemented in corporate offices and hotels:

- Reinforcement of training on well-being, healthy habits and occupational health and safety
- Improvement of spaces for internal training activities on well-being (mindfulness, relaxation, etc.).
- Encouragement of healthy habits and diets in staff canteens
- Optimisation of the management of chemical products in work centres.
- Health campaigns (nutrition, physical exercise, etc.).
- Promotion of healthy habits to apply during the working day.

A large part of these projects arise from the opportunities for improvement identified in the dialogue with the representatives of our employees designated to take part in the occupational health and safety committees. We also have a health work group to ensure the implementation, maintenance and improvement of our Healthy Work Environment Programme.

The creation and preservation of a healthy work environment also requires prioritising tackling absenteeism due to health issues. In 2023 we have set ourselves an objective to reduce occupational accidents and work-related illnesses by 5%, and a limit of 4.5% for common illnesses and non-occupational accidents.

WORKFORCE REPRESENTED ON HEALTH AND SAFETY COMMITTEES (GLOBAL INTEGRATION)

**85.6%**  
(2021: 41.05%)

HEALTH AND SAFETY TRAINING (HOURS PER PERSON)

**3.1**

# Towards a resilient and efficient supply chain

GRI: 2-6; 2-23; 2-24; 3-3

## 1. MELIÁ IN 2022

## 2. BUSINESS MODEL

After two years full of risks and uncertainties, particularly in supply chain management caused by the scarcity of raw materials, some suppliers ceasing operations, the saturation of logistics channels, and significant price increases as a result of the pandemic and health measures, 2022 brought another challenge caused by the war in Ukraine.

## 3. FINANCIAL REPORT

Together with the war, the strong recovery in demand for travel created more pressure points for a supply chain that was only just beginning to recover after the pandemic. The escalation of the war in the summer affected the shipment of materials and caused a general increase in prices (food, technology, fuel, energy and products and services strongly dependent on the cost of energy for their preparation or manufacture).

## 4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

## 5. COMMITMENT TO COMBAT CLIMATE CHANGE

Despite supply issues and price instability during a period of record demand for hotels, Meliá was able to consistently and successfully supply our hotels to help them achieve historic results. In this complicated context, we were able to contain price increases and avoid interruptions to supplies to our hotels. During certain periods when price increases occasionally reached up to 30%, we were able to mitigate the situation through the constant search for alternatives and negotiations with suppliers that led to price increases between 12 and 15%.

## 6. CREATION OF SOCIAL VALUE

## 7. ANNEXES

These circumstances not only highlight the importance of having a resilient and efficient supply chain, collaborative relationships with suppliers, and optimised processes, they also **reaffirm our commitment to a procurement strategy based on excellence, digitalisation and**

**sustainability.** We trust that implementation will strengthen our ability to face future repercussions caused by the geopolitical crisis and respond quickly to the requirements of our customers and the increasingly demanding regulatory standards in terms of sustainability.

## PARADIGM SHIFT IN THE SUPPLY CHAIN

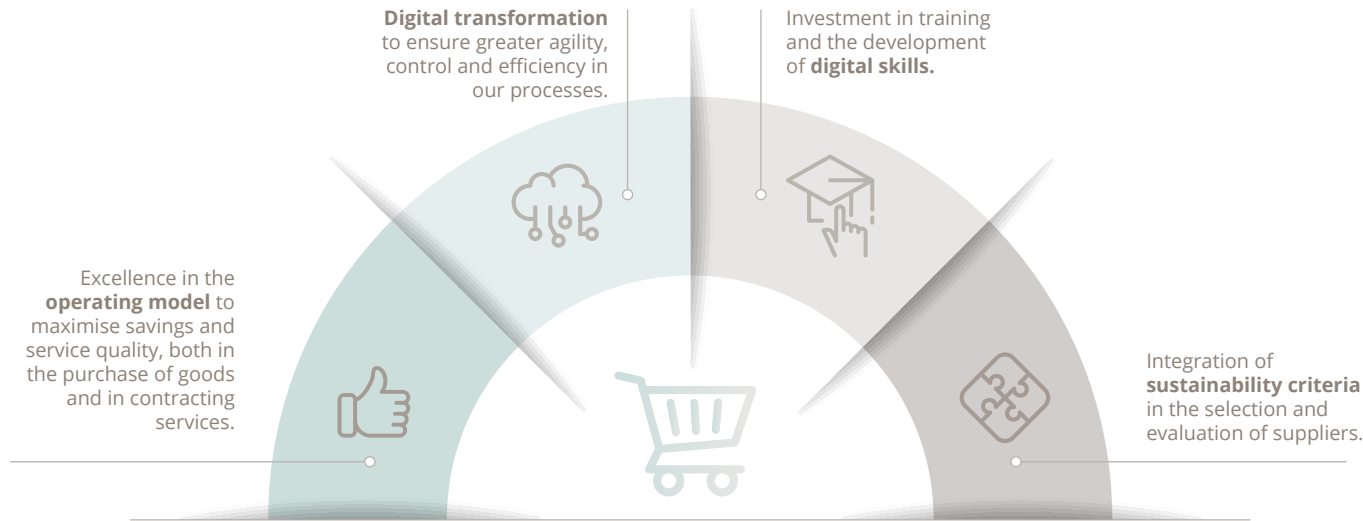
Meliá builds long-term relationships based on a model of trust, respect and mutual benefit, with a strong commitment to ethics and responsibility. Suppliers are an essential part of our success. Collaboration with our suppliers and the work we do together allow us to guarantee the highest quality services to our customers, ensuring the present and future of both companies.

Our business model has evolved to integrate sustainability as a key driver of transformation in our supply chain, including social, environmental and good governance criteria in the selection and evaluation of all our suppliers and the comprehensive management of these areas to help in the development of a more responsible business model.

Our mission is to constantly improve service levels in terms of quality, cost and efficiency, integrating sustainability criteria throughout our value chain.

Our procurement strategy focuses on four key areas:

**PROCUREMENT STRATEGY**



**EXCELLENCE THROUGH TECHNOLOGY**

In 2022 we continued with the digital transformation of our procurement model, implementing the world-leading Coupa system and its best-in-class platform. The objective is to enhance the management of product and service procurement, going from a process based on orders to the comprehensive management of approved suppliers and the inclusion of aspects related to sustainability to achieve a 100% digital and more efficient model.

This transformation not only strengthens our governance of supplier management, but also allows us to move towards a more responsible and sustainable supply chain thanks to the pursuit of the following objectives:

- Implement a technological solution that can be used on a global level
- Cover the entire portfolio of suppliers for both goods and services
- Facilitate relationships with suppliers, boosting agility, transparency and commercial relations between both parties
- Promote the role of expense managers thanks to the link between analytics and the procurement function
- Strengthen the application of ESG criteria both with suppliers and in the product catalogue
- Improve the analysis of information regarding sustainability in the supply chain
- Ensure compliance with legal requirements related to the new sustainability reporting guidelines



In 2022 we rolled out the tool in hotels in Spain (77% of the owned and leased hotels), which we expect to continue in 2023 with the incorporation of corporate offices and hotels in Europe and America.

In the short term we face the challenge of expanding the scope of the procurement model and management of our supply chain to hotels under management and franchise agreements. This model will facilitate procurement management, access to our supplier catalogue and financial conditions, and will also allow us to consolidate our governance model

### SUPPLIER SELECTION AND EVALUATION

GRI 308-1, 414-1

In 2022 we placed a special focus on continuing and accelerating the negotiation and centralised management of service contracts in our hotels, as we had already achieved with regard to the procurement of goods. This effort led to the centralisation of more than 60% of service costs in Spain:

- Centralised management and unification of service providers to facilitate the standardisation and approval of services
- Ensure good governance in the management of service providers
- Optimisation of services through global company information to leverage synergies and best practices.
- Incorporation of ESG criteria in the selection of service providers

Social awareness, the competitive environment and the evolution of the business have led companies to be more responsible with regard to impacts in their supply chain. Our firm commitment to consolidating a sustainable and responsible business model that safeguards our reputation led us to integrate ethical business principles into our management model. As a result we published our Supplier Code of Ethics in 2018, an essential and decisive part of the approval process.

in those hotels that use our platform while at the same time further delivering on our commitment to sustainability and responsibility.

Investment in **training and the development of digital skills among all company users** is vital for optimising the implementation of this model. The company has developed more than 20 training courses in Spanish and English for the affected business units and corporate areas, designed to support the teams responsible for both the implementation of the tool and its use.

We aim to guarantee respect for human rights and the protection of the environment in our supply chain, mainly through the commitments contained in our Supplier Code of Ethics. The Code requires us to select suppliers based on responsible management criteria that include respect for human and labour rights, environmental protection, and the promotion of innovation and clean or low-impact technologies. We also recommend that our suppliers guarantee the highest standards of conduct in terms of human rights and the environment as defined in the most important international and industry conventions and treaties in these regards.

During the transformation process we design and implement a rigorous and transparent supplier approval process that considers technical, financial and sustainability criteria to optimise the selection in line with our principles, values and public commitments, thus minimising any risks that may arise from our supply chain.

SAP COUPA SCOPE (GLOBAL INTEGRATION)

**57**  
(41.6%)

SAP COUPA SCOPE (AGGREGATE PERIMETER)

**89**  
(31.0%)

TRAINING HOURS PER EMPLOYEE - SAP COUPA

**2.4**

The new centralised procurement management tool also enriches the data we collect during the procurement process and thus improves our analytics capabilities. We collect data not only on our purchasing volume and costs, but also details about products and packaging which allows us to classify products based on environmental criteria. We are also identifying companies classified as Special Employment Centres and strengthening our commercial relations with them.

We invite all suppliers who would like to have a business relationship with Meliá to accept our Supplier Code of Ethics, or to sign a Conformity Statement if they have their own code of ethics to ensure its alignment with the principles of ours.

They must also sign a Sustainability Clause in which they accept that they are aware of our requirements in this matter and promise to support them, accepting the possibility that we may audit their compliance and progress.

We also have a specific Complaints Channel available to any third party to report any conduct contrary to the content of the Supplier Code of Ethics. The complaints or claims are processed by the Ethics Committee, an independent body whose key function is to deal with complaints or claims presented through this channel. This ensures that there is a robust complaints mechanism to guarantee redress in the event of any adverse human rights or environmental impacts in our supply chain.

The registration process for suppliers, products and services in the new digital platform also offers the chance to include fields that categorise them in terms of their sustainability. In 2022 we worked on identifying the criteria for capturing data that would allow us to classify suppliers based on ESG criteria and create action plans to move towards a more responsible and sustainable supply chain.

SUPPLIERS WITH SIGNED/ACCEPTED CODE OF ETHICS

**1,881**  
(28.4%)

OBJECTIVE 2024: 100%

SUPPLIERS THAT HAVE SIGNED THE SUSTAINABILITY CLAUSE

**1,839**  
(27.7%)

OBJECTIVE 2024: 100%

### SUPPLIER CODE OF ETHICS

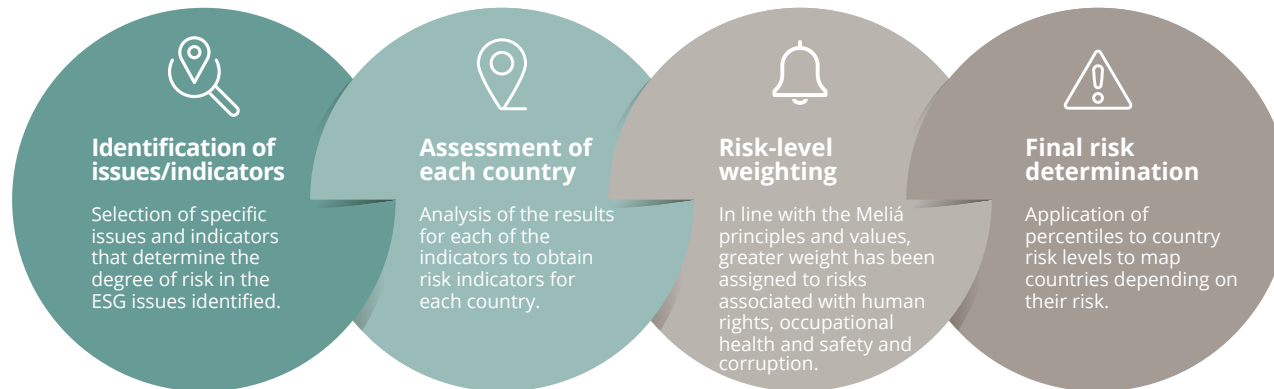


## ESG RISK MANAGEMENT

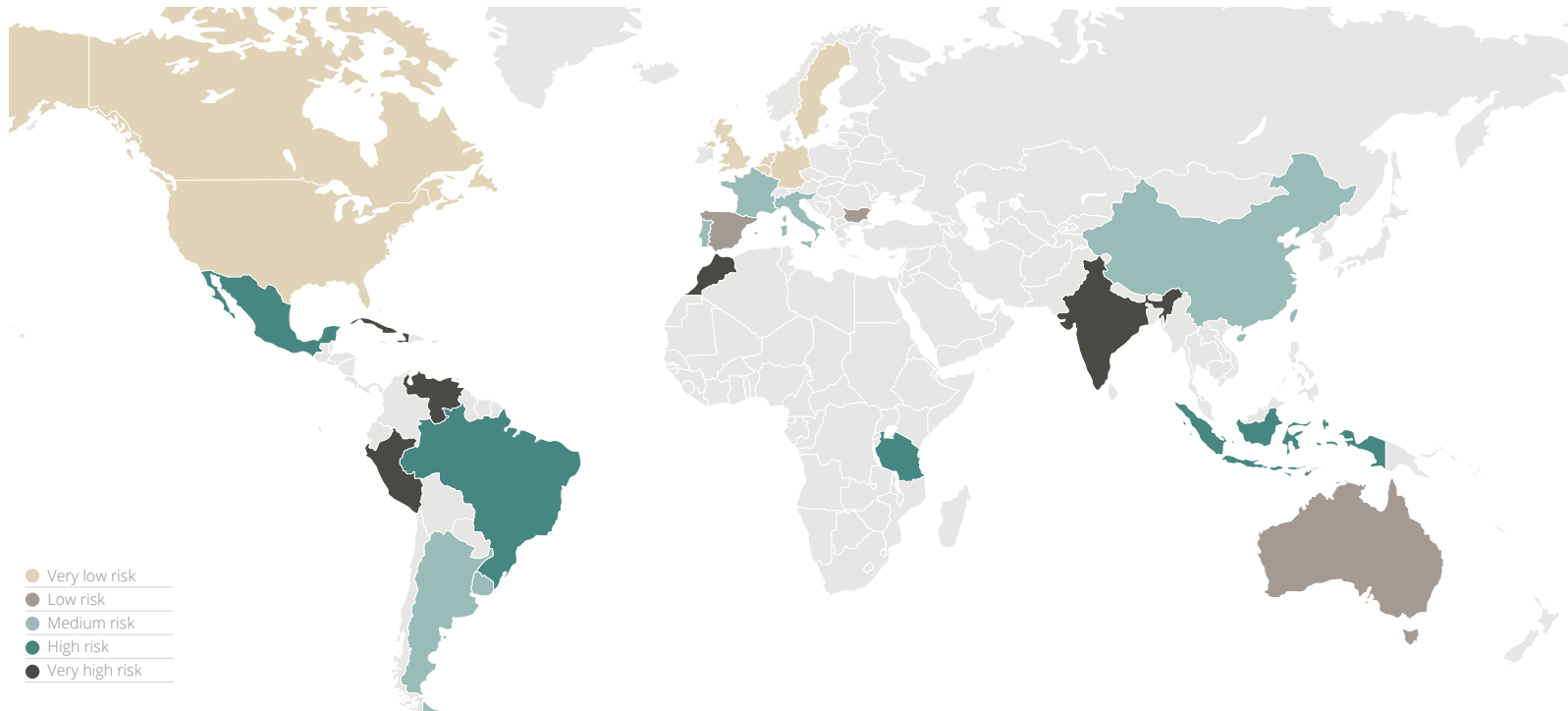
To assess the degree of risk that our main suppliers have in relation to environmental, social and governance criteria, in 2018 we carried out an ESG risk analyses that included issues related to human rights, occupational health and safety, talent, diversity, vulnerability, ability to adapt to climate change, availability of natural resources, biodiversity,

institutional relations and corruption. This analysis provided us with greater visibility about the degree of exposure to ESG risks in countries in which we operate, allowing us to take the measures required to minimise their materialisation or impact.

### ESG RISK ANALYSIS PROCESS



ESG RISK MAP



- Very low risk
- Low risk
- Medium risk
- High risk
- Very high risk

TOTAL TIER 1 SUPPLIERS\*

**6,633**

CRITICAL TIER 1 SUPPLIERS\*

**20**

CRITICAL NON-TIER 1 SUPPLIERS\*

**164**

Identification of critical suppliers

Based on the results of the ESG risk analysis, a process was defined to identify critical suppliers based on three criteria: purchase volume (minimum of 1% of total centralised purchases), ESG risk by country (location of the main procurement centres) and product family (food and beverage categories considered most critical as their expiry may affect the health of customers).

## SUSTAINABILITY EVALUATION

GRI 308-1, 414-1



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1. MELIÁ IN 2022

In a disruptive business context with supply chain management made more difficult due to the consequences of COVID-19, stock breaks, shortages of certain products, irregular supplies and levels of inflation not seen in the last decade, we are fully focused on ensuring the provision of services to our hotel portfolio.

2. BUSINESS MODEL

The pandemic required us to implement very rigorous protocols and define specific prevention measures to ensure the health and safety of our customers and employees. This situation required us to reverse our commitment to continue making progress in the reduction of single-use plastics. Despite the difficulties we have experienced, the new platform allows us to identify product sustainability criteria and data on packaging that will ensure a more accurate and traceable view of our environmental impact and opportunities for improvement in our procurement based on ESG criteria.

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

Despite the difficulties, we continue working to identify new opportunities to purchase products of any nature with the help of suppliers committed to sustainability and a responsible supply chain.

5. COMMITMENT TO COMBAT CLIMATE CHANGE

To achieve the commitment made in 2020 to buy free-range eggs, the company now consumes only free-range eggs in all of our hotels in Germany, Austria, Luxembourg, the Netherlands and the United Kingdom. To make progress towards our goal for 2025, we will focus our efforts to extend this practice to our hotels in Spain and other European countries through the centralised procurement process.

6. CREATION OF SOCIAL VALUE

To get to know our suppliers better in dimensions beyond the commercial relationship that unites us, in 2022 we carried out a survey that we hope will allow us to define new guidelines to monitor our supplier

7. ANNEXES

relationships, identify opportunities for improvement, find out their levels of satisfaction and ultimately create a culture based on direct dialogue. The survey was sent to a control group of selected suppliers and contained several different sections, including their perception of our values in our day-to-day relationship, what they think about the different reputational aspects of Meliá, their degree of commitment to us and our commitment to them and, of course, their overall satisfaction regarding their relationship with us.

This first pilot survey involved invitations to 29 suppliers with a participation rate of 48%. The suppliers who responded to our questionnaire valued our leadership as a company and our commitment and reputation very positively, with ratings of over 90%. Their responses helped us identify opportunities to strengthen our supplier relationships. The control group gave us a Net Promoter Score (NPS) of 77%, which encourages us to continue investigating our relationships with this group of suppliers and encouraging a closer, more direct and more innovative dialogue.

As a result of all this, we have started to reassess the supplier approval process, designing a new model that we expect to activate in 2023. In the short term, we will update the ESG risk assessment for our supply chain, using a technology that allows us to ensure more permanent risk management in the supplier portfolio and thus reinforce our selection and approval model and ensure compliance with the 50% target defined for 2024.

# Due diligence in human rights

GRI: 2-23; 2-24; 2-25; 2-26; 3-3



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## 1. MELIÁ IN 2022

## 2. BUSINESS MODEL

The management of intangibles is becoming increasingly relevant due, among other things, to the new regulatory environment and interest shown by investors, customers and consumers, with a greater focus on transparency and rigour in non-financial information.

## 3. FINANCIAL REPORT

On February 23, 2022, the European Commission adopted a proposed directive on the due diligence of companies with regard to sustainability. The purpose of the proposal is to encourage sustainable and responsible business conduct throughout the value chain. Businesses are required to play a key role in building a sustainable economy and society, preventing, addressing or mitigating the adverse effects of their activities on human rights and the environment whenever necessary.

## 5. COMMITMENT TO COMBAT CLIMATE CHANGE

This issue is not only becoming more important within the regulatory environment, but is also increasingly important to stakeholders. In our latest materiality analysis, hotel owners and partners named the protection of human rights among the issues with the greatest impact on the company.

## 6. CREATION OF SOCIAL VALUE

The regulation defines new areas of work to which we are adapting our management at Meliá Hotels International. First of all, we are already committed to universal standards such as the Principles of the Global Compact, of which we have been members since 2008, and the Human Rights Principles of the United Nations. We also apply international business standards (International Human Rights Charter, the International Covenant on Economic, Social and Cultural Rights, the Fundamental Principles of the ILO, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy) and specific standards in the travel industry.

## 7. ANNEXES

On the other hand, we are now analysing our management system in line with the requirements of the due diligence directive for companies in terms of sustainability.

Meliá Hotels International has been working for years on consolidating our Human Rights management and governance system, beginning with the publication of the Human Rights Policy approved by the Board in July 2018 and a first self-diagnosis in 2019.

## HUMAN RIGHTS MANAGEMENT AND CONTROL SYSTEM

Respect for international regulations on human rights is inseparable from our way of understanding hotel management and our values as a family company.

We put this into practice some time ago and since then have been working on integrating human rights throughout the value chain. For this we use our Code of Ethics as a general framework for employees, suppliers and stakeholders, our Human Rights Policy and also the Modern Slavery Act in the United Kingdom.

A JOURNEY THROUGH 16 YEARS OF PROGRESS

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1. MELIÁ IN 2022

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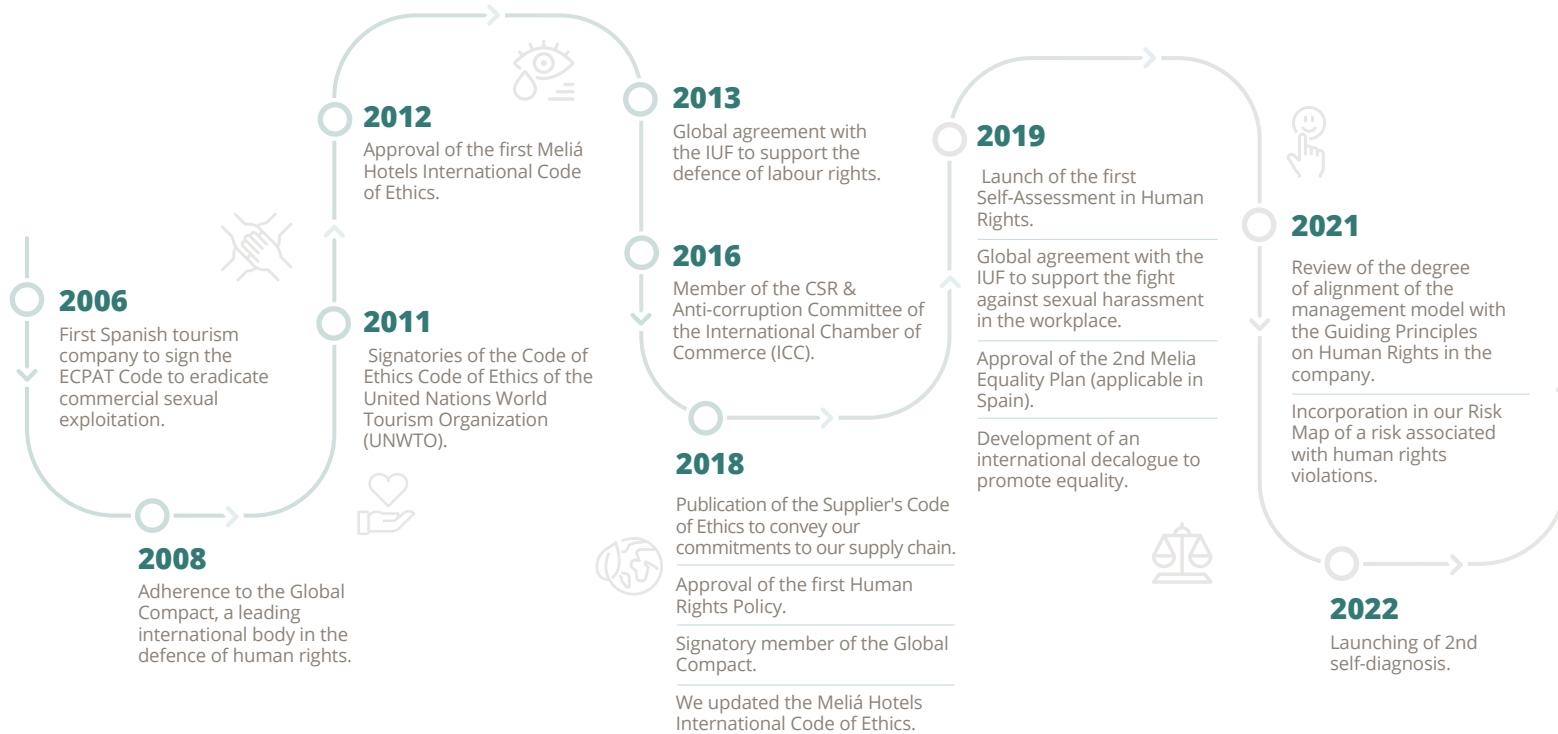
3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

7. ANNEXES



**Responsible domestic and international growth**

Given the growth of the company and our presence in new markets and countries, the company has designed a country-risk model based on ESG criteria which includes, among other things, the degree of defence or violation of human rights.

All of our management contracts include a specific clause to ensure the integration of ESG criteria in the future of the relationship and compliance with the Meliá Hotels International ethical management system.

Our people, without exception, do their work in an environment free of exploitation and with the maximum guarantees: compliance with the minimum working age, equal treatment in selection processes, access to training, development opportunities, equal pay and non-discrimination, work-life balance options, respect for employment rights and the enjoyment of holidays, safe work environments and access to a range of social benefits, among others.



In 2018 we extended our ESG risk analysis to our supply chain. To determine the degree of risk in relation to environmental, social and governance criteria, we analyse issues related to human rights, occupational health and safety, talent, diversity, vulnerability, ability to adapt to climate change, availability of natural resources, biodiversity, institutional relations and corruption. This analysis gives us greater visibility of the risks to which we are exposed in countries where we operate and allows us to take the measures required to ensure a responsible supply chain.

All our suppliers have signed our Supplier Code of Ethics and therefore assume our commitments to ethics, respect for the environment and the protection of human rights. They also actively commit to promoting

and respecting the principles of the United Nations Covenant on Human and Labour Rights in their activity, as well as promoting best practices aimed at combating climate change, signing a mandatory clause related to sustainability to that effect. We therefore have the power to verify at any time their compliance with the obligations contained in this clause. During the term of the contract we can also request documentary evidence from the supplier referring to compliance with the clause and terminate the contract if there is no compliance without prejudice to any other compensation that may apply.

## SELF-DIAGNOSIS AND ITS UPDATE

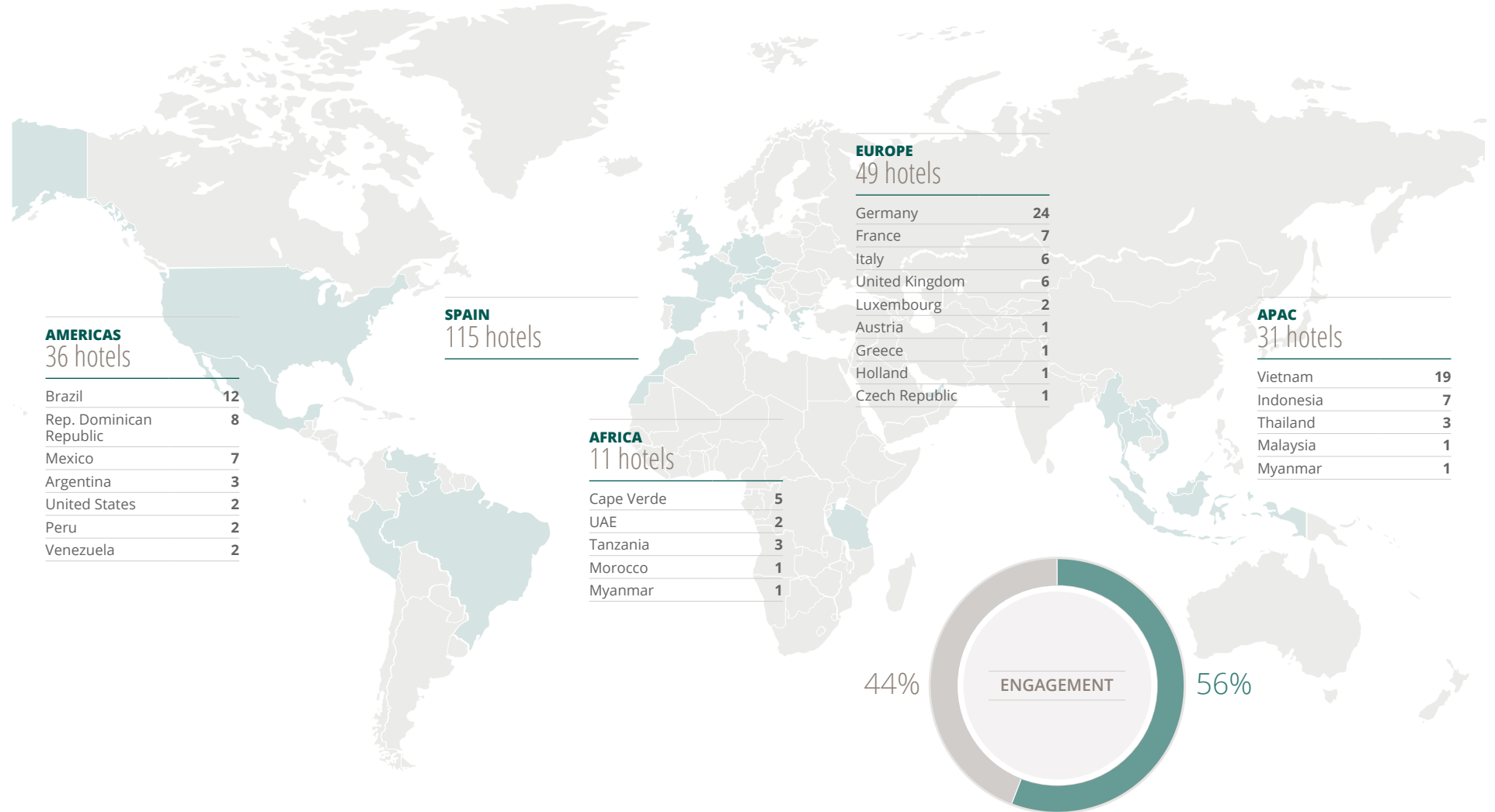
In an increasingly complex and interconnected business environment, we must consolidate our management system and protect the respect for human rights in all its dimensions, but with special attention to the most vulnerable. To ensure continuous improvement and anticipate possible risks, we regularly review our internal control systems. Learning and opportunities for improvement form part of the company's management system to ensure that our performance is transmitted to our stakeholders with transparency and rigour.

Three years after our first self-diagnosis, in 2022 we updated the Control Self-Assessment (CSA) to identify new risks and criteria regarding human rights in our operations. This new approach goes one step further in applying the most rigorous standards, adding the Dhaka Principles regarding responsible recruitment and the guidelines of the Modern Slavery Act (United Kingdom) to the approaches already included in our first self-diagnosis, such as the Global Compact Principles, ILO guidelines and the Human Rights Guiding Principles of the United Nations.

This update covers different areas related to labour rights (recruitment, remuneration, work environment and occupational health, social dialogue, supply chain and complaints channel), the environment (recognised by our policy as a human right) and anti-corruption. In each area we measure the perception of protection and the probability of violation of these rights in hotels, as well as the capacity of the management team and the potential negative impact of a possible violation on our activity.

In 2022, 242 hotels in 26 countries were invited to participate (84% of the active portfolio of owned, leased and managed hotels, excluding Cuba, China and eight hotels that have remained closed during the period). The response level was 100% in the three different types of hotels, which included all the hotels managed under joint-venture agreements.

SELF-ASSESSMENT



### Risks regarding the impact of our activity

Since 2021 our Global Risk Map includes potential impacts on the protection of human rights as a specific risk given that we operate hotels in 14 countries where these rights are not fully guaranteed or there are threats of systematic violation.

We monitor this model every year to analyse any conduct that may threaten the dignity, equality, freedom and health and safety of people, as well as impacts on the environment or issues related to corruption. Through our Crime Prevention and Detection Protocol we have identified 23 criminal offences, 9 of them associated with impacts on human rights. Of these, one is related to conduct that may violate workers' rights, one to possible environmental impacts, and six to other conducts related to corruption.

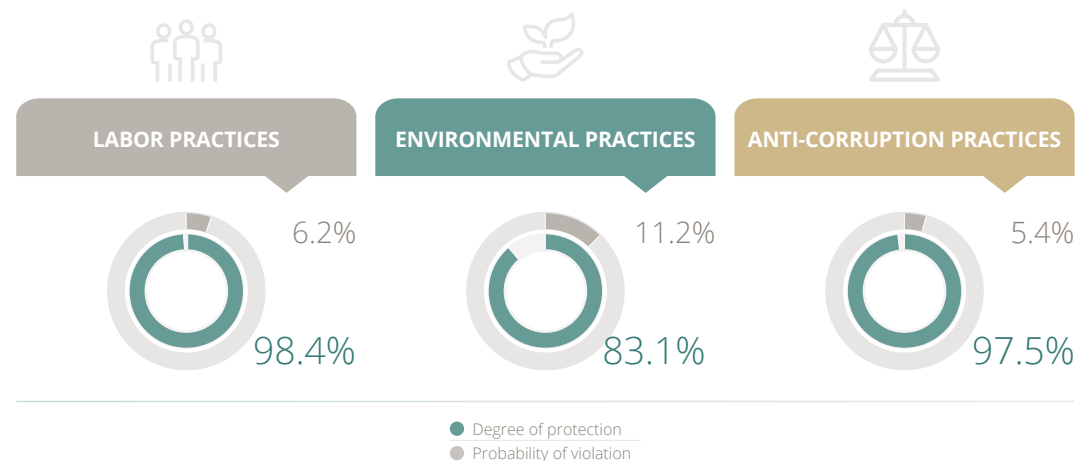
In addition to the efforts made to identify risks, we have also worked on verifying the control systems in people management. Every year our Internal Audit and Occupational Health teams verify the correct implementation of these systems and the protocols for occupational health and safety.

To take things even further, when we updated the self-diagnosis we added new vulnerable groups such as migrant workers, women discriminated against because of their gender, female victims of violence, children, indigenous communities, the unemployed, refugees and LGTBIQ+ groups. Since 2020 we have also identified groups whose rights, predominantly labour rights, are either not guaranteed or are systematically violated in 14 of the countries in which we operate. To identify these countries we used the Global Labour Rights Index prepared by the International Trade Union Confederation (ITUC) and the analysis made by Human Rights Watch.

The analysis carried out in the 242 hotels involved and the management of the 28 complaints received allowed us to confirm the correct functioning of our management system, having not identified any risk situations in any of the areas covered in the analysis.

In fact, the analysis of the results for the year reflect the high degree of protection of these rights in business units and the low probability of the violation of human rights in the management of our hotels, as reflected in the graph below.

#### DEGREE OF PROTECTION AND PROBABILITY OF VIOLATION



## Integration of results into internal processes

We make the protection of human rights a part of our management process through the new approach to general issues, labour, the environment and combatting corruption. In each of them we have defined objectives aligned with the Principles of the Global Compact and specific management systems in terms of:

- Governance: the different governance bodies assume the functions and attributions associated with this issue.
- Regulatory body: we have codes of ethics and corporate policies to reinforce the general principles defined in our Human Rights Policy.
- Management tools: we implement our global management model focused on the integration, protection and resolution of incidents in this regard.

## GOVERNANCE MODEL AND HUMAN RIGHTS MANAGEMENT

	AREAS OF ACTION (ALIGNMENT WITH THE GLOBAL COMPACT)	OBJECTIVES	GOVERNANCE AND MANAGEMENT MODEL		
			BODIES	REGULATORY SYSTEM	TOOLS AND DRIVERS
1. MELIÁ IN 2022	<b>General (1 and 2)</b>	Support and respect the protection of internationally declared human rights and ensure that they are not participants in human rights violations	<ul style="list-style-type: none"> <li>• Appointments, Remuneration and Sustainability Committee</li> <li>• Ethics Committee</li> <li>• Code of Ethics Office</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Supplier Code of Ethics</li> <li>• Human Rights Policy</li> <li>• Procurement and Service Contracting Policy</li> <li>• Sustainability Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Complaints Channel.</li> <li>• Risk Map (Global and ESG)</li> <li>• Principles of Accountability AA1000SES (2011)</li> <li>• Supplier evaluation system</li> <li>• Country risk register</li> </ul>
2. BUSINESS MODEL		Support the elimination of all forms of forced or compulsory labour.	<ul style="list-style-type: none"> <li>• Appointments, Remuneration and Sustainability Committee</li> <li>• Works Committee</li> <li>• Health and Safety Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• HR Policy</li> <li>• Occupational Health and Safety Policy</li> <li>• Privacy Policy</li> <li>• Equality Plan (Spain)</li> <li>• Decalogue for Equality (International)</li> <li>• Dhaka Principles</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety management system</li> <li>• Healthy work environment programme</li> <li>• Sexual abuse detection protocol (hotels)</li> <li>• Plan to combat sexual exploitation in workplaces</li> <li>• Employability and inclusion programmes</li> </ul>
3. FINANCIAL REPORT		Defend the effective abolition of child labour			
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY		Defend the elimination of discrimination with respect to employment and occupation			
5. COMMITMENT TO COMBAT CLIMATE CHANGE	<b>Environmental (7-9)</b> More info on commitment to the fight against climate change	Implement a preventive management system in environmental matters.	<ul style="list-style-type: none"> <li>• Appointments, Remuneration and Sustainability Committee</li> <li>• Sustainability Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change &amp; Environment Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and environmental management system</li> <li>• Investment under criteria of efficiency and sustainability</li> <li>• Waste management system</li> <li>• Biodiversity management system</li> </ul>
6. CREATION OF SOCIAL VALUE		Support activities to encourage greater environmental responsibility			
7. ANNEXES	<b>Anti-corruption (10)</b> More info on good governance, ethics and integrity	Promote the development and use of environmentally friendly technologies	<ul style="list-style-type: none"> <li>• Audit and Compliance Committee</li> <li>• Sustainability Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Corruption Policy</li> <li>• Regulatory Compliance Policy</li> <li>• Corporate Governance Policy</li> <li>• Fiscal Strategy Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance Office</li> <li>• Crime Prevention and Detection Model</li> <li>• Criminal Compliance Management System</li> <li>• Internal Control System for financial information</li> <li>• Criminal Risk Map</li> <li>• Crime Prevention Protocol</li> <li>• Internal Audits</li> <li>• Philanthropy and Social Action Management System</li> </ul>
		Fight corruption in all its forms, such as extortion and bribery			

## Mechanisms for communication, dialogue and complaints

Our commitment to transparency and accountability to our stakeholders prompts us to regularly report our performance in this regard. We share information on human rights both in our corporate reports and our internal systems. Since 2018 we have made our progress public in accordance with regulatory requirements, our own commitments and the most important reporting standards.

The involvement of our employees is key to consolidating a culture of respect and protection of human rights. Our intranet therefore includes a section on sustainability with specific content on human rights. We want all Meliá Hotels International employees to know about, understand and share both our commitments and the way they form part of our management model, as well as our vision on such a fundamental issue for achieving a better future.

With this objective in mind, our eMeliá online training platform helps train all our staff in areas with an impact on human rights, such as ethics, compliance, anti-corruption, equality, diversity and occupational health, among others. We are currently working on further specific content about human rights in the company and its importance for social development.

### Complaints and claims mechanisms

All our employees and external stakeholders can use a Complaints Channel to report any violations of human rights, with a specific category for human and labour rights.

Of the 33 complaints received via the channel, 28 were related to different dimensions of human rights in 16 hotels, 7 of them owned or leased and 9 under management. 100% of the complaints were analysed and investigated. 24 of the cases were closed in 2022. As of the closing date of this report, 4 complaints were still under investigation.

## OUR COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY TO OUR STAKEHOLDERS PROMPTS US TO REGULARLY REPORT OUR PERFORMANCE.

None of the complaints received in 2022 had a significant impact on the company from a criminal, financial or reputational point of view. In all of the mentioned cases, the appropriate corrective measures were taken on completion of the investigation, in some cases involving disciplinary measures and in others leading to training actions or improvements in processes or procedures. None of these complaints was related to violations of the rights of indigenous people or operations involving child labour.

### Next steps for 2023

We will carry out specific training activities with a special focus on destinations with the highest risk and also reinforce awareness about our management system. We will also analyse our system with respect to the future European Directive and make the appropriate adjustments to ensure alignment.

TRAINING IN AREAS RELATED TO HUMAN RIGHTS (HOURS PER PERSON)

**3.0**

# Impact on the environment

GRI: 2-23; 2-24; 3-3; 413-1



## 1. MELIÁ IN 2022

## 2. BUSINESS MODEL

## 3. FINANCIAL REPORT

## 4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

## 5. COMMITMENT TO COMBAT CLIMATE CHANGE

## 6. CREATION OF SOCIAL VALUE

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We aim to have a balanced impact in an increasingly complex and dynamic business environment. Working in this context is a challenge for a company like ours, given that we operate in more than forty countries with very different circumstances. We believe that creating value and distributing it among our stakeholders is the best way to have a positive impact on the environment.

We know that we play a key role in the travel industry and can have a very positive impact through our participation in different business and social bodies, activating our philanthropic activities or our contribution to the Sustainable Development Goals.

In each area we have a different impact, either tangible (with a direct or redistributed financial contribution) or more intangible, thanks to sharing know-how and leveraging our influence to change, helping improve the travel value chain, enriching the entities of which we form part or with which we work and through which we make our contribution to the impact.

The way in which we impact our immediate environment also helps strengthen our positioning. Wherever we have an active presence, we aim to create real value by raising awareness about the challenges in our industry, encouraging continuous improvement, sharing knowledge, creating relationships and partnerships with entities or companies, and supporting local communities, among other things.

## We generate and redistribute direct value

Tourism contributes significantly to the economic and social development of destinations and in many other industries that form part of the tourism value chain, generating direct wealth and contributing to growth both directly and indirectly or distributed within society.

The way we redistribute the wealth we generate is reflected in our Social Cash Flow (SCF). This reflects the payments that we make and receive and distribute to our stakeholders, tracing the incoming and outgoing flows that have an impact on society and our stakeholders.

Our way of understanding the impact we generate on the environment goes beyond the amount of business we generate as a company. And this is because our activity also helps boost the economy of the countries in which we operate, given that we invest, buy products and services, hire people and pay taxes, among other things.



SOCIAL CASH FLOW 2022



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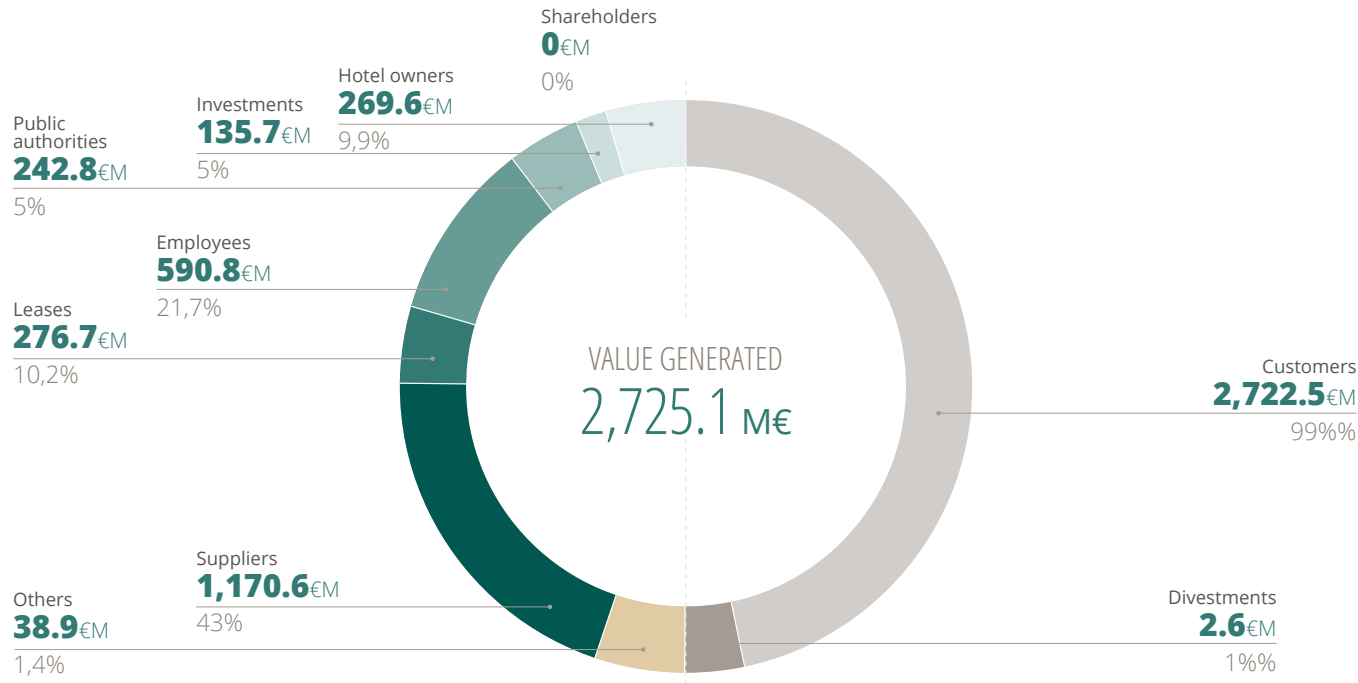
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Incoming value



**Customers**

Revenue from hotels and other assets and businesses.



**Divestments**

Revenues from divestments in real estate, group companies, financial assets, etc.



**Suppliers**

Payments to suppliers of food and beverage, external services, transportation, utilities, etc.



**Leases**

Payments to the owners of the real estate used for hotel management or other activities.



**Employees**

Payments to personnel in corporate offices and owned and managed hotels.



**Public authorities**

For taxes on profits, social costs, taxes on activity, etc.



**Investments**

Payments for investments made, maintenance or reform of company assets.



**Shareholders, hotel owners and others**

Shareholder dividends, payments to owners, financial costs, exchange rate variations, loans to subsidiaries, etc.

\* Aggregated perimeter



## We share experience and know-how to create impact

In the same way that we can measure the value and impact created by our value chain through the SCF, we also have more intangible impacts due to our role as an active player in the business fabric in the destinations where we operate and through which we share our experience and defend the interests of the industry. Contributing our reputation and ability to influence is also a good way to have an impact and create value.

But at the same time it also allows us to enrich ourselves, to learn and improve. This relationship allows us to acquire new knowledge and anticipate change through discussions with other leading companies and the constant search for new opportunities for cooperation. We aim to achieve a balanced presence both at home and abroad, participating in those areas that we consider essential for our business and in which we can add value and have a tangible impact.

### AREAS OF ACTIVITY









## We strengthen the business fabric and associations

At Meliá we have an impact through our direct participation in different business organisations and associations. This also allows us to strengthen our leadership and positioning, giving voice to our vision in different areas and to our value proposition.

Actively participating in certain environments which are aligned with our business approach, commitments and vision allows us to offer our ability to influence as a market-leading company, share knowledge about the latest trends, identify potential risks and help enhance the tourism value chain. But it also helps us manage our intangible capital in a more balanced way and improve our visibility.

GRI: 2-28

RELEVANT AREAS FOR MELIÁ		SELECTED ORGANISATIONS			
AREAS AND ENTITIES	CONTRIBUTION (€)	ENTITY	SCOPE	OBJECTIVE	ANNUAL CONTRIBUTION (€)
5. COMMITMENT TO COMBAT CLIMATE CHANGE	Institutional 54 entities €275k	 Spanish Chamber of Commerce:	Spain	Its main objective is to represent, promote and defend the general interests of Spanish companies. Given our international presence, we also form part of the Spanish Chambers of Commerce in the United Kingdom, France, Belgium, Luxembourg and Peru. Members since 2014.	€65,000
		 The Climate Board	International	Organisation specialised in research and analysis in climate issues.	€25,000
		 SERES Foundation	Spain	Non-profit organisation that supports commitments by companies to improve society and generate economic value and social impact. We are also present in some of the governing bodies of the foundation such as the Board of Trustees and the Advisory Council. Members since 2010.	€19,900
		 Global Compact (Spanish Global Compact Network)	International	International initiative to promote corporate social responsibility. Members since 2011 and signatory member since 2018.	€2,400
		 Exceltur	Spain	Bringing together 34 of the most relevant companies in the Spanish tourism value chain. Members since 2002. Our Executive Vice President & CEO has chaired the organisation since 2019.	€45,000
6. CREATION OF SOCIAL VALUE	Tourism 15 entities €335k	 Asociación Empresarial Hoteleira de Madrid	Spain	Industry organisation that represents and manages the general interests of hotels in the Community of Madrid (Spain)	€43,223
		 Dehoga Nordrhein-Westfalen EV	Germany	Organisation focused on improving communication between the public authorities, hotel associations and hotel companies in the Caribbean and Latin America.	€15,000
		 Inverotel	Caribbean	Organisation focused on improving communication between the public authorities, hotel associations and hotel companies in the Caribbean and Latin America.	€15,000

## KEY CONTRIBUTIONS TO ORGANISATIONS AND ASSOCIATIONS

GRI 2-218  
(in thousands of €)

	2019	2020	2021	2022
Total contribution to industry organisations and associations*	731.8	430.7	579.4	610.7

(\*) Selection of organisations

## Contribution to Sustainable Development Goals

For a considerable amount of time, the United Nations 2030 Agenda has been our benchmark for building a responsible tourism model and facing major global challenges. In addition to making it part of our sustainability strategy, it also allows us to see the impact we have from a different perspective. As the most sustainable hotel company in the world, that's why we promote a responsible hotel management model that creates real value in the destinations in which we operate through working directly on those SDGs that are closest to our activity, are material issues for our stakeholders, and on which we can act directly to generate impact.

## We stay close to the local community

Being consistent with our values and to have a direct impact in the destinations in which we operate, we work on three priority areas that are closely related to the SDGs which we can influence directly through our activity.

Firstly, social action and support for vulnerable people (SDG 10); secondly, actions directly related to health and the environment (SDG 3 and 13); and finally, knowledge about the destination and culture (SDG 12). We create this impact together with different social and cultural

### CONTRIBUTION TO THE SDGS

SDG	MELIÁ COMMITMENT	PRIORITY	BUSINESS IMPACT	REFERENCE IN THE MANAGEMENT REPORT
	Health and safety is a priority that has led us to adapt our products and services and reinforce protocols and management systems to make our hotels and work environments safer.	<ul style="list-style-type: none"> <li>Reduce accidents</li> <li>Lower absenteeism</li> </ul>	<ul style="list-style-type: none"> <li>Management system</li> <li>Accident rate</li> <li>Absenteeism rate</li> <li>Training</li> </ul>	Occupational Health
	We are committed to retaining and training talent and facilitating diverse and non-discriminatory environments	<ul style="list-style-type: none"> <li>Talent retention Training</li> <li>Diversity Social employability</li> </ul>	<ul style="list-style-type: none"> <li>Development programmes</li> <li>Internal commitment Index</li> <li>Socio-labour integration</li> </ul>	People
	Integrate sustainability into our supply chain, work to use more low-impact products, reduce food waste and focus on circularity	<ul style="list-style-type: none"> <li>Less dependency on plastic</li> <li>Reduce food waste</li> </ul>	<ul style="list-style-type: none"> <li>Waste management</li> <li>Circular economy</li> <li>Food waste</li> </ul>	Supply chain
	We promote an efficient and responsible hotel management model with regard to the use of resources and minimisation of the impact of our activity on the environment and ecosystems	<ul style="list-style-type: none"> <li>Energy efficiency Reduce emissions</li> <li>Protect ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>Emission reduction</li> <li>Energy management</li> <li>Investment with sustainable criteria</li> <li>Protected areas</li> </ul>	Climate change
	Promote a management model based on ethics and transparency	<ul style="list-style-type: none"> <li>Ethics and compliance Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Governance</li> <li>Ethics</li> <li>Impact on Human Rights</li> </ul>	Ethics and integrity Due diligence
	We have an open and direct dialogue with our stakeholders and build stable alliances	<ul style="list-style-type: none"> <li>Agreements and alliances Active presence</li> </ul>	<ul style="list-style-type: none"> <li>Materiality</li> <li>Channels for dialogue</li> <li>Meeting spaces</li> </ul>	Stakeholders

organisations to add consistency to SDG 17, among other things. These collaborations always follow the guidelines in our Philanthropy Policy and employ a specific management system for which we have developed an ad-hoc training programme.

Soap for Hope™ is a project we have been working on with our partner Diversey since 2017. After putting the project on hold in 2021 as a result of the pandemic, in 2022 we reactivated it in 18 hotels in 6 countries.

The project recycles leftover soap with objectives in three areas: health, society and the environment. Through local NGOs we deliver free bars of soap to vulnerable people. This project has made it possible to once again allow access to free basic hygiene products for local communities with limited access to those products.

**KEY FIGURES SOAP4HOPE**

	2017-2022	2022	ACCUMULATED
Recycled soap (Tn)	54.7	25.2	79.9
Beneficiaries (k)	64.9	34.9	99.8

In 2022, the war in Ukraine has awakened a feeling of solidarity in society in general. Companies have also not turned their backs on the situation. Meliá contributed by receiving refugees without directly participating in the management of the situation of each refugee which was handled by social organisations, since conflict situations always create a risk of the violation of human rights. Our collaboration was channelled through 12 social organisations that managed the arrival of Ukrainian refugees in different countries, mainly in Spain and Germany, welcoming 2,143 refugees in 12 hotels and providing 198,619 hotel stays, as well as providing goods to cover basic needs, opening up spaces for rest and leisure and sponsoring social activities worth almost fifty thousand euros.

**Digitalisation to support our philanthropy**

As part of our digitalisation strategy, in 2022 we designed and launched a new system for gathering information and reporting on the social projects and volunteering carried out in our hotels. The pilot project for the system involved 14 hotels in the Dominican Republic (3), Mexico (6) and the Barcelona Operations Centre, consisting of 5 hotels.

In the first quarter of 2023 we will implement the project globally. Each hotel will have its own space for monitoring information on its activities, ensuring permanent alignment with our Philanthropy Policy, strategy and management system and increasing the quality of the data used for reporting.

This control, validation and management system will help gather information and improve traceability not only for the report, but also to better manage the more social aspect of the business units, among other things. The project has a training component for all the people involved in social activities in our hotels worldwide, designed to reinforce the corporate responsibility and philanthropy training courses we have implemented in recent years.



SOCIAL ORGANISATIONS HELPED

**60**

TOTAL DONATIONS

**€208,656**

FINANCIAL DONATIONS

**24%**

DONATIONS IN KIND

**76%**

SOCIAL ACTION & SUPPORT FOR GROUPS

**74%**

SUSTAINABILITY, CULTURE AND DESTINATION

**26%**

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## GLOBAL INTEGRATION

### Financial indicators

#### FINANCIAL RESULTS

CONSOLIDATED INFORMATION (In thousands of €)	2019	2020	2021	2022
Total consolidated revenue	1,800.70	528.4	902.4	1,692.00
Total revenue (excluding capital gains)	1,789.50	528.4	827.2	1,679.80
EBITDA	477.9	-151.5	125.5	430.8
EBITDA (excluding capital gains)	470.9	-130.5	61	418.5
EBIT/Operating revenue	222.8	-557.3	-145.3	201.1
<b>Result before taxes</b>	<b>156.3</b>	<b>-663.8</b>	<b>-217.4</b>	<b>156.3</b>
<b>Consolidated result</b>	<b>121.7</b>	<b>-612.7</b>	<b>-197.9</b>	<b>120.1</b>
Net profit attributed to parent company	112.9	-595.9	-192.9	110.7
EBITDA margin (excluding capital gains)	26.30%	N/A	7.40%	24.90%
Net debt	2,028.80	2,603.80	2,853.20	2,673.00
Net debt / EBITDA ratio (excluding capital gains)	4.31x	N/A	46.77x	6.39x

#### STOCK MARKET EVOLUTION

	UNIT	2019	2020	2021	2022
No. of shares	M	229.07	220.40	220.40	220.40
Average daily volume	Thousands of shares	623.87	1,486.55	1,018.89	1,038.56
Maximum share price	€	9.18	8.34	7.30	8.09
Minimum share price	€	6.93	2.74	5.33	4.13
Closing price (as of December 31)	€	7.86	5.72	6.00	4.58
Market capitalisation	M€	1,805.44	1,260.69	1,322.84	1,008.99
Dividend	€	0.18	-	-	-

### Good Governance indicators

#### CORPORATE GOVERNANCE

GRI: 2-9

	UNIT	2018	2019	2020	2021	2022
Board Members	Number	11	11	11	11	11
External proprietary directors	%	36.4	36.4	36.4	36.4	36.4
External independent directors	%	45.5	54.5	54.5	54.5	54.5
Board attendance (in person and by proxy)	%	100	100	100	100	95
Average membership of Board	Years	14.2	11	9.8	8.8	8.5
Directors' average age	Years	64.5	62.6	65.3	63.8	64.9
Female board members	%	18.2	27.3	27.3	36.4	36.4
Board meetings	Number	6	7	7	6	6
Quorum at the AGM	%	77.3	76.8	71.2	74.88	77.31
Women in senior management	%	16.7	16.7	16.7	16.7	16.7
Compliance with CUBG CNMV recommendations (Compliant)	%	67.2	75	70.3	78.13	78.13

## GLOBAL INTEGRATION

## POLICIES

GRI: 2-23

	POLICY	YEAR APPROVED	LINK	DESCRIPTION
1. MELIÁ IN 2022	Treasury Stock Policy	2020	<a href="#">See Policy</a>	This defines the general framework to be respected when carrying out any operation that affects Meliá treasury stock, including the purchase and sale of its own shares by the company or any of the Group companies
	Director Selection & Diversity Policy	2020	<a href="#">See Policy</a>	This defines the principles that must govern procedures for the selection and proposal of appointments, ratification and re-election of members of the Board of Directors
	Risk Control and Analysis Policy	2020	<a href="#">See Policy</a>	This defines the basic principles that govern risk management and the general framework for the control, analysis and assessment of possible risks, including tax risks, faced by Meliá and its Group.
2. BUSINESS MODEL	Data Security Policy	2017	<a href="#">See Policy</a>	This defines the data security framework for the activities of Meliá and its Group
	Joint Venture Policy	2017	<a href="#">See Policy</a>	This defines the principles that govern the relationships of Meliá and its Group with its different partners
3. FINANCIAL REPORT	Investment and Financing Policy	2019	<a href="#">See Policy</a>	Policy that defines the principles that govern investment and financing of projects by Meliá and its Group in order to optimize financial resources and maximise value. It defines general guidelines and criteria for the selection and determination of investments, objectivity in decision-making and optimal financial planning in response to strategic, regulatory and operational or tactical needs
	Corporate Governance Policy	2021	<a href="#">See Policy</a>	Policy that defines the corporate governance principles for Meliá and its Group, leading to the creation of a governance model that complies with the pertinent regulations and recommendations and also guarantees the proper segregation of functions, coordination, monitoring and control
	Marketing, Advertising and Communication Policy	2017	<a href="#">See Policy</a>	This contains the guidelines and principles regarding Meliá's communication with its different stakeholders
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	Sales Policy	2017	<a href="#">See Policy</a>	Policy that defines the guidelines for contracting processes with third parties (customers, tour operators, etc.) for Meliá and its Group, as well as guidelines on relationships with customers, competitors and the tourism industry in general
	Procurement and Service Contracting Policy	2020	<a href="#">See Policy</a>	Policy that defines common and global guidelines and principles that must be applied in relationships with suppliers of goods or services
	Privacy policy	2018	<a href="#">See Policy</a>	This defines the guidelines to be followed by Meliá and its Group in its own activities with regard to the generation, collection, treatment, storage and/or deletion of information
5. COMMITMENT TO COMBAT CLIMATE CHANGE	Communication Policy with Shareholders, Institutional Investors and Proxy Advisors	2020	<a href="#">See Policy</a>	This defines the principles that must govern Meliá's communication procedures with shareholders and investors and, insofar as is applicable, with other interested parties, such as financial analysts and proxy advisors, among others
	Anti-Corruption Policy	2021	<a href="#">See Policy</a>	Policy that defines the principles that govern the conduct of all company directors and employees to prevent, detect, report and remedy any actions that under applicable regulations may be considered corrupt or criminal
	Occupational Health and Safety Policy	2021	<a href="#">See Policy</a>	Policy that includes the objectives and commitments of Meliá in terms of occupational health and safety
6. CREATION OF SOCIAL VALUE	Climate Change & Environment Policy	2021	<a href="#">See Policy</a>	This defines Meliá's principles in its commitment to fighting climate change and protecting the environment while promoting efficient, responsible and sustainable management throughout its value chain
	Human Resources Policy	2019	<a href="#">See Policy</a>	Policy that defines the basic principles for the respect of labour rights, the assurance of a satisfactory work environment, the prevention of occupational risks and the management of talent at the service of the professional development of the people
	Sustainability Policy	2021	<a href="#">See Policy</a>	Policy that defines the general principles that ensure an ethical, responsible and sustainable management model
	Fiscal Strategy Policy	2018	<a href="#">See Policy</a>	This defines the principles and guidelines for the company's performance within the framework of its fiscal strategy
7. ANNEXES	Compliance Policy	2021	<a href="#">See Policy</a>	Policy that defines the principles and commitments of Meliá and its Group in terms of regulatory compliance
	Human Rights Policy	2018	<a href="#">See Policy</a>	Policy that defines the principles, guidelines and commitments assumed by Meliá in relation to the protection and defence of human rights
	Philanthropy Policy	2018	<a href="#">See Policy</a>	This defines the principles of Meliá and its Group in relation to social or philanthropic activities
	Stakeholder Relationship Policy	2018	<a href="#">See Policy</a>	Policy that defines the principles and guidelines that govern the relationships of Meliá and its Group with the different stakeholders with which it interacts



## Environmental indicators

## ENERGY

GRI: 302-1; 302-3; 302-4 / SASB: SV-HL-130a.1

INDICATOR	UNIT	2019	2020	2021	2022
Non-renewable fuel (A + B + C)	Gj	597,736	292,024	329,889	480,190
	MWh	102,009	53,734	56,660	86,491
A. Natural gas	Gj	368,897	194,335	204,892	312,790
	m <sup>3</sup>	8,529,411	4,493,497	4,737,606	7,232,465
B. Propane	Gj	156,886	73,781	101,258	136,770
	Tn	3,448	1,622	2,225	3,006
C. Diesel	Gj	71,953	23,908	23,739	30,630
	m <sup>3</sup>	1,880	625	620	800
Non-renewable electricity	Gj	331,912	204,444	238,292	312,901
	MWh	92,198	56,790	66,192	86,917
Steam / heating / cooling and other non-renewable energy	Gj	279,228	146,614	238,425	300,152
	MWh	77,563	40,726	66,229	83,376
Total non-renewable energy use	Gj	<b>1,208,876</b>	<b>643,082</b>	<b>806,606</b>	<b>1,093,243</b>
	MWh	<b>271,770</b>	<b>151,250</b>	<b>189,081</b>	<b>256,783</b>
Renewable electricity (with green certification)	Gj	658,431	318,111	391,689	557,149
	MWh	182,897	88,364	108,803	154,764
Total energy use (non-renewable + renewable)	Gj	<b>1,867,307</b>	<b>961,193</b>	<b>1,198,296</b>	<b>1,650,392</b>
	MWh	<b>454,667</b>	<b>239,614</b>	<b>297,884</b>	<b>411,547</b>
Energy intensity ratio	Gj / stay	<b>0.132</b>	<b>0.251</b>	<b>0.188</b>	<b>0.138</b>
	MWh / stay	<b>0.032</b>	<b>0.063</b>	<b>0.047</b>	<b>0.035</b>
Total cost of energy consumption (by revenues)	€	NA	24,593,193	37,757,845	70,834,468
Percentage of renewable energy	Total consumption	40.20%	36.90%	36.50%	37.60%
Percentage of electricity	Total consumption	60.50%	60.60%	58.70%	58.70%
Data coverage	Portfolio	100%	100%	100%	100%

## WATER

GRI: 303-5 / SASB: SV-HL-140a.1

INDICATOR	UNIT	2019	2020	2021	2022
Total municipal water use (or other water services)	m <sup>3</sup>	3,526,747	2,004,988	2,679,996	3,348,824
Salt water extraction	m <sup>3</sup>	281,155	209,026	249,388	342,541
Surface freshwater extraction	m <sup>3</sup>	3,913,207	2,567,450	2,973,669	4,066,780
Surface freshwater extraction	m <sup>3</sup>	-	-	-	-
<b>Total water extraction</b>	<b>m<sup>3</sup></b>	<b>7,439,954</b>	<b>4,572,438</b>	<b>5,653,665</b>	<b>7,758,145</b>
Discharge: Water returned to the source with a quality similar or superior to the water extracted	m <sup>3</sup>	7,439,954	4,572,438	5,653,665	7,758,145
<b>Total net water consumption</b>	<b>m<sup>3</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Intensity ratio of net water consumption</b>	<b>m<sup>3</sup> / stay</b>	<b>0.527</b>	<b>1.195</b>	<b>0.889</b>	<b>0.651</b>
Data coverage	Portfolio	100%	100%	100%	100%

## WASTE

GRI: 306-1; 306-2; 306-3

INDICATOR	UNIT	2019	2020	2021	2022
A. Volume of waste generated	Tn	NA	6,057	6,065	17,104
B. Volume of waste used / recycled / sold	Tn	NA	3,348	3,976	9,319
<b>Net waste generated (A-B)</b>	<b>Tn</b>	<b>NA</b>	<b>2,709</b>	<b>2,089</b>	<b>7,785</b>
<b>Recycling rate</b>	<b>Selective collection.</b>	<b>NA</b>	<b>55%</b>	<b>66%</b>	<b>54%</b>
Data coverage	Portfolio	NA	100%	100%	100%

## GLOBAL INTEGRATION

## NOX AND SOX EMISSIONS

GRI: 305-7

INDICATOR	UNIT	2019	2020	2021	2022
Total NOx emissions	Kg	73,159	35,626	41,963	60,142
Total SOx emissions	Kg	8,427	3,146	3,240	4,394

## ENVIRONMENTAL INVESTMENTS

INDICATOR	UNIT	2019	2020	2021	2022
Total environmental investment (Capex)	€	-	10,216,868	2,459,082	5,299,690
Total environmental expenditure (Opex)	€	7,005,590	4,639,620	4,857,688	2,859,049
Total savings generated	€	-	968,426	574,715	6,411,157

## CARBON FOOTPRINT

GRI: 305-1; 305-2; 305-3; 305-4; 305-5

INDICATOR	UNIT	2019	2020	2021	2022
Total emissions scope 1	TCO <sub>2</sub> eq	37,069	18,404	20,645	29,525
Emissions intensity ratio scope 1	TCO <sub>2</sub> eq / stay <sup>2</sup>	0.003	0.005	0.003	0.002
Total emissions scope 2 (*)	TCO <sub>2</sub> eq	81,923	48,888	71,961	92,672
Emissions intensity ratio scope 2	TCO <sub>2</sub> eq / stay <sup>2</sup>	0.006	0.013	0.011	0.008
Total emissions scope 3	TCO <sub>2</sub> eq	367,565	88,221	144,631	280,508
Emissions intensity ratio scope 3	TCO <sub>2</sub> eq / stay <sup>2</sup>	0.026	0.023	0.023	0.024
Data coverage	Portfolio	100%	100%	100%	100%



HR indicators

AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND AGE (FTES)

GRI: 2-4; 2-7; 405-1

1. MELIÁ IN 2022

REGION	GENDER	YEAR	SENIOR MANAGEMENT				MIDDLE MANAGEMENT				GENERAL STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
EMEA	M	2022	-	20.41	10.32	30.73	9.68	145.94	22.36	177.98	288.75	499.87	132.85	921.48	1,130.19
		2021	-	11.49	9.94	21.43	4.79	71.05	20.54	96.38	146.14	287.97	73.87	507.97	625.78
		2020	-	11.28	9.38	20.66	4.07	67.76	13.67	85.50	175.51	245.58	49.58	470.68	576.84
	F	2022	-	5.09	2.00	7.09	23.06	130.1	26.16	179.32	310.00	357.92	83.04	750.95	937.36
		2021	-	3.47	1.75	5.22	13.28	66.23	13.67	93.18	164.46	217.71	49.87	432.05	530.45
		2020	-	2.15	1.05	3.20	10.70	46.11	12.87	69.69	207.71	170.89	36.65	415.25	488.13
	TOTAL	2022	-	25.50	12.32	37.82	32.74	276.04	48.52	357.30	598.75	857.79	215.89	1,672.43	2,067.55
		2021	-	14.96	11.69	26.65	18.07	137.28	34.21	189.55	310.60	505.68	123.74	940.02	1,156.23
		2020	-	13.43	10.43	23.86	14.77	113.88	26.54	155.18	383.22	416.48	86.23	885.93	1,064.97
	CUBA	M	2022	-	-	1.00	1.00	-	-	-	-	-	27.00	5.33	32.33
2021			-	-	-	-	-	-	-	-	-	-	-	-	-
2020			-	-	-	-	-	-	-	-	-	-	-	-	-
F		2022	-	-	-	-	-	-	-	-	-	16.30	2.00	18.30	18.30
		2021	-	-	-	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		2022	-	-	1.00	1.00	-	-	-	-	-	43.30	7.33	50.63	51.63
		2021	-	-	-	-	-	-	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-	-	-	-	-	-	-
SPAIN		M	2022	-	65.18	52.50	117.68	16.87	318.13	122.87	457.88	491.40	1,584.17	664.45	2,740.02
	2021		-	55.26	47.66	102.92	6.18	246.03	109.37	361.58	210.08	882.61	441.46	1,534.14	1,998.65
	2020		-	53.28	44.69	97.96	3.03	194.78	89.81	287.61	178.23	613.88	323.32	1,115.43	1,501.00
	F	2022	-	47.91	17.88	65.79	14.89	344.4	90.18	449.48	568.73	1,921.61	843.90	3,334.23	3,849.51
		2021	-	38.65	15.09	53.74	10.66	233.3	73.95	317.92	218.76	967.41	500.81	1,686.97	2,058.63
		2020	-	35.77	9.88	45.65	8.86	172.45	53.12	234.42	164.53	670.43	326.92	1,161.88	1,441.95
	TOTAL	2022	-	113.09	70.38	183.47	31.76	662.54	213.06	907.36	1,060.13	3,505.78	1,508.34	6,074.25	7,165.08
		2021	-	93.91	62.75	156.66	16.84	479.33	183.32	679.49	428.83	1,850.02	942.27	3,221.12	4,057.27
		2020	-	89.04	54.57	143.61	11.89	367.22	142.92	522.04	342.76	1,284.30	650.25	2,277.30	2,942.95
	ASIA	M	2022	-	5.39	3.00	8.39	1.18	10.4	-	11.58	-	-	-	-
2021			-	4.55	2.73	7.28	-	5.3	-	5.30	0.91	-	-	0.91	13.49
2020			-	4.55	2.28	6.83	-	3.46	-	3.46	0.76	-	-	0.76	11.05
F		2022	-	1.00	1.00	2.00	2.36	17.74	0.78	20.88	0.52	6.50	-	7.03	29.91
		2021	-	0.91	0.91	1.82	1.57	11.51	-	13.08	3.00	6.00	-	9.00	23.90
		2020	-	0.76	0.76	1.52	2.14	9.74	-	11.88	3.86	4.71	-	8.57	21.96
TOTAL		2022	-	6.39	4.00	10.39	3.54	28.14	0.78	32.46	0.52	6.50	-	7.03	49.88
		2021	-	5.46	3.64	9.10	1.57	16.81	-	18.38	3.91	6.00	-	9.91	37.39
		2020	-	5.31	3.04	8.35	2.14	13.2	-	15.34	4.62	4.71	-	9.33	33.01
AMERICAS		M	2022	-	16.25	18.11	34.36	13.19	151.13	48.17	212.48	1,576.11	2,495.49	395.80	4,467.40
	2021		-	11.46	11.48	22.95	13.39	159.32	48.28	220.99	1,106.18	1,893.31	361.73	3,361.22	3,605.15
	2020		-	13.24	9.02	22.27	6.26	106.25	43.46	155.98	851.67	1,526.49	335.06	2,713.22	2,891.46
	F	2022	-	6.30	2.00	8.30	6.42	123.46	35.03	164.91	1,006.46	1,447.81	138.58	2,592.85	2,766.05
		2021	-	3.47	2.03	5.50	7.79	116.15	29.76	153.70	607.45	1,047.04	126.13	1,780.61	1,939.81
		2020	-	3.11	1.41	4.52	2.94	90.82	28.79	122.56	480.02	823.46	111.74	1,415.22	1,542.30
	TOTAL	2022	-	22.55	20.11	42.66	19.60	274.59	83.20	377.39	2,582.57	3,943.29	534.38	7,060.25	7,480.30
		2021	-	14.93	13.51	28.44	21.18	275.47	78.04	374.69	1,713.63	2,940.34	487.86	5,141.83	5,544.96
		2020	-	16.35	10.44	26.79	9.21	197.08	72.25	278.54	1,331.69	2,349.95	446.79	4,128.43	4,433.76
	TOTAL	2022	-	167.54	107.81	275.35	87.64	1,241.31	345.56	1,674.51	4,241.97	8,356.67	2,265.95	14,864.59	16,814.45
2021		-	129.26	91.59	220.85	57.66	908.88	295.58	1,262.12	2,456.97	5,302.04	1,553.87	9,312.88	10,795.85	
2020		-	124.13	78.47	202.60	38.00	691.38	241.72	971.10	2,062.29	4,055.44	1,183.26	7,300.99	8,474.69	

## GLOBAL INTEGRATION

**AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (FTES)**

GRI: 2-4; 2-7

	REGION	GENDER	YEAR	SENIOR MANAGEMENT			MIDDLE MANAGEMENT			GENERAL STAFF			TOTAL
				FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	
1. MELIÁ IN 2022	EMEA	M	2022	30.73	-	30.73	176.26	1.72	177.98	864.05	57.43	921.48	1,130.19
			2021	18.96	2.46	21.43	91.78	4.60	96.38	471.06	36.91	507.97	625.78
			2020	20.66	-	20.66	84.87	0.63	85.50	441.68	29.00	470.68	576.84
		F	2022	7.09	-	7.09	166.52	12.81	179.32	674.68	76.27	750.95	937.36
			2021	5.22	-	5.22	80.63	12.55	93.18	371.58	60.46	432.05	530.45
			2020	3.20	-	3.20	65.52	4.16	69.69	371.13	44.12	415.25	488.13
2. BUSINESS MODEL	TOTAL	2022	37.82	-	37.82	342.78	14.52	357.30	1,538.73	133.70	1,672.43	2,067.55	
		2021	24.19	2.46	26.65	172.41	17.14	189.55	842.65	97.37	940.02	1,156.23	
		2020	23.86	-	23.86	150.39	4.79	155.18	812.81	73.12	885.93	1,064.97	
3. FINANCIAL REPORT	CUBA	M	2022	1.00	-	1.00	-	-	-	32.33	-	32.33	33.33
			2021	-	-	-	-	-	-	-	-	-	-
			2020	-	-	-	-	-	-	-	-	-	-
		F	2022	-	-	-	-	-	-	18.30	-	18.30	18.30
			2021	-	-	-	-	-	-	-	-	-	-
			2020	-	-	-	-	-	-	-	-	-	-
TOTAL	2022	1.00	-	1.00	-	-	-	50.63	-	50.63	51.63		
	2021	-	-	-	-	-	-	-	-	-	-		
	2020	-	-	-	-	-	-	-	-	-	-		
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	SPAIN	M	2022	116.75	0.93	117.68	453.88	4.00	457.88	2,688.36	51.66	2,740.02	3,315.57
			2021	99.18	3.74	102.92	357.22	4.36	361.58	1,477.32	56.82	1,534.14	1,998.65
			2020	96.40	1.56	97.96	281.57	6.04	287.61	1,077.34	38.09	1,115.43	1,501.00
		F	2022	65.54	0.25	65.79	445.92	3.56	449.48	3,197.98	136.26	3,334.23	3,849.51
			2021	53.74	-	53.74	305.11	12.80	317.92	1,534.46	152.51	1,686.97	2,058.63
			2020	45.65	-	45.65	231.21	3.21	234.42	1,103.88	58.00	1,161.88	1,441.95
5. COMMITMENT TO COMBAT CLIMATE CHANGE	TOTAL	2022	182.29	1.18	183.47	899.80	7.56	907.36	5,886.34	187.92	6,074.25	7,165.08	
		2021	152.92	3.74	156.66	662.33	17.16	679.49	3,011.78	209.34	3,221.12	4,057.27	
		2020	142.05	1.56	143.61	512.78	9.25	522.04	2,181.22	96.08	2,277.30	2,942.95	
6. CREATION OF SOCIAL VALUE	ASIA	M	2022	8.39	-	8.39	11.58	-	11.58	-	-	-	19.97
			2021	7.28	-	7.28	5.30	-	5.30	0.91	-	0.91	13.49
			2020	6.83	-	6.83	3.46	-	3.46	0.76	-	0.76	11.05
		F	2022	2.00	-	2.00	20.88	-	20.88	7.03	-	7.03	29.91
			2021	1.82	-	1.82	13.08	-	13.08	9.00	-	9.00	23.90
			2020	1.52	-	1.52	11.88	-	11.88	8.57	-	8.57	21.96
TOTAL	2022	10.39	-	10.39	32.46	-	32.46	7.03	-	7.03	49.88		
	2021	9.10	-	9.10	18.38	-	18.38	9.91	-	9.91	37.39		
	2020	8.35	-	8.35	15.34	-	15.34	9.33	-	9.33	33.01		
7. ANNEXES	AMERICAS	M	2022	34.36	-	34.36	212.48	-	212.48	4,465.07	2.33	4,467.40	4,714.25
			2021	22.95	-	22.95	220.99	-	220.99	3,361.22	-	3,361.22	3,605.15
			2020	22.27	-	22.27	155.98	-	155.98	2,709.28	3.93	2,713.22	2,891.46
		F	2022	8.30	-	8.30	164.91	-	164.91	2,588.95	3.90	2,592.85	2,766.05
			2021	5.50	-	5.50	153.70	-	153.70	1,780.61	-	1,780.61	1,939.81
			2020	4.52	-	4.52	122.56	-	122.56	1,413.73	1.49	1,415.22	1,542.30
TOTAL	2022	42.66	-	42.66	377.39	-	377.39	7,054.02	6.23	7,060.25	7,480.30		
	2021	28.44	-	28.44	374.69	-	374.69	5,141.83	-	5,141.83	5,544.96		
	2020	26.79	-	26.79	278.54	-	278.54	4,123.01	5.42	4,128.43	4,433.76		
TOTAL	2022	274.17	1.18	275.35	1,652.43	22.08	1,674.51	14,536.74	327.85	14,864.59	16,814.45		
	2021	214.65	6.20	220.85	1,227.81	34.31	1,262.12	9,006.17	306.71	9,312.88	10,795.85		
	2020	201.04	1.56	202.60	957.06	14.04	971.10	7,126.37	174.63	7,300.99	8,474.69		

GLOBAL INTEGRATION

**AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTES)**

GRI: 2-4; 2-7

	REGION	GENDER	YEAR	SENIOR MANAGEMENT			MIDDLE MANAGEMENT			GENERAL STAFF			TOTAL
				PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	
1. MELIÁ IN 2022	EMEA	M	2022	30.73	-	30.73	175.69	2.29	177.98	838.79	82.69	921.48	1,130.19
			2021	21.43	-	21.43	96.18	0.20	96.38	483.70	24.27	507.97	625.78
			2020	19.12	1.54	20.66	79.80	5.70	85.50	341.30	129.38	470.68	576.84
		F	2022	7.09	-	7.09	176.30	3.02	179.32	672.41	78.55	750.95	937.36
			2021	5.22	-	5.22	92.94	0.24	93.18	406.82	25.23	432.05	530.45
			2020	3.20	-	3.20	66.62	3.06	69.69	270.17	145.08	415.25	488.13
	TOTAL	2022	37.82	-	37.82	351.99	5.31	357.30	1,511.19	161.24	1,672.43	2,067.55	
		2021	26.65	-	26.65	189.11	0.44	189.55	890.52	49.50	940.02	1,156.23	
		2020	22.32	1.54	23.86	146.42	8.77	155.18	611.47	274.46	885.93	1,064.97	
	2. BUSINESS MODEL	CUBA	M	2022	1.00	-	1.00	-	-	-	32.33	-	32.33
2021				-	-	-	-	-	-	-	-	-	-
2020				-	-	-	-	-	-	-	-	-	-
F			2022	-	-	-	-	-	-	18.30	-	18.30	18.30
			2021	-	-	-	-	-	-	-	-	-	-
			2020	-	-	-	-	-	-	-	-	-	-
TOTAL		2022	1.00	-	1.00	-	-	-	50.63	-	50.63	51.63	
		2021	-	-	-	-	-	-	-	-	-	-	
		2020	-	-	-	-	-	-	-	-	-	-	
3. FINANCIAL REPORT		SPAIN	M	2022	117.68	-	117.68	452.81	5.07	457.88	2,547.52	192.50	2,740.02
	2021			102.11	0.81	102.92	351.27	10.30	361.58	1,180.28	353.86	1,534.14	1,998.65
	2020			97.03	0.93	97.96	279.04	8.57	287.61	851.41	264.01	1,115.43	1,501.00
	F		2022	65.79	-	65.79	446.73	2.75	449.48	3,087.17	247.06	3,334.23	3,849.51
			2021	53.74	-	53.74	306.82	11.10	317.92	1,265.90	421.08	1,686.97	2,058.63
			2020	45.65	-	45.65	228.00	6.42	234.42	878.24	283.64	1,161.88	1,441.95
	TOTAL	2022	183.47	-	183.47	899.54	7.81	907.36	5,634.69	439.57	6,074.25	7,165.08	
		2021	155.85	0.81	156.66	658.09	21.4	679.49	2,446.18	774.94	3,221.12	4,057.27	
		2020	142.68	0.93	143.61	507.04	15.00	522.04	1,729.65	547.66	2,277.30	2,942.95	
	4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	ASIA	M	2022	8.19	0.21	8.39	5.07	6.52	11.58	-	-	-
2021				5.46	1.82	7.28	4.64	0.66	5.30	0.91	-	0.91	13.49
2020				5.31	1.52	6.83	3.46	-	3.46	0.76	-	0.76	11.05
F			2022	2.00	-	2.00	12.37	8.51	20.88	5.04	1.99	7.03	29.91
			2021	1.82	-	1.82	7.70	5.38	13.08	6.00	3.00	9.00	23.90
			2020	1.52	-	1.52	7.37	4.51	11.88	5.73	2.84	8.57	21.96
TOTAL		2022	10.19	0.21	10.39	17.44	15.02	32.46	5.04	1.99	7.03	49.88	
		2021	7.28	1.82	9.10	12.34	6.04	18.38	6.91	3.00	9.91	37.39	
		2020	6.83	1.52	8.35	10.83	4.51	15.34	6.49	2.84	9.33	33.01	
5. COMMITMENT TO COMBAT CLIMATE CHANGE		AMERICAS	M	2022	34.21	0.15	34.36	186.49	26.00	212.48	3,194.99	1,272.41	4,467.40
	2021			17.67	5.27	22.95	170.71	50.28	220.99	2,213.48	1,147.74	3,361.22	3,605.15
	2020			22.08	0.18	22.27	144.75	11.23	155.98	2,056.15	657.07	2,713.22	2,891.46
	F		2022	8.30	-	8.30	153.11	11.79	164.91	1,740.85	852.00	2,592.85	2,766.05
			2021	5.00	0.50	5.50	130.05	23.65	153.70	1,029.44	751.18	1,780.61	1,939.81
			2020	4.52	-	4.52	117.86	4.70	122.56	1,010.69	404.53	1,415.22	1,542.30
	TOTAL	2022	42.51	0.15	42.66	339.60	37.79	377.39	4,935.84	2,124.41	7,060.25	7,480.30	
		2021	22.67	5.77	28.44	300.77	73.93	374.69	3,242.91	1,898.92	5,141.83	5,544.96	
		2020	26.60	0.18	26.79	262.61	15.93	278.54	3,066.84	1,061.60	4,128.43	4,433.76	
	6. CREATION OF SOCIAL VALUE	TOTAL	M	2022	274.99	0.36	275.35	1,608.58	65.93	1,674.51	12,137.39	2,727.20	14,864.59
2021				212.45	8.40	220.85	1,160.31	101.81	1,262.12	6,586.53	2,726.35	9,312.88	10,795.85
2020				198.43	4.18	202.60	926.89	44.21	971.10	5,414.45	1,886.54	7,300.99	8,474.69
F			2022	7.09	-	7.09	176.30	3.02	179.32	672.41	78.55	750.95	937.36
			2021	5.22	-	5.22	92.94	0.24	93.18	406.82	25.23	432.05	530.45
			2020	3.20	-	3.20	66.62	3.06	69.69	270.17	145.08	415.25	488.13
TOTAL		2022	37.82	-	37.82	351.99	5.31	357.30	1,511.19	161.24	1,672.43	2,067.55	
		2021	26.65	-	26.65	189.11	0.44	189.55	890.52	49.50	940.02	1,156.23	
		2020	22.32	1.54	23.86	146.42	8.77	155.18	611.47	274.46	885.93	1,064.97	
7. ANNEXES		TOTAL	M	2022	1.00	-	1.00	-	-	-	32.33	-	32.33
	2021			-	-	-	-	-	-	-	-	-	-
	2020			-	-	-	-	-	-	-	-	-	-
	F		2022	-	-	-	-	-	-	18.30	-	18.30	18.30
			2021	-	-	-	-	-	-	-	-	-	-
			2020	-	-	-	-	-	-	-	-	-	-
	TOTAL	2022	1.00	-	1.00	-	-	-	50.63	-	50.63	51.63	
		2021	-	-	-	-	-	-	-	-	-	-	
		2020	-	-	-	-	-	-	-	-	-	-	

## GLOBAL INTEGRATION

## EMPLOYED AND ACTIVE STAFF BY REGION (FTES)

GRI: 2-4; 2-7

REGION	YEAR	EMPLOYED WORKFORCE	ACTIVE WORKFORCE
SPAIN	2022	7,291.68	7,165.08
	2021	5,613.82	4,057.27
AMERICAS	2022	7,480.30	7,480.30
	2021	5,966.92	5,544.96
EMEA	2022	2,067.55	2,067.55
	2021	1,832.48	1,156.23
ASIA	2022	49.88	49.88
	2021	39.82	37.39
CUBA	2022	51.63	51.63
	2021	-	-
<b>TOTAL</b>	2022	<b>16,941.05</b>	<b>16,814.45</b>
	2021	<b>13,453.03</b>	<b>10,795.85</b>

## NEW CONTRACTS BY GENDER, AGE, PROFESSIONAL CATEGORY, TYPE OF CONTRACT AND TYPE OF WORKING DAY (NUMBER)

GRI: 401-1

LEVEL	AGE	CONTRACT TYPE							WORKING DAY						TOTAL	
		PERMANENT			TEMPORARY			TOTAL	FULL-TIME			PART-TIME				
		F	M	TOTAL	F	M	TOTAL		F	M	TOTAL	F	M	TOTAL		
MANAGEMENT	< 30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	30 - 50	2	9	11	0	0	0	11	2	9	11	0	0	0	0	11
	>50	0	1	1	0	1	1	2	0	2	2	0	0	0	0	2
	Total 2022	2	10	12	0	1	1	13	2	11	13	0	0	0	0	13
	Total 2021	3	8	11		1	1	12	3	8	11		1	1	13	
MIDDLE MANAGEMENT	< 30	21	16	37	2	2	4	41	23	18	41	0	0	0	0	41
	30 - 50	73	121	194	15	32	47	241	88	151	239	0	2	2	2	241
	>50	5	10	15	2	7	9	24	7	17	24	0	0	0	0	24
	Total 2022	99	147	246	19	41	60	306	118	186	304	0	2	2	2	306
	Total 2021	54	74	128	25	42	67	195	77	112	189	2	4	6	6	201
GENERAL STAFF	< 30	1,408	1,595	3,003	876	1,164	2,040	5,043	2,146	2,657	4,803	138	102	240	5,043	
	30 - 50	1,295	1,337	2,632	848	1,006	1,854	4,486	2,024	2,294	4,318	119	49	168	4,486	
	>50	256	170	426	78	122	200	626	307	283	590	27	9	36	626	
	Total 2022	2,959	3,102	6,061	1,802	2,292	4,094	10,155	4,477	5,234	9,711	284	160	444	10,155	
	Total 2021	1,036	1,863	2,899	2,077	2,410	4,487	7,386	2,928	4,154	7,082	185	119	304	7,690	
<b>TOTAL</b>	<b>Total 2022</b>	<b>3,060</b>	<b>3,259</b>	<b>6,319</b>	<b>1,821</b>	<b>2,334</b>	<b>4,155</b>	<b>10,474</b>	<b>4,597</b>	<b>5,431</b>	<b>10,028</b>	<b>284</b>	<b>162</b>	<b>446</b>	<b>10,474</b>	
<b>TOTAL</b>	<b>Total 2021</b>	<b>1,093</b>	<b>1,945</b>	<b>3,038</b>	<b>2,102</b>	<b>2,453</b>	<b>4,555</b>	<b>7,593</b>	<b>3,008</b>	<b>4,274</b>	<b>7,282</b>	<b>187</b>	<b>124</b>	<b>311</b>	<b>7,904</b>	

## GLOBAL INTEGRATION

**TURNOVER RATE FOR AVERAGE WORKFORCE BY GENDER, REGION AND AGE (%)**

GRI: 401-1, SASB: SV-HL-310a.1

	REGION	GENDER	INVOLUNTARY TURNOVER				VOLUNTARY TURNOVER				TOTAL TURNOVER			
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
1. MELIÁ IN 2022	EMEA	M	12.20%	7.00%	9.50%	9.00%	25.30%	24.60%	16.50%	23.90%	37.50%	31.70%	26.00%	32.90%
		F	9.00%	6.40%	5.70%	7.40%	26.10%	21.40%	10.70%	22.40%	35.00%	27.80%	16.40%	29.90%
		TOTAL 2022	10.50%	6.80%	8.00%	8.30%	25.70%	23.30%	14.20%	23.20%	36.20%	30.00%	22.20%	31.50%
		TOTAL 2021	10.90%	8.90%	7.70%	9.50%	16.60%	15.70%	16.50%	16.20%	27.50%	24.50%	24.20%	25.60%
2. BUSINESS MODEL	SPAIN	M	18.80%	11.50%	6.10%	12.00%	17.90%	9.70%	7.20%	11.00%	36.60%	21.20%	13.20%	23.00%
		F	22.50%	13.90%	11.20%	15.10%	14.70%	8.10%	4.50%	8.70%	37.20%	22.00%	15.70%	23.90%
		TOTAL 2022	20.80%	12.80%	8.90%	13.70%	16.20%	8.80%	5.70%	9.80%	36.90%	21.60%	14.60%	23.50%
		TOTAL 2021	41.60%	22.70%	16.50%	24.10%	10.50%	6.50%	6.10%	7.10%	51.70%	28.90%	22.50%	30.90%
3. FINANCIAL REPORT	ASIA	M	0.00%	4.50%	0.00%	3.60%	0.00%	4.50%	0.00%	3.60%	0.00%	9.10%	0.00%	7.10%
		F	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	8.60%	0.00%	10.00%	0.00%	8.60%
		TOTAL 2022	0.00%	1.90%	0.00%	1.60%	0.00%	7.70%	0.00%	6.30%	0.00%	9.60%	0.00%	7.90%
		TOTAL 2021	0.00%	3.00%	0.00%	2.30%	33.30%	3.00%	0.00%	7.00%	33.30%	6.10%	0.00%	9.30%
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	AMERICAS	M	12.30%	10.70%	7.60%	11.10%	35.10%	24.50%	15.40%	28.20%	47.50%	35.10%	23.00%	39.30%
		F	9.10%	6.90%	4.60%	7.70%	33.80%	28.00%	17.50%	30.00%	43.00%	34.90%	22.10%	37.70%
		TOTAL 2022	11.10%	9.20%	6.80%	9.90%	34.60%	25.80%	16.00%	28.90%	45.70%	35.10%	22.70%	38.70%
		TOTAL 2021	41.40%	28.50%	15.00%	32.70%	6.00%	6.30%	4.30%	6.00%	47.40%	34.50%	19.30%	38.60%
5. COMMITMENT TO COMBAT CLIMATE CHANGE	<b>TOTAL</b>	<b>Total 2022</b>	<b>13.70%</b>	<b>10.50%</b>	<b>8.30%</b>	<b>11.30%</b>	<b>28.10%</b>	<b>18.00%</b>	<b>8.70%</b>	<b>20.00%</b>	<b>41.80%</b>	<b>28.50%</b>	<b>17.10%</b>	<b>31.30%</b>
		<b>Total 2021</b>	<b>37.80%</b>	<b>23.90%</b>	<b>15.40%</b>	<b>26.70%</b>	<b>8.20%</b>	<b>7.40%</b>	<b>6.70%</b>	<b>7.50%</b>	<b>46.00%</b>	<b>31.00%</b>	<b>21.90%</b>	<b>34.10%</b>

**PATERNITY AND MATERNITY LEAVE (PAX)**

GRI: 401-3

	REGION	YEAR	PARENTAL LEAVE		
			M	F	TOTAL
7. ANNEXES	SPAIN	2022	113	90	203
		2021	-	-	0
	EMEA	2022	27	36	63
		2021	-	-	0
	AMERICAS	2022	147	107	254
		2021	-	-	0
	ASIA	2022	1	2	3
		2021	-	-	0
	<b>TOTAL</b>	2022	<b>288</b>	<b>235</b>	<b>523</b>
		2021	<b>0</b>	<b>0</b>	<b>0</b>



GLOBAL INTEGRATION

DISMISSALS BY CATEGORY, AGE AND GENDER (NUMBER)

LEVEL	AGE	2022			2021			
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
1. MELIÁ IN 2022	MANAGEMENT	<30	0	0	0	-	-	0
		30-50	0	1	1	-	-	0
		>50	1	3	4	-	2	2
		TOTAL	1	4	5	0	2	2
2. BUSINESS MODEL	MIDDLE MANAGEMENT	<30	0	0	0	2		2
		30-50	5	13	18	5	10	15
		>50	1	5	6	-	1	1
		TOTAL	6	18	24	7	11	18
3. FINANCIAL REPORT	GENERAL STAFF	<30	40	148	188	71	212	283
		30-50	72	191	263	100	228	328
		>50	10	16	26	10	31	41
		TOTAL	122	355	477	181	471	652
<b>TOTAL</b>		<b>129</b>	<b>377</b>	<b>506</b>	<b>188</b>	<b>484</b>	<b>672</b>	

TRAINING BY PROFESSIONAL CATEGORY AND GENDER (NO. HOURS)

GRI: 404-1

PROFESSIONAL CATEGORY	AGE	WOMEN	MEN	HOURS	HOURS PER EMPLOYEE
MANAGEMENT	<30	-	-	-	-
	30-50	1,433	1,484	2,916	19.44
	>50	473	748	1,221	14.04
	TOTAL 2022	1,906	2,232	4,138	17.46
	TOTAL 2021	1,838	3,411	5,249	23.77
MIDDLE MANAGEMENT	<30	417	511	928	9.87
	30-50	8,758	8,185	16,943	14.21
	>50	1,749	1,802	3,551	10.83
	TOTAL 2022	10,924	10,498	21,422	13.27
	TOTAL 2021	17,942	15,036	32,978	26.13
STAFF	<30	15,791	13,339	29,130	7.38
	30-50	25,362	27,394	52,756	7.97
	>50	5,269	5,024	10,293	6.94
	TOTAL 2022	46,422	45,757	92,179	7.65
	TOTAL 2021	65,601	72,064	137,665	14.78
<b>TOTAL</b>	2022	<b>59,253</b>	<b>58,487</b>	<b>117,739</b>	<b>8.47</b>
	2021	<b>85,381</b>	<b>90,511</b>	<b>175,892</b>	<b>16.29</b>

AVERAGE REMUNERATION AND PAY GAP BY PROFESSIONAL CATEGORY AND AGE (€ AND RATIO)

GRI: 405-2

TYPE OF REMUNERATION	GENDER	YEAR	SENIOR MANAGEMENT				MIDDLE MANAGEMENT				GENERAL STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
FIXED REMUNERATION	M	2022	-	€ 87,681	€ 120,018	€ 100,315	€ 31,375	€ 40,657	€ 42,813	€ 40,492	€ 10,892	€ 14,320	€ 18,417	€ 13,500	€ 16,813
		2021	-	€ 79,649	€ 99,546	€ 88,016	€ 26,731	€ 35,638	€ 39,310	€ 36,127	€ 8,446	€ 12,759	€ 17,905	€ 11,962	€ 14,927
	F	2022	-	€ 79,203	€ 97,931	€ 83,885	€ 31,587	€ 37,882	€ 41,016	€ 37,861	€ 13,706	€ 16,463	€ 20,673	€ 16,077	€ 18,243
		2021	-	€ 70,591	€ 85,095	€ 74,942	€ 29,318	€ 33,092	€ 34,869	€ 33,204	€ 11,339	€ 15,000	€ 19,494	€ 14,562	€ 16,585
	GAP	2022	-	0.90	0.82	0.84	1.01	0.93	0.96	0.94	1.26	1.15	1.12	1.19	1.09
		2021	-	0.89	0.85	0.85	1.10	0.93	0.89	0.92	1.34	1.18	1.09	1.22	1.11
TOTAL REMUNERATION	M	2022	-	€ 106,693	€ 151,347	€ 124,139	€ 33,034	€ 44,526	€ 46,939	€ 44,273	€ 10,925	€ 14,381	€ 18,494	€ 13,553	€ 17,486
		2021	-	€ 98,082	€ 127,588	€ 111,506	€ 28,120	€ 39,075	€ 43,075	€ 39,554	€ 8,495	€ 12,858	€ 18,019	€ 12,047	€ 15,588
	F	2022	-	€ 97,940	€ 119,172	€ 103,248	€ 33,524	€ 41,914	€ 45,925	€ 41,860	€ 13,768	€ 16,539	€ 20,745	€ 16,148	€ 18,751
		2021	-	€ 90,168	€ 103,270	€ 94,099	€ 31,131	€ 36,413	€ 38,524	€ 36,495	€ 11,419	€ 15,128	€ 19,647	€ 14,679	€ 17,113
	GAP	2022	-	0.92	0.79	0.83	1.01	0.94	0.98	0.95	1.26	1.15	1.12	1.19	1.07
		2021	-	0.92	0.81	0.84	1.11	0.93	0.89	0.92	1.34	1.18	1.09	1.22	1.10

## GLOBAL INTEGRATION

## WAGE GAP BY PROFESSIONAL CATEGORY AND COUNTRY (RATIO)

GRI: 405-2

	FIXED REMUNERATION	YEAR	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL	CHINA	USA	
1. MELIÁ IN 2022	HOTEL MANAGEMENT	2022	0.88	0.76	1.18	0.79	1.10	-	2.02	-	0.61	0.67	
		2021	0.88	0.57	0.88	0.85	0.99	0.30	1.67		0.49	-	
2. BUSINESS MODEL	MIDDLE MANAGEMENT	2022	0.94	0.90	0.88	0.91	0.98	0.94	0.96	0.78	0.95	0.98	
		2021	0.92	0.81	0.93	0.80	0.93	1.03	0.94	0.60	1.02	1.12	
3. FINANCIAL REPORT	STAFF	2022	0.98	1.00	0.98	0.97	1.01	0.97	0.94	0.79	-	0.93	
		2021	0.96	1.06	0.97	0.94	0.98	1.02	0.96	0.51	0.62	0.94	
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	TOTAL REMUNERATION	HOTEL MANAGEMENT	2022	0.87	0.71	1.17	0.73	1.07	-	2.07	-	0.62	0.64
			2021	0.89	0.49	0.89	0.81	0.98	0.25	1.75	-	0.53	-
5. COMMITMENT TO COMBAT CLIMATE CHANGE	MIDDLE MANAGEMENT	2022	0.95	0.92	0.88	0.91	0.99	0.95	0.98	0.80	0.97	1.00	
		2021	0.93	0.81	0.94	0.78	0.94	1.03	1.09	0.60	1.00	1.14	
6. CREATION OF SOCIAL VALUE	STAFF	2022	0.98	1.00	0.98	0.97	1.01	0.97	0.93	0.79	-	0.93	
		2021	0.96	1.06	0.97	0.95	0.98	1.02	0.97	0.52	0.64	0.95	

## RATIO OF BASIC WAGE TO LOCAL MINIMUM WAGE BY GENDER

GRI: 202-1

	RATIO	YEAR	GENDER	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL
7. ANNEXES	BASIC WAGE / MINIMUM WAGE FOR COUNTRY	2022	M	1.12	1.00	1.00	1.00	1.00	1.01	1.00	1.08
			F	1.06	1.00	1.00	1.00	1.00	1.08	1.09	1.08
	BASIC WAGE / MINIMUM WAGE FOR COUNTRY	2021	M	1.04	1.00	1.00	1.14	1.00	1.01	1.00	1.17
			F	1.04	1.00	1.00	1.24	1.00	1.01	1.00	1.17

## GLOBAL INTEGRATION

## INVESTMENT IN TRAINING (€ AND RATIO)

GRI: 404-1

	YEAR	TOTAL INVESTMENT	INVESTMENT PER EMPLOYEE	INVESTMENT / PERSONNEL COST
1. MELIÁ IN 2022	2022	€ 2,283,615	€ 136	0.48%
	2021	€ 1,049,077	€ 97	0.34%

## COMMITMENT INDEX

CONTENT	2019	2020	2021	2022	2022O
NPS	85.60%	85.60%	NA	83.00%	85.00%

## GENDER DIVERSITY

CATEGORY	WORKFORCE		OBJECTIVE	OBJECTIVE YEAR
	2022	2021		
Total women in the workforce	45.2%	-	-	-
Women in management positions	29.1%	-	-	-
Women in junior management positions	49.0%	-	-	-
Women in senior management positions within 2 levels of the CEO	14.3%	-	40%	2030
Women in management positions in revenue-generating areas	65.0%	-	-	-
Women in STEM positions*	31.6%	-	-	-

## DIVERSITY OF NATIONALITIES

NATIONALITY	WORKFORCE	MANAGEMENT POSITIONS (JUNIOR, MIDDLE MANAGEMENT AND SENIOR)
Spanish	37.80%	56.50%
Dominican Republic	22.10%	5.40%
Mexican	20.30%	9.00%
Germany	3.30%	8.10%
Italy	3.20%	4.70%
France	1.30%	2.50%

## PERFORMANCE EVALUATION BY GENDER AND PROFESSIONAL CATEGORY (% WORKFORCE)

GENDER	YEAR	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	GENERAL STAFF	TOTAL
M	2022	62.20%	49.10%	22.50%	25.10%
	2021	NA	NA	NA	NA
F	2022	70.70%	59.70%	26.30%	29.50%
	2021	NA	NA	NA	NA
TOTAL	2022	64.70%	53.90%	24.30%	27.00%
	2021	NA	NA	NA	NA

## DIVERSITY OF OTHER MINORITIES (FTE'S)

TYPE	AGE	EMPLOYEES		WORKFORCE	
		2022	2021	2022	2021
DISABILITY	<30	8	-	0.20%	-
	30-50	53	-	0.50%	-
	>50	30	-	1.10%	-
	TOTAL	91	0	0.50%	0
GENERATIONAL	<30	4,330	-	25.70%	-
	30-50	9,766	-	58.10%	-
	>50	2,719	-	16.20%	-
	TOTAL	16,814	0	100.00%	0
TOTAL		16,814	0	100.00%	0

## INTERNS (PAX)

REGION	GENDER	2022	2021	REGION	GENDER	2022	2021
SPAIN	M	105	-	CUBA	M	-	-
	F	166	-		F	-	-
	TOTAL	271	0		TOTAL	0	0
EMEA	M	-	-	ASIA	M	-	-
	F	-	-		F	-	-
	TOTAL	0	0	TOTAL	0	0	
AMERICAS	M	-	-	TOTAL	M	105	0
	F	-	-		F	166	0
	TOTAL	0	0		TOTAL	271	0

## Occupational health and safety indicators

## OCCUPATIONAL HEALTH INDICES - EMPLOYEES

GRI: 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS	
		2021	2022	2021	2022
INCIDENCE RATE	M	33.96	45.86	1.60	0.11
	F	45.47	50.51	2.64	0.53
	<b>TOTAL</b>	<b>38.81</b>	<b>47.96</b>	<b>2.04</b>	<b>0.30</b>
FREQUENCY RATE	M	18.53	25.55	0.87	0.06
	F	25.20	28.23	1.46	0.29
	<b>TOTAL</b>	<b>21.32</b>	<b>26.76</b>	<b>1.12</b>	<b>0.17</b>
SEVERITY RATE	M	0.36	0.45	0.02	-
	F	0.46	0.49	0.10	0.02
	<b>TOTAL</b>	<b>0.40</b>	<b>0.51</b>	<b>0.05</b>	<b>0.01</b>
NO. OF WORKPLACE ACCIDENTS/ OCCUPATIONAL ILLNESSES	M	212	421	10	1
NO. OF WORKPLACE INCIDENTS/ OCCUPATIONAL ILLNESSES	F	207	383	12	4
	<b>TOTAL</b>	<b>419</b>	<b>804</b>	<b>22</b>	<b>5</b>

INDICATOR	GENDER	2021	2022
NUMBER OF DEATHS	M	0	1
	F	0	0
	<b>TOTAL</b>	<b>0</b>	<b>1</b>

## WORKFORCE REPRESENTED ON OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

YEAR	SPAIN	EMEA	ASIA	AMERICAS	TOTAL
2022	96.99%	75.65%	0.00%	83.74%	85.56%
2021	-	-	-	-	-

## ABSENTEEISM

GRI 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS		COMMON ILLNESS		COVID-19		MATERNITY		TOTAL ABSENTEEISM	
		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
PERCENTAGE ABSENTEEISM	M	0.29	0.36	0.01	-	2.71	2.66	0.75	0.99	-	0.52	<b>3.76</b>	<b>4.52</b>
	F	0.37	0.48	0.08	0.02	4.95	4.46	0.85	1.17	-	1.20	<b>6.24</b>	<b>7.33</b>
	<b>TOTAL</b>	<b>0.32</b>	<b>0.41</b>	<b>0.01</b>	<b>0.01</b>	<b>3.65</b>	<b>3.47</b>	<b>0.79</b>	<b>1.07</b>	<b>-</b>	<b>0.82</b>	<b>4.80</b>	<b>5.79</b>
NUMBER OF DAYS LOST	M	4,094	7,350	201	1	38,821	54,683	10,738	20,410	-	10,666	<b>53,854</b>	<b>93,110</b>
	F	3,809	8,122	792	260	50,816	75,718	8,688	19,874	-	20,288	<b>64,105</b>	<b>124,262</b>
	<b>TOTAL</b>	<b>7,903</b>	<b>15,472</b>	<b>993</b>	<b>261</b>	<b>89,637</b>	<b>130,401</b>	<b>19,426</b>	<b>40,284</b>	<b>-</b>	<b>30,954</b>	<b>117,959</b>	<b>217,372</b>
NUMBER OF HOURS LOST	M	32,752	58,800	1,608	8	310,568	437,464	85,904	163,280	-	85,328	<b>430,832</b>	<b>744,880</b>
	F	30,472	64,976	6,336	2,080	406,528	605,744	69,504	158,992	-	162,304	<b>512,840</b>	<b>994,096</b>
	<b>TOTAL</b>	<b>63,224</b>	<b>123,776</b>	<b>7,944</b>	<b>2,088</b>	<b>717,096</b>	<b>1,043,208</b>	<b>155,408</b>	<b>322,272</b>	<b>-</b>	<b>247,632</b>	<b>943,672</b>	<b>1,738,976</b>

CALCULATION METHODOLOGY Incident index: (No. Incidents x 1,000) / Average Workforce  
 Frequency index: (No. Incidents x 1,000,000) / Hours worked  
 Severity index: (Days lost x 1,000) / Hours worked

Percentage of absenteeism: (Hours lost x 100) / Hours worked  
 Percentage of absenteeism: (Hours lost x 100) / Hours worked

## Social indicators

## SUPPLY CHAIN

GRI 204-1, 308-1, 414-1

1. MELIÁ IN 2022

2. BUSINESS MODEL

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

CENTRALISED PROCUREMENT	UNIT	2019	2020	2021	2022
Total supplier portfolio (Tier 1)	Number	6,263	5,405	5,198	6,633
Local supplier portfolio	Number	5,611	4,882	4,707	5,924
	%	89.59%	90.32%	90.55%	89.31%
Critical Tier 1 suppliers	Number	43	27	19	20
Critical Non-Tier 1 suppliers	Number	170	61	110	164
Total purchase volume	€	429,153,686	220,943,238	287,429,168	443,682,395
Local purchase volume	€	413,174,893	193,677,671	237,373,769	392,858,079
	%	96.28%	87.66%	82.59%	88.54%
Central Spain purchase volume	€	293,067,408	160,854,569	170,293,549	314,651,062
Central Dominican Rep. purchase volume	€	63,143,026	14,291,824	41,002,405	60,838,628
Central Mexico purchase volume	€	36,139,605	16,665,942	40,820,266	50,103,897
Central Germany purchase volume	€	15,584,489	3,201,672	3,183,342	757,360
UK Central procurement volume	€	11,916,068	16,712,976	16,187,918	11,955,123
Central France purchase volume	€	5,388,466	7,943,027	7,855,719	963,639
Central Italy purchase volume	€	3,914,624	1,273,227	8,085,970	4,412,687

## SOCIAL ACTION

6. CREATION OF SOCIAL VALUE

7. ANNEXES

TYPE OF CONTRIBUTION	2022	2021	CATEGORY	2022	2021
(1) Financial	€50,100	€17,808	(1) Solidarity donations	74%	43%
(2) Time: corporate volunteering during working hours	-	-	(2) Investment in the community	10%	57%
(3) In kind: donated products or services	€ 158,556	€85,139	(3) Commercial projects	16%	-
<b>TOTAL</b>	<b>€208,656</b>	<b>€102,947</b>	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

- Understood as the monetary amount paid to cover social needs. This type of support is only occasional given that our philanthropic work is focused on the transfer of products or services linked to hotel activity.
- Understood as the cost to the company of the time spent by employees on community programmes during working hours. In 2022 we worked on a new platform called *Digital Space* to report information on corporate volunteering, among other things.
- Contribution of products, equipment, services and other non-monetary company items to the community. The social contribution has focused on the use of accommodation and hotel spaces, or meals donated to vulnerable people such as refugees from Ukraine, among others.

- Understood as occasional support for certain causes as a response to specific needs and requests from social organisations that are aligned with our Philanthropy Policy. This year our key contributions focused on covering the basic needs of several social associations or emergency situations such as Ukraine.
- Long-term strategic participation with social organisations or communities to address or cover certain aspects of our choice, aligned with our long-term interests and also with a significant positive impact on our reputation. In 2022, we focused our contributions on supporting social organisations that work with the community, employability and vulnerable groups.
- Business-related activities in the community to directly support company objectives, promoting our corporate and brand identity, in association with charities, community organisations or foundations that work to enhance corporate responsibility.

## AGGREGATED PERIMETER

## Environmental indicators

## ENERGY

GRI: 302-1; 302-3; 302-4 / SASB: SV-HL-130a.1

INDICATOR	UNIT	2019	2020	2021	2022
Non-renewable fuel (A + B + C)	GJ	802,506	547,879	597,094	1.114.004
	MWh	135,449	85,303	98,301	154,670
A. Natural gas	GJ	489,798	308,425	355,453	559,092
	m <sup>3</sup>	11,325,335	7,131,536	8,218,944	12,927,585
B. Propane	GJ	190,671	123,306	144,860	357,441
	Tn	4,191	2,710	3,184	7,856
C. Diesel	GJ	122,036	116,148	96,781	197,471
	m <sup>3</sup>	3,189	3,035	2,529	5,160
Non-renewable electricity	GJ	614,431	807,337	779,934	1,304,177
	MWh	170,675	224,260	216,648	362,272
Steam / heating / cooling and other non-renewable energy	GJ	279,228	146,614	238,425	300,152
	MWh	77,563	40,726	66,229	83,376
Total non-renewable energy use	GJ	<b>1,696,165</b>	<b>1,501,830</b>	<b>1,615,453</b>	<b>2,718,334</b>
	MWh	<b>383,687</b>	<b>350,290</b>	<b>381,178</b>	<b>600,317</b>
Renewable electricity (with green certification)	GJ	890,934	441,669	579,161	841,876
	MWh	247,482	122,686	160,878	233,855
Total energy use (non-renewable + renewable)	GJ	<b>2,587,099</b>	<b>1,943,499</b>	<b>2,194,614</b>	<b>3,560,210</b>
	MWh	<b>631,169</b>	<b>472,975</b>	<b>542,057</b>	<b>834,171</b>
Energy intensity ratio	GJ / stay	<b>0.119</b>	<b>0.233</b>	<b>0.196</b>	<b>0.318</b>
	MWh / stay	<b>0.029</b>	<b>0.057</b>	<b>0.048</b>	<b>0.075</b>
Total cost of energy consumption (by revenues)	€	78,812,082	52,295,572	67,992,089	13,661,4391
Percentage of renewable energy	Total consumption	39.20%	25.90%	29.70%	28.00%
Percentage of electricity	Total consumption	66.30%	73.40%	69.60%	71.50%
Data coverage	Portfolio	76%	100%	100%	100%

## WATER

GRI: 303-5 / SASB: SV-HL-140a.1

INDICATOR	UNIT	2019	2020	2021	2022
Total municipal water use (or other water services)	m <sup>3</sup>	6,155,338	6,071,667	6,280,294	11,421,708
Salt water extraction	m <sup>3</sup>	1,091,138	569,094	543,125	751,201
Surface freshwater extraction	m <sup>3</sup>	3,470,390	2,826,862	3,267,786	4,453,277
Surface freshwater extraction	m <sup>3</sup>	23,482	21,668	22,111	28,073
<b>Total water extraction</b>	<b>m<sup>3</sup></b>	<b>10,740,348</b>	<b>9,489,291</b>	<b>10,113,316</b>	<b>16,654,260</b>
Discharge: Water returned to the source with a quality similar or superior to the water extracted	m <sup>3</sup>	10,740,348	9,489,291	10,113,316	16,654,260
<b>Total net water consumption</b>	<b>m<sup>3</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Intensity ratio of net water consumption</b>	<b>m<sup>3</sup> / stay</b>	<b>0.493</b>	<b>1.138</b>	<b>0.905</b>	<b>0.704</b>
Data coverage	Portfolio	76%	100%	100%	100%

## WASTE

GRI: 306-1; 306-2; 306-3

INDICATOR	UNIT	2019	2020	2021	2022
A. Volume of waste generated	Tn	34,549	13,507	15,879	31,734
B. Volume of waste used / recycled / sold	Tn	19,596	7,183	9,458	16,347
<b>Net waste generated (A-B)</b>	<b>Tn</b>	<b>14,953</b>	<b>6,324</b>	<b>6,421</b>	<b>15,387</b>
<b>Recycling rate</b>	<b>Selective collection.</b>	<b>56.70%</b>	<b>53.20%</b>	<b>60.00%</b>	<b>51.50%</b>
Data coverage	Portfolio	76%	100%	100%	100%

## AGGREGATED PERIMETER



INDEX

1. MELIÁ IN 2022

2. BUSINESS MODEL

3. FINANCIAL REPORT

4. GOOD GOVERNANCE, ETHICS AND INTEGRITY

5. COMMITMENT TO COMBAT CLIMATE CHANGE

6. CREATION OF SOCIAL VALUE

7. ANNEXES

## NOX AND SOX EMISSIONS

GRI: 305-7

INDICATOR	UNIT	2019	2020	2021	2022
Total NOx emissions	Kg	96,017	64,469	71,640	141,577
Total SOx emissions	Kg	13,555	12,116	10,600	21,101

## ENVIRONMENTAL INVESTMENTS

INDICATOR	UNIT	2019	2020	2021	2022
Total environmental investment (Capex)	€	3,520,441	10,489,748	2,700,897	10,413,582
Total environmental expenditure (Opex)	€	8,253,814	6,330,537	7,048,651	9,422,355
Total savings generated	€	1,173,600	994,291	646,860	3,473,858

## SCIENCE BASED TARGET INITIATIVE (SBTI)

GRI: 305-1; 305-2; 305-3; 305-4; 305-5

INDICATOR	UNIT	2018 (BASE YEAR)	2019	2020	2021	2022	2018-2022	2022O
Total emissions scope 1 (SBTi)	TCO2eq	77,128	75,510	39,185	43,063	62,515	-18.8%	16.8%
Emissions intensity ratio scope 1 (SBTi)	TCO2eq / stay	0.004	0.003	0.005	0.004	0.003		
Total emissions scope 2 (SBTi) *	TCO2eq	330,923	326,390	171,578	203,626	276,000	-16.6%	16.8%
Emissions intensity ratio scope 2 (SBTi)	TCO2eq / stay	0.015	0.015	0.021	0.018	0.012		

(\* ) Scope 2: Total electricity emissions are taken into account, not including renewable electricity. There are countries in which contracted electricity is 100% renewable (Spain, Italy, France, Germany, the Netherlands and the United Kingdom). However, these emissions are counted in this section to make the impact of the improvements carried out in terms of savings and energy efficiency more visible.

## CARBON FOOTPRINT

GRI: 305-1; 305-2; 305-3; 305-4; 305-5

INDICATOR	UNIT	2019	2020	2021	2022
Total emissions scope 1	TCO <sup>2</sup> eq	50,262	35,884	38,381	71,029
Emissions intensity ratio scope 1	TCO <sup>2</sup> eq / stay	0.002	0.004	0.003	0.003
Total emissions scope 2 (*)	TCO <sup>2</sup> eq	120,386	134,762	148,443	232,123
Emissions intensity ratio scope 2	TCO <sup>2</sup> eq / stay	0.006	0.016	0.013	0.01
Total emissions scope 3	TCO <sup>2</sup> eq	410,887	145,666	207,957	470,333
Emissions intensity ratio scope 3	TCO <sup>2</sup> eq / stay	0.019	0.017	0.019	0.02
Data coverage	Portfolio	76%	100%	100%	100%



AGGREGATED PERIMETER



HR indicators

AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND AGE (FTES)

GRI: 2-4; 2-7; 405-1

REGION	GENDER	YEAR	SENIOR MANAGEMENT				MIDDLE MANAGEMENT				GENERAL STAFF				TOTAL		
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL			
1. MELIÁ IN 2022	EMEA	M	2022	-	26.07	13.88	39.96	13.35	224.75	30.91	269.01	714.60	1,215.54	170.47	2,100.61	2,409.57	
			2021	-	12.82	12.11	24.93	5.04	102.77	22.12	129.93	297.05	585.69	87.87	970.61	1,125.47	
			2020	0.50	15.31	10.57	26.39	11.27	119.99	16.67	147.93	530.89	747.69	77.91	1,356.49	1,530.81	
		F	2022	-	6.92	2.00	8.92	28.77	172.98	29.16	230.92	606.86	873.75	117.04	1,597.65	1,837.49	
			2021	-	5.47	1.75	7.22	14.57	75.50	14.67	104.74	238.05	341.90	57.46	637.41	749.37	
			2020	-	4.86	1.05	5.91	13.21	64.88	13.87	91.96	508.70	485.15	53.46	1,047.32	1,145.19	
	TOTAL	2022	-	32.99	15.88	48.88	42.12	397.73	60.07	499.92	1,321.45	2,089.29	287.51	3,698.26	4,247.06		
		2021	-	18.29	13.86	32.15	19.61	178.26	36.79	234.67	535.09	927.59	145.33	1,608.02	1,874.84		
		2020	0.50	20.17	11.62	32.30	24.47	184.87	30.54	239.89	1,039.59	1,232.84	131.38	2,403.81	2,675.99		
	3. FINANCIAL REPORT	CUBA	M	2022	1.00	13.00	9.00	23.00	11.00	119.00	74.00	204.00	1,052.50	2,351.50	1,148.33	4,552.34	4,779.34
				2021	-	-	-	-	5.00	92.00	49.00	146.00	540.00	1,499.00	789.00	2,828.00	2,974.00
				2020	-	-	-	-	10.00	158.00	60.00	228.00	679.00	1,954.24	803.00	3,436.24	3,664.24
F			2022	-	-	-	-	18.00	81.00	45.00	144.00	1,076.00	1,906.30	801.00	3,783.30	3,927.30	
			2021	-	-	-	-	5.00	55.00	33.00	93.00	514.00	1,143.00	397.00	2,054.00	2,147.00	
			2020	-	-	-	-	9.00	90.00	41.00	140.00	390.00	1,301.00	420.00	2,111.00	2,251.00	
TOTAL		2022	1.00	13.00	9.00	23.00	29.00	200.00	119.00	348.00	2,128.50	4,257.80	1,949.33	8,335.64	8,706.64		
		2021	-	-	-	-	10.00	147.00	82.00	239.00	1,054.00	2,642.00	1,186.00	4,882.00	5,121.00		
		2020	-	-	-	-	19.00	248.00	101.00	368.00	1,069.00	3,255.24	1,223.00	5,547.24	5,915.24		
5. COMMITMENT TO COMBAT CLIMATE CHANGE		SPAIN	M	2022	-	77.96	61.56	139.52	22.14	447.79	202.11	672.04	805.09	2,486.16	1,212.00	4,503.25	5,114.81
				2021	-	63.83	55.46	119.28	11.33	334.70	162.92	508.96	347.01	1,376.02	761.04	2,484.07	3,121.31
				2020	-	58.24	50.69	108.93	9.84	274.77	138.48	423.09	275.43	963.44	662.5	1,901.36	2,433.39
	F		2022	-	51.59	17.88	69.47	21.62	423.20	122.31	567.13	873.12	3,013.75	1,436.24	5,323.12	5,959.72	
			2021	-	41.24	16.67	57.91	16.33	285.47	96.54	398.35	351.10	1,495.03	847.55	2,693.69	3,149.95	
			2020	-	38.41	9.88	48.29	10.96	210.00	72.24	293.20	264.15	1,041.19	578.62	1,883.96	2,225.45	
	TOTAL	2022	-	129.54	79.44	208.99	43.77	870.98	324.42	1,239.17	1,678.21	5,499.91	2,648.25	9,826.37	11,274.52		
		2021	-	105.06	72.13	177.19	27.67	620.18	259.47	907.31	698.11	2,871.05	1,608.59	5,177.76	6,262.26		
		2020	-	96.65	60.57	157.22	20.80	484.78	210.71	716.29	539.58	2,004.62	1,241.11	3,785.32	4,658.83		
	6. CREATION OF SOCIAL VALUE	ASIA	M	2022	-	19.10	8.48	27.58	33.20	272.78	19.93	325.91	1,057.33	1,722.96	399.07	3,179.37	3,532.86
				2021	-	12.68	7.12	19.80	15.78	143.16	21.46	180.40	542.09	1,027.38	352.80	1,922.27	2,122.47
				2020	-	13.46	5.75	19.20	14.45	162.88	29.78	207.11	641.83	1,079.65	329.44	2,050.92	2,277.23
F			2022	-	5.05	1.00	6.05	39.93	235.62	17.71	293.26	965.90	1,190.34	167.98	2,324.22	2,623.53	
			2021	-	2.58	0.91	3.49	27.07	137.77	11.12	175.96	444.59	591.31	145.78	1,181.68	1,361.13	
			2020	-	2.49	0.76	3.25	26.82	136.24	10.47	173.54	521.23	618.49	127.55	1,267.27	1,444.06	
TOTAL		2022	-	24.16	9.48	33.64	73.13	508.41	37.64	619.17	2,023.23	2,913.30	567.05	5,503.59	6,156.40		
		2021	-	15.26	8.03	23.29	42.85	280.92	32.58	356.36	986.68	1,618.69	498.58	3,103.95	3,483.59		
		2020	-	15.95	6.51	22.46	41.27	299.12	40.25	380.65	1,163.06	1,698.14	456.99	3,318.19	3,721.30		
7. ANNEXES		AMERICAS	M	2022	-	21.25	22.11	43.36	17.29	203.03	60.71	281.02	1,798.94	2,878.47	489.21	5,166.62	5,491.00
				2021	-	107.80	13.20	30.99	13.59	179.19	51.48	244.26	1,302.31	2,248.20	449.35	3,999.87	4,275.13
				2020	-	16.58	10.32	26.90	8.80	141.63	52.84	203.27	1,053.65	1,854.47	410.78	3,318.90	3,549.07
	F		2022	-	11.49	2.00	13.49	10.26	168.58	45.74	224.58	1,130.19	1,776.44	209.00	3,115.63	3,353.69	
			2021	-	8.40	2.82	11.22	8.79	130.35	33.48	172.61	715.48	1,334.11	184.29	2,233.87	2,417.71	
			2020	-	3.16	1.41	4.58	6.06	118.93	35.45	160.44	594.84	1,105.93	184.78	1,885.55	2,050.57	
	TOTAL	2022	-	32.73	24.11	56.84	27.55	371.60	106.44	505.60	2,929.13	4,654.91	698.21	8,282.25	8,844.69		
		2021	-	26.20	16.01	42.21	22.38	309.53	84.96	416.88	2,017.79	3,582.31	633.64	6,233.74	6,692.83		
		2020	-	19.74	11.74	31.48	14.86	260.57	88.29	363.72	1,648.49	2,960.40	595.55	5,204.45	5,599.64		
	TOTAL	2022	1.00	232.42	137.92	371.34	215.56	2,348.72	647.58	3,211.86	10,080.52	19,415.22	6,150.36	35,646.10	39,229.30		
		2021	-	164.81	110.03	274.85	122.52	1,535.90	495.80	2,154.21	5,291.68	11,641.65	4,072.14	21,005.47	23,434.53		
		2020	0.50	152.52	90.43	243.45	120.40	1,477.34	470.80	2,068.54	5,459.72	11,151.25	3,648.04	20,259.01	22,571.00		

## AGGREGATED PERIMETER

## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (FTES)

GRI: 2-4; 2-7

	REGION	GENDER	YEAR	SENIOR MANAGEMENT			MIDDLE MANAGEMENT			GENERAL STAFF			TOTAL
				FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	
1. MELIÁ IN 2022	EMEA	M	2022	39.96	-	39.96	267.29	1.72	269.01	2,041.48	59.12	2,100.61	2,409.57
			2021	23.93	1.00	24.93	129.15	0.78	129.93	893.16	77.45	970.61	1,125.47
			2020	26.39	-	26.39	147.30	0.63	147.93	1,327.24	29.25	1,356.49	1,530.81
		F	2022	8.92	-	8.92	218.11	12.81	230.92	1,520.05	77.60	1,597.65	1,837.49
			2021	7.22	-	7.22	104.50	0.24	104.74	598.29	39.12	637.41	749.37
			2020	5.91	-	5.91	87.80	4.16	91.96	1,003.19	44.12	1,047.32	1,145.19
		TOTAL	2022	48.88	-	48.88	485.40	14.52	499.92	3,561.53	136.73	3,698.26	4,247.06
			2021	31.16	1.00	32.15	233.65	1.02	234.67	1,491.45	116.57	1,608.02	1,874.84
			2020	32.30	-	32.30	235.09	4.79	239.89	2,330.43	73.37	2,403.81	2,675.99
2. BUSINESS MODEL	CUBA	M	2022	23.00	-	23.00	204.00	-	204.00	4,543.84	8.50	4,552.34	4,779.34
			2021	-	-	-	151.00	6.00	157.00	2,670.00	76.00	2,746.00	2,903.00
			2020	-	-	-	228.00	-	228.00	3,285.99	150.00	3,435.99	3,663.99
		F	2022	-	-	-	144.00	-	144.00	3,779.30	4.00	3,783.30	3,927.30
			2021	-	-	-	98.00	4.00	102.00	2,078.00	38.00	2,116.00	2,218.00
			2020	-	-	-	140.00	-	140.00	1,983.25	128.00	2,111.25	2,251.25
		TOTAL	2022	23.00	-	23.00	348.00	-	348.00	8,323.14	12.50	8,335.64	8,706.64
			2021	-	-	-	249.00	10.00	259.00	4,748.00	114.00	4,862.00	5,121.00
			2020	-	-	-	368.00	-	368.00	5,269.24	278.00	5,547.24	5,915.24
3. FINANCIAL REPORT	SPAIN	M	2022	138.52	0.99	139.52	666.29	5.75	672.04	4,416.25	87.00	4,503.25	5,314.81
			2021	118.45	0.83	119.28	492.66	16.30	508.96	1,853.18	630.89	2,484.07	3,112.31
			2020	107.21	1.71	108.93	415.33	7.77	423.09	1,799.14	102.22	1,901.36	2,433.39
		F	2022	69.22	0.25	69.47	562.10	5.03	567.13	5,102.92	220.20	5,323.12	5,959.72
			2021	57.91	-	57.91	382.10	16.25	398.35	1,936.01	757.68	2,693.69	3,149.95
			2020	48.29	-	48.29	289.13	4.07	293.20	1,750.75	133.21	1,883.96	2,225.45
		TOTAL	2022	207.74	1.24	208.99	1,228.39	10.78	1,239.17	9,519.17	307.20	9,826.37	11,274.52
			2021	176.36	0.83	177.19	874.76	32.55	907.31	3,789.19	1,388.57	5,177.76	6,262.26
			2020	155.50	1.71	157.22	704.46	11.83	716.29	3,549.89	235.43	3,785.32	4,658.83
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	ASIA	M	2022	27.58	-	27.58	325.37	0.55	325.91	3,178.33	1.04	3,179.37	3,532.86
			2021	17.03	2.77	19.80	179.74	0.66	180.40	1,922.27	-	1,922.27	2,122.47
			2020	19.20	-	19.20	206.24	0.86	207.11	2,044.10	6.82	2,050.92	2,277.23
		F	2022	6.05	-	6.05	293.26	-	293.26	2,323.04	1.18	2,324.22	2,623.53
			2021	2.82	0.67	3.49	169.07	6.89	175.96	1,176.89	4.79	1,181.68	1,361.13
			2020	3.25	-	3.25	173.54	-	173.54	1,263.87	3.40	1,267.27	1,444.06
		TOTAL	2022	33.64	-	33.64	618.62	0.55	619.17	5,501.37	2.21	5,503.59	6,156.40
			2021	19.85	3.44	23.29	348.81	7.55	356.36	3,099.16	4.79	3,103.95	3,483.59
			2020	22.46	-	22.46	379.78	0.86	380.65	3,307.97	10.22	3,318.19	3,721.30
5. COMMITMENT TO COMBAT CLIMATE CHANGE	AMERICAS	M	2022	43.36	-	43.36	281.02	-	281.02	5,164.29	2.33	5,166.62	5,491.00
			2021	30.99	-	30.99	244.26	-	244.26	3,996.32	3.56	3,999.87	4,275.13
			2020	26.90	-	26.90	202.78	0.50	203.27	3,304.00	14.90	3,318.90	3,549.07
		F	2022	13.49	-	13.49	224.58	-	224.58	3,109.61	6.02	3,115.63	3,353.69
			2021	11.22	-	11.22	172.61	-	172.61	2,228.34	5.54	2,233.87	2,417.71
			2020	4.58	-	4.58	159.94	0.50	160.44	1,875.09	10.46	1,885.55	2,050.57
		TOTAL	2022	56.84	-	56.84	505.60	-	505.60	8,273.90	8.35	8,282.25	8,844.69
			2021	42.21	-	42.21	416.88	-	416.88	6,224.65	9.09	6,233.74	6,692.83
			2020	31.48	-	31.48	362.72	1.00	363.72	5,179.09	25.36	5,204.45	5,599.64
6. CREATION OF SOCIAL VALUE	TOTAL	2022	370.1	1.24	371.34	3,186.01	25.85	3,211.86	35,179.11	466.99	35,646.10	39,229.30	
		2021	269.58	5.27	274.85	2,123.09	51.12	2,174.21	19,352.46	1,633.01	20,985.47	23,434.53	
		2020	241.74	1.71	243.45	2,050.05	18.49	2,068.54	19,636.62	622.39	20,259.01	22,571.00	
		2020	241.74	1.71	243.45	2,050.05	18.49	2,068.54	19,636.62	622.39	20,259.01	22,571.00	

## AGGREGATED PERIMETER

## AVERAGE WORKFORCE BY GENDER, REGION, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTES)

GRI: 2-4; 2-7

	REGION	GENDER	YEAR	SENIOR MANAGEMENT			MIDDLE MANAGEMENT			GENERAL STAFF			TOTAL	
				PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL		
1. MELIÁ IN 2022	EMEA	M	2022	39.96	-	39.96	259.13	9.87	269.01	1,628.50	472.11	2,100.61	2,409.57	
			2021	23.93	1.00	24.93	129.15	0.78	129.93	893.16	77.45	970.61	1,125.47	
			2020	24.85	1.54	26.39	142.14	5.78	147.93	1,167.18	189.31	1,356.49	1,530.81	
		F	2022	8.92	-	8.92	222.44	8.48	230.92	1,231.76	365.89	1,597.65	1,837.49	
			2021	7.22	-	7.22	104.50	0.24	104.74	598.29	39.12	637.41	749.37	
			2020	5.91	-	5.91	88.39	3.57	91.96	886.75	160.56	1,047.32	1,145.19	
	TOTAL	2022	48.88	-	48.88	481.57	18.35	499.92	2,860.26	838.00	3,698.26	4,247.06		
		2021	31.16	1.00	32.15	233.65	1.02	234.67	1,491.45	116.57	1,608.02	1,874.84		
		2020	30.76	1.54	32.30	230.54	9.35	239.89	2,053.93	349.88	2,403.81	2,675.99		
	2. BUSINESS MODEL	CUBA	M	2022	23.00	-	23.00	204.00	-	204.00	3,560.34	992.00	4,552.34	4,779.34
2021				-	-	-	157.00	-	157.00	2,431.00	315.00	2,746.00	2,903.00	
2020				-	-	-	221.00	7.00	228.00	3,172.40	263.59	3,435.99	3,663.99	
F			2022	-	-	-	144.00	-	144.00	2,770.30	1,013.00	3,783.30	3,927.30	
			2021	-	-	-	101.00	1.00	102.00	1,747.00	369.00	2,116.00	2,218.00	
			2020	-	-	-	136.00	4.00	140.00	1,947.95	163.30	2,111.25	2,251.25	
TOTAL		2022	23.00	-	23.00	348.00	-	348.00	6,330.64	2,005.00	8,335.64	8,706.64		
		2021	-	-	-	258.00	1.00	259.00	4,178.00	684.00	4,862.00	5,121.00		
		2020	-	-	-	357.00	11.00	368.00	5,120.35	426.89	5,547.24	5,915.24		
3. FINANCIAL REPORT		SPAIN	M	2022	139.52	-	139.52	663.54	8.50	672.04	4,165.34	337.91	4,503.25	5,314.81
	2021			118.45	0.83	119.28	492.66	16.30	508.96	1,853.18	630.89	2,484.07	3,112.31	
	2020			107.99	0.93	108.93	409.14	13.95	423.09	1,417.63	483.73	1,901.36	2,433.39	
	F		2022	69.47	-	69.47	562.19	4.94	567.13	4,895.39	427.72	5,323.12	5,959.72	
			2021	57.91	-	57.91	382.10	16.25	398.35	1,936.01	757.68	2,693.69	3,149.95	
			2020	48.29	-	48.29	284.19	9.01	293.20	1,386.18	497.78	1,883.96	2,225.45	
	TOTAL	2022	208.99	-	208.99	1,225.73	13.44	1,239.17	9,060.74	765.63	9,826.37	11,274.52		
		2021	176.36	0.83	177.19	874.76	32.55	907.31	3,789.19	1,388.57	5,177.76	6,262.26		
		2020	156.28	0.93	157.22	693.33	22.96	716.29	2,803.81	981.51	3,785.32	4,658.83		
	4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	ASIA	M	2022	25.44	2.14	27.58	291.71	34.20	325.91	2,935.91	243.46	3,179.37	3,532.86
2021				17.03	2.77	19.80	179.74	0.66	180.40	1,922.27	-	1,922.27	2,122.47	
2020				17.69	1.52	19.20	207.11	-	207.11	2,050.75	0.17	2,050.92	2,277.23	
F			2022	5.39	0.67	6.05	267.31	25.95	293.26	1,989.60	334.62	2,324.22	2,623.53	
			2021	2.82	0.67	3.49	169.07	6.89	175.96	1,176.89	4.79	1,181.68	1,361.13	
			2020	3.25	-	3.25	167.65	5.89	173.54	1,264.43	2.84	1,267.27	1,444.06	
TOTAL		2022	30.83	2.81	33.64	559.02	60.15	619.17	4,925.51	578.07	5,503.59	6,156.40		
		2021	19.85	3.44	23.29	348.81	7.55	356.36	3,099.16	4.79	3,103.95	3,483.59		
		2020	20.94	1.52	22.46	374.76	5.89	380.65	3,315.18	3.01	3,318.19	3,721.30		
5. COMMITMENT TO COMBAT CLIMATE CHANGE		AMERICAS	M	2022	43.21	0.15	43.36	255.03	26.00	281.02	3,887.41	1,279.21	5,166.62	5,491.00
	2021			25.72	5.27	30.99	193.98	50.28	244.26	2,848.39	1,151.49	3,999.87	4,275.13	
	2020			26.72	0.18	26.90	192.05	11.23	203.27	2,645.27	673.62	3,318.90	3,549.07	
	F		2022	13.49	-	13.49	212.78	11.79	224.58	2,259.30	856.34	3,115.63	3,353.69	
			2021	10.72	0.50	11.22	148.97	23.65	172.61	1,482.70	751.18	2,233.87	2,417.71	
			2020	4.58	-	4.58	153.61	6.83	160.44	1,471.31	414.24	1,885.55	2,050.57	
	TOTAL	2022	56.69	0.15	56.84	467.81	37.79	505.60	6,146.71	2,135.54	8,282.25	8,844.69		
		2021	36.44	5.77	42.21	342.95	73.93	416.88	4,331.08	1,902.66	6,233.74	6,692.83		
		2020	31.30	0.18	31.48	345.66	18.06	363.72	4,116.58	1,087.87	5,204.45	5,599.64		
	6. CREATION OF SOCIAL VALUE	TOTAL	TOTAL	2022	368.38	2.96	371.34	3,082.13	129.73	3,211.86	29,323.85	6,322.25	35,646.10	39,229.30
2021				263.81	11.04	274.85	2,058.17	116.04	2,174.21	16,888.88	4,096.58	20,985.47	23,434.53	
2020				239.28	4.18	243.45	2,001.29	67.26	2,068.54	17,409.85	2,849.16	20,259.01	22,571.00	
TOTAL			2022	368.38	2.96	371.34	3,082.13	129.73	3,211.86	29,323.85	6,322.25	35,646.10	39,229.30	
			2021	263.81	11.04	274.85	2,058.17	116.04	2,174.21	16,888.88	4,096.58	20,985.47	23,434.53	
			2020	239.28	4.18	243.45	2,001.29	67.26	2,068.54	17,409.85	2,849.16	20,259.01	22,571.00	
7. ANNEXES		TOTAL	TOTAL	2022	368.38	2.96	371.34	3,082.13	129.73	3,211.86	29,323.85	6,322.25	35,646.10	39,229.30
				2021	263.81	11.04	274.85	2,058.17	116.04	2,174.21	16,888.88	4,096.58	20,985.47	23,434.53
				2020	239.28	4.18	243.45	2,001.29	67.26	2,068.54	17,409.85	2,849.16	20,259.01	22,571.00
			TOTAL	2022	368.38	2.96	371.34	3,082.13	129.73	3,211.86	29,323.85	6,322.25	35,646.10	39,229.30
	2021			263.81	11.04	274.85	2,058.17	116.04	2,174.21	16,888.88	4,096.58	20,985.47	23,434.53	
	2020			239.28	4.18	243.45	2,001.29	67.26	2,068.54	17,409.85	2,849.16	20,259.01	22,571.00	

## AGGREGATED PERIMETER

## EMPLOYED AND ACTIVE STAFF BY REGION (FTES)

GRI: 2-4; 2-7

REGION	YEAR	EMPLOYED WORKFORCE	ACTIVE WORKFORCE
SPAIN	2022	11,515.35	11,274.52
	2021	8,350.55	6,262.26
AMERICAS	2022	8,844.69	8,844.69
	2021	7,224.93	6,692.83
EMEA	2022	4,247.06	4,247.06
	2021	3,170.25	1,874.84
ASIA	2022	6,156.40	6,156.40
	2021	4,544.11	3,483.59
CUBA	2022	8,706.64	8,706.64
	2021	-	5,121.00
<b>TOTAL</b>	2022	<b>39,470.13</b>	<b>39,229.30</b>
	2021	<b>23,289.84</b>	<b>23,434.53</b>

## NEW CONTRACTS BY GENDER, AGE, PROFESSIONAL CATEGORY, TYPE OF CONTRACT AND TYPE OF WORKING DAY (NUMBER)

GRI: 401-1

LEVEL	AGE	CONTRACT TYPE							WORKING DAY						TOTAL		
		PERMANENT			TEMPORARY			TOTAL	FULL-TIME			PART-TIME					
		F	M	TOTAL	F	M	TOTAL		F	M	TOTAL	F	M	TOTAL			
MANAGEMENT	< 30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	30 - 50	5	18	23	0	1	1	24	5	19	24	0	0	0	0	0	24
	>50	0	1	1	0	1	1	2	0	2	2	0	0	0	0	0	2
	Total 2022	5	19	24	0	2	2	26	5	21	26	0	0	0	0	0	26
	Total 2021	3	11	14	1	2	3	17	4	12	16		1	1	1	1	18
MIDDLE MANAGEMENT	< 30	40	33	73	5	5	10	83	45	38	83	0	0	0	0	0	83
	30 - 50	177	273	450	24	59	83	533	201	330	531	0	2	2	2	533	
	>50	11	21	32	4	7	11	43	15	28	43	0	0	0	0	43	
	Total 2022	228	327	555	33	71	104	659	261	396	657	0	2	2	2	659	
	Total 2021	138	151	289	29	48	77	366	164	195	359	3	4	7	7	373	
STAFF	< 30	2,584	2,891	5,475	1,209	1,525	2,734	8,209	3,598	4,268	7,866	195	148	343	343	8,209	
	30 - 50	2,363	2,372	4,735	1,222	1,324	2,546	7,281	3,404	3,633	7,037	181	63	244	244	7,281	
	>50	412	279	691	156	169	325	1,016	539	436	975	29	12	41	41	1,016	
	Total 2022	5,359	5,542	10,901	2,587	3,018	5,605	16,506	7,541	8,337	15,878	405	223	628	628	16,506	
	Total 2021	1,568	2,458	4,026	2,778	2,931	5,709	9,735	4,062	5,210	9,272	284	179	463	463	10,198	
<b>TOTAL</b>	Total 2022	<b>5,592</b>	<b>5,888</b>	<b>11,480</b>	<b>2,620</b>	<b>3,091</b>	<b>5,711</b>	<b>17,191</b>	<b>7,807</b>	<b>8,754</b>	<b>16,561</b>	<b>405</b>	<b>225</b>	<b>630</b>	<b>630</b>	<b>17,191</b>	
	Total 2021	<b>1,709</b>	<b>2,620</b>	<b>4,329</b>	<b>2,808</b>	<b>2,981</b>	<b>5,789</b>	<b>10,118</b>	<b>4,230</b>	<b>5,417</b>	<b>9,647</b>	<b>287</b>	<b>184</b>	<b>471</b>	<b>471</b>	<b>10,589</b>	

## AGGREGATED PERIMETER

## TURNOVER RATE FOR AVERAGE WORKFORCE BY GENDER, REGION AND AGE (%)

GRI: 401-1, SASB: SV-HL-310a.1

REGION	GENDER	INVOLUNTARY TURNOVER				VOLUNTARY TURNOVER				TOTAL TURNOVER				
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
1. MELIÁ IN 2022	EMEA	M	13.80%	7.80%	9.10%	10.00%	17.60%	16.40%	14.00%	16.60%	31.40%	24.20%	23.10%	26.60%
		F	12.20%	9.90%	8.10%	10.70%	19.20%	13.30%	9.10%	15.50%	31.40%	23.20%	17.20%	26.20%
		TOTAL 2022	13.00%	8.70%	8.70%	10.30%	18.40%	15.10%	12.00%	16.10%	31.40%	23.80%	20.70%	26.40%
		TOTAL 2021	7.80%	7.00%	6.90%	7.30%	13.10%	12.50%	14.50%	13.00%	20.90%	19.40%	21.40%	20.20%
2. BUSINESS MODEL	SPAIN	M	19.80%	11.90%	6.50%	12.50%	16.70%	9.70%	7.30%	10.80%	36.50%	21.60%	13.70%	23.30%
		F	22.10%	15.00%	11.40%	15.70%	15.00%	8.40%	5.00%	9.00%	37.10%	23.40%	16.50%	24.70%
		TOTAL 2022	21.00%	13.60%	9.10%	14.20%	15.80%	9.00%	6.10%	9.80%	36.80%	22.60%	15.20%	24.10%
		TOTAL 2021	51.90%	28.60%	19.80%	30.10%	9.00%	6.70%	6.20%	7.00%	60.20%	34.70%	25.80%	36.60%
3. FINANCIAL REPORT	ASIA	M	0.60%	0.70%	0.20%	0.60%	19.10%	13.70%	9.80%	15.30%	19.80%	14.40%	10.00%	15.90%
		F	0.50%	0.60%	0.50%	0.50%	18.10%	13.10%	10.50%	15.10%	18.60%	13.70%	10.90%	15.60%
		TOTAL 2022	0.60%	0.60%	0.30%	0.60%	18.60%	13.40%	10.00%	15.20%	19.20%	14.10%	10.30%	15.80%
		TOTAL 2021	24.00%	13.70%	12.90%	17.00%	0.90%	1.00%	1.90%	1.10%	24.90%	14.70%	14.80%	18.00%
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	AMERICAS	M	12.30%	11.00%	7.60%	11.30%	32.80%	23.10%	13.60%	26.30%	45.20%	34.10%	21.30%	37.60%
		F	9.20%	7.90%	6.40%	8.30%	32.00%	25.50%	14.00%	27.50%	41.20%	33.40%	20.50%	35.80%
		TOTAL 2022	11.10%	9.80%	7.20%	10.10%	32.50%	24.10%	13.80%	26.70%	43.60%	33.80%	21.00%	36.90%
		TOTAL 2021	38.60%	25.60%	13.00%	29.70%	5.60%	5.60%	3.60%	5.50%	44.10%	31.00%	16.60%	35.00%
5. COMMITMENT TO COMBAT CLIMATE CHANGE	TOTAL	Total 2022	10.60%	8.30%	6.10%	8.70%	20.30%	12.90%	6.20%	14.20%	30.90%	21.20%	12.40%	22.90%
		Total 2021	35.30%	22.80%	17.00%	25.50%	6.90%	7.00%	6.10%	6.80%	38.80%	26.80%	20.20%	29.00%

## PATERNITY AND MATERNITY LEAVE (PAX)

GRI: 401-3

REGION	YEAR	PARENTAL LEAVE			
		M	F	TOTAL	
7. ANNEXES	SPAIN	2022	165	117	282
		2021	-	-	0
EMEA	2022	28	42	70	
	2021	-	-	0	
AMERICAS	2022	160	124	284	
	2021	-	-	0	
ASIA	2022	41	128	169	
	2021	-	-	0	
TOTAL	2022	394	411	805	
	2021	0	0	0	

## AGGREGATED PERIMETER

## DISMISSALS BY CATEGORY, AGE AND GENDER (NUMBER)

LEVEL	AGE	2022			2021			
		WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
1. MELIÁ IN 2022	MANAGEMENT	<30	-	-	0	-	-	0
		30-50	1	3	4	-	-	0
		>50	1	3	4	-	-	0
		<b>TOTAL</b>	<b>2</b>	<b>6</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>
2. BUSINESS MODEL	MIDDLE MANAGEMENT	<30	-	2	2	-	-	0
		30-50	7	18	25	-	-	0
		>50	4	6	10	-	-	0
		<b>TOTAL</b>	<b>11</b>	<b>26</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>
3. FINANCIAL REPORT	STAFF	<30	59	192	251	-	-	0
		30-50	128	267	395	-	-	0
		>50	19	21	40	-	-	0
		<b>TOTAL</b>	<b>206</b>	<b>480</b>	<b>686</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>		<b>219</b>	<b>512</b>	<b>731</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## TRAINING BY PROFESSIONAL CATEGORY AND GENDER (NO. HOURS)

GRI: 404-1

PROFESSIONAL CATEGORY	AGE	WOMEN	MEN	HOURS	HOURS PER EMPLOYEE	
1. MELIÁ IN 2022	MANAGEMENT	<30	-	-	-	-
		30-50	1,516	1,615	3,131	16.39
		>50	473	871	1,344	13.71
		<b>TOTAL 2022</b>	<b>1,990</b>	<b>2,485</b>	<b>4,475</b>	<b>15.48</b>
		<b>TOTAL 2021</b>	<b>1,958</b>	<b>4,118</b>	<b>6,076</b>	<b>22.11</b>
2. BUSINESS MODEL	MIDDLE MANAGEMENT	<30	598	612	1,210	9.1
		30-50	10,727	11,083	21,810	12.85
		>50	2,241	3,036	5,276	11.47
		<b>TOTAL 2022</b>	<b>13,566</b>	<b>14,730</b>	<b>28,296</b>	<b>12.36</b>
		<b>TOTAL 2021</b>	<b>21,899</b>	<b>20,370</b>	<b>42,269</b>	<b>22.07</b>
3. FINANCIAL REPORT	STAFF	<30	18,210	16,344	34,554	7.22
		30-50	32,301	37,350	69,651	8.02
		>50	7,356	8,251	15,607	6.96
		<b>TOTAL 2022</b>	<b>57,866</b>	<b>61,945</b>	<b>119,811</b>	<b>7.63</b>
		<b>TOTAL 2021</b>	<b>88,557</b>	<b>100,145</b>	<b>188,702</b>	<b>11.7</b>
<b>TOTAL</b>		<b>73,422</b>	<b>79,160</b>	<b>152,583</b>	<b>8.34</b>	
		<b>112,414</b>	<b>124,633</b>	<b>237,047</b>	<b>12.94</b>	

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## INVESTMENT IN TRAINING (€ AND RATIO)

GRI: 404-1

YEAR	TOTAL INVESTMENT	INVESTMENT PER EMPLOYEE	INVESTMENT / PERSONNEL COST
2022	€ 2,909,766	€ 95	0.39%
2021	€ 1,417,404	€ 77	0.31%

## COMMITMENT INDEX

CONTENT	2019	2020	2021	2022	2022O
NPS	85.60%	85.60%	NA	84.00%	85.00%

## PERFORMANCE EVALUATION BY GENDER AND PROFESSIONAL CATEGORY (% WORKFORCE)

GRI: 404-3

GENDER	YEAR	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	GENERAL STAFF	TOTAL
M	2022	56.20%	37.90%	21.90%	23.60%
	2021	NA	NA	NA	NA
F	2022	64.00%	45.60%	23.30%	27.30%
	2021	NA	NA	NA	NA
<b>TOTAL</b>	2022	<b>58.30%</b>	<b>41.20%</b>	<b>22.60%</b>	<b>24.30%</b>
	2021	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## AGGREGATED PERIMETER

## GENDER DIVERSITY

CATEGORY	WORKFORCE		OBJECTIVE	OBJECTIVE YEAR	
	2022	2021			
1. MELIÁ IN 2022	Total women in the workforce	45.10%	41.90%	-	-
	Women in management positions	25.90%	29.10%	-	-
	Women in junior management positions	46.70%	36.70%	-	-
2. BUSINESS MODEL	Women in senior management positions within 2 levels of the CEO	14.30%	15.60%	40.00%	2030
	Women in management positions in revenue-generating areas	65.30%	39.80%	-	-
	Women in STEM positions*	31.30%	33.00%	-	-

## DIVERSITY OF OTHER MINORITIES (FTE'S)

TYPE	AGE	EMPLOYEES		WORKFORCE	
		2022	2021	2022	2021
DISABILITY	<30	22	-	0.20%	-
	30-50	101	-	0.50%	-
	>50	48	-	0.70%	-
	TOTAL	172	163	0.40%	0.70%
GENERATIONAL	<30	10,297	5,420	26.20%	23.10%
	30-50	21,996	13,338	56.10%	56.90%
	>50	6,936	4,675	17.70%	20.00%
	TOTAL	39,229	23,433	100.00%	100.00%
<b>TOTAL</b>		<b>39,229</b>	<b>23,433</b>	<b>100.00%</b>	<b>0</b>

## DIVERSITY OF NATIONALITIES

NATIONALITY	WORKFORCE	MANAGEMENT POSITIONS (JUNIOR, MIDDLE MANAGEMENT AND SENIOR)
Spanish	25.30%	41.00%
Cuban	22.30%	10.20%
Dominican Republic	9.60%	3.00%
Mexican	8.70%	5.00%
Vietnamese	7.20%	6.60%
Indonesian	3.50%	2.90%

## INTERNS (PAX)

REGION	GENDER	2022	2021
SPAIN	M	179	-
	F	263	-
	TOTAL	442	0
EMEA	M	-	-
	F	-	-
	TOTAL	0	0
AMERICAS	M	-	-
	F	-	-
	TOTAL	0	0
CUBA	M	-	-
	F	-	-
	TOTAL	0	0
ASIA	M	-	-
	F	-	-
	TOTAL	0	0
<b>TOTAL</b>	<b>M</b>	<b>179</b>	<b>0</b>
	<b>F</b>	<b>263</b>	<b>0</b>
	<b>TOTAL</b>	<b>442</b>	<b>0</b>



## AGGREGATED PERIMETER



## Occupational health and safety indicators

## OCCUPATIONAL HEALTH INDICES - EMPLOYEES

GRI: 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS	
		2021	2022	2021	2022
INCIDENCE RATE	M	29.9	33.91	1.03	0.24
	F	45.06	39.2	2.08	0.65
	<b>TOTAL</b>	<b>36.26</b>	<b>36.3</b>	<b>1.47</b>	<b>0.43</b>
FREQUENCY RATE	M	16.77	18.97	0.58	0.13
	F	25.51	21.62	1.18	0.36
	<b>TOTAL</b>	<b>20.41</b>	<b>20.17</b>	<b>0.83</b>	<b>0.24</b>
SEVERITY RATE	M	0.38	0.37	0.01	0
	F	0.46	0.39	0.07	0.03
	<b>TOTAL</b>	<b>0.41</b>	<b>0.42</b>	<b>0.04</b>	<b>0.02</b>
NO. OF WORKPLACE ACCIDENTS/ OCCUPATIONAL ILLNESSES	M	318	568	11	4
NO. OF WORKPLACE INCIDENTS/ OCCUPATIONAL ILLNESSES	F	346	540	16	9
	<b>TOTAL</b>	<b>664</b>	<b>1108</b>	<b>27</b>	<b>13</b>

INDICATOR	GENDER	2021	2022
NUMBER OF DEATHS	M	0	4
	F	0	0
	<b>TOTAL</b>	<b>0</b>	<b>4</b>

## WORKFORCE REPRESENTED ON OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

YEAR	SPAIN	EMEA	ASIA	AMERICAS	TOTAL
2022	96.14%	38.14%	0.00%	96.37%	76.88%
2021	-	-	-	-	-

## ABSENTEEISM

GRI 403-9

INDICATOR	GENDER	WORKPLACE ACCIDENTS		OCCUPATIONAL ILLNESS		COMMON ILLNESS		COVID-19*		MATERNITY		TOTAL ABSENTEEISM	
		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ABSENTEEISM RATE	M	0.3	0.3	0.01	0	3.24	2.27	0.82	0.68		0.39	<b>4.38</b>	<b>3.66</b>
	F	0.37	0.37	0.06	0.02	6.73	3.99	1.03	0.83		1.09	<b>8.19</b>	<b>6.3</b>
	<b>TOTAL</b>	<b>0.33</b>	<b>0.33</b>	<b>0.03</b>	<b>0.01</b>	<b>4.69</b>	<b>3.05</b>	<b>0.91</b>	<b>0.75</b>		<b>0.71</b>	<b>5.97</b>	<b>4.86</b>
NUMBER OF DAYS LOST	M	7,157	11,154	209	148	76,825	85,134	19,548	25,632		14,785	<b>103,739</b>	<b>136,853</b>
	F	6,288	11,705	953	752	114,062	124,470	17,483	25,825		33,894	<b>138,786</b>	<b>196,646</b>
	<b>TOTAL</b>	<b>13,445</b>	<b>22,859</b>	<b>1,162</b>	<b>900</b>	<b>190,887</b>	<b>209,604</b>	<b>37,031</b>	<b>51,457</b>		<b>48,679</b>	<b>242,525</b>	<b>333,499</b>
NUMBER OF HOURS LOST	M	57,256	89,232	1,672	1,184	614,600	681,072	156,384	205,056		118,280	<b>829,912</b>	<b>1,094,824</b>
	F	50,304	93,640	7,624	6,016	912,496	995,760	139,864	206,600		271,152	<b>1,110,288</b>	<b>1,573,168</b>
	<b>TOTAL</b>	<b>107,560</b>	<b>182,872</b>	<b>9,296</b>	<b>7,200</b>	<b>1,527,096</b>	<b>1,676,832</b>	<b>367,872</b>	<b>411,656</b>		<b>389,432</b>	<b>1,940,200</b>	<b>2,667,992</b>

CALCULATION METHODOLOGY Incident index: (No. Incidents x 1,000) / Average Workforce  
 Frequency index: (No. Incidents x 1,000,000) / Hours worked  
 Severity index: (Days lost x 1,000) / Hours worked

Percentage of absenteeism: (Hours lost x 100) / Hours worked

# Corporate information

GRI: 2-1; 2-3



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# Eligibility report and alignment with the EU Taxonomy

## INTRODUCTION

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## 1.1 General section

One of the most important objectives of the EU Sustainable Finance Action Plan is to direct cash flows towards sustainable investments. In this context, the EU Taxonomy Regulation came into force in mid-2020 and has defined new obligations that companies must comply with.

Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment (hereinafter, "the Taxonomy" or "the Regulation") aims to serve as a standard and mandatory classification system to determine which economic activities may be considered "environmentally sustainable" in the EU.

The EU has currently published a catalogue of sustainable activities covering two of the six environmental objectives: climate change mitigation and climate change adaptation. Companies must report annually on the classification of their activities as "environmentally sustainable", in accordance with the EU Taxonomy. To achieve this, a first distinction between Taxonomy-Eligibility and Taxonomy-Alignment has to be made.

Firstly, we have to examine whether an activity is described in Annexes I and II of the Commission Delegated Regulation (EU) 2021/2139, since only those activities can be considered eligible for the Taxonomy.

A second step requires an analysis of whether previously identified Taxonomy-eligible activities can be considered Taxonomy-aligned and therefore "environmentally sustainable". For an eligible activity to be considered aligned, it must simultaneously meet three criteria:

- That the activity generates a substantial contribution (SC) to an environmental objective,
- That the activity does no significant harm ("DNSH") to the other environmental objectives; and,
- That the company respects a number of minimum safeguards.

In the report on 2021, the eligibility of MHI activities was based on three key performance indicators (KPIs).

- Revenue,
- Capital expenditure (CapEx); and,
- Operating expenditure (OpEx).

## 1.2 Purpose and scope

According to its article 1.1, Regulation (EU) 2020/852 is applicable to companies that have to publish a non-financial statement or a consolidated non-financial statement by virtue of article 19a or article 29a of Directive 2013/ 34/EU of the European Parliament and of the Council, respectively.

By virtue of the obligations mentioned above, Meliá Hotels Internacional S.A. (hereinafter, "the company" or "Meliá") is required to comply with Regulation (EU) 2020/852, and to report on specific key performance indicators in relation to the eligibility and alignment of its activities in the manner and substance provided.

In accordance with the aforementioned regulatory requirements, and based on an analysis of the economic activities carried out by Meliá, it therefore reports the percentage of revenue / CapEx / OpEx eligible and aligned according to the Taxonomy in their respective totals for the fiscal year 2022.

The calculation of these KPIs has been made for the consolidated Group and the companies that comprise it, taking into account that they meet the criteria established by the standard in the information used as the basis for all the indicators.

## 2. KEY RESULTS

### 2.1 KPIs

In 2022, Meliá had total revenues of €1,507 Mn (+95%), with total CapEx of €102 Mn (+51%) and total OpEx of €124 Mn (+45%). The significant change in these numbers is mainly due to the reactivation of hotel operations in a year in which the tourism industry recovered after the pandemic.

Of the figures mentioned above, the eligibility analysis concluded that the following are eligible:

- 0% of total revenue (-100%) given the absence of any real estate asset disposals
- 17.4% of the total OpEx, a figure that shows little change due to its close relationship with hotel operations.
- 26.5% of the total CapEx due to the increase in investments to renovate buildings in Central America and the United Kingdom.

On the other hand, the alignment analysis concluded that there was no alignment in any of the three cases. In this context, and given our

INDICATOR	BREAKDOWN	2022	2021
REVENUE	Revenue	€ 1,506,634,727	€ 773,557,544
	Revenue Eligible	- €	€ 74,359,284
	% Eligible Revenue	0.00%	9.60%
	% Not Eligible Revenue	100.00%	90.40%
CAPEX	CAPEX	€ 101,606,517	€ 67,074,590
	Eligible CAPEX	€ 26,953,751	€ 6,338,530
	% Eligible CAPEX	26.50%	9.40%
	% Ineligible CAPEX	73.50%	90.60%
OPEX	OPEX	€ 123,678,929	€ 85,035,359
	Eligible OPEX	€ 21,553,869	€ 15,931,360
	% Eligible OPEX	17.40%	18.70%
	% Ineligible OPEX	82.60%	81.30%

commitment to sustainability and our aim to evaluate alignment in greater depth, we believe it important to highlight that we have been implementing projects to allow us to continue making progress in our management of climate risks and transition towards the decarbonisation of our business model.

The presentation of each KPI has been made in line with the templates in Annex II of Commission Delegated Regulation (EU) 2021/2178.

2.1.1 REVENUE



Figures in million euros

Economic activities	Codes	Total revenue	Proportional revenue	Substantial contribution		No significant harm						SM	Proportion of revenues conforming to Taxonomy in 2022	Enabling activity	Transitional activity	
				Climate change mitigation	Adaptation to climate change	Climate change mitigation	Adaptation to climate change	Sustainable use of water and maritime resources	Transition to a circular economy	Pollution prevention and control	Protection and recovery of biodiversity and ecosystems	Minimum safeguards				
Number	Activity	€	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																
<b>A.1. Environmentally sustainable activities (Aligned)</b>																
	Revenue from sustainable activities (A.1)	0.0	0.00%	0	0									0%		
<b>A.2. Activities eligible according to the taxonomy, but not environmentally sustainable (Eligible but not aligned)</b>																
	Revenue of eligible but non-sustainable activities (A.2.)	0.0	0.00%											0%		
	<b>TOTAL (A.1.+ A.2.)</b>	0.0	0.00%											0%		
<b>B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																
	Revenue from ineligible activities	1,506.63	100.00%													
	<b>TOTAL (A + B)</b>	1506.63	100.00%													

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## 2.1.2 OPEX



Figures in million euros

Economic activities	Codes	Total OpEx	Proportion OpEx	Substantial contribution		No significant harm						SM	Proportion of OpEx conforming to Taxonomy in 2022	Enabling activity	Transitional activity
				Climate change mitigation	Adaptation to climate change	Climate change mitigation	Adaptation to climate change	Sustainable use of water and maritime resources	Transition to a circular economy	Pollution prevention and control	Protection and recovery of biodiversity and ecosystems	Minimum safeguards			
Number	Activity	€	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>															
<b>A.1. Environmentally sustainable activities (Aligned)</b>															
	OpEx from sustainable activities (A.1)	0.0	0%	0	0								0%		
<b>A.2. Activities eligible according to the taxonomy, but not environmentally sustainable (Eligible but not aligned)</b>															
7.3	Installation, maintenance and repair of energy efficient equipment	L-68	21.55	17.43%											
	OpEx from eligible but non-sustainable activities (A.2.)	21.55	17.43%										0%		
	<b>TOTAL (A.1.+ A.2.)</b>	21.55	17.43%										0%		
<b>B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>															
	OpEx from ineligible activities	102.13	82.57%												
	<b>TOTAL (A + B)</b>	123.68	100.00%												

## 2.1.3 CAPEX



Figures in million euros				Substantial contribution		No significant harm						SM					
Economic activities		Codes	Total CapEx	Proportional CapEx	Climate change mitigation	Adaptation to climate change	Climate change mitigation	Adaptation to climate change	Sustainable use of water and maritime resources	Transition to a circular economy	Pollution prevention and control	Protection and recovery of biodiversity and ecosystems	Minimum safeguards	Proportion of CapEx conforming to Taxonomy in 2022	Enabling activity	Transitional activity	
Number	Activity		€	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																	
<b>A.1. Environmentally sustainable activities (Aligned)</b>																	
CapEx from sustainable activities (A.1)			0.0	0%	0%	0%											0%
<b>A.2. Activities eligible according to the taxonomy, but not environmentally sustainable (Eligible but not aligned)</b>																	
5.2	Renovation of water collection, purification and distribution systems.	E-36	0.05	0.05%													
7.2	Renovation of existing buildings	F-43	24.18	23.80%													
7.3	Installation, maintenance and repair of energy efficient equipment	F-43	1.77	1.74%													
7.5	Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings.	F-43	0.14	0.14%													
7.7	Acquisition and ownership of buildings	L-68	2.00	1.97%													
CapEx in eligible but unsustainable activities (A.2.)			28.14	27.70%												0%	
<b>TOTAL (A.1.+ A.2.)</b>			28.14	27.70%												0%	
<b>B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY</b>																	
OpEx from ineligible activities			73.47	72.30%													
<b>TOTAL (A + B)</b>			101.61	100.00%													

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## 2.2 ACCOUNTING POLICY

In compliance with point 1.2.1 of Annex I of the Commission Delegated Regulation that complements Regulation (EU) 2020/852, below is a description of the way in which revenue, investments in fixed assets and operating expenses must be determined, both with regard to the numerator and denominator of each indicator.

To calculate the amount and percentage of eligibility of Meliá activities for the different indicators, the total turnover, CapEx and the specific OpEx required by the regulations for the different activities have been evaluated according to their eligibility.

### 2.2.1 REVENUE

Based on our income statement, the accounts to be processed have been selected based on the Delegated Regulation (EU) of the Commission, as well as the "Final Report- Advice on article 8 of the Taxonomy Regulation" published by ESMA on February 26, 2021.

The revenue accounts recognised for accounting purposes have been selected in accordance with IAS 1, paragraph 82, letter a): "ordinary revenue, indicating separately interest revenue calculated according to the effective interest rate method". These revenues include:

- ordinary revenue from contracts with customers registered in accordance with IFRS 15;
- Revenue from leases recorded in accordance with IFRS 16, both from operating leases and from financial leases, revenue from interest on accounts receivable from financial leases and other accounts receivable calculated using the effective interest method; and,
- other sources of revenue, when applicable.

The denominator calculation is based on the Meliá income statement, selecting only the accounts based on previously defined accounting criteria. These accounts are the following: (a) room sales, (b) food sales, (c) beverage sales, (d) sales of various services, (e) sales of derivative

activities, (f) sale of real estate assets, (g) returns on sales, (h) provision of direct services, (i) billing for commissions from loyalty programmes, and (j) revenue from franchise fees.

The final figure will be the sum of all these accounts in the consolidated result after adjustments, since all of them meet the criteria in the European Union Regulation.

The numerator calculation is also based on the Meliá income statement used to calculate the denominator, but only considers those items that are eligible based on their analysis in relation to the Taxonomy. For more information on the considerations taken into account to determine whether or not an activity is considered eligible, see sections 2.2.2 and 2.2.3 of this report.

### 2.2.2 CAPEX

For the calculation of this KPI, the detail of the CapEx per project has been extracted from analytical accounting. Based on these data and, following the criteria defined in Annex I and II, section 1.1 of the Delegated Regulation (EU) of the Commission, the types that must be included according to the regulatory mandate have been selected, i.e. those that have been registered in accordance with International Accounting Standards (hereinafter, "IAS"). The types defined for this purpose are: (a) Expansion – rebranding and pre-opening, (b) IT, (c) Business, (d) Operations, (e) Strategic Plan, and (f) Risks.

When applying the international financial reporting standards (IFRS) adopted by Regulation (EC) No 1126/2008, the Group will include the costs posted to accounts in accordance with:

- IAS 16 Property, Plant and Equipment, paragraph 73, letter e), paragraphs i) and iii);
- IAS 38 Intangible Assets, paragraph 118, letter e), item i);
- IAS 40 Investment Property, paragraph 76, letters a) and b), (for the fair value model);
- IAS 40 Investment Property, paragraph 79, letter d), items i) and ii), (for the cost model);
- IFRS 16 Leases, paragraph 53, letter

Additionally, capital expenditures made through joint operations have also been considered as CapEx.

The denominator calculation is based on a list of projects with consolidated information after adjustments, taking into account those that can be considered CapEx in accordance with article 8, and indicating whether the project should be chosen based on the accounting criteria established by the Regulation. The total sum of the amounts in these projects constitutes the denominator.

The numerator calculation uses the same list of projects, but this time only considering those projects that are eligible based on the criteria defined by the Taxonomy. For more information on the considerations taken into account to determine whether or not an activity is considered eligible, see sections 2.2.2 and 2.2.3 of this report.

### 2.2.3 OPEX

For the OpEx indicator, the company's consolidated income statements after adjustments have been used as the base information to avoid duplication.

In accordance with the regulations (Annex I, section 1.1 of the Delegated Regulation (EU) of the Commission; and "Final Report-Advice on article 8 of the Taxonomy Regulation" published by ESMA on February 26, 2021) the following accounts have been taken into account in the calculation. The OpEx calculation therefore will include only non-capitalised direct costs recorded in the income statement for the year relating to:

- Research and development expenses.
- Short-term lease expenses.
- Maintenance and repairs, as well as other direct related expenses that are required to guarantee the continued and efficient operation of said assets.
- Previous operating expenses made through joint operations will also form part of OpEx. However, the operating expenses of joint ventures will not be considered as such.

The denominator calculation is based on the Meliá income statement, including the accounts selected according to the previously defined criteria, which are the following: (a) Other Rentals, (b) Other IFRS16 Rentals, (c) High or low value short-term rentals, (d) Long-term rent under value, (e) Fees and others, (f) Off-Shore Rent, (g) Repairs and Conservation, (h) Hotel Rental, (i) Hotel Rental IFRS 16. Meliá does not have an account related to R&D.

The OpEx denominator consists of the sum of all of these accounts for the companies in the consolidated Group.

The numerator calculation of the OpEx indicator is based on the calculation of the denominator, but including only those accounts and items that are considered eligible in accordance with the Taxonomy Regulation.

For more information on the considerations taken into account to determine whether or not an activity is considered eligible, see sections 2.2.2 and 2.2.3 of this report.

### 2.2.4 DOUBLE COUNTING

To avoid double counting the numbers for these activities, the company has defined the supervision and control measures required to ensure the consistency and reliability of the information extraction and transformation, thereby guaranteeing the integrity and traceability of the information from its origin to the report of the calculated indicators. The company has defined the appropriate responsibilities and mechanisms for segregating functions that allow the tasks in the process to be supervised, and also to ensure the standardisation of accounting criteria, the correct application of the premises, and the avoidance of any duplication in the assignment of activities. or inter-company relationships in the different indicators.

## 2.3 Diagnosis on compliance with technical criteria

### 2.3.1 SUBSTANTIAL CONTRIBUTION CRITERIA

With regard to the substantial contribution to mitigate or adapt to climate change, each activity has been evaluated in accordance with the technical criteria defined in the Regulation.

For CapEX, and specifically activity 7.2 "Renovation of existing buildings", we cannot say that any of the renovation investments in 2022 contribute substantially to climate change mitigation as none of them were major reforms (25% of the outer surface or costs above 25% of the value of the building). Neither did they aim to put in place physical and non-physical solutions to adapt to a previously identified climate-related risk.

Regarding OpEx, in particular activity 7.3 "Installation, maintenance and repair of energy efficiency equipment", while it is true that we installed and performed maintenance on enclosures, windows, doors, lighting equipment (LED, etc.), air-conditioning or heating equipment, kitchen appliances and/or domestic water, we currently do not have sufficient information on a material level to demonstrate compliance with the specific technical criteria required to conclude that there is alignment.

To develop the ability to allow us to demonstrate the substantial contribution of our investments, during the technological transformation of our procurement model in 2022 we began to complement our product catalogue with attributes that will allow us to increase the visibility of ESG criteria and improve our sustainability analysis.

### 2.3.2 DO NO SIGNIFICANT HARM (DNSH) CRITERIA

To demonstrate alignment, it must be shown that each of the eligible activities meets the criteria in appendix A of the annex "Technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives".

Although it is true that in 2021 we aligned our climate change management with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) working group, we have nevertheless decided to apply conservative criteria to evaluating the alignment of our activities. We believe we need to analyse each particular asset in the assessment of the risks and opportunities related to climate change and the way we manage them. Given the above and the mentioned need, we understand that our activities cannot currently be considered aligned according to the criteria in the Regulations.

To continue making progress in the analysis of physical climate risks and their impacts on our activities, we will evaluate the incorporation of that analysis into our evaluation of the investments to be made. This will ensure compliance with the provisions of this section from the moment the project is designed and also at the level of each particular asset.

## 2.4 Information on minimum safeguards

GRI: 2-25

### 2.4.1 INTRODUCTION

In addition to complying with a number of objective technical criteria for each of our activities, alignment also depends on our compliance with a series of minimum safeguards.

The purpose of the Minimum Safeguards (MS) in Article 18 of Regulation (EU) 2020/852 of the European Parliament and of the Council is to prevent an investment being classified as sustainable if it implies negative impacts in terms of:

- Human Rights, including the rights of workers.
- The fight against corruption and bribery
- Tax matters.
- Competition law.

These minimum safeguards do not contradict the application of more stringent requirements in terms of health, safety, etc. provided it is applicable under European Law.

#### 2.4.2 STATEMENT OF COMPLIANCE.

The requirements in this analysis have been interpreted based on the guidelines provided by the EU Platform on Sustainable Finance in the document "Final Report on Minimum Safeguards" of October 2022.<sup>3</sup>

#### HUMAN RIGHTS

Meliá Hotels International has spent years working on a human rights management and governance system, a process that began with the publication of its Human Rights Policy after approval by the Board of Directors in July 2018 and which expressly states its commitments in this regard. The annexes to the Meliá 2022 Management Report contain a direct link to this policy, which defines the principles, guidelines and commitments Meliá assumes in terms of the protection and defence of human rights.

The company assumes these universal standards for the protection and defence of human rights, such as the Principles of the Global Compact, of which it has been a member since 2008, and the United Nations Human Rights. We also apply international business standards (International Human Rights Charter, the International Covenant on Economic, Social and Cultural Rights, the Fundamental Principles of the ILO, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy) and specific standards in the travel industry, as is publicly stated in the aforementioned corporate policy.

Respect for international regulations on human rights is inseparable from the way Meliá Hotels International understands hotel management and its values as a family company. This drives Meliá to put its commitments into practice in order to integrate them throughout its value chain.

To this end, Meliá uses its own Code of Ethics as a general framework for employees, suppliers and stakeholders, the aforementioned corporate policy, and other specific public approaches due to its adherence to the Modern Slavery Act in the United Kingdom.

Meliá has had a Supplier Code of Ethics since 2018 to ensure suppliers assume the commitments, principles and values of the company from the beginning of the business relationship. This code is based on the general principles in the Meliá Code of Ethics, with each supplier assuming specific commitments in relation to regulatory compliance, non-discrimination, safe work environments, intolerance of abuse and coercion, intolerance of slavery, the prohibition of child labour, the payment of fair wages, respect for freedom of opinion and association, and protection of the environment. These approaches are detailed in the Good governance, ethics and integrity section of the 2022 Management Report, which expressly mentions Meliá's due diligence with its suppliers.

Meliá has also adopted and integrated with its procedures an express commitment to manage this area with due diligence and perform a periodic review. Three years after its first self-diagnosis on human rights, in 2022 the company reviewed and updated the Control Self-Assessment (CSA) to identify new risks and criteria regarding human rights in its operations. This new approach goes one step further in applying the most rigorous standards, adding the Dhaka Principles regarding responsible recruitment and the guidelines of the Modern Slavery Act (United Kingdom) to the approaches already included in our first self-diagnosis, such as the Global Compact Principles, ILO guidelines and the Human Rights Guiding Principles of the United Nations. The approach is reflected in the Human Rights Governance and Management Model, included in the Human Rights Due Diligence section of the 2022 Management Report. This section describes Meliá's due diligence model, in line with the principles of the Global Compact and its objectives, defining which bodies participate in management, which internal regulations are affected, and which tools and systems are available to the company to ensure due diligence.

<sup>3</sup> See: Final Report on Minimum Safeguards (europa.eu)

This update covers different areas related to labour rights (recruitment, remuneration, work environment and occupational health, social dialogue, supply chain and complaints channel), the environment (recognised by our policy as a human right) and anti-corruption.

This periodic analysis allows Meliá to measure the perception of protection and the probability of violation of these rights in hotels, as well as the capacity of the management team and the potential negative impact of a possible violation on our activity. Participation levels are reflected in the 2022 Management Report along with the levels of risk and probability of violation, with no real risks of violation having been identified in the company's portfolio.

Given that one of the key factors in due diligence in human rights is the availability of open channels for complaints, information in this regard can be seen in the Ethics and integrity section in the 2022 Management Report. Regarding complaints received through this channel that are directly related to human rights, the company makes their nature public. None of the complaints received in 2022 had a significant impact on the company from a criminal, financial or reputational point of view. In all of the mentioned cases, the appropriate corrective measures were taken on completion of the investigation, in some cases involving disciplinary measures and in others leading to training actions or improvements in processes or procedures. None of these complaints was related to violations of the rights of indigenous people or operations involving child labour. More detail can be seen in the subsection on Mechanisms for complaints and claims in the section on Due diligence in human rights. Meliá thus makes public any incidents related to this matter and the measures taken to remedy them.

It is important to note that online and offline access to the complaints channel is open to any stakeholder that considers their rights have been

violated. Meliá investigates each case individually, involving all the bodies required in the process in order to resolve the case and remedy any negative impact that may have been caused.

Meliá's commitment to defending these rights also means that it will openly collaborate with any entity that requires assistance whenever required. In 2022 Meliá has not received any requirements or communications in this regard. In another order of magnitude, during this year the company was not denounced or firmly condemned regarding the violation of these rights.

#### *B. THE FIGHT AGAINST CORRUPTION AND BRIBERY*

The Meliá Hotels International Code of Ethics defines a number of global commitments, including:

- Act with the greatest rigour and decisiveness with regard to corruption, fraud or bribery.

The commitments in the Code of Ethics with regard to public authorities include:

- To not accept or offer any type of bribe, financial or in kind, and actively combat corruption, crime and money laundering.

These commitments in the Code of Ethics are articulated in the Meliá Anti-Corruption Policy (updated in 2021). The objective of the policy is to define the principles that must govern our actions to prevent, detect, report and remedy any actions that applicable regulations might classify as corruption or bribery, either active or passive, and always attending to the zero-tolerance principle with regard to any such practices. This policy assumes a commitment to:

- Comply with applicable national and international legislation and regulatory obligations
- Define mechanisms for the monitoring and control of our principles, values and commitments, at all times guaranteeing action in the case of any irregular conduct, particularly corruption, fraud or bribery.
- Reject gifts and courtesies from third parties if they exceed the reasonable value of mere courtesy, nor accept any type of economic consideration, gift or invitation from our suppliers that due to their value may exceed the purely symbolic or mere courtesy.

In addition to the measures indicated above, the company also has a protocol for Crime Prevention and Detection, whose main objective is to prevent or reduce the risk of crime, especially those that involve criminal liability.

Our protocol has been certified by AENOR, certifying that the Criminal Compliance Management System meets the requirements defined in the UNE 19601:2017 standard (renewed in 2022).

Corruption is one of the criminal offences included in our Crime Prevention and Detection Protocol and related to 106 specific controls which we evaluate every year to mitigate this criminal risk.

The company also has other internal Policies and Regulations that form part of our Crime Prevention Protocol and which define guidelines to avoid corruption, such as, for example:

- The Compliance Policy (Compliance), expresses the commitment to comply with domestic and international legislation and regulatory obligations, as well as with its internal regulations, and also to ensure that the internal regulations and activities of its executives and managers are based on ethical criteria in line with the principles and values of the company and its Code of Ethics.

- The Philanthropy Policy expressly forbids contributions to political parties and their foundations, whatever their nature (financial or in kind). This extends to trade unions and individuals or initiatives promoted in a private capacity.
- The Hotel Administration and Internal Control Regulation contains clear guidelines aimed, among other things, at avoiding corruption and fraud in internal processes.

To guarantee the application of the Code of Ethics and internal Policies and Regulations, Meliá provides complaints channels (internal for employees and external for third parties) through which active or passive conduct that is contrary to the Code of Ethics or any other regulation can be reported, specifically corruption, bribery, fraud, etc.

The company also has an Internal Audit Department that acts as a third line of defence and reviews compliance with internal policies and regulations. The department also makes an annual review of the Crime Prevention Protocol to guarantee the correct and effective implementation of its controls. In 2022, a total of 160 internal audits were carried out on a global level, including all the company's regions, areas and businesses. As a result, based on the results of the audits, in 2022 we have not detected any practices that might expose the company to crimes of corruption or fraud.

### C. TAXATION

Taxation is a crucial area in corporate responsibility and is overseen by the MHI Board of Directors. The Board of Directors approves the tax strategy and monitors its implementation and the management of fiscal risks at least once a year. Among other aspects, the tax strategy defines compliance with the law as fundamental, both in letter and in spirit. MHI publishes its tax strategy on its corporate website.

The company has defined regulations, internal processes and a complaints channel to ensure tax compliance. Periodic reviews of compliance with tax obligations are carried out, supported by an organisational structure with appropriate means formed by a professional team that receives constant training.

MHI has a corporate structure aligned with the business and appropriate to legal requirements and corporate governance standards, and does not use instrumental organisations in tax havens.

MHI also has a strong commitment to transparency in tax matters according to reports by independent experts, and makes public information on its tax strategy and the taxes it pays.

Tax risk management is reflected in the existence of internal processes, systems and controls (NFIIC, key controls, etc.). The Tax Department is responsible for tax compliance and managing tax risks. It has implemented processes and robust information management systems to ensure the reliability and traceability of information and minimise the chance of human error in this area.

#### *D. COMPETITION LAW.*

Meliá Hotels International is a market leader in the tourism industry. This implies it must act with due responsibility in regard to healthy competition with other players in the tourism value chain. Meliá thus aims to contribute to sustainable tourism development as a means of driving progress and well-being in society, actively working with industry organisations and showing respect and transparency with regard to its competitors.

In general, Meliá has very clear communication, marketing and sales objectives in this regard to create and maintain links with all of its stakeholders, providing them with open, accurate, clear and transparent information on its mission, strategy, objectives and achievements. This

also aims to boost to its corporate reputation through an accurate and appropriate depiction of the company's image and the availability of the communication channels required to guarantee all stakeholders the opportunity to participate in its leadership and reputation.

Meliá's commitments to the tourism industry and competitors are therefore mainly aimed at exercising its leadership in a responsible and ethical way given the impact and repercussions its behaviour as a leading company may generate in the industry.

The company thus avoids any practice that could directly or indirectly be considered contrary to freedom in regard to contracting conditions in the markets in which it operates. In 2022 the company did not receive any sanctions in this regard in any of the markets in which it sells or provides its services.

The company's conduct also helps protect and enhance the reputation of the industry, actively participating and sharing its know-how and best practices in local, domestic and international forums, associations and other relevant entities and institutions. This helps reinforce its own positioning, as reflected in the 2022 Management Report in the section called We listen to our stakeholders, among which Meliá includes its competitors. The Impact on the environment section names different areas and business and non-business bodies of which the company forms part to help enhance its leadership and share its ideas and best practices.

Its participation in these environments allows it to responsibly exercise its role as a leading company in the tourism industry, avoiding taking any positions that might harm the industry and actively collaborating in actions with others that allow the constant evolution of the industry and improvement of its reputation on a local, regional, national and/or supranational level.



Meliá maintains a dialogue with other companies in the industry that encourages listening and active collaboration, regardless of whether or not they are competitors. Meliá thus acts in good faith, ethically and honestly, to foster cordial and mutually beneficial relationships within the industry, bearing its competitors in mind and avoiding attracting customers or gathering customer information using unethical methods. This leads Meliá to even involve competing companies in the definition of its own material issues, as reflected in the 2022 Management Report in the Materiality section.

Meliá announces and sells its products and services honestly and ethically, avoiding any misleading advertising. This is something that is essential to Meliá given that its customers are its *raison d'être*. That is why its ethical conduct standards lead it to comply with all of the applicable regulations in each of the countries in which it provides or markets its services.

To use the best available systems to guarantee the protection of customer data, acting at all times with due diligence and responsibility in the processing of that data, with a special focus on data protection as indicated in the Cybersecurity section of the 2022 Management Report, a key area with regard to its technological development and for which its teams receive extensive training.

Meliá also markets its products and services in a correct, transparent and honest way, avoiding misleading advertising or any other practice that may confuse or deceive customers. The fact the company has such high levels of loyalty and a strong NPS confirm that its customers appreciate the transparency and quality in the company's value proposition, as seen mainly in the sections on Brand architecture and Customer experience. The company also offers customers channels with clear information on the characteristics of its services, contracting conditions and prices, as well as channels through which they can make claims or complaints if appropriate.

Meliá promotes the marketing of its services through its own digital channels, allowing direct contact with customers, consumers and travel professionals, and also promoting its loyalty programmes for individual and corporate travellers. Along these lines, Meliá provides its teams with the training and development they require to adapt to changes in the marketing of its products, especially with regard to digital tools and systems.

Regarding the ethical management of its partnerships, Meliá is committed not to enter into commercial relationships with third parties that do not share its values or that fail to comply in a verifiable way with legal obligations, as reflected in the section on Good governance, ethics and integrity in the 2022 Management Report and in any of its approaches.

Meliá also organises regular training sessions and other actions to raise awareness among employees about competition issues and how to market our products and services, both through our own channels (website, app and contact centre) and third parties (OTAs, tour operators, etc.) to ensure that the information provided is honest, transparent and ethical and that there is no disparity in the different channels. All employees have access to courses on our digital learning platform from the moment they join the company to allow them to see all the information with regard to competition before they begin their work with the company. In the contact centre, for example, our agents specialised in helping customers by phone, chat or email to make or change a reservation are subject to a PCI Audit every year to evaluate the efficiency of the service and particularly the way data is processed and communication with customers.

Annual reviews (in some cases more frequent) of legal aspects (contractual conditions, privacy policies, the processing of personal and/or professional data on our customers, suppliers, etc.) are carried out to ensure the appropriate management of the data in our systems. From a strategic point of view, before closing any cooperation or commercial relationship with external partners, we always make sure that they share our corporate values and respect the appropriate contractual obligations.

### 3. QUALITATIVE INFORMATION

In accordance with point 1.2 of Annex I of the Commission Delegated Regulation, complementing Regulation (EU) 2020/852, in 2021, non-financial entities must disclose the following qualitative information.

#### 3.1 Assessment of compliance with regulation (EU) 2020/852

##### 3.1.1 INFORMATION ON THE ASSESSMENT OF COMPLIANCE WITH REGULATION (EU) 2020/852

In accordance with point 1.2.2.2 of Annex I of the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, Meliá has carried out an analysis to determine whether any of its activities are included in the activities described in Annexes I and II of the Delegated Regulation (EU) 2021/2139 of the Commission.

The main activities carried out by Meliá can be included within the NACE codes: I 55 "Accommodation services"; and I 56 "Food and beverage services", within division I "Hospitality". Neither of these two activities is recognised, in principle, as eligible within the EU taxonomy.

However, due to the nature of its corporate purpose, linked to the supply of accommodation services; and its business model, based on ownership, lease, management and franchising of hotels, Meliá has an undoubted real estate dimension in the purchase and sale of properties included in NACE L-68 "Real estate activities".

This NACE L-68 code, according to the Taxonomy of the European Union, is linked to point 7.7. of the same: "Acquisition and ownership of buildings".

Additionally, economic activities linked to eligible OpEx and CapEx have been identified in accordance with the following taxonomic activities of the Regulation indicated in the following section.

##### 3.1.2 CONTEXTUAL INFORMATION ON ELIGIBILITY INDICATORS

In accordance with point 1.2.3 of Annex I of the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, the results of the key indicators are reported in the "key results" section, and specifically the criteria applied and assumptions made:

###### TURNOVER

After an analysis of the activity of the companies included in the perimeter, only the account "Real Estate Sales" has been considered eligible according to taxonomic activity 7.7 "Acquisition and ownership of buildings". This is because, in this case, Meliá behaves as a real estate company carrying out activities more typical of the NACE code L-68 "Real estate activities".

Conservative criteria have been applied when evaluating the eligibility of Meliá's turnover, focusing on its real estate dimension.

###### B. CAPEX

The CapEx eligibility analysis has been carried out in two stages:

###### ANALYSIS BY TYPE OF INVESTMENT

Firstly, the different types of investment have been analysed to identify the eligible and non-eligible projects. In this case, the types considered potentially eligible are: (a) Expansion, (b) Business, and (c) Risks.

###### ANALYSIS BY NATURE OF THE PROJECT

In a second stage, the nature of the projects and activity of the company associated with them have been analysed in greater detail for the potentially eligible types identified in the previous stage.

According to that analysis, eligibility or non-eligibility has been identified according to the nature of the projects. In some cases, several projects have been defined as eligible, but their nature is such that they can be applied to several points of the Regulation.

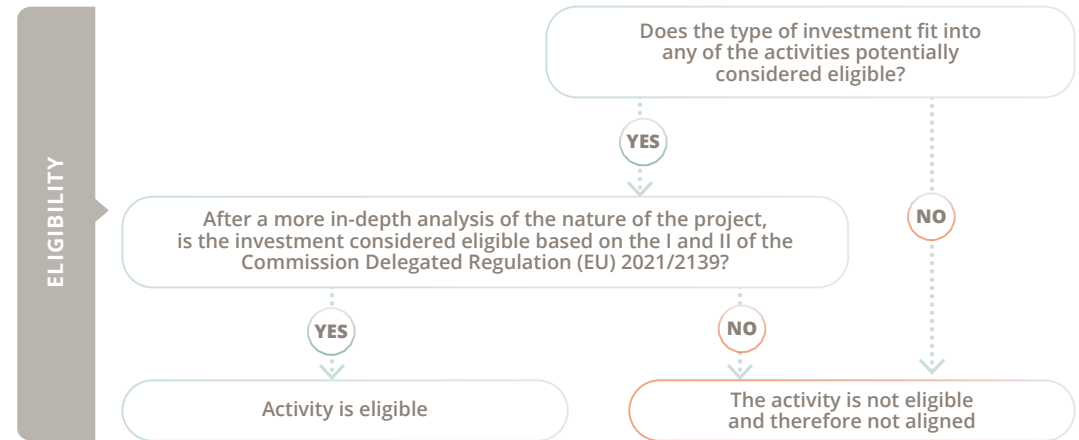
The different eligible activities assigned to CapEx projects are detailed below:

- 5.1. Construction, expansion and operation of water collection, purification and distribution systems.
- 5.2. Renovation of water collection, purification and distribution systems.
- 7.2. Renovation of existing buildings
- 7.3. Installation, maintenance and repair of energy efficient equipment
- 7.5. Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings.
- 8.2. Data-driven solutions to reduce greenhouse gas emissions.
- 9.3. Professional services related to the energy efficiency of buildings.

The impact of Meliá in terms of investment projects is largely focused on actions that seek the efficiency of its facilities.

To determine whether an economic activity is considered eligible or not, the following process has been followed:

This work methodology has applied conservative criteria to determine eligibility.



C. OPEX

Finally, for the numerator calculation for OpEx, only three items are considered eligible within the "Repairs and conservation" account, in accordance with point 7.3 of the Taxonomy, "Installation, maintenance and repair of energy efficient equipment". This is due to the fact that these items include expenses for the repair and conservation of buildings, installations and machinery.

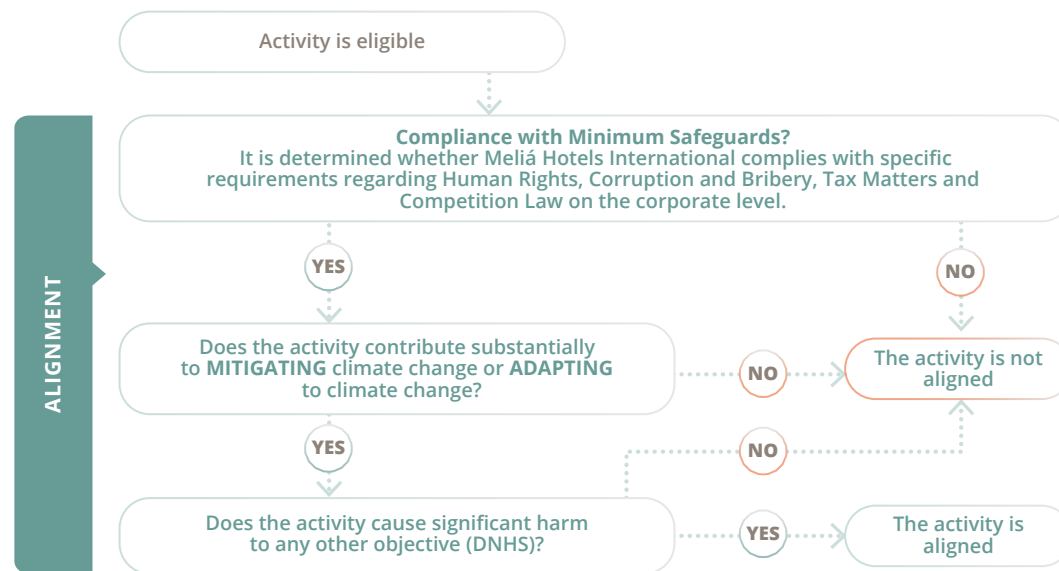
To reach this conclusion, we carried out an analysis of the items that make up 90% of the total balance of the “Repairs and conservation” account to get results with solid materiality.

Once again, this conservative interpretation, solidly supported by the Taxonomy criteria, determines the proportion of OpEx eligible for Meliá.

3.1.3 CONTEXTUAL INFORMATION ABOUT THE ALIGNMENT INDICATORS

Once sales operations, investment projects and eligible items have been defined, in order to identify whether an economic activity can be considered aligned, the following process is followed:

This work methodology has applied conservative criteria to determine alignment.



# Non-financial and diversity information requirements (Law 11/2018)



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1. MELIÁ IN 2022

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4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control.	2-23; 2-24; 2-25; 2-26	Due diligence in human rights	203 - 209	☑
	The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	3-3	Due diligence in human rights	203 - 209	☑
	<b>Human Rights</b>				
5. COMMITMENT TO COMBAT CLIMATE CHANGE	Application of due diligence procedures in human rights Prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and repair possible abuses	414-2	Due diligence in human rights	204 - 210	☑
	Complaints about human rights violations	2-26; 411-1	Complaints and claims mechanisms	210	☑
	Support and compliance with the provisions of the fundamental conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining. The elimination of discrimination in employment and occupation. The elimination of forced or compulsory labour. The effective abolition of child labour	3-3; 406-1; 408-1; 409-1	Due diligence in human rights	204 - 210	☑
6. CREATION OF SOCIAL VALUE	<b>Corruption and Bribery</b>				
	<b>Policies &amp; Risks</b>				
	A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control	2-23; 2-24	Commitment to combat corruption and bribery	122	☑
	The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	3-3	Risk management	124 - 132	☑
7. ANNEXES	<b>Corruption and Bribery</b>				
	Measures taken to prevent corruption and bribery	205-1; 205-3	Commitment to combat corruption and bribery	122	☑
	Measures to combat money laundering	3-3	Prevention of money laundering	123	☑
	Contributions to foundations and non-profit organisations	2-28; 201-1; 415-1	We strengthen the associative fabric Social Indicators	213; 230	☑



	CONTENT	GRI RELATED	REPORT CHAPTERS	PAGES	EXTERNAL VERIFICATION
	<b>Society</b>				
	<b>Policies &amp; Risks</b>				
	A description of the policies applied by the group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as the procedures for verification and control	2-23; 2-24	Impact on the environment	210 - 215	☑
	The main risks related to the group's activities, including how the group manages those risks and what procedures it uses to detect and evaluate them	3-3	Risk management	124 - 132	☑
	<b>Commitments of the company to sustainable development</b>				
	The impact of the company's activity on employment and local development	3-3; 413-1 and 413-2 (maintained)	Impact on the environment	210 - 215	☑
	The impact of the company's activity on local populations and on the territory	204-1; 413-1; 413-2	Impact on the environment	210 - 215	☑
2. BUSINESS MODEL	The relationships with people in the local communities and the channels for dialogue with them	2-29; 413-1	Impact on the environment	210 - 215	☑
	Partnership or sponsorship activities	2-28	We strengthen the business fabric and associations	213 - 215	☑
	<b>Subcontracting and Suppliers</b>				
	Inclusion in the procurement policy of social, gender equality and environmental issues	2-6; 3-3	For a resilient and efficient supply chain	196 - 200	☑
3. FINANCIAL REPORT	Consideration given to suppliers and subcontractors regarding their social and environmental responsibility	308-1; from 407-1 to 409-1; 414-1	For a resilient and efficient supply chain	196 - 200	☑
	Supervision and audit systems and their results	308-2; 414-2	For a resilient and efficient supply chain	196 - 200	☑
	<b>Consumers</b>				
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	Measures taken for the health and safety of consumers;	416-1	Critical material issues Customer journey map Contribution to the SDGs	55 68; 74 214	☑
	Claims systems, complaints received and their resolution	416-2; 417-2; 417-3; 418-1	Complaint and claims mechanisms Promoting a culture of cybersecurity	209 133-136 72	☑
	<b>Fiscal Information</b>				
5. COMMITMENT TO COMBAT CLIMATE CHANGE	Profits obtained by country Taxes paid on profits	207-4 (v.2019)	Result and taxes country by country	139	☑
	Public grants received	201-4	GRI Standards table of contents	260	☑
	<b>Other significant information</b>				
6. CREATION OF SOCIAL VALUE	Other information about the company profile	2-1	Corporate information	241	☑
	Identification of material issues	3-1; 3-2; 2-12	Listening to our stakeholders	50 - 57	☑
	About this report	2-2; 23; 2-4; 2-5; 3-1; 3-2; 2-22; Requirement 8; Requirement 7	About this report Letter from the Executive Vice President and CEO GRI Standards content Index	6-7 2-4 260	☑
7. ANNEXES	Other information used in the preparation of the document	201-3; 206-1; 2-27	GRI Standards table of contents	260	☑

# GRI Standards table of contents

**DECLARATION OF USE:** Meliá Hotels International has presented the information cited in this GRI content index for the period between January 1, 2022 and December 31, 2022 using the GRI Standards as a reference.

**GRI 1 USED:** GRI 1: Fundamentals 2021

	GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
	<b>GRI 2: General Contents 2021</b>			
	<b>Organisation profile</b>			
1. MELIÁ IN 2022	2-1	Organisational details	266	Note 1
	2-2	Entities included in the presentation of reports on sustainability	6-7	Consolidated Annual Accounts 2022
	2-3	Reporting period, frequency and contact	241	January 1, 2022 to December 31, 2022
	2-4	Update of the information	262	There are no significant changes or errors in the information presented in previous reports
	2-5	External verification	6-7	
2. BUSINESS MODEL	2-6	Activities, value chain and other business relationships	16-49	
	2-7	Employees	221 - 228; 233 - 239	
	2-9	Governance structure and composition	109 - 115; 217	
	2-10	Nomination and selection of the highest governance body	109 - 115	
	2-11	Chair of the highest governance body	109 - 115	
	2-12	Role of the highest governance body in overseeing impact management	109-115; 124-127; 78-81	
	2-13	Delegation of responsibility for impact management	109-115; 124-127; 78-81	
	2-14	Role of the highest governance body in sustainability reporting	262	Preparation of the Integrated Report by the Board of Directors
	2-15	Conflicts of interest	266	Note 2
	2-17	Collective knowledge of the highest governance body	109-115; 124-126;	
	2-18	Performance assessment of the highest governance body	113-115	
	2-19	Remuneration policies	111-115	
	2-20	Process to determine remuneration	111-115	
3. FINANCIAL REPORT	2-21	Annual total compensation ratio	111-115	
	2-22	Sustainable development strategy statement	2-4	
	2-23	Commitments and policies	218; 116-121; 121-123; 133-136; 142-148; 149-159; 160-165; 166-171; 174-190; 191-195; 196-202; 203-209; 210-215	
	2-24	Incorporation of commitments and policies		
	2-25	Processes to remedy negative impacts	116-120; 121-123; 203-209; 247-252	
	2-26	Mechanisms for seeking advice and raising concerns	116-120; 121-123; 203-209	
	2-27	Compliance with laws and regulations	262	There have been no breaches of environmental regulations
	2-28	Association membership	213-215; 230	
	2-29	Approach to stakeholder engagement	50-57	
	2-30	Collective bargaining agreements	262	At the consolidated level, 94.9% of our workers are subject to collective agreements. At the aggregated level, 54.5%
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY				
5. COMMITMENT TO COMBAT CLIMATE CHANGE				
6. CREATION OF SOCIAL VALUE				
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GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
<b>GRI 3: Material Issues</b>			
3-1	Process for determining material issues	50-57	
3-2	List of material issues	50-57	
3-3	Management of material issues	116-121; 121-123; 133-136; 142-148; 149-159; 160-165; 166-171; 174-190; 191-195; 196-202; 203-209; 210-215	
<b>GRI 201: Financial Performance</b>			
201-1	Direct economic value generated and distributed	83-107	
201-2	Financial implications and other risks and opportunities due to climate change	263	TCFD report: Risks and Opportunities Derived from Climate Change
201-3	Benefit plan obligations and other retirement plans	266	Note 3
201-4	Financial assistance received from the government	263	Subsidies for the year amounted to € 54,570,740.71 at the consolidated level and € 56,068,817.62 at the aggregate level. Training grants of € 376,808.38 at the consolidated level and € 537,947.01 at the aggregate level were received during 2022. Governments are not part of the shareholding structure
<b>GRI 202: Market presence</b>			
202-1	Ratio of standard entry-level wage by gender compared to the local minimum wage	227	
<b>GRI 203: Indirect economic impacts</b>			
203-1	Investments in infrastructure and support services	44-49	
203-2	Significant indirect economic impacts	44-49	
<b>GRI 204: Sourcing practices</b>			
204-1	Portion of spending on local suppliers	230	
<b>GRI 205: Anti-corruption</b>			
205-1	Operations assessed for corruption-related risks	122	
205-2	Communication and training on anti-corruption policies and procedures	122	
205-3	Confirmed cases of corruption and measures taken	263	During the year there were no cases of corruption
<b>GRI 206: Unfair competition</b>			
206-1	Legal action related to unfair competition and monopolies and contrary to free competition	263	No new sanctions have been imposed or administrative files opened in this regard by public legal entities in 2022
<b>GRI 207 (v.2019): Taxation</b>			
207-1	Tax approach	137-140	
207-2	Tax governance, control and risk management	137-140	
207-4	Reporting by country	139	
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organisation	150-155; 219; 231	
302-3	Energy intensity	150-155; 219; 231	
302-4	Reduction of energy consumption	150-155; 219; 231	
302-5	Reductions in the energy requirements of products and services	150-155	

	GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
1. MELIÁ IN 2022	<b>GRI 303: Water (v.2018)</b>			
	303-1	Interaction with water as a shared resource	156-159	
	303-2	Management of impacts related to water discharges	158-159	
	303-3	Water extraction	158-159	
	303-4	Water spills	158-159	
	303-5	Water use	158; 219; 231	
2. BUSINESS MODEL	<b>GRI 304: Biodiversity</b>			
	304-1	Operations centres in owned, leased or managed hotels within or next to protected areas or areas outside protected areas with high levels of biodiversity	168-169	
3. FINANCIAL REPORT	304-2	Significant impacts of activities, products and services on biodiversity	166-171	
	<b>GRI 305: Emissions</b>			
	305-1	Direct GHG emissions (Scope 1)	220; 232	
	305-2	Indirect GHG emissions (Scope 2)	220; 232	
	305-3	Other indirect GHG emissions (Scope 3)	220; 232	
	305-5	Reduction of GHG emissions	220; 232	
4. GOOD GOVERNANCE, ETHICS AND INTEGRITY	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions	220; 232	
	<b>GRI 306: Waste (v.2020)</b>			
	306-1	Generation of waste and significant impacts related to waste	161-165	
	306-2	Management of significant impacts related to waste	161-165	
	306-3	Waste generated	161-165; 219 - 220; 231 - 232	
	306-4	Waste not destined for disposal	161-165	
5. COMMITMENT TO COMBAT CLIMATE CHANGE	306-5	Waste destined for disposal	161-165	
	<b>GRI 308: Supplier environmental assessment</b>			
6. CREATION OF SOCIAL VALUE	308-1	New suppliers screened under environmental criteria	198-202; 230	
	<b>GRI 401: Employment</b>			
	401-1	New employee hires and employee turnover (partial)	224-225; 236-237	
	401-3	Parental leave	225; 237	
	<b>GRI 402: Worker-company relations</b>			
	402-1	Minimum notice periods regarding operational changes	264	Depending on the country and hotel, the minimum notice periods are met as stipulated by the applicable collective agreements or, in their absence, as stipulated in the corresponding legislation
7. ANNEXES	<b>GRI 403: Health and Safety at Work (v.2018)</b>			
	403-1	Occupational health and safety management system	191-195	
	403-2	Hazard identification, risk assessment and incident investigation	191-195	
	403-3	Occupational health services	191-195	
	403-4	Worker participation, consultation and communication on health and safety at work	266	Note 4
	403-5	Training of workers in health and safety at work	195	
	403-6	Promotion of worker health	191-195	
	403-8	Coverage of the occupational health and safety management system	195	
	403-9	Work-accident injuries	229; 240	
	403-10	Occupational illnesses	229; 240	

	GRI CODE	GRI	PAGE	COMMENTS / OMISSIONS
	<b>GRI 404: Training and education</b>			
	404-1	Average hours of training per year per employee	183; 226; 228; 238	
	404-2	Programmes to improve employee skills and transition assistance programmes	183-188	
	<b>GRI 405: Diversity and equal opportunities</b>			
	405-1	Diversity in governance bodies and employees	217; 228; 239	
	405-2	Ratio of basic salary and remuneration of women compared to men	226-227;	
	<b>GRI 406: Non-discrimination</b>			
	406-1	Incidents of discrimination and corrective actions taken	265	In 2022, 7 cases of discrimination were detected, all of which have been resolved.
	<b>GRI 407: Freedom of association and collective bargaining</b>			
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	265	Meliá Hotels International has an agreement with UIFUITA that covers these aspects
	<b>GRI 408: Child labour</b>			
	408-1	Operations and suppliers with significant risk of incidents related to child labour	265	The Meliá Hotels International Code of Ethics Human Rights Policy strictly prohibit the use of child labour. This prohibition extends to its supply chain through their assumption of specific commitments in the Meliá Supplier Code of Ethics.
	<b>GRI 409: Forced or compulsory labour</b>			
	409-1	Operations and suppliers with significant risks related to forced or compulsory labour	265	The Meliá Hotels International Code of Ethics and Human Rights Policy strictly prohibit forced or compulsory labour as well as any form of modern slavery. This prohibition extends to its supply chain through their assumption of specific commitments in the Meliá Supplier Code of Ethics.
	<b>GRI 411: Rights of indigenous peoples</b>			
	411-1	Cases of violations of the rights of indigenous peoples	265	Cases of violations of the rights of indigenous peoples
	<b>GRI 413: Local communities</b>			
	413-1	Operations with local community engagement, impact assessments and development programmes	210-215; 230	
	413-2	Operations with significant and potential negative impacts on local communities	265	No operations with a negative impact were detected in local communities
	<b>GRI 414: Supplier social assessment</b>			
	414-1	New suppliers screened using social criteria	198-202; 230	
	<b>GRI 415: Public policy</b>			
	415-1	Contributions to parties and/or political representatives	265	No political contribution was made during the year. Our code of ethics does not allow it
	<b>GRI 416: Customer health and safety Customer privacy</b>			
	416-1	Assessment of the health and safety impacts of products or services	55; 68; 74; 214	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	265	There have been no incidents with regulatory non-compliance regarding health and safety in products and services
	<b>GRI 417: Marketing and labelling</b>			
	417-2	Incidents of non-compliance concerning product and service information and labelling	265	No regulations regarding information and labelling of products and services have been breached
	417-3	Incidents of non-compliance related to marketing communications	265	No cases have been detected regarding non-compliance with regulations or voluntary codes on marketing communications
	<b>GRI 418-1: Customer privacy</b>			
	418-1	Substantiated claims regarding breaches of customer privacy and loss of customer data	265	During the year there were no complaints about violation of privacy or leakage of customer data

# GRI notes



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### NOTE 1

Meliá Hotels International, SA (the Company) is a company legally constituted in Madrid on June 24, 1986, under the name Investman, S.A. On June 1, 2011 the corporate name was changed to Meliá Hotels International, S.A. and the company moved its registered office in 1998 to 24 Calle Gremio Toneleros, Palma de Mallorca. Meliá Hotels International, S.A. (the Group) is the parent company of the Meliá Hotels International Group, which presents (in accordance with the requirements of the Commercial Code) consolidated annual accounts in order to show the Group's financial and asset-related position.

### NOTE 2

It is the obligation of the directors to inform the Company of any situation of direct or indirect conflict that they may have with the interest of the company, in accordance with the provisions in Article 28 of the Regulations of the Board of Directors. Likewise, the Nomination and Remuneration Committee, in accordance with the provisions in Article 15.2. of the Regulations of the Board of Directors, must inform the Board of Directors about transactions that involve or could involve conflicts of interest and proposing, where appropriate, the measures to be adopted.

### NOTE 3

Post-employment benefits: the cost of defined benefit pension plans is determined by actuarial valuations. Actuarial valuations require the use of hypotheses about discount rates, the return on assets, salary increases, employee mortality and turnover tables, as well as the retirement age of employees entitled to these benefits. These estimates are subject to significant uncertainties due to the long term settlement of these plans. The valuation of these obligations has been carried out by independent experts of recognised prestige, using actuarial valuation techniques.

Defined benefit pension plans: Pension plans that do not have the nature of defined contribution are considered defined benefit plans. Generally, defined benefit plans set out the amount of the benefits the employee will receive at the time of retirement, usually based on one or more factors, such as age, years of service and compensation.

The Group recognises on the balance sheet a provision with respect to the defined benefit premiums established in the collective agreements for the difference between the present value of the compensations paid and the fair value of the possible assets subject to the commitments with which the obligations will be settled, reduced, if applicable, by the amount of the costs for past services not yet recognised. If an asset arises from the previous difference, its valuation cannot exceed the current value of the economic benefits available in the form of reimbursements from the plan or reductions in future contributions to the same.

The costs for past services are recognised immediately in the profit and loss account, except in the case of revocable rights, in which case they are charged to the profit and loss account on a straight-line basis in the remaining period until the rights for past services are irrevocable. The present value of the obligation is determined by actuarial calculation methods and financial and actuarial assumptions that are unbiased and compatible with each other. The Company recognises directly in the statement of comprehensive income, the gains and losses arising from the variation in the present value and, where applicable, the assets affected by changes in actuarial assumptions or adjustments due to experience.

Certain collective agreements in force and applicable to some group companies establish that permanent staff who choose to terminate their contract with the Company after a certain number of years linked to it shall receive a cash award equivalent to a number of monthly payments proportional to the years worked. During the year, an assessment of said agreements was carried out using the actuarial assumptions of the Group's own employee turnover model, applying the calculation method known as Projected Unit Credit and demographic hypotheses correspond-

ing to the PER2000P tables. The balance of provisions, as well as the activation of payments for future services, cover these commitments acquired, according to an actuarial study carried out by an independent expert. More details on this valuation are provided in Note 17.2 of the Consolidated Annual Accounts. With regard to pension commitments and obligations stipulated in collective agreements affected by the Ministerial Order of 2 November 2006, the Group has made the corresponding outsourcing. The assets affected by these outsourcing operations are presented by reducing the balance of the commitments acquired.

### NOTE 4

Meliá does not maintain specific agreements with trade unions regarding safety and health beyond those included in collective agreements. These agreements include, where applicable, aspects such as health and safety training, insurance and safety equipment, among others. If these agreements do not include specific aspects on Health and Safety, ultimately, they shall meet at least the stipulations regarding health and safety legislation applicable in each country. In 2022, there were no negotiations within collective agreements.

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## SUSTAINABILITY DISCLOSURE ISSUES AND ACCOUNTING METRICS

SASB CODE	INDICATOR	UNIT	2021	2022
<b>Energy management</b>				
	Total energy consumed	GJ / stay	0.1963	0.3184
		GJ	2194614	3560210
SV-HL-130a.1	Percentage of electricity	Total consumption	69.60%	71.50%
	Percentage of renewable energy	Total consumption	29.70%	28.00%
<b>Water management</b>				
	Total water extracted	m <sup>3</sup> / stay	0.9045	0.7036
		Thousands m <sup>3</sup>	10113	16654
SV-HL-140a.1	Total water consumed	m <sup>3</sup> / stay	-	-
		Thousands m <sup>3</sup>	-	-
	Portfolio located in areas of water stress	Hotels	97	84
		Portfolio	35.80%	29.20%
<b>Ecological Impacts</b>				
SV-HL-160a.1	Portfolio located in or near protected areas	Hotels	53	95
SV-HL-160a.2	Environmental policy and practices to preserve the ecosystem	Qualitative	Section: Commitment to combat climate change	
<b>Employment practices</b>				
	Voluntary turnover rate	Rate	6.80%	14.20%
SV-HL-310a.1	Involuntary turnover rate	Rate	25.50%	8.70%
SV-HL-310a.2	Economic losses due to violation of employment rights	€	-	-
	Average hourly wage of minimum wage employees (by region)	€	-	-
SV-HL-310a.3	Percentage of employees earning minimum wage (by region)	%	-	-
SV-HL-310a.4	Policies and/or programmes to prevent workplace harassment	Qualitative		
<b>Adaptation to climate change</b>				
	Portfolio located in areas at risk of flooding	Hotels	39	101
SV-HL-450a.1		Portfolio	14.40%	35.10%

## ACTIVITY METRICS

SASB CODE	INDICATOR	UNIT	2021	2022
SV-HL-000.A	Available rooms	Rooms	16436056	23525930
	Occupied rooms	Rooms	6015596	12564236
SV-HL-000.B	Occupancy	Ratio	36.60%	53.40%
SV-HL-000.C	Hotel surface area	m <sup>2</sup>	-	-
	Property Portfolio	Hotels	37	37
		Portfolio	12%	11%
	Lease Portfolio	Hotels	105	100
SV-HL-000.D		Portfolio	33%	29%
	Managed Portfolio	Hotels	129	151
		Portfolio	41%	44%



# Glossary



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<b>Asset light</b>	Hotel portfolio growth category based on operational management models.
<b>ARR - Average Room Rate</b>	Average price per every occupied room
<b>B2B - Business to Business</b>	Transactions involving products and services between two companies
<b>B2C - Business to Consumer</b>	Sales of products and services to end consumers
<b>Bleisure - Business + leisure</b>	The combination of business and leisure travel
<b>Business development</b>	Department dedicated to brand positioning and value creation for customers
<b>CBG/GGC</b>	Good Governance Code
<b>CDP - Carbon Disclosure Project</b>	Organisation that evaluates the positioning of companies in climate change
<b>CNMV</b>	Spanish Securities Market Commission.
<b>COSO - Committee of Sponsoring Organisations of the Treadway Commission</b>	Framework for the implementation of risk management and internal control systems
<b>CSA - Corporate Sustainability Assessment</b>	Annual evaluation of companies with regard to sustainability carried out by S&P Global
<b>CUBG</b>	Unified good governance code
<b>Customer Journey</b>	Contact points with customers during their trip or stay at the hotel (before the stay, during the stay and after their departure)

<b>EBIT - Earnings Before Interest and Taxes</b>	Results before interest and taxes
<b>EBITDA - Earnings before Interest, Taxes, Depreciation and Amortisation</b>	Gross operating profit before interest, taxes, depreciation and amortisation
<b>EBITDAR - Earnings before interest, taxes, depreciation, amortisation, and restructuring or rent costs</b>	Gross operating profit without considering the expenses derived from leases or rentals
<b>E-commerce - Electronic commerce</b>	Distribution, purchase or sale of products and services over the Internet
<b>EMEA - Europe, Middle East and Africa</b>	Europe, Middle East and Africa
<b>ESG - Environmental, Social &amp; Governance</b>	Environment, social and governance
<b>Essential brands</b>	Hotel category for a customer segment that appreciates high-quality standards, but with greater price sensitivity
<b>F&amp;B - Food &amp; Beverage</b>	Food and Beverage
<b>Fees</b>	Fees
<b>GDPR - General Data Protection Regulation</b>	General Data Protection Regulation of the European Union for the protection of personal data
<b>GRI - Global Reporting Initiative</b>	Global standard for the preparation of sustainability reports that evaluates the economic, environmental and social performance of companies
<b>GSS - Guest Satisfaction Score</b>	Indicator that measures customer satisfaction

<b>GSTC - Global Sustainable Tourism Council</b>	Manages global standards for sustainability in travel and tourism
<b>High-end</b>	A segment with high purchasing power that demands exclusivity, luxury, authenticity and excellence.
<b>Aggregate Information</b>	Includes information on owned, leased and managed hotels
<b>Consolidated Information</b>	Includes information on owned and leased hotels (consolidation perimeter)
<b>Global Integration</b>	Consolidated perimeter
<b>JV - Joint ventures</b>	Joint investment company that acquires the ownership of a hotel
<b>Leading</b>	Leading
<b>Lifestyle hotel</b>	A type of hotels that have their own identity and personality.
<b>Meeting &amp; Events</b>	Meetings and Events Segment
<b>Newsletters</b>	Newsletters
<b>NPS - Net Promoter Score</b>	Indicator that measures the level of recommendation from customers with regard to the hotel
<b>SDG</b>	Sustainable Development Goals, part of the United Nations 2030 Agenda
<b>OTA - Online Travel Agency</b>	Online travel agencies mainly dedicated to the sale of travel services or products on the Internet
<b>Partners</b>	Partners

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<b>PCI - Security Standards Council</b>	System that ensures the data security in credit card payments
<b>Phishing</b>	A method used by cybercriminals to deceive, defraud or obtain personal or professional data
<b>Pipeline</b>	Portfolio of hotels signed and pending opening
<b>PMS -Property Management System</b>	Technology used for hotel operations
<b>Premium brands</b>	Segment of hotels offering high-quality products and services and luxury experiences
<b>Proxy advisers</b>	Entities that provide advisory services to investors, mainly institutional, in relation to the exercise of voting rights derived from the ownership of shares in listed companies
<b>Q - Quarter</b>	Quarter
<b>QPI - Quality Penetration Index</b>	Quality index providing a comparison with competitors. Provides a reputation indicator compared to competitors
<b>Luxury brands</b>	Brands providing maximum luxury and quality for the most discerning customers
<b>Revenue Management</b>	The management and improvement of hotel revenue and sales
<b>ReviewPRO</b>	Satisfaction surveys for a specific customer segment (agencies)
<b>RevPAR - Revenue Per Available Room</b>	Indicator that measures the revenue generated by room sales divided by the total number of rooms available over a given period of time
<b>CSR</b>	Corporate Social Responsibility
<b>SBTI - Science Based Targets initiative</b>	An initiative that aims to help define science-based strategies to combat climate change and reduce greenhouse gas emissions

<b>ICFR</b>	An internal control system for financial information that defines a series of processes to provide reasonable assurance regarding the reliability of financial information published in the markets.
<b>SET - Senior Executive Team</b>	Management Committee made up of the senior management of the company
<b>Shareholders</b>	Shareholders
<b>Silver class</b>	Silver class
<b>Stakeholders</b>	Stakeholders
<b>Statement</b>	Statement
<b>Stay safe</b>	Program designed to ensure the health and safety of our customers and employees during COVID-19
<b>Sustainability Yearbook</b>	Published by S&P Global and evaluating companies based on their performance in sustainability and environmental, social and governance criteria
<b>Tour Operators Tour Operators</b>	Companies that offer package-travel products to consumers
<b>Upgrade</b>	An offer to a customer to enjoy a service or product of a higher category than the one they originally booked
<b>Upscale</b>	Segment of hotels with the highest product and service standards or of a superior category
<b>VP</b>	Vice President
<b>VUCA (Volatility, Uncertainty, Complexity &amp; Ambiguity)</b>	Acronym that defines the business context in a volatile, uncertain, complex and ambiguous environment

# Methodology for Calculating the SBTi Carbon Footprint



INDEX

1. MELIÁ IN 2022

Calculation and reporting of our carbon footprint includes all the facilities where we have operational control, i.e. 100% of the owned, leased and managed hotels.

2. BUSINESS MODEL

The methodology used to calculate the carbon footprint follows the procedure in the internationally accepted GHG Protocol.

3. FINANCIAL REPORT

The following scopes are considered in the footprint calculation:

## SCOPE 1

Scope 1 greenhouse gas emissions are those derived from using fuels for heating and/or DHW or from leaks of fluorinated gases in our own facilities.

## SCOPE 2

Scope 2 greenhouse gas emissions are indirect emissions caused by the generation of energy the company then consumes and not generated in our own facilities. Included in this category is the purchase of electricity, district heating and district cooling.

## SCOPE 3

Given the nature of our business model, Scope 3 emissions are very significant in our activity. Therefore, following recommendations and

best practices, we continue to make progress in measuring our Scope 3 footprint, which includes all the following categories in our value chain.

### Category 1: purchase of goods and services

Indirect emissions in this category are estimated through an input/output economic analysis, using a proprietary tool and the emission factors from the database for CEDA 5 calculations (Complete environmental data sheet v5.0. CEDA provides information on emissions in the life cycle per monetary unit spent on goods and services).

The methodology for calculating emissions first breaks down the annual expense for each group of items purchased in the year, taking into account the company code assigned to each group, and making it possible to differentiate between OPEX and/or CAPEX. Secondly, the cost of each group of articles is multiplied by the emission factor that best fits its denomination in the CEDA data set.

The following are the key data used for the calculation of category 1:

- This category includes all upstream emissions from the production of all goods or services purchased or acquired in the reporting year.
- It includes materials (tangible products) and services (intangible products).
- Source: Database of purchase organising companies.
- The emission factors used from CEDA 5 (Complete environmental data file v 5.0).

## Category 2: equipment/capital assets

Indirect emissions in this category are estimated through an input/output economic analysis, using a proprietary tool and the emission factors from the database for CEDA 5 calculations (Complete environmental data sheet 5.0. CEDA provides information on emissions in the life cycle per monetary unit spent on goods and services).

The methodology for calculating emissions first breaks down the annual expense for each group of items to identify the capital goods purchased or acquired in the year of the report. Secondly, the cost of each group of articles is multiplied by the emission factor that best fits its denomination in the CEDA data set.

The following are the key data used for the calculation of category 2, equipment and/or capital goods acquired:

- This category includes all upstream emissions caused by equipment and/or capital goods acquired in the reporting year.
- Source: Database of purchase organising companies.
- The emission factors used from CEDA 5 (Complete environmental data file v 5.0).

## Category 3: fuel and energy consumed by the company (not included in scope 1 and 2)

These emissions are those associated with fuel and energy consumed, but not included in scopes 1 and 2. We calculate these emissions due to the fact that our fuel and energy consumption is a significant part of scope 3 emissions.

We used the AEI database (2018 version) and followed the updated Standard to use electricity emission factors and grid loss data from global emission data sources (IEA, DEFRA and individual countries) to calculate transmission and distribution losses and emissions associated with the extraction, production and transportation of fuel.

## Category 5: waste

The emissions associated with the management of waste generated on site are calculated taking into account the emissions derived from its treatment by third parties (recycling, composting, dumping and incineration).

The emissions associated with the management of waste generated on site are calculated based on their treatment: recycling, composting, landfill disposal and incineration; and the emission factors for each of them provided by UNEP (United Nations Environment Programme).

## Category 6: business trips

Scope 3 emissions associated with business travel are obtained from the air travel report provided by our partner American Express Global Business Travel:

- Emissions associated with flights based on the number of kilometres travelled and the emission factor provided by DEFRA (Department for the Environment, Food and Rural Affairs).

## Category 7: commuting to work (employees)

In order to be able to calculate the emissions associated with the commute of our employees worldwide, in 2019 we created a survey to collect data on the distance each of them travels every day from their home to their workplace, the means of transport they use and the number of trips they make every day.

Using this information and the emission factors in the GHG Protocol, we have calculated total emissions for 2022.

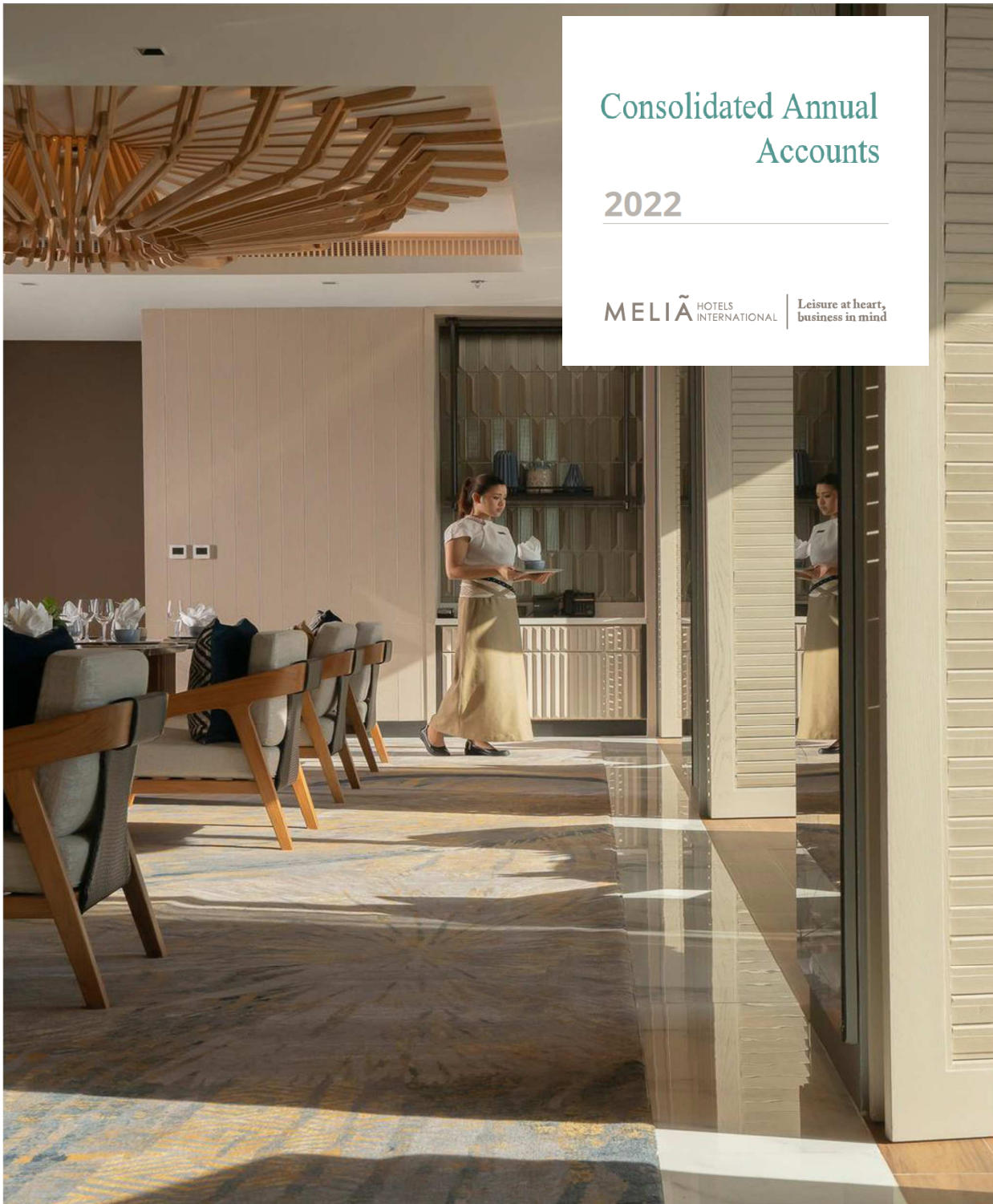
MELIÃ HOTELS  
INTERNATIONAL

**Leisure at heart,  
business in mind**

# Consolidated Annual Accounts

2022

MELIÀ HOTELS  
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business in mind



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# Consolidated Balance Sheet

(Thousand €)	Note	31/12/2022	31/12/2021
<b>NON-CURRENT ASSETS</b>			
Goodwill	9	27,940	28,031
Other intangible assets	9	52,288	49,034
Property, Plant and Equipment	10	1,619,825	1,589,041
Right of use	17	1,370,817	1,429,100
Investment property	11	114,893	104,935
Investments measured using the equity method	12	206,192	175,241
Other non-current financial assets	13.1	203,473	184,845
Deferred tax assets	19.2	300,824	329,397
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,896,250</b>	<b>3,889,624</b>
<b>CURRENT ASSETS</b>			
Inventories	14.1	30,186	25,290
Trade and other receivables	14.2	183,356	135,866
Current tax assets	19.2	22,670	17,598
Other current financial assets	13.1	67,411	46,622
Cash and other cash equivalents	14.3	148,680	97,858
<b>TOTAL CURRENT ASSETS</b>		<b>452,303</b>	<b>323,234</b>
<b>TOTAL GENERAL ASSETS</b>		<b>4,348,553</b>	<b>4,212,858</b>
<b>EQUITY</b>			
Share capital	15.1	44,080	44,080
Share premium	15.1	1,079,054	1,079,054
Reserves	15.2	435,552	435,432
Treasury shares	15.3	(3,936)	(3,599)
Retained earnings	15.4	(1,027,440)	(835,481)
Translation differences	15.5	(228,618)	(222,214)
Other measurement adjustments	15.5	3,803	(1,023)
Profit/(loss) for the year attributed to parent company	8	110,694	(192,900)
<i>NET EQUITY ATTRIBUTED TO THE PARENT COMPANY</i>		<i>413,189</i>	<i>303,349</i>
Non-controlling shareholdings	15.6	32,661	22,306
<b>TOTAL NET EQUITY</b>		<b>445,850</b>	<b>325,655</b>
<b>NON-CURRENT LIABILITIES</b>			
Bonds and other negotiable securities	13.2	52,026	51,659
Bank loans	13.2	1,131,463	1,126,751
Lease liabilities	17 & 13.2	1,313,728	1,379,126
Other non-current financial liabilities	13.2	7,746	6,011
Capital grants and other deferred income	16.1	313,612	312,876
Provisions	16.2	30,198	25,656
Deferred tax liabilities	19.2	176,946	182,776
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,025,720</b>	<b>3,084,855</b>
<b>CURRENT LIABILITIES</b>			
Bonds and other negotiable securities	13.2	24,042	82,616
Bank loans	13.2	151,561	122,715
Lease liabilities	17	148,838	188,220
Trade creditors and other payables	18.1	500,763	366,656
Current tax liabilities	19.2	7,755	1,237
Other current liabilities	13.2	44,022	40,905
<b>TOTAL CURRENT LIABILITIES</b>		<b>876,983</b>	<b>802,348</b>
<b>TOTAL GENERAL LIABILITIES AND NET EQUITY</b>		<b>4,348,553</b>	<b>4,212,858</b>

## Consolidated Income Statement

(Thousand €)	Note	2022	2021
Operating income		1,679,774	827,208
Results from assets sale		12,239	75,226
<b>Total Operating income and Results from assets sale</b>	<b>7.1</b>	<b>1,692,013</b>	<b>902,434</b>
Supplies	7.2	(177,947)	(91,590)
Staff costs	7.3	(473,397)	(307,364)
Other expenses	7.4	(591,339)	(372,603)
<b>Total Operating expenses</b>		<b>(1,242,682)</b>	<b>(771,557)</b>
<b>EBITDAR (*)</b>		<b>449,330</b>	<b>130,877</b>
Leases	17.2	(18,571)	(5,348)
<b>EBITDA (*)</b>	<b>6.1</b>	<b>430,759</b>	<b>125,529</b>
Depreciation and impairment Property, Plant and Equipment and Other intangible assets	7.5	(89,927)	(125,581)
Depreciation and impairment Right of use	7.5	(139,733)	(145,294)
<b>EBIT/ Profit /(Loss) from operating activities</b>		<b>201,099</b>	<b>(145,346)</b>
Exchange differences		(13,711)	(1,549)
Borrowings		(45,488)	(39,157)
Financial expense leases	17.2	(29,415)	(27,422)
Other financial income		27,438	5,281
<b>Net financial income</b>	<b>7.7</b>	<b>(61,177)</b>	<b>(62,847)</b>
<b>Profit /(Loss) from companies carried by the equity method</b>	<b>12</b>	<b>16,389</b>	<b>(9,198)</b>
<b>NET INCOME BEFORE TAX</b>		<b>156,311</b>	<b>(217,391)</b>
Income Tax	19.6	(36,188)	19,531
<b>CONSOLIDATED NET INCOME</b>		<b>120,123</b>	<b>(197,860)</b>
a) Attributed to the parent company	8	110,693	(192,901)
b) Attributed to minority interests	15.6	9,430	(4,959)
<b>BASIC EARNINGS PER SHARE IN EUROS</b>	<b>8</b>	<b>0.50</b>	<b>(0.88)</b>
<b>DILUTED EARNINGS PER SHARE IN EUROS</b>	<b>8</b>	<b>0.50</b>	<b>(0.88)</b>

\* See definitions in Note 2.4

## Consolidated Statement of Changes in Equity

(Thousand €)	Note	Capital	Share Premium	Other Reserves	Treasury Shares	Retained Earnings	Measurement Adjustments	Net Income of Parent Company	Total Result	Minority Interest	Total NET EQUITY
<b>NET EQUITY AT 31/12/2020</b>		44,080	1,079,054	414,564	(3,382)	(213,080)	(249,974)	(595,928)	475,333	25,507	500,840
Total recognised income and expenses				(254)		(3,229)	26,738	(192,900)	(169,644)	(3,253)	(172,898)
Distribution of dividends	8									(64)	(64)
Operations with treasury shares	15.3				(217)				(217)		(217)
Other operations with shareholders and owners						33			33		33
<b>Operations with owners and shareholders</b>		0	0	0	(217)	33	0	0	(184)	0	(184)
Equity items transfer						(21,122)					
Distribution 2020 net income	15.4					(595,928)		595,928			
Other variations						(2,156)			(2,156)	52	(2,103)
<b>Other variations in net equity</b>		0	0	21,122	0	(619,206)	0	595,928	(2,156)	52	(2,103)
<b>NET EQUITY AT 31/12/2021</b>		44,080	1,079,054	435,431	(3,599)	(835,481)	(223,236)	(192,900)	303,349	22,306	325,655
Total recognised income and expenses				121		1,309	(1,579)	110,694	110,545	10,216	120,761
Distribution of dividends	8										
Operations with treasury shares	15.3				(337)				(337)		(337)
Other operations with shareholders and owners						(585)			(585)	123	(461)
<b>Operations with owners and shareholders</b>		0	0	0	(337)	(585)	0	0	(921)	123	(798)
Distribution 2021 net income	15.4					(192,900)		192,900			
Other variations						216			216	16	233
<b>Other variations in net equity</b>		0	0	0	0	(192,683)	0	192,900	216	16	233
<b>NET EQUITY AT 31/12/2022</b>		44,080	1,079,054	435,552	(3,936)	(1,027,440)	(224,814)	110,694	413,189	32,661	445,850

## Consolidated Statement of Comprehensive Income

(Thousand €)	Note	2022	2021
Net consolidated income		120,124	(197,860)
Other comprehensive income:			
Items that will not be transferred to results			
Other results attributed to equity		(522)	(1,025)
Equity consolidated companies	12	(3,597)	49
Actuarial gains and losses in post-employment plans	16.2	365	(312)
<b>Total Items that will not be transferred to results</b>		<b>(3,754)</b>	<b>(1,288)</b>
Items that may be subsequently transferred to results			
Translation differences	15.5	(6,289)	22,193
Cash flow hedges	13.3	8,048	3,243
Equity consolidated companies	12	4,643	1,626
Tax effect	19.2	(2,011)	(811)
<b>Total items that may be transferred to results</b>		<b>4,391</b>	<b>26,251</b>
Total Other comprehensive income		638	24,963
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>120,761</b>	<b>(172,897)</b>
a) Attributed to the parent company		110,545	(169,644)
b) Attributed to minority interests		10,216	(3,253)

# Consolidated Cash Flow Statement

(Thousand €)	Note	2022	2021
<b>1. OPERATING ACTIVITIES</b>			
Net Income before tax		156,311	(217,391)
Result adjustments:			
<i>Depreciation and impairment</i>	9,10,17	229,660	270,875
<i>Profit/(loss) from companies carried by the equity method</i>	12	(16,389)	9,198
<i>Net Financial Income</i>	7	61,177	62,847
<b>EBITDA</b>		<b>430,759</b>	<b>125,529</b>
Results from assets sale	7	(12,239)	(75,226)
Other result adjustments		10,235	3,785
Trade and other receivables		(52,388)	(13,099)
Other assets		(4,896)	(900)
Trade creditors and other payables		134,108	73,322
Other Liabilities			(213)
Income taxes paid		(12,584)	13,653
<b>Total net cash flows from operating activities (I)</b>		<b>492,995</b>	<b>126,851</b>
<b>2. INVESTMENT ACTIVITIES</b>			
Dividend income			328
Investment (-):			
Investments in associates and joint ventures		(6,750)	
Business combination	5		
Loans to associates and joint ventures		(4,960)	(9,791)
Property, plant and equipment, intangible assets and investment property	9,10,11	(112,200)	(78,475)
Non-current financial investments		(11,777)	(13,096)
Divestments (+):			
Loans to associates and joint ventures			
Property, plant and equipment, intangible assets and investment property	9,10,11	2,300	188,558
Current financial investments	13	300	
<b>Total net cash flows from investment activities (II)</b>		<b>(133,087)</b>	<b>87,524</b>
<b>3. FINANCING ACTIVITIES</b>			
Dividend payments (-)			
Treasury stock	15.3	(337)	(217)
Debt interest paid (-)		(40,985)	(39,904)
Debt issue	13.2	303,712	419,966
Debt redemption and repayment	13.2	(346,064)	(422,764)
Leases	17.2	(221,240)	(187,575)
Other financial liabilities (+/-)		7,521	(2,480)
<b>Total net cash flows from financing activities (III)</b>		<b>(297,393)</b>	<b>(232,974)</b>
<b>4. GROSS INCREASE/ DECREASE IN CASH OR EQUIVALENTS (I+II+III)</b>		<b>62,515</b>	<b>(18,599)</b>
<b>5. Effect of exchange rate changes in cash or equivalents (IV)</b>		<b>(11,693)</b>	<b>11,807</b>
<b>6. Effect of changes in the scope of consolidation (V)</b>		<b>0</b>	<b>0</b>
<b>7. NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+VI)</b>		<b>50,822</b>	<b>(6,792)</b>
<b>8. Cash and cash equivalents at the beginning of the year</b>		<b>97,858</b>	<b>104,650</b>
<b>9. Cash and cash equivalents at the year end (7+8)</b>		<b>148,680</b>	<b>97,858</b>

# Notes to the Consolidated Annual Accounts

## Note 1. Corporate Information

The parent or controlling company, Meliá Hotels International, S.A., hereinafter the “Company” or the “Parent Company” is a Spanish public limited company that was incorporated in Madrid, Spain, on 24 June 1986 under the registered name of Investman, S.A. On 1 June 2011, the General Shareholders' Meeting approved the change of name to Meliá Hotels International, S.A. In 1998, the Company moved its registered address to Calle Gremio Toneleros, 24, Palma de Mallorca.

Meliá Hotels International, S.A. and its subsidiaries and associates (hereinafter, the “Group” or the “Company”) form a Group comprising companies that are mainly engaged in tourist activities, in general, and more specifically, in the management and operation of hotels under ownership, lease, management or franchise arrangements, as well as in vacation club operations. The Group is also engaged in the promotion of all types of businesses related to the tourist and hotel industry or leisure and recreational activities, as well as the participation in the creation, development and operation of new businesses, establishments or companies, in the tourist and hotel industry or any other leisure or recreational business. Likewise, some companies within the Group carry out real estate activities by taking advantage of the synergies obtained in hotel development as a result of the massive expansion process undertaken.

In any event, all those activities that special laws reserve for companies which meet certain requirements that are not met by the Company are expressly excluded from the corporate purpose; in particular, the activities that the law restricts to Collective Investment Institutions or to Stock Market intermediary firms are excluded.

With over 65 years of history, Meliá Hotels International has consolidated its international presence with 347 hotels in 37 countries, mainly Spain, Latin America, rest of Europe and Asia. With a solid experience in ten brands to attend the different demands of its customers, which evidences its leadership in vacation hotel industry and bleisure, Meliá Hotels International aims to position itself amongst the world's leading hotel groups in the upper-medium segment, as well as to be recognised as a world leader in terms of excellence, responsibility and sustainability.

## Note 2. Basis of Presentation of the Consolidated Annual Accounts

The Meliá Hotels International Group presents its consolidated annual accounts in accordance with the International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) in force at 31 December 2022, published by the International Accounting Standards Board (IASB) and adopted by the European Union.

These consolidated annual accounts are formulated by the Board of Directors of the parent company and are pending approval by the General Shareholders' Meeting, and they are expected to be approved without changes.

The figures on the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and the accompanying Notes to the Annual Accounts, all of them in consolidated form, are stated in Euro, rounded to thousands, except where otherwise indicated.

The Group's consolidated annual accounts have been prepared on a historical cost basis, i.e. the fair value of the consideration given or received for goods and services; except for those items listed under heading ‘investment property’, and for the financial instruments classified as financial assets and liabilities at fair value through profit or loss and at fair value through other comprehensive income, which are measured at fair value (see Note 4.9). It should be mentioned that the balances from the Venezuelan Group companies have been restated at current cost, in accordance with IAS 29, since Venezuelan economy is considered as hyperinflationary (see Note 3.15).

### 2.1. Changes in Accounting Policies, Estimates, and Errors.

#### Changes in EU-IFRS

This fiscal year, the Group has adopted the amendments and/or interpretations approved by the European Union which application was not obligatory in 2021.

- Amendment to IFRS 3: “Reference to the Conceptual Framework”.
- Amendment to IAS 16: “Proceeds before Intended Use”.
- Amendment to IAS 37: “Onerous Contracts - Cost of Fulfilling a Contract”.
- Amendments to IFRS 2018-2020 Cycle: minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.

The accounting policies applied are consistent with those of the previous year, considering the adoption of the standards and interpretations mentioned above which have no greater impact on the consolidated financial statements or the financial position of the Group.

The standards and amendments to standards issued and approved for use in the EU prior to the formulation date of these consolidated annual accounts, and which will enter into force in subsequent dates, are the following:

- Amendment to IAS 1: “Breakdown of accounting policies”.
- Amendment to IAS 8: “Definition of accounting estimates”.
- Amendment to IAS 12: “Deferred tax related to assets and liabilities arising from a single transaction”.
- IFRS 17: “Insurance Contracts”, which replaces IFRS 4.
- Amendment to IFRS 17: “Insurance Contracts” - Initial application of IFRS 17 and IFRS 9. Comparative information”.

It is not expected that the adoption of the abovementioned standards will have significant impacts on the Group’s consolidated financial statements.

## **2.2. True Image**

These Consolidated Annual Accounts have been prepared on the basis of the internal accounting records of the parent company, Meliá Hotels International, S.A., and the accounting records of the rest of the companies included in the scope of consolidation as detailed in Annex 1 and Annex 2, duly adjusted according to the accounting principles established in the IFRS adopted by the EU; and fairly present the equity, financial position and results of operations of the Company, and the cash flows for the related year.

## **2.3. Comparability**

These consolidated annual accounts include the figures for year 2022 and, for comparison purposes, those for year 2021 of each of the items in the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement, all of them in consolidated form.

## **2.4. Alternative Performance Measures**

The evolution of the hotel business has been changing throughout the year due to the different impacts of the pandemic during the same, with a first quarter of the year significantly affected by Omicron variant, particularly, during the two first months of the year, but with a gradual recovery trend observed from the third month of the year. This fact generates significant differences between this year and last year.

The main alternative performance measures (APM) used by the Company are listed below, as well as the basis on which they are calculated, such measures being regarded as the measures of future or past financial performance, financial position or cash flows.

### *Key financial indicators*

The Group uses various subtotals from the EBIT. These subtotals are broken down in the consolidated income statement, where their reconciliation in relation to the EBIT can be observed, as well as their comparative values.

- EBITDAR: Earnings Before Interest, Tax, Depreciation, Amortisation, & Rent. EBITDAR allows comparability among the hotel business units operated by the Group, regardless of the method through which the operation rights were acquired (ownership or lease).
- EBITDA: Earnings Before Interest, Tax, Depreciation & Amortisation. It offers an estimate of the net cash flow from operating activities. To this end, this indicator is also reported as a subtotal in the consolidated cash flow statement.

### *Other financial indicators*

- EBITDAR and EBITDA without capital gains: The purpose of this indicator is to offer a measurement of the Company’s operating income, excluding certain results from the property segment mainly related to the variation of the fair value of investment property and the asset rotation. Revenues and expenses derived from those activities are excluded from the calculation of EBITDA without capital gains, giving rise to revenues without capital gains, measurement used to calculate margins without capital gains.



The reconciliation of EBITDAR and EBITDA without capital gains for year 2022, in relation to the subtotals reported in the consolidated income statement, is as follows:

(Thousand €)	Revenues	Expenses	EBITDAR	Leases	EBITDA
Consolidated Income Statement	1,692,013	(1,242,682)	449,330	(18,571)	430,759
Investment property valuation results	(12,239)		(12,239)		(12,239)
Without capital gains	1,679,774	(1,242,682)	437,092	(18,571)	418,520

Revenues from fixed assets capital gains for the amount of EUR 12.2 million relate to the review of the value of the Group's investment property described in Note 11.

(Thousand €)	Revenues	Expenses	EBITDAR	Leases	EBITDA
Consolidated Income Statement	902,434	(771,557)	130,877	(5,348)	125,529
Results from assets sale	(75,226)	10,704	(64,522)		(64,522)
Without capital gains	827,208	(760,854)	66,355	(5,348)	61,007

Within Capital gains and fixed assets revenues, EUR 74.4 million was included as a result of the sale of assets transaction described in Note 10, as well as EUR 0.8 million resulting from the value review of investment property (see Note 11).

- EBITDAR and EBITDA margin without capital gains: The margin offers a percentage ratio of the revenues the Company may recognise in operating income. For the operational decision-making of the Company, the abovementioned revenues, EBITDA and EBITDAR without capital gains are taken into consideration. There follows the calculation for 2022 and 2021:

(Thousand €)	2022	2021
Income without capital gains	1,679,774	827,208
EBITDAR without capital gains	437,092	66,355
EBITDAR margin without capital gains	26.02%	8.02%
EBITDA without capital gains	418,520	61,007
EBITDA margin without capital gains	24.92%	7.38%

- Net Debt: This indicator is used to measure the financial leverage. It is calculated as the difference between debt with credit entities, securities issues and short- and long-term lease liabilities less Cash and cash equivalents. The reconciliation of this indicator with the different headings in the consolidated balance sheet for 2022 and 2021 is shown below:

(Thousand €)	31/12/2022	31/12/2021
Bonds and Other Negotiable Securities (Non-Current)	52,026	51,659
Bank Loans (Non-current)	1,131,463	1,126,751
Bonds and Other Negotiable Securities (Current)	24,042	82,616
Bank Loans (Current)	151,561	122,715
Lease liabilities	1,462,567	1,567,346
Cash and other cash equivalents	(148,680)	(97,858)
Net Debt	2,672,979	2,853,228

- Net debt ratio over EBITDA: This indicator is usually used by financial analysts, investors and stakeholders related to the Company. This is the ratio between the Company's payment commitments (Net Debt) and its capacity to generate cash flows from the transaction (EBITDA without capital gains). There follows the calculation for 2022 and 2021:

(Thousand €)	2022	2021
Net Debt	2,672,979	2,853,228
EBITDA without capital gains	418,520	61,007
<b>Net Debt over EBITDA</b>	<b>6.39</b>	<b>46.77</b>

- GAV (Gross Asset Value): The Company periodically carries out a valuation of its non-financial fixed assets through an independent expert.

The Gross Asset Value (GAV) is the aggregated sum of the result of such valuation for all the assets owned by the Group, and the assets owned by associates weighted by the Group's percentage of interest in such companies. In notes 10 and 12 the Gross Asset Value for both groups of assets is broken down.

#### Hotel management stats:

The hotel industry uses basic statistical data to analyse how the hotel establishments can generate revenues and how they evolve over time.

The indicators broken down below only affect the hotel business shown as a segment in Note 6.

- Occupancy rate: The percentage ratio obtained by dividing the occupied rooms by the available rooms. Available rooms means the number of physical rooms multiplied by the number of days the room has been ready to be occupied. Likewise, occupied rooms (sold) are calculated as the number of days the physical rooms have been effectively occupied during the period.

This indicator offers a measurement of the use of the available capacity of the hotels, which is used by the management team to calculate the demand for a specific hotel or group of hotels in a specific time frame. Likewise, it is also used to set the average price per room, depending on whether the demand for rooms increases or decreases.

The calculation details of the occupancy rate of hotels operated under lease and under ownership by the Group in 2022 and 2021 are broken down as follows:

(Thousand €)	2022	2021
Available Rooms	10,589,298	8,284,748
Occupied Rooms	6,524,586	3,421,989
<b>Occupancy Rate</b>	<b>61.6%</b>	<b>41.3%</b>

- ARR (Average room rate): The average room rate is calculated by dividing the total room revenue (see Note 7.1) by the occupied rooms. It measures the average price per room reached by a hotel in a specific time frame and provides valuable information as for price dynamics and type of customers of a specific hotel or group of hotels. Thus, this measurement is widely used in the industry and by the management team in order to estimate the prices the Company can charge based on the type of customer. Likewise, the changes applied to the average price per room have a different impact on revenues as well as on the business profitability in comparison with those applied to the occupancy rate. The result of the ARR calculation for 2022 and 2021 is as follows:

(Thousand €)	2022	2021
Room Income	969,332	403,410
Occupied Rooms	6,524,586	3,421,989
<b>ARR (euros)</b>	<b>148.57</b>	<b>117.89</b>

- RevPar (Revenue per available room): Revenue per available room is the result of dividing the total room revenue (see Note 7.1) by the number of available rooms. The management team uses this indicator to evaluate the business performance, since it is correlated with the two key indicators of the operations of a hotel or group of hotels: the occupancy rate and the average price per room. Likewise, the RevPar is used to measure and compare the performance in comparable periods between similar hotels.

The result of the RevPar calculation for 2022 and 2021 is as follows:

(Thousand €)	2022	2021
Room Income	969,332	403,410
Available Rooms	10,589,298	8,284,748
<b>RevPAR (euros)</b>	<b>91.54</b>	<b>48.69</b>

This indicator has significantly improved compared to the previous year, in line with the increase in occupancy rates and the ARR as stated above, as a result of the activity recovery during this year 2022.

## 2.5. Consolidation

### *Subsidiaries*

Subsidiaries are the companies over which the Group exercises effective control, generally accompanied by more than half of the voting rights.

In addition to the shareholding percentage, when assessing whether a controlling interest is held in a company, the Group considers the following aspects:

- Influence over the investee, giving the Group the ability to manage its significant activities.
- Right to the variable returns from its shareholding in the investee.
- Ability to use its influence over the investee to have an impact on the amount of the returns obtained.

According to the full consolidation method, the financial statements of subsidiaries are consolidated as from the date on which control is transferred to the Group and are excluded from the consolidation as from the date on which such control ceases to exist. Intra-group balances and transactions are eliminated in full.

### *Associates and Joint Ventures*

Associates are all companies over which the Group exercises significant influence but not control. Significant influence generally includes between 20% and 50% of the voting rights and means the power to participate in the financial and operating policy decisions of the investee company.

Joint ventures are joint agreements in which the parties that hold joint control under such agreements hold rights over the net assets thereof. The unanimous consent of the parties sharing control is required under these agreements.

Associates and joint ventures are consolidated using the equity method. According to this method, the carrying value of the investment is recognised initially at cost and is increased or decreased to recognise the Group's interest in the results and in the income and expenses directly recognised in equity of the associate or joint venture after the date of acquisition. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

The Group's share in profit or loss after the date of acquisition of associates and joint ventures is recognised in the consolidated income statement, and its share in movements in other comprehensive income is directly recognised in equity, including the relevant adjustment to the carrying value of the investment.

Where the accumulated losses incurred by an associate or joint venture result in a negative equity, the Group adds the amount of any other item that may be considered to be greater in value than the net investment until said investment is reduced to zero. From that moment on, the Company takes into account any additional losses by recognising a liability, only to the extent that it has incurred legal or constructive obligations or has made payments on behalf of the investee company or joint venture.

Currently, the Group does not participate in joint ventures that must be included using the proportional consolidation method.

### *Consistency in terms of timing and measurement*

All subsidiaries included in the scope of consolidation close their fiscal year on 31 December, so the relevant annual accounts for 2022 have been used for consolidation purposes, and if the annual accounts have not yet been prepared, the corresponding accounting records have been used, once the appropriate measurement adjustments to ensure compliance with the relevant IFRS adapted by the European Union have been carried out.

### *Business combinations*

If the business combination is achieved in stages, the carrying value on the acquisition date of the interest in the acquiree's equity previously held by the acquirer is remeasured at fair value on the acquisition date, and any loss or profit arising from this new measurement is recognised in the income statement for the year.

In business combinations, the excess between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as Goodwill, under the heading Intangible Assets.

The excess between the acquirer's interest, where appropriate, after reassessing the identification and valuation of the identifiable assets, liabilities and contingent liabilities, and the cost of the business combination, is recognised in the income statement for the year.

When the Group first applied IFRS, it did not apply IFRS 3 retrospectively to business combinations that occurred before the date of transition, and it availed itself of the exemption provided for in IFRS 1 "First-time Adoption of International Financial Reporting Standards", therefore, the existing goodwill provided for in the Spanish legislation as at 31 December 2003, net of accumulated depreciation to that date, was allocated to the goodwill under the heading Intangible Assets.

### *Purchase of non-controlling interests*

Once control is obtained, any subsequent operations in which the controlling company acquires more non-controlling interests, or sells interests without losing control, are accounted for as transactions with equity instruments. It follows from the above that:

- Any difference between the amounts by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in consolidated equity and attributed to the owners of the controlling company.
- The carrying value of the goodwill is not adjusted, and no gains or losses are recognised in the consolidated income statement.

### *Sale of controlling interests*

When the Group ceases to have control over a subsidiary, any retained interest is recognised at fair value at the date when control is lost, and the change in the carrying amount is recognised in the income statement for the year. In the case of companies owning hotels, the result is recognised as Capital gains of fixed assets in the consolidated income statement (see Note 3.11). The fair value is the initial carrying amount for the purposes of the subsequent recognition of the interest retained as associate, joint venture or financial asset.

### *Loss of significant influence*

If the Group no longer exercises significant influence over the associate or joint venture, it measures and recognises the investment maintained at fair value. Any difference between the carrying value of the associate at the time significant influence is lost and the fair value of the investment maintained plus the income obtained on the sale is recognised in the consolidated income statement.

### *Elimination of inter-company transactions*

The inter-company balances for inter-company transactions relating to loans, leases, dividends, financial assets and liabilities, sale and purchase of inventories and fixed assets and provision of services, have been eliminated. Regarding the sale and purchase transactions, the unrealised profit margin with regard to third parties has been reversed so that the corresponding assets are stated at cost, thus adjusting the depreciations carried out.

### *Non-controlling interests*

The proportional part of equity corresponding to the Group's non-controlling interests, calculated in accordance with IFRS 10, is recorded under this heading of the consolidated balance sheet.

### *Profit or loss attributed to non-controlling interests*

This relates to the share in consolidated profit or loss for the year corresponding to the non-controlling interests.

### *Translation of the annual accounts of the foreign companies*

All the assets and liabilities of companies with a functional currency other than the euro and which are included in the scope of consolidation, are translated to euro at the exchange rate existing at year end.

Items in the profit and loss account have been translated at the exchange rates existing on the dates on which the relevant transactions were carried out.

The difference between the amount of the foreign companies' equity, including the balance of the profit and loss account calculated according to the previous paragraph, translated at the historical exchange rate, and the equity position resulting from the translation of assets and liabilities as mentioned in the first paragraph, is recorded with a positive or negative sign, as appropriate, in the equity of the consolidated balance sheet, under the Translation differences heading, net of the portion of such difference corresponding to non-controlling interests, which is recorded under the Non-controlling interests item in equity in the consolidated balance sheet.

Goodwill and fair value adjustments of the balance sheet items upon the acquisition of interests in a foreign company, are recognised as assets and liabilities of the company acquired and, therefore, translated at the exchange rate existing at year end, and the exchange differences that may arise are recognised under the Translation differences heading.

Upon total or partial disposal or reimbursement of contributions of a company with a functional currency other than the Euro, cumulative translation differences since 1 January 2004 (date of transition to IFRS) relating to said company, recognised in the consolidated equity, are taken to the consolidated income statement as a gain or loss on disposal.

## **2.6. Accounting Valuations and Estimates**

Directors have prepared the Group's consolidated annual accounts using judgments, estimates and assumptions which have an effect on the application of the accounting policies described in Note 3, as well as on the balances of assets, liabilities, income and expenses and the breakdown of contingent assets and liabilities at the issuance date of these annual accounts.

Such estimates and assumptions are based on historical experience and other factors considered reasonable and relevant under the circumstances. The carrying amount of assets and liabilities, which is not readily apparent from other sources, has been established based on these estimates. These estimates and assumptions are periodically reviewed; the effects of the reviews on the accounting estimates are recognised whether in the year in which they are realised, if they have an effect solely on such period, or in the period under review and future periods, if the review affects both periods. However, the uncertainty inherent in the estimates and assumptions could lead to results that may require an adjustment to the carrying amounts of assets and liabilities affected in future periods.

The estimates made are detailed, where appropriate, in each of the explanatory notes of the consolidated balance sheet captions. The estimates and judgment that have a significant impact on the amounts recognised in the consolidated financial statements and may involve adjustments in future years are set out below:

### *Estimated impairment loss on goodwill and other non-financial assets*

The Group verifies annually whether there is an impairment loss in respect of goodwill and other fixed assets, in accordance with Notes 3.1, 3.2 and 3.12. The recoverable amounts of cash-generating units under lease and those other than hotels with which goodwill is associated are calculated from its value in use.

On the other hand, the recoverable amounts of cash-generating units under ownership have been determined based on the fair value estimated according to the appraisals undertaken by independent experts using valuation techniques such as expected discounted cash flows from such assets.

These calculations are based on reasonable assumptions in accordance with past yields obtained and future production and market development expectations.

However, cash flow projections have a considerable degree of uncertainty due to the possible effects that some factors, such as the geopolitical context, inflation or environmental risks, inter alia, have on the occupancy rate and the average price per room, which may lead to adjustments in the carrying amounts of the assets of the cash-generating units in the future, in particular, of those under lease, given the significant difference between the fair value and the carrying value of most of the assets under ownership.

### *Corporate income tax*

The calculation of income tax requires the interpretation of the tax legislation applicable to the countries in which the Group companies operate. There are also several factors related mainly, but not exclusively, to changes in tax laws and changes in the interpretation of tax laws currently in force that require the use of estimates by the directors of the parent company.

Directors of the parent company must carry out significant estimates to determine the amount of the deferred tax assets that can be recognised, by considering the amounts and the dates on which future taxable profits will be obtained and the reversal period of the taxable temporary differences.

Where there is an uncertainty in relation to the income tax treatments, the Group assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is likely to accept an uncertain tax treatment, the effect of the uncertainty on the taxable profit (tax loss), tax bases, unused tax losses and unused tax credits or the corresponding tax rates is reflected. The effect of the uncertainty is reflected using the method that, in each case, better foreshadows the resolution of the uncertainty: the most probable amount or the expected value. In each case, the Company makes an assessment of whether each uncertain tax treatment must be considered separately or jointly with another or several uncertain tax treatments, in line with the approach that better foreshadows the resolution of the uncertainty.

Note 19 includes the breakdowns regarding the corporate income tax estimates.

### *Fair value of derivative financial instruments*

The fair value of derivative financial instruments that are not traded in an active market is determined using measurement techniques, as specified in Note 3.5. The Group uses a variety of methods and makes assumptions that are based mainly on market conditions at the consolidated balance sheet date. Most of these measurements are obtained from the financial institutions with which the instruments were contracted or are determined by reference to the fair value of the asset from which these derive.

### *Fair value of investment property*

The Group uses the fair value method in measuring investment property. The estimation of this fair value is mainly carried out based on the appraisals undertaken by independent experts using valuation techniques such as expected discounted cash flows from such assets, as well as regular updates of the Company based on such studies.

### *Post-employment benefits*

The cost of defined benefit pension plans is calculated using actuarial valuations. Actuarial valuations require the use of assumptions on discount rates, asset yields, salary increases, mortality tables and rotation, as well as the retirement age of employees with right to these benefits. These estimates are subject to significant uncertainties due to the long-term settlement of these plans.

The valuation of these commitments has been calculated by reputable independent experts using actuarial valuation techniques. Note 16.2 gives details of the assumptions used to calculate these commitments.

### *Inflation and exchange rate to be applied to the consolidation of Venezuelan subsidiaries*

In October 2021, Venezuela replaced the Bolívar soberano (VES), which was applied until such date, with the Bolívar digital (VED), by dividing the value of the new currency by 1,000,000. (VED 1 = VES 1,000,000).

However, since 2017 and due to the ongoing complex political and economic situation in the country, the Company considers that the different official exchange rates do not reflect the economic situation of the country and, therefore, decided to internally estimate the exchange rate that is most appropriate for the consolidation of the financial statements of its subsidiaries in Venezuela.

This estimated exchange rate, based on the high inflation to which the price of goods and services of the country are subjected, has been calculated based on the last official exchange rate of 2014, updated according to the corresponding inflation rate in each period from then on.

The inflation considered for this calculation in 2022 has been 256.03%; 695.82% in 2021, both estimates based on studies carried out by independent experts. The Central Bank of Venezuela has published inflation figures for 2022 of 305.7%.

The Group will continue to assess the political and economic situation in the country in order to adopt any change in the exchange rate which may be applicable for the consolidation of its Venezuelan subsidiaries.

## **2.7. Cash Flow Statements**

The consolidated cash flow statement includes the cash movements during the fiscal year, calculated by the indirect method. The expressions used in the consolidated cash flow statement have the following meanings:

- Cash flows: Inflows and outflows of cash or other cash equivalents, these being understood to be investments for a period of less than 3 months with high liquidity and low risk of changes in value.
- Operating activities: These are the activities that constitute the main source of ordinary income of the Group, as well as other activities that cannot be classified as investment or financing.
- Investment activities: The acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that result in changes in the size and composition of the equity and of liabilities of a financial nature.

Cash flows from operating activities include the capital gains generated by asset rotation activities, if transactions are carried out during the year, while the net carrying amount of the assets disposed of is recognised under the heading Investment activities.

In relation to lease payments, the total amount of the cash flows paid in each fiscal year is divided between principal (included in financing activities) and interest (included also in financing activities).

## **Note 3. Accounting Policies**

### **3.1. Intangible Assets**

#### *Goodwill*

Goodwill generated on consolidation represents the difference between the acquisition price of fully consolidated subsidiaries and the Group's interest in the market value of identifiable assets and liabilities of subsidiaries.

Goodwill generated in acquisitions prior to the date of transition to IFRS is recorded in the consolidated balance sheet at the net value recorded as of 31 December 2003.

Goodwill is not depreciated. Instead, goodwill review studies are carried out annually to identify any impairment losses. Impairment losses are recognised if the recoverable value, determined based on the current value of future expected cash flows of the cash-generating units associated with goodwill and discounted at a rate which considers the specific risks of each generating unit, is lower than the amount initially assigned. Impairment loss recognised for goodwill shall not be reversed in subsequent periods. These measurements are carried out internally. Note 9 includes details regarding their calculation.



### *Other intangible assets*

Other intangible assets relate to several software applications, as well as transfer rights and industrial property.

Software applications are valued at cost price or production cost and depreciated using the straight-line method over their estimated useful life of 5 to 10 years. Software maintenance-related expenses are recognised as an expense when incurred.

The investments in technological innovation incurred by the Group in producing identifiable and unique software programmes controlled by the Group are included under this heading. In addition, these comply with the following conditions:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Company intends to use or sell the intangible asset.
- The Company can use or sell the intangible asset.
- It can be demonstrated how the intangible asset will generate probable future financial benefits.
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be reliably measured.

The directly attributable costs that are capitalised as part of the software programmes include the labour cost of the staff developing the programmes and a suitable percentage of general costs.

Transfer rights relate mainly to the acquisition costs of operating and management rights for various hotels and are depreciated using the straight-line method over the term of the agreements related to these rights.

Investments carried out in trademarks, which are initially recognised at cost, are not amortised as their useful life is indefinite. The remaining items included in industrial property are amortised on a straight-line basis over a five-year period.

At each year end, the Group assesses whether there is an indication of impairment loss of this type of assets, and if so, the recoverable amount of these assets is estimated according to the methodology described in Note 3.2.

### **3.2. Property, Plant and Equipment**

Property, plant and equipment is stated at cost, including transaction costs, plus the financial expenses directly attributable to the acquisition, construction and renovation incurred to bring the assets into operating conditions, if any, less accumulated depreciation and any impairment losses according to the provisions of this Note.

The repairs which do not extend the useful life or the production capacity of the assets and the maintenance expenses are charged directly to the consolidated profit and loss account. Costs that extend or improve the useful life of the assets or can only be used with the item of property, plant and equipment are capitalised as an increase in their value.

The Group depreciates its property, plant and equipment by the straight-line method over the years of estimated useful life, as follows:

Buildings	40-50 years
Plant	15-18 years
Machinery	10-18 years
Furniture	10-15 years
Software	3-8 years
Vehicles	5-10 years
Other fixed assets	4-8 years

Such depreciation, however, is adjusted for those assets associated with lease contracts, which are depreciated over the shorter of the assets' useful life and the lease term.

The useful life and residual value of property, plant and equipment are reviewed at each consolidated balance sheet date. Land is not subject to systematic depreciation since it is considered to have an indefinite useful life, however it is subject to impairment tests.

The Other fixed assets heading also includes the amount of the inventory of spare parts valued at realisable value. Breakages and losses are recorded as Disposals, and their cost is recognised under heading "Other operating expenses" in the consolidated income statement.

### *Impairment of property, plant and equipment and intangible assets*

At each year end, the Company assesses whether there is an indication that an asset may be impaired. If such indication exists, the asset's recoverable amount is estimated. An asset's or cash-generating unit's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and value in use, and is determined individually for each asset, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. Regularly, the Group obtains valuations carried out by independent experts of the fair value of its owned hotel assets whether operated by the Company or leased to third parties, as well as certain hotels under lease. Such valuations are completed with the valuations made internally.

When determining the value of the assets, the valuation criterion most used by the experts is the discounted cash flow, since hotel investments are generally valued according to the potential future income. In certain cases, other valuation methods are used, such as the comparables method or the residual value method. The latter method is mainly used to value plots and land.

At the end of the years in which valuations by independent experts are not obtained, the Group assesses whether there is an indication that its tangible assets may be impaired. For owned hotels, the Group considers whether there is any indication that they have suffered an impairment loss mainly based on the operating result of the various cash-generating units, as well as observable external sources of information revealing that the value of the asset during the period has decreased more than expected as a consequence of the passage of time or its normal use, due to changes that may have occurred in the environment in which the hotel operates. In addition, other factors such as geopolitical circumstances, economic situation or natural disasters that may affect the recoverable amount of such assets are taken into account.

If such indication exists, or when annual impairment test for an asset is required, the Group estimates the asset's recoverable amount on the basis of the methodology used in the last valuation carried out by the independent expert for the relevant asset or cash-generating unit.

In assessing value in use, the Group projects future cash flows by considering the budget approved by the governing bodies of the Company for 2023, and applying growth assumptions that are consistent with the market in which the asset operates and its historical performance for a period of 10 years and estimating a residual value according to a long-term growth rate not higher than the expected growth of the economy and the sector in which the asset operates. In the case of assets under lease, cash flows are projected for the estimated term of the lease, as described in Note 3.12. Estimated future cash flows are discounted using a discount rate before taxes which reflects changes in the value of money over time in the current market and the specific risks of the asset which have not been adjusted in the estimated future cash flows, mainly the risks of the business and the country in which the asset is located, as well as the significant climate risks that may affect it.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying value is reduced to its recoverable amount. Losses due to impairment of ongoing activities are recognised in the consolidated income statement in the expense category in accordance with the function of the impaired asset.

An assessment is made each year end as to whether there is any indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. This reversal is recognised in the consolidated income statement for the year. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### **3.3. Investment Property**

The investments carried out by the Group to obtain lease income or capital gains, and which generate cash flows independently of the other assets held by the Group, are recorded under this heading.

After the initial recognition made for the total amount of the costs related to the asset acquisition transaction, the Group has chosen the application of the fair value model, therefore, all investment properties are recognised at fair value, and any upward and downward changes in fair value occurred are included under headings "Other operating expenses" and "Capital gains of fixed assets" in the consolidated income statement.

At each year end, the Group updates the fair value assessment of each property, either through the valuation made by an independent expert, or by contrasting the main variables used in the last available valuation made by the expert with updated information. The best evidence of the fair value is the current prices in an active market for similar properties. Where this information is not available, future discounted cash flows are estimated, on the basis of the budget approved by the governing bodies of the Company for the next year and applying growth assumptions in line with the market in which such asset operates.

### 3.4. Segment Reporting

Information on operating segments is presented according to the internal information as provided to key decision-makers within the Group. Key decision-makers means the Senior Executive Team (SET), which is responsible for allocating resources and evaluating performance of operating segments. The SET is a collegiate body consisting of the Chief Officers of each General Management and the CEO (Chief Executive Officer).

### 3.5. Financial Instruments

The Group recognises financial assets or financial liabilities in its consolidated balance sheet when it becomes party to the contractual clauses of the related instrument.

#### *Financial Assets*

Financial assets within the scope of IRFS 9 are classified, according to the valuation criteria, as financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification in one category or another will depend on the characteristics of the financial asset's contractual cash flows and on the management model of the Company used to manage such assets.

Financial assets are initially measured at fair value, except for trade receivables, which are measured at their transaction price if they do not have a significant financial component.

#### *Financial assets at amortised cost*

This classification includes the amounts recorded under the Trade and other receivables heading, and all the collection rights included in headings Other non-current financial assets and Other current financial assets.

Such assets are subsequently recognised at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or are impaired, as well as through the depreciation process.

Non-current deposits and guarantees are measured at amortised cost using the effective interest method, however they are not discounted, since the effect of the restatement would not be significant.

These assets are maintained in order to obtain contractual cash flows and they only give rise to principal and interest payments on the outstanding principal amount.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include held-for-trading financial assets acquired for the purposes of selling them mainly in the short term, as well as unlisted equity instruments of companies over which no control or significant influence is exercised.

#### *Operations involving the assignment of financial assets*

The Company derecognises an assigned financial asset when it assigns the contractual rights to receive the cash flows generated by the asset or, even when retaining such rights, it assumes a contractual obligation to pay them to the assignees and the risks and rewards associated with the ownership of the asset are substantially transferred.

In case of assignment of assets in which the risks and rewards associated with the ownership of the financial asset are substantially retained, the assigned financial asset is not derecognised in the consolidated balance sheet and a related financial liability is recognised for an amount equal to the consideration received, which is subsequently measured at amortised cost. The assigned financial asset continues to be measured by the same criteria as those used before the assignment. The income derived from the assigned asset and the expenses derived from the related financial liability are recognised in the consolidated income statement without offset.

#### *Impairment of financial assets*

The Company applies a simplified approach when calculating the expected credit losses of financial assets at amortised cost and, where appropriate, a value adjustment for the expected credit losses over the entire life of the asset is recognised at each closing date. To do that, the Group has established a matrix of provisions based on its history of credit losses, adjusted by the prospective factors specific for such assets.

Due to the characteristics of the main sector in which the Company operates, the customers of the hotel segment have minimal risk of insolvency.

In relation to the Vacation Club customers, the Company can terminate the contracts, therefore, the impact of the cancellation of such receivable would also imply the derecognition in the accounts of liabilities pending to be executed.

### *Financial Liabilities*

Financial liabilities within the scope of IRFS 9 are classified, according to the valuation criteria, as financial liabilities measured at amortised cost, financial liabilities at fair value through profit and loss, and financial liabilities at fair value through other comprehensive income. These liabilities are initially recognised at fair value adjusted for directly attributable transaction costs. All non-derivative financial liabilities of the Group are included within the category Financial liabilities measured at amortised cost.

Financial expenses deriving from financial liabilities are recognised as they accrue.

The Group derecognises financial liabilities when the obligations giving rise to them cease to exist.

### *Issuance of debentures and other marketable securities*

Debt issues are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost applying the effective interest method. Bonds with a maturity exceeding twelve months are classified as non-current liabilities, while those with shorter maturity than that are included under current liabilities.

### *Interest-bearing loans and borrowings*

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received, net of any issue costs and any discount or premium on settlement associated with these loans.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

### *Bank loans and credit facilities*

Loans are initially recognised at the amount received, net of transaction costs. After initial measurement, they are carried at amortised cost using the effective interest method.

### *Trade creditors and other payables*

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

### *Lease liabilities*

Note 3.12 provides information on the valuation method and accounting policies regarding this type of liabilities.

### *Other financial liabilities at amortised cost*

The remaining financial liabilities that relate to payment obligations as detailed in Note 13, are also measured at amortised cost using the effective interest method. However, financial liabilities with short-term maturities and which have no contractual interest rate are measured at their face value provided the effect of not adjusting the cash flows is not material.

## **Derivative Financial Instruments**

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss or as accounting hedges, with the latter relating to financial assets or liabilities at fair value through other comprehensive income. In both cases, derivative financial instruments are initially recognised at fair value on the date on which they are arranged, and this fair value is regularly adjusted. Derivatives are carried as assets, under the heading Other financial assets, when the fair value is positive and as liabilities, under the heading Other financial liabilities when the fair value is negative. They are classified as current or non-current depending on the estimated timing of cash flows.

## *Accounting Hedges*

The Company has opted to continue to apply the requirements on accounting hedges under IAS 39, in accordance with paragraph 7.2.21 of IRFS 9.

The Company applies hedge accounting to those operations in which the hedge is expected to be highly effective; that is, when the changes in the fair value or in the cash flows of the items covered by the hedge are offset by the changes in the fair value or cash flows of the hedging instruments with an effectiveness comprised between 80% and 125%. In addition, at the inception of the hedge, the relationship between the hedged item and the derivative financial instrument designated for that purpose is formally documented.

The Group has various interest rate swaps classified as cash flow hedges. Changes in the fair value of these derivative financial instruments are reflected in equity, under the heading Other measurement adjustments, being allocated by the part considered an effective hedge to the consolidated income statement insofar as the item being hedged is also settled. The fair value is entered in the accounts according to the date of trade.

The fair value of interest rate swaps is determined through the discounted cash flow measurement technique according to the characteristics of each contract, such as the face amount and the collection and payment schedule. The discount factors used to obtain said value are calculated based on the curve of the zero-coupon rates obtained from the deposits and rates listed in the market on the date of measurement. The resulting fair value is adjusted for the own credit risk and that of the counterparty, according to IFRS 13. These values are obtained from studies carried out usually by the financial institutions with which the Group has contracted these instruments.

## *Derivatives not qualifying for hedge accounting*

Any profit or loss arising from changes in the fair value of derivatives which do not qualify to be classified as hedging instruments are directly recognised in the consolidated income statement for the year. The fair value of these derivative financial instruments is obtained based on studies carried out by independent experts.

### **3.6. Non-Current Assets Held for Sale and Discontinued Operations**

If there are assets which carrying value is expected to be recovered through a sale rather than by means of their continued use, such assets are recorded under the heading Non-current assets held for sale.

They are recognised at the lower of their carrying amount and fair value less costs to sell. The Company recognises an impairment loss for initial or subsequent write-down of the asset to fair value less costs to sell. The Company recognises a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognised.

In the consolidated income statement, income and expenses from discontinued operations are presented separately from the income and expenses from continued operations, under profit/(loss) after taxes. Assets held for sale are not depreciated.

The non-current assets that are for sale, within the asset rotation segment, but which are still operated by the Group until their sale, are not reclassified under this heading in the consolidated balance sheet and are maintained in the consolidated balance sheet according to their nature.

### **3.7. Inventories (Commercial Inventories, Raw Materials and Other Supplies)**

Raw and ancillary materials are measured at their average acquisition cost, which is generally lower than their net realisable value, any necessary measurement adjustments being made in case their estimated realisable value is lower than their cost. The acquisition price includes the amount included in the invoice plus all additional expenses incurred until the goods are stored in the warehouse. The net realisable value is the estimated selling price less the costs estimated to be incurred in the selling processes.

### **3.8. Treasury Shares**

Treasury shares are presented as a decrease in the Group's equity and are stated at cost without carrying out any measurement adjustments.

Gains and losses obtained on disposal of treasury shares are recorded directly against equity.

### 3.9. Government Grants

Government grants are recognised at fair value only when there is a reasonable certainty that the conditions for receiving the grant will be fulfilled and such grants will be effectively received.

Where the grant relates to an expense item, it is taken to the income statement over the period necessary to match the grant, on a systematic basis, with the costs to be offset by the grant.

Where the grant relates to an asset, the fair value is recognised as deferred income and is taken to the income statement based on the expected useful life of such asset.

### 3.10. Provisions and Contingencies

Provisions are recognised when the Group:

- Has a present obligation, legal or implicit, because of a past event.
- It is probable that an outflow of funds including economic benefits will be required to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

Provisions are carried at the present value of the best possible estimate of the amount needed to settle or transfer to a third party the obligation. Adjustments due to updating the provision are recognised as a financial expense as they accrue. Provisions maturing in one year or less with a non-significant financial effect are not discounted.

Provisions are reviewed at each consolidated balance sheet date and are adjusted to reflect the current best estimate of the liability at such date, taking into account the risks and uncertainties relating to the obligation.

On the other hand, contingent liabilities are the possible obligations, arising from past events, the materialisation of which is subject to the occurrence of future events which are not entirely under the Group's control, and those present obligations, arising as a result of past events, which are not likely to give rise to an outflow of resources for their settlement or which cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the accounts, but are disclosed in the notes to the consolidated annual accounts (see Note 21).

#### Post-employment benefits

Post-employment plans are classed as defined contribution plans or defined benefit plans.

#### *Defined contribution pension plans*

Defined contribution plans are those plans under which the Group makes fixed contributions to an independent entity and does not have any legal, contractual or implicit obligation to make additional contributions if the independent entity does not hold sufficient assets to satisfy the commitments assumed.

Contributions are recognised as employee benefits when they accrue.

#### *Defined benefit pension plans*

Pension plans that are not defined contribution plans are considered as defined benefit plans. In general, defined benefit plans fix the amount of the benefit that the employee will receive on retirement, usually based on one or more factors such as age, number of years of service and remuneration.

The Group recognises in the consolidated balance sheet a provision for defined benefit awards established in collective bargaining agreements in an amount corresponding to the difference between the present value of the committed benefits and the fair value of any assets linked to the benefit commitments which will be used to settle the obligations, less any past service costs still not recognised, if any.

If an asset results from the above-mentioned difference, its valuation may not exceed the current value of the economic benefits that may be available in the form of reimbursements from the plan or reductions in future contributions to the plan.

Past service costs are recognised immediately in the consolidated income statement unless they involve non-vested rights, in which case they are taken to the consolidated income statement on a straight-line basis over the period remaining to the vesting of the past service rights.

The current value of the obligation is determined using actuarial calculation methods and unbiased financial and actuarial assumptions that are mutually compatible. The Company recognises directly in the Consolidated statement of comprehensive income, the profits and losses arising from the change in the current value, and, where applicable, the plan assets, as a result of the changes in actuarial assumptions or adjustments made on the basis of experience.

Certain collective bargaining agreements in force and applicable to some Group companies establish that permanent staff for a specified number of years employed by the Company who opt to terminate their employment contract will be entitled to a cash award equal to a number of monthly salary payments which is proportional to the number of years of service. During the fiscal year, an assessment of these commitments has been performed in accordance with the actuarial assumptions contained in Group's own rotation model, by applying the calculation method known as the projected unit credit method and the population assumptions corresponding to the PER2020 tables.

The balance of provisions, as well as the capitalisation of payments for future services, cover these acquired commitments, based on an actuarial analysis prepared by an independent expert. This valuation is detailed in Note 16.2.

The Group has duly externalised the pension commitments and obligations stipulated in collective bargaining agreements subject to the Ministerial Order of 2 November 2006. Assets related to these externalisation operations are recognised as a reduction in the balance of the acquired commitments.

### **3.11. Revenue Recognition**

The operating revenues arising from contracts with customers are recognised as the obligations undertaken with such customers are met by the Company.

When recognising such revenues, the 5-stage analysis included in IFRS 15 is carried out, in order to determine the amount and the moment of revenue recognition for each of the contracts with customers of its operating segments:

- Identification of the customer's contract.
- Identification of the performance obligations.
- Determination of the transaction price.
- Allocation of the price to the various performance obligations.
- Revenue recognition according to the fulfilment of each obligation.

Such revenues are shown net of discounts, refunds and value added tax. The Group bases its return estimates on past results, having regard to the type of customer, the type of transaction and the specific circumstances of each agreement.

#### *Sale of rooms and other related services*

Revenues deriving from the sale of rooms are daily recognised based on the services provided by each hotel establishment and including "in-house" customers, i.e. those that are still lodged at the hotel at the time daily production is closed. For this type of contracts, the only execution obligation identified is that of the own hotel service, which includes making available the hotel rooms to the customers.

Where the hotel rate includes services such as food and beverage (breakfast, half board or full board), an additional execution obligation is identified, to which a differentiated price is allocated on the basis of the expected cost plus a margin approach. It is worth mentioning that in hotels marketed only under all-inclusive regime (mainly located in America), this is not considered as a differentiated service, however, for the purposes of breakdown, a percentage of the rate is allocated to item 'revenues for food and beverages'.

In any case, the execution obligations undertaken with hotel customers are considered as fulfilled over time, during the stay of the customer in the establishment, and the Group recognises the daily revenues corresponding to the services consumed by the customer on that date.

Within the hotel business segment, the Company manages the customer loyalty programme "Meliá Rewards", which consists of rewarding customers who stay in hotels or use services provided by associates, through a series of points that are exchangeable for rewards such as, among other things, free stays in hotels managed by the Group.

If a hotel customer is member of the loyalty programme and accumulates points for his/her stays, a differentiated performance obligation is identified, to which an amount is allocated depending on the fair value of such points, and will be met at the time the member of the programme uses the points obtained, by deferring until such time the recognition of revenues in the consolidated income statement of the Group, for the amount allocated to such obligation.

Additionally, other services provided directly by the hotels, such as rent of rooms, organisation of events, rent of commercial premises to third parties, etc... are included under heading 'Other business revenues' in the table included in Note 7.1 to these consolidated annual accounts and are recognised depending on the IRFS applicable at the time in which the service is rendered.



### *Provision of hotel management services*

With regard to contracts with hotel owners for the management of their establishments, there are several performance obligations identified in each of the contracts. The main obligation of the Group in such contracts is to provide hotel management services for these establishments. The consideration for these services is established as a percentage of the amount of the total revenues and the Gross Operating Profit (GOP) generated by the management of the Group. Every month, the Company recognises the corresponding revenues in the consolidated income statement depending on the progress of both magnitudes for each of the hotel management contracts, according to the contractual terms and conditions set out in each of them.

The other performance obligations differentiated in the hotel management contracts relate to services linked to such activity, such as fees for reservations made through the own channels of Meliá Group, or licences for use of own or centrally managed software applications. The Company recognises the revenues from the provision of these services as these obligations are met which, in the case of fees for reservations, coincide with the customer's stay in the hotel.

These revenues are broken down in Note 7.1 to these consolidated annual accounts.

### *Sale of vacation club units*

With regard to the contracts for the sale of vacation club units, the Group has identified as a performance obligation the provision of the marketed units to Club customers in their corresponding weeks. Regardless of the contract term, such obligation is considered to be met when the customer uses such weeks, moment in which the revenues are recognised in the consolidated income statement. The Group distributes the consideration received in proportion to the number of weeks included in the contract, deferring the revenue recognition until the moment of use and recognising the amount of non-used weeks under heading 'Capital grants and other deferred income' in liabilities of the consolidated balance sheet, which are weighted taking into account the percentage of rights not used based on the historical performance of the portfolio of vacation club customers.

The consideration agreed in most of these contracts with customers of the vacation club includes the payment of interest derived from the deferred payments agreed in such contracts. The Group recognises the revenue from such interest over time when the right to receive it is generated, since the customers have the possibility to pay in advance the outstanding amounts.

### *Fixed assets capital gains*

The Company actively manages its real estate assets portfolio. In general, these are sales transactions for asset rotation which can be organised through the direct sale of the asset or through the sale of the company owning such asset. The net income of such transactions is shown under heading Operating revenues as Fixed assets capital gains and is calculated as set out in paragraph 71 of IAS 16, by deducting from the fair value of the consideration received the carrying amount of the assets disposed of. Likewise, the increase in the fair value of investment property is recognised under this heading in the consolidated income statement, as stated in Note 3.3.

Likewise, this operating segment of the Company includes sales transactions and/or the contribution of hotels to joint ventures and associates for the purposes of maximising present and future cash flows of this portfolio. These transactions involve the derecognition of the hotels in the consolidated annual accounts and the recognition of the consideration received, whether in cash or the retained interest, or a combination of both.

The Group recognises the retained residual interest in such hotel businesses at fair value, taking any change in the carrying value to the income statement, as detailed in Note 2.5. Therefore, the recognised capital gains tally with the obtained capital gains.

### *Lease income*

Income deriving from leases of investment properties is recognised on a straight-line basis over the term of the lease and is included as operating revenues under the asset management segment.

### *Interest income*

Interest income is recognised using the effective interest method for all the financial instruments measured at amortised cost. The effective interest rate is the rate that exactly discounts payments made and received in cash estimated over the expected life of the financial instrument. Interest income is recognised as financial income in the consolidated income statement.

### *Dividends*

Income from dividends is recognised when the right of the Group to receive the corresponding payment is established.

### 3.12. Leases

The Group assesses at inception of an agreement whether the agreement contains a lease. If this is the case, the corresponding lease liability and right of use are recorded. Otherwise, the lease payments are recognised as an operating expense as the economic benefits of the leased assets are realised.

The lease liability is initially calculated as the present value of the fixed or substantially fixed lease payments which have not been disbursed on that date, discounted by using an incremental rate during the minimum non-cancellable period, and considering the extension options that can reasonably be exercised and the periods with option to terminate that are not reasonably possible to exercise.

The initial recognition of the right-of-use asset includes the initial measurement of the liability, including the payments made before the start of the lease and the initial direct costs, discounting the rewards received. It is a common practice to establish clauses in hotel lease contracts that require some payments to improve the asset by the lessee. In such circumstances, these improvements are not specific and are included as further payments to be discounted, affecting both the liability and the right of use.

Subsequently, the right of use is measured at cost less any accumulated depreciation and impairment losses. The depreciation period is the lease term or the useful life of the underlying asset, whichever occurs first. Additionally, the value is adjusted if new measurements of the liability are made due to circumstances affecting the amounts of the payments or the lease term. Some of these changes require a review of the discount rate used.

The Group applies IAS 36 in order to determine whether a right-of-use asset is impaired and recognises any impairment losses identified.

The Company has applied the following accounting policies, estimates and criteria:

#### *Scope*

The Company applies the low-value exemption for lease contracts which underlying assets do not exceed USD 5,000 and the short-term exemption for lease contracts with a duration of less than one year. Lease and non-lease components are not separated in those assets in which these components are not likely to affect the total lease value.

The Company considers that the hotel management agreements are not within the scope of IRFS 16 application and, therefore, management revenues are recognised under IFRS 15 (see Note 3.11).

#### *Lease payments*

In addition to fixed (or, basically, fixed) payments included in lease contracts, the Company includes in lease payments the following circumstances:

Most hotel lease contracts include a contingent payment based on the consumer price index of the country in which the asset is located, which usually is reviewed every year, and is applied to the payments due, with lease liabilities and rights of use being recalculated based on such review. The index value at the date of lease inception is considered in the calculation of the lease payments.

In lease contracts with variable payment for which a minimum lease payment is set for defined periods, this amount is considered in the initial calculation, with the amount of the variable payment exceeding such minimum lease payment being recognised as an expense in the consolidated income statement.

#### *Lease term*

Regardless of the date of execution of the agreement, for the purposes of recognition in the Group's consolidated financial statements, the initial date of the agreement is considered to be the date on which the hotel is effectively occupied, and which, in general, corresponds to the opening date.

The Company considers the minimum non-cancellable term as the initial term set forth in the lease contract, without including the potential extensions if they are unlikely to be exercised. In order to determine whether an extension will be exercised with reasonable certainty, some key features have been defined and taken into account by the Group to determine whether there are economic rewards that justify such exercise: payments not adjusted to market conditions, investments to be made and the particularity of the hotel asset, among others.

### *Discount rate*

Given the difficulty in setting the interest rate implicit in hotel lease contracts, the Group has decided to calculate the incremental borrowing rate as applicable to each agreement. The model for the calculation of incremental rates is based on a risk-free rate, the asset's economic context risks (country) and the risk inherent in the Company, all this weighted by the temporary value of cash flows as determined in the schedule of minimum lease payments stipulated in each lease contract.

### *Impairment of right-of-use assets*

In general, right-of-use assets do not generate separate cash inflows, therefore, their impairment assessment must be made as part of a cash-generating unit and, consequently, the Group adjusts the calculation of the recoverable amount of such cash-generating unit as described in this Note. In this respect, the Group excludes from the carrying amount of the cash-generating unit the lease liabilities and also excludes from the calculation of the value in use the payments linked to such liabilities. By contrast, the Group includes in the calculation of the value in use the variable payments since they are not included in the lease liability, as well as the lease renewal payments when the term thereof is shorter than the cash flow projection period of the cash-generating unit.

In assessing value in use, the Group projects future cash flows by considering the budget approved by the governing bodies of the Company for 2023 and applying growth assumptions that are consistent with the market in which the asset operates and its historical performance for the remaining period, until a period equal to the lease term is completed. The discount rates used in determining the recoverable amount are also adjusted in a way consistent with the underlying cash flows and the corresponding cash-generating unit, affecting such cash flows with the specific risks of the assets which have not been adjusted in estimated future cash flows, mainly business risks and those of the countries in which the assets are located, as well as significant climate risks that may affect them.

## **3.13. Corporate Income Tax**

The corporate income tax expense for the year is calculated as the sum of the current tax in each of the subsidiary companies included in these consolidated annual accounts, excepting the existing 3 consolidated tax groups, which parent companies are: Meliá Hotels International, S.A., Sol Meliá France S.A.S. and Inversiones Explotaciones Turísticas, S.A. that are treated as one unit each.

This calculation arises from the application of the corresponding tax rate to the tax base for the year, after applying the existing tax credits and deductions, plus the change in deferred tax assets and liabilities recorded. This amount is recognised in the consolidated income statement, unless the tax relates to items recognised directly in consolidated equity, in which case the corresponding tax expense is also recognised in consolidated equity.

Current tax assets and liabilities are the estimated amounts payable to or receivable. The tax rates used are those in force at the consolidated balance sheet date.

Items for which the tax determination is uncertain but for which it is probable that future cash outflows to a tax authority will occur, are recognised in provisions. These provisions are measured at the best estimate of the amount that is expected to be paid in relation thereto. The assessment is based on the opinion of tax professionals within the Company with prior experience on this matter and, in certain cases, with the advice of independent experts.

Deferred tax assets and liabilities are calculated for all the temporary differences existing at the consolidated balance sheet date as the difference between the carrying amounts of the assets and liabilities and their tax bases.

Deferred tax assets and liabilities are only offset if there is a legally enforceable right to offset the current tax assets with current tax liabilities and when they relate to income taxes levied by the same tax authority and on the same taxable entity, or different taxable entities which intend to settle current tax liabilities and assets on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from goodwill for which depreciation is not deductible for tax purposes, or from the initial recognition of other assets and liabilities in a transaction, except in the case of a business combination, which affects neither accounting nor taxable profit or loss.

Likewise, deferred tax liabilities are recognised for all taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except when the following conditions are jointly met: the parent company is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that they will be recovered by the generation of sufficient taxable profits against which the deferred tax asset and carry-forward of unused tax credits and unused tax losses can be used, excluding the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction, except in the case of a business combination, which affects neither accounting nor taxable profit or loss.

Likewise, deferred tax assets for all deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, are only recognised when the following conditions are jointly met: it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be used.

At each consolidated balance sheet date the recovery of the deferred tax assets is reviewed and adjusted to the amount which is expected to be recovered based on the taxable profit available, calculated according to prudence criteria and excluding the potential profits deriving from the disposal of properties, given the uncertainty concerning their realisation dates, which depend on market conditions, and the different tax consequences depending on the nature of the transactions carried out.

Deferred tax assets and liabilities are measured based on their expected materialisation and on the tax legislation and tax rates approved, or substantively approved on the consolidated balance sheet date.

### 3.14. Transactions in Foreign Currency

Debit and credit balances in foreign currency are measured at the exchange rate in force on the transaction date and at the end of the year are translated at the exchange rate then in force.

Exchange differences are treated as income or expenses in the year in which they occur, except for those arising from financing transactions granted to subsidiaries abroad which have been considered as an increase in the value of the net investment in such businesses since the settlement of such transactions is not foreseen or likely to occur, as provided for in IAS 21 "The Effects of Changes in Foreign Exchange Rates."

### 3.15. Functional Currency and Hyperinflationary Economies

The Euro is the presentation currency of the Group and its parent company Meliá Hotels International, S.A.

The functional currency of each of the companies within the Group is the currency of the main economic environment in which the company operates. At the end of 2022 and 2021, the Venezuelan economy was classified as hyperinflationary, since it meets the characteristics of the economic environment laid down in IAS 29 "Financial Reporting in Hyperinflationary Economies".

Consequently, the balance sheets of the Venezuelan companies in the scope of consolidation have been restated based on a current cost approach that reflects the effects of changes in the price indices on their non-monetary assets and liabilities.

Likewise, the increase or decrease in purchasing power resulting from the application of the change in the price index to the net monetary position is taken to the profit or loss account of these companies. The restatement effect on the current monetary unit of the remaining items of the profit and loss account of Venezuelan companies is also included in the income statement.

For the purposes of enhancing the true image of the consolidated financial statements and given the obvious economic link between the recognised impacts due to hyperinflation and the devaluation which are recorded in the country in recent years, the Group presents the two effects in the consolidated equity, by recognising both the effect of the restatement of non-monetary items and the effect of the differences arising from the conversion into euros, directly under the heading Retained earnings in equity.

The accumulated impacts of both magnitudes broken down separately for 2022 and 2021 are shown below:

(Thousand €)	31/12/2022	31/12/2021
Asset Revaluation	328,142	348,605
Retained earnings decrease	(505,174)	(525,115)

According to certain studies conducted by independent experts, hyperinflation at year end stands at around 256.03%. In 2021, the inflation rate rose to 695,82% (see Note 2.6).

There are no other companies within the scope of consolidation which are considered as hyperinflationary economies at the end of 2022 and 2021.

## Note 4. Financial Risk Management Policy

The General Policy for Risk Control, Analysis and Management of Meliá Group establishes the core principles and guidelines that govern the activities for control and management of risks, both financial and non-financial, faced by the Group. This policy establishes a reduced tolerance for financial risks; therefore, mitigation of risks is a priority in the management of this type of risks in order to minimise the potential adverse effects of these risks on the consolidated annual accounts. The actions planned in such management are reviewed and updated periodically.

The Group's activities are mainly exposed to several risks: market risk (interest rate risk, foreign exchange risk and price risk), liquidity risk, credit risk, environmental risks and geopolitical risks. The Meliá Hotels International Group, through the management it conducts, tries to minimise the potential adverse effects of these risks on the consolidated annual accounts.

Additional information on these risks is provided below:

### 4.1. Interest Rate Risk

The Group's consolidated annual accounts include certain items subject to fixed and variable interest.

It is a policy of the Company to provide partial hedge against changes in interest rates by contracting different financial derivatives that allow it to contract a fixed rate for a specified period that it applies to financing transactions with variable rates.

The structure of the debt as at 31 December 2022 is as follows (these amounts do not include accrued but unpaid interest nor business lease liabilities):

(Thousand €)	Fixed Interest	Variable Interest	Total
Simple Bonds	52,500		52,500
European Commercial Papers (ECP)	24,200		24,200
Bank loans	364,180	527,551	891,731
Mortgage-backed loans	151,491	138,956	290,447
Credit facilities		103,077	103,077
Bank lease liabilities		7	7
<b>TOTAL DEBT</b>	<b>592,371</b>	<b>769,590</b>	<b>1,361,961</b>

Variable interest rate debts are basically tied to Euribor and USD Libor.

As at 31 December 2022, the Group has various interest rate swaps contracted which are classed as cash flow hedging instruments. The bank loans and mortgage-backed loans at a variable rate hedged by these swaps are shown in the Fixed Interest column for the part of capital hedged. Additional breakdowns are included in Note 13.3.

In addition, the Company has various guarantees and deposits for different transactions, and which are broken down in Note 21.1.

For comparison purposes, information for year 2021 is as follows:

(Thousand €)	Fixed Interest	Variable Interest	Total
Simple Bonds	52,500		52,500
European Commercial Papers (ECP)		77,570	77,570
Other negotiable securities		5,000	5,000
Bank loans	496,638	433,491	930,129
Mortgage-backed loans	175,088	129,292	304,380
Credit facilities		20,349	20,349
Bank lease liabilities		335	335
<b>TOTAL DEBT</b>	<b>724,226</b>	<b>666,036</b>	<b>1,390,263</b>

The sensitivity, in thousand euro, of 2022 and 2021 profit or loss to interest rate variations (in base points) is as follows:

Variation	2022	2021
+ 25	(1,924)	(1,459)
- 25	1,924	1,459

The above sensitivity analysis has been carried out considering an average increase/decrease throughout the year in the base points indicated in the table. The effect of the interest rate swaps included in Note 13.3 has been considered in this calculation.

#### 4.2. Foreign Exchange Risk

The Group operates internationally and, therefore, is exposed to exchange rate risks on transactions in foreign currencies.

Foreign exchange risk arises from commercial, financial and investment transactions, as well as from the translation of the financial statements of subsidiaries which are denominated in a functional currency other than the presentation currency of the Group.

Despite not having financial instruments contracted (swaps, foreign exchange insurance), in order to mitigate these potential risks, the Group develops policies aimed at maintaining a balance between cash collections and payments of assets and liabilities denominated in foreign currencies.

The table below includes a sensitivity analysis carried out based on the appreciation and depreciation against the euro of the main currencies in which the Company operates, mainly the US dollar, on pre-tax profit or loss and on equity of relevant subsidiaries (showing with a plus sign a greater expense and a decrease in the consolidated equity) assuming that all other factors remain the same:

(Thousand €)	2022		2021	
	+10%	-10%	+10%	-10%
Profit & Loss	9,278	(9,278)	(4,269)	4,269
Equity	57,658	(57,658)	52,921	(52,921)

74% of the Group's financial debt is mainly denominated in Euros (the same percentage in 2021), with 26% of the debt being denominated in other currencies (the same percentage in 2021), thus adjusting to the cash generation in different currencies.

This allows the Group to manage a natural coverage of its debts, given the cash generation in those currencies.

### 4.3. Liquidity Risk

Exposure to adverse situations experienced by debt or capital markets may prevent or hinder the coverage of financing needs required for the appropriate development of the Group's activities.

In this sense, the operating cash flows from previous years were directly affected by the crisis caused by Covid-19, which obliged the Group to adopt in 2020 and 2021 several actions to increase liquidity and strengthen the financial position of the Group including the asset rotation transaction described in Note 10 and financing transactions by a relevant amount without the need of increasing the number of mortgaged hotels, among other aspects. However, and following the clear activity recovery trend, from the second quarter of 2022, a positive cash flow has been generated, even exceeding the expectations contemplated in the estimates made, without the need to adopt additional measures to maintain liquidity, without prejudice to the contracts signed for the renewal of credit facilities maturing in 2022 and in 2023 in order to ensure a high availability in the long term.

Notwithstanding the above, the Directors and the Management of the parent Company continue to constantly monitor the evolution of the liquidity situation, as well as the impacts that it may have on the credit market and they consider, following a clear activity recovery trend from the second quarter of 2022 and based on their liquidity forecast for a period of at least 12 months from the date of preparation of these consolidated annual accounts and estimated taking into account the budget approved by the governing bodies of the Company for 2023, that, without prejudice to possible improvements and adaptations that may be applied, including possible asset rotation transactions, the liquid assets included in the consolidated Balance Sheet, as well as the availability of loan agreements and credit facilities, the applied borrowing policies and the amount of cash flows generated in the worst scenarios, ensure that the Group will meet the obligations included in the consolidated Balance Sheet as at 31 December 2022 with solvency, as well as continue its activities in the foreseeable future, and there is no significant uncertainty on the Group's ability to continue as a going concern. Consequently, the directors continue to apply the going concern basis in the preparation of these consolidated annual accounts of the Group for 2022.

The Group uses different management procedures, such as the maintenance of credit facilities committed for sufficient amount and flexibility, the diversification of the coverage of financing needs through the access to different markets and geographical areas, and the diversification of the maturities of the issued debt.

The table below summarises the maturities of the Group's financial liabilities as at 31 December 2022, based on face amounts by maturity:

(Thousand €)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Simple Bonds				52,500	52,500
European Commercial Papers (ECP)	13,300	10,900			24,200
Loans	29,455	118,301	969,359	65,062	1,182,178
Credit facilities			103,077		103,077
Lease liabilities	41,570	129,949	558,380	1,625,647	2,355,546
Bank lease liabilities		7			7
<b>TOTAL</b>	<b>84,325</b>	<b>259,157</b>	<b>1,630,815</b>	<b>1,743,210</b>	<b>3,717,507</b>

The average interest rate on these financial liabilities in 2022 is 3.13%. In 2021, the average interest rate was 2.85%. The rates used for lease liabilities are excluded from this average interest rate.

Likewise, the Company has an active management policy for the maintenance of the average maturity periods of the borrowings, as well as the recurrent renewals of short- and medium-term credit facilities.



For comparison purposes, the maturities at the 2021 year end were as follows:

(Thousand €)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Simple Bonds				52,500	52,500
European Commercial Papers (ECP)	64,320	13,250			77,570
Other negotiable securities		5,000			5,000
Loans	18,668	96,366	898,988	220,487	1,234,509
Credit facilities			20,349		20,349
Lease liabilities	48,916	158,234	603,517	1,657,793	2,468,459
Bank lease liabilities		328	7		335
<b>TOTAL</b>	<b>131,904</b>	<b>273,178</b>	<b>1,522,861</b>	<b>1,930,780</b>	<b>3,858,722</b>

#### 4.4. Price Risk

Price risk of the Group's inventories mainly arises from the fluctuations in the price and the availability of food and beverages that the Group sells to its customers. However, the Directors consider that changes in prices are insignificant and are transferred to the selling price of food and beverages, therefore, the Group does not conduct price hedging transactions.

Likewise, the Group is exposed to equity price risks of financial investments in equity instruments. Investments in equity instruments in unlisted companies are broken down in Note 13 and are held for strategic purposes and not for the purposes of trading with them, and they are mainly focused on entities owning hotel assets. Given the reduced percentage of equity interest in these companies, in case of variations not exceeding 10% of the fair value of the assets of the entities in which the Group holds equity instruments without exercising significant influence, these would not significantly affect the carrying amount of these investments in the consolidated balance sheet. On the other hand, the Group has no relevant investments in equity instruments of listed companies.

#### 4.5. Credit Risk

The credit risk arising from the default of a counterparty (customer, supplier, or financial entity) is mitigated by the Group's policies regarding the diversification of customer portfolios, source markets, oversight of concentration and on-going in-depth debt control. In addition, in some cases the Group carries out other financial operations which allow the reduction of credit risks, such as assignments of receivables.

The Group's receivable periods range between 21 and 90 days; the average period of collection of receivables in 2022 was 35.62 days; 43.46 days in 2021. The age of trade receivables at the year end is included in Note 14.2.

#### 4.6. Environmental Risks

The fight against climate change and the environment and biodiversity protection are one of the priority strategic lines of the commitment of the Meliá Hotels International Group with sustainability and the protection of tourist destinations. For this reason, the Group continues to promote an efficient and responsible hotel management model, both in the consumption of resources and the minimisation of the impact of its activity.

The Group's commitment, therefore, takes on a special significance given the nature of the activity developed and the importance of tourism in the global economy, as well as its high level of dependence on social and environmental factors, such as climate and natural resources.

Likewise, technology and sustainability are key to advance towards the decarbonisation of the Group's business model and achieve the public commitments acquired for reduction of the carbon footprint.

Progress made in the incorporation of sustainability in the entire value chain has allowed to enrich and improve the hotel renovation and building processes, designing a differential value proposal which promotes a new hotel experience that is more attractive, more responsible and more sustainable for customers, hotel owners and the various existing partners. As a result of these progresses, the renovation projects carried out in several hotels operated by the Group in the Balearic Islands and the Canary Islands were granted the Rethink Hotel award, as these projects are noteworthy in sustainability and hotel renovation since they include sustainable criteria such as energy efficiency, production of renewable energy, waste management and usage of water cycle.

In this sense, in July 2022, the Group opened the first carbon footprint-neutral hotel, based on the efficient energy management and which establishes the path for the new hotel management concepts.

In addition, in terms of management of water resources, the Company uses the tool Aqueduct Water Risk Atlas, which allows to identify areas with higher risk of hydric stress globally, monitor our portfolio located in such areas and adopt the necessary preventive measures. Additionally, for the third consecutive year, the Group has voluntarily participated in the CDP Water Security, an internationally renowned ranking which measures water security and quality.

Likewise, and in line with the acquired commitments in terms of the environment and working towards the achievement of the goals set, the Group continues to promote improvement measures focused on prioritising renewable energy acquisition, promoting investments aimed at reducing emissions, and permanently monitoring energy and water consumptions in order to identify deviations, improvements and corrective actions.

The Consolidated Management Report includes all non-financial information on environmental issues required by Law 11/2018 of 28 December 2018.

#### **4.7. Geopolitical Risks**

Geopolitical Risks include the conflict between Russia and Ukraine initiated in 2022 and which is causing, among other effects, an increase in the price of certain raw materials and the cost of energy, as well as the activation of sanctions, embargoes and restrictions towards Russia, which affect the economy in general and companies operating with and in Russia in particular. The Group has no direct exposures in the countries involved in the armed conflict, therefore, this has not significantly affected the hotel bookings, however, the issues slowed down in certain destinations at the beginning of the conflict, but these recovered a few days after.

Likewise, the armed conflict has caused high inflation rates, unknown in the last years, which were accompanied by increases in interest rates which reflect the perception by the lenders of a higher credit risk and the intervention of central banks in order to control the inflation. Notes 4.1 and 4.4 detail the exposure of the Group to interest rate risks and price risks, including the existing specific or natural hedging.

The impact that this war will have on the Group's business will depend on the development of future events that cannot be reliably forecasted at the date of preparation of these consolidated annual accounts.

#### **4.8. Capital Management Policy**

The main objectives of the Group's capital management are to guarantee financial stability in the short and long term, to ensure the necessary liquidity for daily operations and investments, positive evolution of the Meliá Hotels International S.A.'s share value and an appropriate remuneration to shareholders through the distribution of dividends.

The financial position is also backed by the strong support of the banks and the Company's asset base. The positive perception of, and support to, Meliá by the banks was demonstrated during the 2020 serious economic crisis, during which the banks provided greater liquidity to the Group without requiring any mortgage securities on the assets that were not mortgaged. At present, 21.3% (21.9% at the 2021 year end) of the total debt is secured by the Group's assets.

#### **4.9 Estimates of Fair Value**

Fair value means the amount that may be received on the sale of an asset, or paid for the transfer of a liability, in an orderly transaction between market participants at the measurement date.

Regarding assets and liabilities recognised at fair value in the consolidated balance sheet, the following hierarchy levels have been established in accordance with the variables used in the different measurement techniques:

Level 1: Based on prices quoted in active markets

Level 2: Based on other observable market variables, either directly or indirectly

Level 3: Based on non-observable market variables.

The amounts of assets and liabilities recognised at fair value as at 31 December 2022 according to the hierarchy levels are as follows:

(Thousand €)	31/12/2022			
	Level 1	Level 2	Level 3	Total
Investment property			114,893	114,893
Financial Assets at fair value:				
Hedging derivatives		6,705		6,705
Trading portfolio derivatives		1,808	13,668	15,475
Trading portfolio	1,594			1,594
Unlisted equity instruments			19,517	19,517
<b>TOTAL ASSETS</b>	<b>1,594</b>	<b>8,513</b>	<b>148,077</b>	<b>158,184</b>
Financial liabilities at fair value:				
Trading portfolio derivatives		25		25
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>25</b>

Financial instruments included in Level 1 are measured through observable prices in active markets. They mainly relate to equity instruments in listed companies.

Financial instruments included in Level 2 are measured by financial institutions and independent experts using measurement techniques, mainly, discounted cash flows, based on observable market data. They mainly relate to interest rate swap financial derivatives.

Investment property included in Level 3 is measured through discounted cash flow techniques supported by studies from independent experts and their internal updates. As mentioned in Note 11, this heading includes investments made by the Group to obtain rental income or capital gains, such as interest in three apartment owners' associations in Spain, one shopping centre in America and other properties in Spain.

For the purposes of estimating future cash flows, expected growth rates are considered, both in lease prices and hotel operations, as appropriate, as well as other variables not directly observable.

Likewise, level 3 includes financial assets related to the purchase option of a hotel asset which value is determined by reference to its fair value estimated through an appraisal carried out by an independent expert based on the variables described in the previous paragraph (Note 13.3).

Unlisted equity instruments are detailed in Note 13.1.

For comparison purposes, the balances recorded in the different hierarchies at the end of 2021 are included below:

(Thousand €)	31/12/2021			
	Level 1	Level 2	Level 3	Total
Investment property			104,935	104,935
Financial Assets at fair value:				
Hedging derivatives		40		40
Trading portfolio	159			159
Unlisted equity instruments			19,543	19,543
<b>TOTAL ASSETS</b>	<b>159</b>	<b>40</b>	<b>124,478</b>	<b>124,677</b>
Financial liabilities at fair value:				
Hedging derivatives		1,210		1,210
Trading portfolio derivatives		1,498		1,498
<b>TOTAL LIABILITIES</b>	<b></b>	<b>2,708</b>	<b></b>	<b>2,708</b>

## Note 5. Scope of Consolidation

The companies that comprise the Group present individual annual accounts, according to the regulations applicable in the country in which they operate.

Details of the companies included in the scope of consolidation as at 31 December 2022 are included in Annex 1 and Annex 2, which are classified as subsidiaries, joint ventures and associates.

Meliá Brasil Administração, which corporate purpose is the hotel management, operates various hotels under management. As the hotels under management are properties in joint ownership and are not legally authorised to carry out operating activities, Meliá Brasil Administração has assumed the operation of such hotels on behalf of the joint owners, given the requirements of local regulations. Income and expenses arising from the operation of these establishments are not included in the consolidated income statement, since the risks and revenues arising therefrom are returned to the joint owners. Only income arising from the management of these establishments is included in the consolidated income statement.

The Tunisian company, Tryp Mediterranee, in which Meliá Hotels International, S.A. holds an 85.4% stake, is in dissolution process and therefore, is excluded from the Group's scope of consolidation since, currently, the Group has no control or significant influence over this company during such process.

The Group holds a 19.94% stake in the Venezuelan companies El Recreo Plaza C.A. and El Recreo Plaza & Cia. C.A. through the direct stake of 20 % held by its subsidiary holding company MIA Exhold, S.A. and, therefore, the equity method is applied since the Group has significant influence.

The companies Ayosa Hoteles S.L., S'Argamassa Hotelera, S.L. and Meliá Hotels Orlando, LLC. are fully consolidated, although only 50% or less of the voting rights are held. This is because the Group considers that it has the capability to control the variable yields of such companies through the hotel management contracts that the Group has entered into with them.

### 5.1. Business Combinations

In 2022 and 2021, no business combinations have taken place.

### 5.2. Other Scope Changes

In 2022, the following changes have been made to the scope of consolidation:

#### *Additions*

During the second half of the year, 100% of the company Willet Reservations SLU has been acquired, the corporate purpose of which is the provision of tourism intermediation services. This transaction has not had significant impacts on the Group's consolidated annual accounts, since it was acquired following the recent incorporation thereof by a third party and did not have relevant net assets on the date of the transaction.

In December, the company Holazel, S.L. was incorporated by Melia group and a third party with a 50% stake each, being it considered a joint venture, and the corporate purpose of which is the development and growth of the hotel brand "Zel". This transaction has not had significant impacts on the Group's consolidated financial statements.

#### *Disposals*

During the year, the companies Infinity Vacations S.A. de C.V., Operadora Costarisol S.A and Inversiones Turísticas del Caribe, S.A., wholly owned by the Group, have been liquidated. These transactions have not had significant impacts on the consolidated annual accounts.

In December, the company Markserv BV, wholly owned by Meliá Group, was liquidated, and the company Sistemas Ribey Cloud, in which the Group had a 50% stake, and which was accounted for using the equity method, was dissolved. These disposals have not had significant impacts on the Group.

#### *Acquisition of additional stake in companies accounted for using the equity method*

During the year, the Group increased its stake by 1.21% in the Owners' Association of Meliá Costa del Sol hotel through the purchase of several apartments. This transaction has not involved significant impacts on the consolidated financial statements.

Likewise, the Group has acquired an additional stake in the company Mosaico Hoteles S.A, increasing its stake by 15% and without significant impacts on the Group's consolidated annual accounts.

For comparison purposes, changes in 2021 were as follows:

### *Additions*

In 2021 there were no additions in the scope of consolidation.

### *Disposals*

In the first half of the year, the Dutch company Mosaico, B.V., which was 20% owned by the Group, was dissolved. This transaction did not involve significant impacts on the Group's consolidated annual accounts.

As a result of the asset rotation transaction carried out on 30 June 2021, as detailed in Note 10, the company Meliá Zaragoza, S.L. that until then was accounted for using the equity method by 50%, was derecognised and in which the Group decreased the stake to 7.5% stake. This company changed its name to Victoria Hotels & Resorts, S.L.

In the second half of the year, Hoteles Paradisus S.L., Adrimelco Inversiones S.L.U. and Casino Paradisus S.A. were derecognised. These transactions did not involve significant impacts on the Group's consolidated annual accounts.

In December 2021, the take-over merger of the companies Hotel Room Management S.L.U. and Dominican Marketing & Services S.L. by its sole shareholder Dominican Investments S.L.U., was carried out.

Additionally, the take-over merger of the companies Expamihso Spain, S.A.U. and Impulse Hotel Development S.L.U. by its sole shareholder Meliá Hotels International, S.A. was carried out.

Finally, the take-over merger of the companies Hoteles Meliá S.L.U. and Sol Meliá Vacation Network España, S.L.U. by its sole shareholder Network Investments Spain, S.L.U. was also carried out.

These transactions did not have significant impacts on the Company.

### *Acquisition of additional stake in companies accounted for using the equity method*

In 2021, the Group increased its stake by 0.165% in the Owners' Association of Meliá Costa del Sol hotel through the purchase of apartments. This transaction did not involve significant impacts on the Group's consolidated annual accounts.

In addition, the Group acquired 0.09% additional stake through the purchase of one apartment in the Owners' Association of Meliá Castilla hotel, without significant impacts on the consolidated annual accounts.

## **5.3. Name Changes**

In 2022, no name changes have taken place. In 2021, the name of the company Sol Group B.V. was changed to Sol Group Exhol, SL.

## **Note 6. Segment Reporting**

The segments included below make up the organisational structure of the company and their results are reviewed by the key decision-makers within the Group:

- **Hotel management:** This relates to the fees received for operating hotels under management and franchise agreements. It also includes the intra-group charges to the Group's hotels that are under ownership or under lease, as well as other services, such as commissions.
- **Hotel business:** The results obtained from the operation of hotel units owned or leased by the Group are included in this segment. Likewise, income generated by the food & beverage business is also included since this activity is considered to be fully integrated into the hotel business due to the majority sale of packages which price includes room and board, and therefore, a real segmentation of the associated assets and liabilities would be unfeasible.
- **Other business linked to hotel management:** This segment includes additional income from the hotel business, such as casinos or tour-operator activities.
- **Real Estate:** This segment includes the capital gains on asset rotation, and real estate development and operation. Likewise, it includes the income and expenses deriving from the change in fair value of investment property.
- **Vacation club:** It includes the results deriving from the sale of rights of shared use of specific vacation complex units.
- **Corporate segments:** These relate to structural costs, results linked to the intermediation and marketing of room and tourist service reservations, as well as corporate costs of the Group which cannot be assigned to any of the abovementioned three business divisions.

The segmentation of Meliá Hotels International is due to the diversification of operations existing in the Company based on hotel management, hotel operation, real estate and vacation club.

Certain headings included in the business and geographical segmentation tables are presented in an aggregate manner, due to the impossibility of splitting them into the various specified segments.

The policies for the determination of transfer prices applied by the Company in transactions between Group companies are similar to those applied in transactions with third parties.

## 6.1. Information by Operating Segments

The segmentation for 2022 of the consolidated income statement and the items in the consolidated balance sheet relating to operations is as follows:

(Thousand €)	Hotel			Real Estate	Vacation Club	Corporate	Disposals	Balance 31/12/22
	Hotel Management	Hotel Business	Other business with hotel management					
<b>INCOME STATEMENT</b>								
Operating income and Results from assets sale	290,979	1,500,839	54,599	19,600	59,250	106,877	(340,131)	1,692,013
Operating expenses	(209,558)	(1,080,584)	(50,185)	(8,181)	(50,850)	(183,456)	340,131	(1,242,682)
<b>EBITDAR</b>	<b>81,421</b>	<b>420,256</b>	<b>4,414</b>	<b>11,418</b>	<b>8,400</b>	<b>(76,578)</b>		<b>449,330</b>
Leases		(18,374)	(197)					(18,571)
<b>EBITDA</b>	<b>81,421</b>	<b>401,881</b>	<b>4,217</b>	<b>11,418</b>	<b>8,400</b>	<b>(76,578)</b>		<b>430,759</b>
Depreciation and impairment	(5,034)	(193,550)	(1,473)	(5,618)	(440)	(23,544)		(229,660)
<b>EBIT</b>	<b>76,387</b>	<b>208,331</b>	<b>2,744</b>	<b>5,800</b>	<b>7,960</b>	<b>(100,122)</b>		<b>201,099</b>
Net financial income								(61,176)
Associates net income		8,088		(3,630)		11,931		16,389
Profit before tax								156,312
Tax								(36,188)
<b>CONSOLIDATED NET INCOME</b>								
<b>120,124</b>								
ATTRIBUTED TO THE PARENT COMPANY								
Attributed to minority interests								
110,694								
(9,430)								
<b>ASSETS &amp; LIABILITIES</b>								
Property, plant and equipment and intangible assets	27,026	1,493,569	9,208	8,267	66,846	95,137		1,700,052
Right of use	2,323	1,357,202	1,680	1,290		8,321		1,370,817
Investments in associates		159,076		7,453		39,663		206,192
Other non-current assets								619,189
Current operating assets	96,697	142,533	9,743	6,572	52,754	458,008	(552,765)	213,542
Other current assets								238,761
<b>TOTAL ASSETS</b>								
<b>4,348,554</b>								
Borrowings								1,359,093
Other non-current liabilities								528,503
Current operating liabilities	100,442	526,830	23,227	2,198	111,860	189,996	(453,788)	500,764
Other current liabilities								51,777
Lease liabilities	2,402	1,448,003	2,188	1,685		8,289		1,462,567
<b>TOTAL LIABILITIES</b>								
<b>3,902,703</b>								

Within income from the Hotel Management segment, EUR 129.3 million of management fees are recorded, of which EUR 9.7 million relates to associates. The remaining income mainly relates to sales commissions.

Additionally, heading Other business with hotel management mainly includes income and expenses linked to the tour operator activities of the company Sol Caribe Tours, S.A. for the amount of EUR 19.1 million and EUR 16.8 million, respectively.

Regarding operating income in the Real Estate segment (or Asset Management), restatements are included for the amount of EUR 12.2 million relating to the change in fair value of investment property described in Note 11.

Under Property, Plant and Equipment, within the hotel segment, additions for works and renovations in hotels were recognised for the total amount of EUR 88.7 million (see Note 10).

Eliminations during the year included the inter-segment invoicing for management fees and commissions totalling EUR 208.2 million. The provision of services to vacation club amounted to EUR 0.7 million.

The segmentation for 2021 of the consolidated income statement and the items in the consolidated balance sheet relating to operations is as follows:

(Thousand €)	Hotel			Real Estate	Vacation Club	Corporate	Disposals	Balance 31/12/21
	Hotel Management	Hotel Business	Other business with hotel management					
<b>INCOME STATEMENT</b>								
Operating income and Results from assets sale	108,366	704,590	15,610	82,617	48,542	115,696	(172,987)	902,434
Operating expenses	(110,757)	(602,360)	(15,278)	(16,050)	(38,137)	(161,961)	172,987	(771,556)
<b>EBITDAR</b>	<b>(2,391)</b>	<b>102,229</b>	<b>332</b>	<b>66,567</b>	<b>10,405</b>	<b>(46,265)</b>		<b>130,877</b>
Leases		(5,285)	(63)					(5,348)
<b>EBITDA</b>	<b>(2,391)</b>	<b>96,945</b>	<b>269</b>	<b>66,567</b>	<b>10,405</b>	<b>(46,265)</b>		<b>125,529</b>
Depreciation and impairment	(8,333)	(241,774)	(1,224)	(421)	(444)	(18,679)		(270,875)
<b>EBIT</b>	<b>(10,724)</b>	<b>(144,830)</b>	<b>(955)</b>	<b>66,146</b>	<b>9,962</b>	<b>(64,944)</b>		<b>(145,346)</b>
Net financial income								(62,846)
Associates net income		(5,164)		(775)		(3,259)		(9,198)
<b>Profit before tax</b>								<b>(217,390)</b>
Tax								19,531
<b>CONSOLIDATED NET INCOME</b>								<b>(197,859)</b>
ATTRIBUTED TO THE PARENT COMPANY								(192,900)
Attributed to minority interests								4,959
<b>ASSETS &amp; LIABILITIES</b>								
Property, plant and equipment and intangible assets	28,277	1,452,395	8,383	13,077	69,117	94,857		1,666,106
Right of use	1,871	1,412,532	2,308	1,166		11,223		1,429,100
Investments in associates		135,408		6,716		33,117		175,241
Other non-current assets								619,177
Current operating assets	25,240	94,175	6,360	6,412	90,404	447,641	(509,077)	161,156
Other current assets								162,078
<b>TOTAL ASSETS</b>								<b>4,212,858</b>
Borrowings								1,383,740
Other non-current liabilities								527,319
Current operating liabilities	148,604	382,417	13,340	1,434	133,620	146,477	(459,235)	366,656
Other current liabilities								42,142
Lease liabilities	1,931	1,550,063	2,578	1,637		11,137		1,567,346
<b>TOTAL LIABILITIES</b>								<b>3,887,203</b>

Within income from the Hotel Management segment, EUR 52 million of management fees was recorded, of which EUR 3.2 million related to associates. The remaining income mainly related to sales commissions.



Additionally, heading Other business with hotel management mainly included income and expenses linked to the tour operator activities of the company Sol Caribe Tours, S.A. for the amount of EUR 3.3 million and EUR 3.2 million, respectively.

Operating income in the Real Estate segment (or Asset Management), included income for the amount of EUR 74.4 million related to the real estate transaction described in Note 10.

Under Property, Plant and Equipment, within the hotel segment, additions for works and renovations in hotels were recognised in the total amount of EUR 54 million (see Note 10).

Eliminations during the year included the inter-segment invoicing for management fees and commissions totalling EUR 73 million. The provision of services to vacation club amounted to EUR 9.6 million.

## 6.2. Information by Geographic Areas

Information by operating segments is the best format to represent the Group's financial information because it provides a better understanding of the yield obtained as well as the annual monitoring. Likewise, the different geographic areas are broken down by revenues and assets according to the countries in which the cash-generating units are located and in which the Group operates (see Note 1):

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	Disposals	31/12/2022
Operating income and Results from assets sale	932,004	431,839	547,763	6,582	(226,175)	1,692,013
Total Assets	1,813,237	1,487,725	1,039,698	7,894		4,348,554

(\*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Europe, excluding Spain.

Intra-group turnover among the different geographical segments amounted to EUR 226.2 million, of which EUR 153.6 million related to Spain, EUR 30.2 million to EMEA, EUR 39.8 million to America and EUR 2.5 million to Asia.

Regarding operating revenues by country, some noteworthy countries were Mexico, with EUR 242.5 million and the Dominican Republic with EUR 224 million in the America segment. In EMEA segment, Germany contributed EUR 184.7 million.

Likewise, under item Total assets, the Dominican Republic's contribution for the amount of EUR 449.2 million, and the Mexican's contribution for the amount of EUR 403.4 million stand out under the America heading. With respect to EMEA segment, noteworthy are the contributions from the United Kingdom and Germany for the amount of EUR 591.5 million and EUR 441.5 million, respectively.

For comparison purposes, the balances corresponding to the previous year are as follows:

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	Disposals	31/12/2021
Operating income and Results from assets sale	548,421	169,673	327,295	3,529	(146,484)	902,434
Total Assets	1,763,055	1,497,133	947,277	5,393		4,212,858

(\*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Europe, excluding Spain.

Intra-group turnover among the different geographical segments amounted to EUR 146.5 million, of which EUR 75.4 million related to Spain, EUR 13.7 million to EMEA, EUR 57.4 million to America.

Regarding operating revenues by country, some noteworthy countries were Mexico, with EUR 159.6 million and the Dominican Republic with EUR 127.4 million in the America segment. In EMEA segment, Germany contributed EUR 78 million.

Likewise, under item Total assets, the Mexico's contribution for the amount of EUR 381.8 million, and the Dominican Republic's contribution for the amount of EUR 381.2 million stood out under the America heading. With respect to EMEA segment, noteworthy were the contributions from the United Kingdom and Germany for the amount of EUR 605.7 million and EUR 429 million, respectively.

## Note 7. Income and Expenses

### 7.1. Operating Revenues and Fixed Assets Capital Gains

The breakdown of the balance of this caption in the consolidated income statement for 2022 and 2021 is as follows:

(Thousand €)	2022	2021
Room sales	969,332	403,410
Food and beverages	394,642	204,450
Other business revenues	74,762	82,941
Hotel management revenues	50,542	15,467
Sale of vacation club units	58,574	38,913
Real estate income	6,768	7,276
Results from assets sale	12,239	75,226
Other revenues	125,154	74,751
<b>TOTAL</b>	<b>1,692,013</b>	<b>902,434</b>

Fixed assets capital gains include EUR 12.2 million relating to the review of the fair value of the Group's investment property (see Note 11).

Other income includes EUR 19 million from the company Sol Caribe Tours, S.A., as a result of the development of its activity as tour operator. In 2021, it contributed EUR 3.3 million. In addition, grants for the amount of EUR 54.9 million were recognised, of which EUR 52.9 million were granted at international level.

In 2021, the amount of grants amounted to EUR 63.4 million, of which EUR 34.5 million were granted at international level. In addition, it was included a discount for the amount of EUR 21.1 million in the payment of Social Security contributions of employees under temporary lay-off regime (ERTE) due to force majeure of the Group's Spanish companies. Additionally, grants for the amount of EUR 6.8 million were received from the Autonomous Communities in Spain.

In addition, in 2021, the Company received EUR 74.4 million from the sale of fixed assets as a result of an asset rotation transaction, whereby 6 hotels owned by the Group plus the majority of the shares in the company accounted for using the equity method, namely Meliá Zaragoza, S.L., which was the owner of other 2 hotel establishments, were sold.

### 7.2. Supplies

The breakdown of the balance of this caption in the consolidated income statement for 2022 and 2021 is as follows:

(Thousand €)	2022	2021
Food and beverages consumption	126,236	65,928
Ancillary goods consumption	30,491	17,566
Sundry consumption	21,221	8,096
<b>TOTAL</b>	<b>177,947</b>	<b>91,590</b>

### 7.3. Staff Costs

Staff costs are broken down as follows:

(Thousand €)	2022	2021
Wages, salaries and equivalent	373,514	234,467
Social security	80,515	59,196
Other social expenses	17,299	11,509
Allowances	2,069	2,191
<b>TOTAL</b>	<b>473,397</b>	<b>307,363</b>

The average number of employees of Meliá Hotels International, S.A. and its subsidiaries over the last two fiscal years and broken down by job category is as follows:

	2022			2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Management staff	192	83	275	155	66	221
Middle management	860	815	1,675	684	578	1,262
Core staff	8,161	6,703	14,865	5,404	3,909	9,313
<b>TOTAL</b>	<b>9,213</b>	<b>7,601</b>	<b>16,814</b>	<b>6,243</b>	<b>4,553</b>	<b>10,796</b>

The above table includes the average number of employees weighted by the period of reduction in the number of working hours of those employees under temporary lay-off regime (ERTE) or similar situations.

### 7.4. Other Operating Expenses

The breakdown of the balance of this caption in the consolidated income statement for 2022 and 2021 is as follows:

(Thousand €)	2022	2021
Sundry rentals	10,613	6,714
Maintenance and repairs	94,495	72,974
External services	135,915	74,550
Transport and insurance	23,401	18,837
Banking expenses	20,457	11,551
Advertising and promotions	42,849	23,074
Supplies	96,568	53,829
Travel and ticketing expenses	5,814	2,247
Activity tax	27,424	25,836
Various external services	112,754	68,933
Other expenses	21,048	14,060
<b>TOTAL</b>	<b>591,339</b>	<b>372,604</b>

## 7.5. Depreciation and Impairment

The breakdown of the balance of this caption in the consolidated income statement for 2022 and 2021 is as follows:

(Thousand €)	2022		2021	
	Impairment	Depreciation	Impairment	Depreciation
Intangible assets		17,304	8,885	21,924
Property, plant & equipment	(20,043)	92,666	2,094	92,679
Right of use	(35,170)	174,903	(10,523)	155,817
<b>TOTAL</b>	<b>(55,213)</b>	<b>284,873</b>	<b>456</b>	<b>270,419</b>

Depreciation of property, plant & equipment item includes EUR 7.5 million relating to the impact of the accelerated depreciation of assets consisting of hotels operated under operating leases to adapt their useful lives to the term of such lease contracts. In 2021, this impact amounted to EUR 14.1 million.

Impairment of property, plant & equipment heading includes the net impact resulting from the asset valuation carried out in 2022 (see Note 10) for the amount of EUR 20 million.

Likewise, Impairment of rights of use heading includes the amount of the reversal of the impairment associated with certain lease contracts, as a result of the activity recovery during the year. The amount of EUR 35.2 million relates to a total of 39 hotels, of which 33 are located in Spain, representing EUR 23.3 million.

## 7.6. Bargain Purchase

In 2022 and 2021, no bargain purchases were recognised.

## 7.7. Financial Income and Expenses

The breakdown of financial income and expenses included in the consolidated income statement in 2022 and 2021 is as follows:

(Thousand €)	2022	2021
Dividend income	267	1
Interest income	6,115	6,291
Other financial income	4,387	4,299
Disposal of financial assets income	(20)	(451)
<b>Total Financial Income</b>	<b>10,749</b>	<b>10,140</b>
Interest expenses	(45,488)	(39,157)
Financial expense leases	(29,415)	(27,422)
Other financial expenses	(806)	(4,116)
Surplus bad debt provision	(17)	(47)
Change in fair value of financial instruments	17,512	(696)
<b>Total Financial Expenses</b>	<b>(58,214)</b>	<b>(71,437)</b>
Exchange differences (Net Value)	(13,712)	(1,550)
<b>NET FINANCIAL INCOME</b>	<b>(61,176)</b>	<b>(62,848)</b>

## Note 8. Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the parent company by the average number of ordinary shares outstanding during the year. Both variables are adjusted by the effect of dilutive potential shares. At the end of 2022 and 2021, there were no potential ordinary shares and, therefore, there was no need for such adjustment.

The table below shows the calculations made in 2022 and 2021 for both variables:

(Thousand €)	BASIC		DILUTED	
	2022	2021	2022	2021
Net income attributed to the parent company	110,693,144	(192,899,524)	110,693,144	(192,899,524)
Number of ordinary shares	220,400,000	220,400,000	220,400,000	220,400,000
Average weighted treasury shares	(271,178)	(219,796)	(271,178)	(219,796)
<b>Total number of shares</b>	<b>220,128,822</b>	<b>220,180,204</b>	<b>220,128,822</b>	<b>220,180,204</b>
<b>Earnings per share</b>	<b>0.50</b>	<b>(0.88)</b>	<b>0.50</b>	<b>(0.88)</b>

The Board of Directors, in order to strengthen the solvency and liquidity of the Company, will propose to the General Shareholders' Meeting not to distribute dividends.

The previous year, dividends were not distributed due to the continuation of the Covid-19 impacts during that year.

## Note 9. Intangible Assets

The breakdown of the cost and accumulated depreciation of intangible assets is as follows:

(Thousand €)	Balance 31/12/21	Depreciation and impairment 2022	Additions	Disposals	Transfers	Exchange Differences	Balance 31/12/22
<b>GROSS VALUE</b>							
Goodwill	28,031					(91)	27,940
Transfer rights	22,059					500	22,559
Computer software	224,934		20,521	(258)		3	245,200
Other intangible assets	7,195					111	7,306
<b>Total Gross Value</b>	<b>282,219</b>		<b>20,521</b>	<b>(258)</b>		<b>523</b>	<b>303,005</b>
<b>ACCUMULATED DEPRECIATION</b>							
Transfer rights	(11,481)	(855)				(488)	(12,823)
Computer software	(187,657)	(16,442)		258		(7)	(203,848)
Other intangible assets	(6,016)	(7)				(82)	(6,106)
<b>Total Accumulated depreciation</b>	<b>(205,154)</b>	<b>(17,304)</b>		<b>258</b>		<b>(577)</b>	<b>(222,777)</b>
<b>NET CARRYING VALUE</b>	<b>77,065</b>	<b>(17,304)</b>	<b>20,521</b>			<b>(54)</b>	<b>80,228</b>

The amount of EUR 17.5 million is included in section Additions of Computer software in relation to the technological innovation project carried out by the Company for the development of the technological framework for hotel management, by means of which the Company is improving the technological services provided to its customers.

For comparison purposes, the breakdown of these movements in 2021 was as follows:

(miles de €)	Balance 31/12/20	Depreciation and impairment 2021	Additions	Disposals	Transfers	Exchange Differences	Balance 31/12/21
<b>GROSS VALUE</b>							
Goodwill	35,335	(8,010)			579	127	28,031
Transfer rights	28,795		4,250	(3,592)	(8,508)	1,114	22,059
Computer software	211,514		13,250	(52)	174	48	224,934
Other intangible assets	7,121		14			59	7,195
<b>Total Gross Value</b>	<b>282,766</b>	<b>(8,010)</b>	<b>17,514</b>	<b>(3,644)</b>	<b>(7,755)</b>	<b>1,349</b>	<b>282,219</b>
<b>ACCUMULATED DEPRECIATION</b>							
Transfer rights	(9,248)	(6,147)		3,592	991	(668)	(11,481)
Computer software	(171,720)	(15,769)		42	(174)	(36)	(187,657)
Other intangible assets	(5,078)	(882)				(57)	(6,016)
<b>Total Accumulated depreciation</b>	<b>(186,046)</b>	<b>(22,798)</b>		<b>3,634</b>	<b>817</b>	<b>(761)</b>	<b>(205,154)</b>
<b>NET CARRYING VALUE</b>	<b>96,720</b>	<b>(30,809)</b>	<b>17,514</b>	<b>(11)</b>	<b>(6,937)</b>	<b>587</b>	<b>77,065</b>

The amount recognised in the Provision for depreciation and impairment under Goodwill related to one hotel under lease located in France and another located in Italy.

EUR 11 million were included in section Additions of Computer software, framed in the technological innovation project carried out by the Company.

The amount included in Additions of transfer rights related to disbursements carried out under the management contracts of two hotels in Spain.

Transfer of Transfer Rights section related to operating rights of one hotel in Brazil, which contract was terminated and, therefore, the Group considered that the amount to be recovered for the initial acquisition of the said operating rights is of a financial nature and, consequently, it was reclassified under item Other non-current financial assets.

### Goodwill

The amounts resulting from business combinations are recognised in the balance of Goodwill, according to Note 2.5. The net carrying values of goodwill existing prior to the adoption of the IFRS are also included.

The amounts concerned by company are as follows:

(Thousand €)	31/12/2022	31/12/2021
Apartotel, S.A.	504	504
Hotel Metropolitan, S.A.S.	1,181	1,181
Cadstar France, S.A.S.	813	813
Ihla Bela de Gestao e Turismo, Ltd.	927	927
Lomondo, Ltd.	5,245	5,336
Hotel Alexander, S.A.S.	887	887
Operadora Mesol, S.A. de C.V.	465	465
Sol Maninvest, B.V.	886	886
Prodigios Interactivos, S.A.	14,780	14,780
Sol Melia Italia S.R.L.	2,253	2,253
<b>TOTAL</b>	<b>27,940</b>	<b>28,031</b>

Goodwill linked to the company Lomondo Ltd. has decreased due to the exchange rate effect.

Such units are shown in the following table:

Company	Cash Generating Units (C.G.U.)
Apartotel, S.A.	Meliá Castilla, Meliá Costa del Sol and Meliá Alicante Aparthotel hotels
Hotel Metropolitan, S.A.S.	Meliá Paris Vendôme hotel
Cadstar France, S.A.S.	Melia Collection Villa Marquis, Paris Opera & Melia Collection Maison Colbert hotels
Ihla Bela de Gestao e Turismo, Ltd.	Melia Península Varadero, Meliá Las Dunas, Tryp Cayo Santa María, Meliá Cayo Santa María, Tryp Habana Libre & Tryp Cayo Coco hotels
Lomondo, Ltd.	Meliá White House hotel
Hotel Alexander, S.A.S	Meliá Paris Champs Elysées hotel
Operadora Mesol, S.A. de C.V.	Meliá Cozumel, Meliá Puerto Vallarta, Paradisus Cancún & Paradisus Los Cabos hotels
Sol Maninvest, B.V.	Aurora for plava laguna, Garden Istra for plava laguna, Umag for plava laguna, Adriatic for plava laguna, Sipar for plava laguna, Coral for plava laguna, Polynesia plava laguna & Stella for plava laguna hotels.
Prodigios Interactivos, S.A.	Hotel Distribution Platform
Sol Melia Italia S.R.L.	Melia Milan hotel

Cash-generating units mainly relate to hotels operated or managed. In the case of goodwill associated with cash-generating units of hotels under ownership or lease, the recoverable amount is determined jointly with the other assets of the cash-generating unit, according to the methodology described in Note 3.2.

In the case of goodwill associated with other cash-generating units, the risk factors taken into account by the Company are the expected exchange rates for the currencies in which cash flows are generated by each cash-generating unit and the risk-free interest rates in each of the geographic areas in which the cash flows are generated.

According to the impairment tests carried out, there is no evidence of impairment of the Group's goodwill in 2022. In 2021 an impairment loss of goodwill was recognised for the amount of EUR 8 million associated with cash-generating units of hotels under lease in France and Italy.

## Note 10. Property, Plant and Equipment

Movements in the different headings of gross value of property, plant and equipment and their accumulated depreciation and impairment during the year are as follows:

(Thousand €)	Balance 31/12/21	Depreciation and impairment 2022	Additions	Disposals	Transfers	Exchange Differences	Balance 31/12/22
<b>GROSS VALUE</b>							
Land	407,956		349			5,055	413,360
Buildings	1,382,100		29,353	(2,596)	(2,723)	15,334	1,421,468
Plant and Machinery	449,963		25,825	(5,466)	1,453	2,559	474,335
Other fixed assets	448,386		25,558	(7,756)	1,620	6,963	474,771
Works in progress	3,702		7,623		(351)	937	11,912
<b>Total Gross Value</b>	<b>2,692,107</b>		<b>88,709</b>	<b>(15,818)</b>	<b>0</b>	<b>30,848</b>	<b>2,795,846</b>
<b>ACCUMULATED DEPRECIATION</b>							
Buildings	(478,473)	(14,404)		2,925		(8,437)	(498,390)
Plant and Machinery	(303,256)	(29,156)		3,652		(1,181)	(329,942)
Other fixed assets	(321,338)	(29,063)		6,641		(3,930)	(347,690)
<b>Total Accumulated Depreciation</b>	<b>(1,103,067)</b>	<b>(72,623)</b>	<b>(0)</b>	<b>13,217</b>	<b>0</b>	<b>(13,548)</b>	<b>(1,176,022)</b>
<b>NET CARRYING VALUE</b>	<b>1,589,041</b>	<b>(72,623)</b>	<b>88,709</b>	<b>(2,601)</b>	<b>0</b>	<b>17,300</b>	<b>1,619,825</b>



Main additions in the fiscal year relate to investments made in the renovation works in one hotel in the Dominican Republic for the amount of EUR 49.3 million, and also additions due to the renovation works of one hotel in the United Kingdom for the amount of EUR 9.3 million. Additions in Spain amounted to EUR 14.9 million, of which EUR 4.9 million relates to Balearic Islands.

Accumulated Depreciation and Impairment section includes a reversal of impairment for the amount of EUR 20 million, as a result of the asset valuation carried out in 2022 and described in this Note, which amount is recorded in Depreciation and Impairment in the consolidated income statement.

The Exchange differences generated during the fiscal year mainly relate to the appreciation of the US dollar and the depreciation of the British pound.

For comparison purposes, the information for year 2021 is shown below:

(Thousand €)	Balance 31/12/20	Depreciation and impairment 2021	Additions	Disposals	Transfers	Exchange Differences	Balance 31/12/21
<b>GROSS VALUE</b>							
Land	445,438			(51,902)		14,420	407,956
Buildings	1,438,359		26,082	(134,571)	126	52,103	1,382,100
Plant and Machinery	479,597		15,212	(54,620)	12	9,762	449,963
Other fixed assets	480,884		12,207	(56,364)	30	11,630	448,386
Works in progress	3,620		483	(385)	(168)	152	3,702
<b>Total Gross Value</b>	<b>2,847,898</b>	<b>0</b>	<b>53,984</b>	<b>(297,842)</b>	<b>(0)</b>	<b>88,068</b>	<b>2,692,107</b>
<b>ACCUMULATED DEPRECIATION</b>							
Buildings	(510,865)	(41,758)		92,253		(18,103)	(478,473)
Plant and Machinery	(319,853)	(25,920)		47,199		(4,683)	(303,256)
Other fixed assets	(328,457)	(27,094)		42,874		(8,661)	(321,338)
<b>Total Accumulated Depreciation</b>	<b>(1,159,174)</b>	<b>(94,772)</b>	<b>(0)</b>	<b>182,327</b>	<b>0</b>	<b>(31,447)</b>	<b>(1,103,067)</b>
<b>NET CARRYING VALUE</b>	<b>1,688,724</b>	<b>(94,772)</b>	<b>53,984</b>	<b>(115,515)</b>	<b>0</b>	<b>56,621</b>	<b>1,589,041</b>

Regarding Property, Plant and Equipment, the Additions related to investments and renovations in hotels for the total amount of EUR 54 million, of which EUR 10.9 million were made in Spain.

Disposals in the year included EUR 108 million related to an asset rotation transaction completed by the Group on 30 June 2021, whereby 6 hotels owned by the Group plus the majority of the shares in the company accounted for using the equity method, namely Meliá Zaragoza, S.L., were sold, with the latter being the owner of other 2 hotel establishments. The hotels involved in this transaction continued to be operated by Meliá Hotels International, S.A. through long-term management contracts. As a result of this asset rotation a net capital gain for the amount of EUR 63.6 million was generated in the consolidated income statement.

The Translation Differences increased the value of tangible assets due to the appreciation of the US dollar and the British pound against the Euro.

#### *Other considerations*

There are 10 owned properties that have been mortgaged to secure several loans at the end of 2022, and their net carrying value amounts to EUR 559.5 million; in 2021 the total number of properties was also 10 and their net carrying value amounted to EUR 517.74 million.

As at 31 December 2022 and 2021, the Directors consider that there was sufficient insurance coverage for their assets.

Net capital gains derived from the revaluation of assets carried out by the parent company, based on various legal regulations and voluntary revaluations prior to 1997, in order to correct the effects of monetary inflation, were as follows:

(Thousand €)	
Restatement of budgets for 1979	24,848
Restatement of budgets for 1980	28,852
Restatement of budgets for 1981	1,197
Restatement of budgets for 1982	26,480
Voluntary restatement before 1990	3,146
Restatement under R.D.L. 7/96	53,213
<b>TOTAL</b>	<b>137,736</b>

### Asset valuation

Meliá Hotels International, S.A. in 2022 has entrusted the valuation of the assets owned by its Group. These assets have been valued by the worldwide firm specialised in hotel investment and consultancy services CBRE Valuation Advisory, S.A. according to the RICS (Royal Institution of Chartered Surveyors) global standards in force at the date of valuation. This resulted in a Gross Asset Value (GAV) of EUR 4,041 million, relating to the owned assets fully consolidated, with a net carrying amount at the time of the appraisal of EUR 1,778 million.

The valuation, dated 31 July 2022, included 54 assets owned by the Group, including 7 properties classified as Investment Property in the consolidated balance sheet (see Note 11).

In addition, the appraisal also included 30 assets owned by associates and joint ventures, as explained in Note 12.

When determining the value of the assets, the valuation criterion most used by CBRE has been the discounted cash flow, since hotel investments are generally valued according to the potential future income. In certain cases, other valuation methods have been used, such as the comparables method or the residual value method. The latter method has been mainly used to value plots and land.

Regardless of the valuation criterion, the result thereof has been checked by comparing it with other parameters such as stabilised returns, price per room or leveraged IRR.

**Discounted cash flow method:** Financial projections have been prepared for a 5-year period; the flows for year 5 have been used to project the next 5 years and the cash flows for fiscal year 11 have been discounted at an exit multiple, dependent upon historical transactions, expected profitability and other factors such as age, location, maintenance conditions of the property, etc. Financial projections have been estimated by considering the operating revenues and income that a reasonably efficient operator could achieve, including the investments necessary to attain such level based on the property condition.

The discount rates used by CBRE in the valuation, depending on the geographic region in which the assets are located, are shown in the following table:

	Discount Rates	Exit Rates
Spain	7,50% - 10,25%	5,50% - 7,50%
Rest of Europe	5,70% - 7,75%	4,00% - 6,25%
Latin America	11,25% - 12,5%	8,25% - 9,50%

**Comparables method:** This valuation criterion takes into account the balance between the supply and demand at the time of the valuation. This means an evaluation of the property based on an analysis of the latest market transactions and a comparison of these with the average price per room.

**Residual value method:** This is the method generally used to value urban land, whether or not it has buildings on it. This involves determining the price that could be paid for the property, given the gross value of the development and the total cost of the project, taking into account the margins applied in the market once the characteristics of the property and the risks inherent in the project have been factored in.

## Note 11. Investment Property

The balance of investment property includes the net carrying value of investments made by the Group to obtain rental income or capital gains, such as interest in three apartment owners' associations in Spain, one shopping centre in America and other properties in Spain.

Movements recorded in 2022 according to the type of assets included under this heading are detailed in the following table:

(Thousand €)	Balance 31/12/2021	Additions	Disposals	Exchange Differences	Balance 31/12/2022
Apartments in Spain	79,004	10,658			89,662
Shopping Centres in America	6,054				6,054
Other properties in Spain	19,877	2,491	(3,191)		19,177
<b>TOTAL</b>	<b>104,935</b>	<b>13,149</b>	<b>(3,191)</b>	<b>0</b>	<b>114,893</b>

Item Additions of Apartments in Spain includes EUR 0.7 million as a result of the acquisition of apartments in one of the three owners' associations in which the Groups holds interest.

In addition, the amount of EUR 12.2 million was recognised as a result of the value review of the investment property (see Note 10) which has had an impact on the Operating revenues and capital gains of fixed assets in the consolidated income statement.

In disposals of Other properties in Spain, the disposal for the sale of one property has been recognised for the amount of EUR 3 million.

The breakdown of profit or loss for investment property in the Group's consolidated income statement is as follows:

(Thousand €)	Apartments Spain	Shopping Centres America	Other Properties Spain	Total
Operating income		261	59	320
Operating expenses		(196)		(196)
<b>EBITDA</b>	<b>0</b>	<b>64</b>	<b>59</b>	<b>123</b>
Depreciation				0
Net Financial Income	96			96
Net Income in Associates	3,040			3,040
Tax				0
<b>CONTRIBUTION TO GROUP NET INCOME</b>	<b>3,135</b>	<b>64</b>	<b>59</b>	<b>3,259</b>

The contribution of the apartments in Spain relates to the proportional part of the results for the year of the companies which are accounted for using the equity method. Such apartments relate to establishments which are operated by the Group under management through associates, and which generate income for the amount of EUR 5.6 million that is not included in the above table.

The contribution of the shopping centre in America relates to the part in the income statement of the operating company.

The contribution of other properties in Spain relates to the lease of one establishment located in Madrid.

For comparison purposes, the information for year 2021 is shown below:

(Thousand €)	Balance 31/12/2020	Additions	Disposals	Exchange Differences	Balance 31/12/2021
Apartments in Spain	78,200	804			79,004
Shopping Centres in America	4,906	674		474	6,054
Other properties in Spain	19,891	562	(576)		19,877
<b>TOTAL</b>	<b>102,997</b>	<b>2,040</b>	<b>(576)</b>	<b>474</b>	<b>104,935</b>

Item Additions of Apartments in Spain included EUR 0.6 million as a result of the value review of the investment property of one of the three owners' associations in which the Groups holds interest. In addition, in Other properties in Spain, the review of the value of one property for the amount of EUR 0.3 million was recognised. Both amounts were included in Fixed assets capital gains income in the consolidated income statement.

The breakdown of net income generated by investment properties in the Group's consolidated income statement in 2021 is as follows:

(Thousand €)	Apartments Spain	Shopping Centres America	Other Properties Spain	Total
Operating income		47	92	139
Operating expenses		(114)		(114)
<b>EBITDA</b>	<b>0</b>	<b>(67)</b>	<b>92</b>	<b>25</b>
Depreciation				0
Net Financial Income				0
Net Income in Associates	(420)			(420)
Tax				0
<b>CONTRIBUTION TO GROUP NET INCOME</b>	<b>(419)</b>	<b>(67)</b>	<b>92</b>	<b>(395)</b>

The contribution of the apartments in Spain related to the proportional part of the results for the year of the companies which are accounted for using the equity method. Such apartments generated income derived from their operation under management for the amount of EUR 2.2 million that is not included in the above table.

The contribution of the shopping centre in America related to the part in the income statement of the operating company.

The contribution of other properties in Spain related to the lease of one establishment located in Madrid.

## Note 12. Investments Measured Using the Equity Method

The financial investments relating to shareholdings in associates and joint ventures have been measured using the equity method. The value resulting from the appraisal described in Note 10 in relation to these assets amounted to EUR 600.2 million, with a net carrying amount of EUR 387 million at the time of the appraisal.

EUR 5.8 million relating to the reversal of the impairment of assets of these companies is included under net income, as a result of the asset valuation mentioned in Note 10.

Balances and movements of this heading are as follows:

(Thousand €)	%	Balance 31/12/2021	Net Income 2022	Additions	Disposals	Exchange Differences	Balance 31/12/2022
Evertmel Group (*)	49.00%	20,416	(306)	509			20,620
Altavista Hotelera, S.A.	48.74%	33,658	2,561	1,003			37,222
Melcom Group (*)	50.00%	10,347	7,065				17,413
Producciones de Parques Group (*)	50.00%	19,131	2,368	1,494			22,993
Fourth Project 2012, S.L.	50.00%	2,055	366	617			3,038
Melia Hotels USA Group (*)	50.00%		(276)	407		(130)	
Holazel, S.L. (JV)	50.00%			1,000			1,000
Yagoda Inversiones, S.L.U.	50.00%	233	(0)	85			318
Sierra Parima, S.A.	50.00%	5,720	(3,630)	1,233		610	3,933
<b>TOTAL JOINT VENTURES</b>		<b>91,561</b>	<b>8,150</b>	<b>6,347</b>		<b>480</b>	<b>106,538</b>
Homasi, S.A.	35.00%	52,242	2,398				54,640
Plaza Puerta del Mar, S.A.	20.01%	6,013	672				6,685
Promedro Group (*)	20.00%	5,855	1,063		(36)		6,882
Turismo de Invierno, S.A.	21.42%	3,274	493		(0)		3,767
C.P. Meliá Castilla	31.72%	2,976	1,513	162			4,651
C.P.Meliá Costa del Sol	21.18%	2,833	1,527	191			4,551
El Recreo Group (*)	19.94%	545		3,807		0	4,352
Inversiones Guiza, S.A.	49.85%	(8)	(0)			(1)	(9)
Hellenic Hotel Management	40.00%	(76)					(76)
Mosaico Group (*)	20.00%	1,241	(49)	917			2,109
Detur Panamá, S.A.	49.93%		(888)	794		93	(0)
Starmel Group (*)	20.00%	673	316	1			989
Renasala Group (*)	30.00%	8,111	1,194	1,806			11,112
<b>TOTAL ASSOCIATES</b>		<b>83,680</b>	<b>8,240</b>	<b>7,678</b>	<b>(36)</b>	<b>93</b>	<b>99,654</b>
<b>TOTAL</b>		<b>175,241</b>	<b>16,389</b>	<b>14,025</b>	<b>(36)</b>	<b>572</b>	<b>206,192</b>

(\*) Companies pertaining to the same business line are jointly presented:

Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.

Producciones de Parques Group which comprises the companies Producciones de Parques, S.L., Tertian XXI S.L.U. and Golf Katmandú, S.L.

Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA, Llc and Melia Hotels Florida Llc.

Promedro Group which comprises the companies Promedro, S.A. and Nexprom, S.A.

El Recreo Group which comprises the companies El Recreo Plaza, C.A. and El Recreo Plaza & Cía. C.A.

Starmel Group which comprises the companies Starmel Hotels JV, S.L, Starmel Hotels OP 2 S.L.U, Fuerteventura Beach Property, S.L.U. and

Santa Eulalia Beach Property, S.L.U.

Renasala, S.L. Group which comprises the companies Renasala, S.L, Starmel Hoteles OP S.L.U, Torremolinos Beach Property, S.L.U,

Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U. San Antonio Beach Property, S.L.U.

Melcom Group which comprises the companies Sistemas Ribey Cloud, S.L. (liquidated), Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture S.L.

Additions mainly relate to the capital increase of El Recreo Group for the amount of EUR 3.8 million, and the hedge for the negative holding in Detur Panamá S.A. and in Melia Hotels USA Group for the amount of EUR 1.2 million, as well as the addition due to the incorporation of the company Holazel and the shareholders' contribution made thereto amounting to EUR 1 million.

Shareholding movements in associates and joint ventures in 2021 were as follows:

(Thousand €)	%	Balance 31/12/2020	Net Income 2021	Additions	Disposals	Exchange Differences	Balance 31/12/2021
Meliá Zaragoza, S.L.	50.00%		(1,992)	1,992			
Evertmel Group (*)	49.00%	22,303	(2,144)	260	(3)		20,416
Altavista Hotelera, S.A.	48.74%	31,663	1,402	594			33,658
Melcom Group (*)	50.00%	9,740	607				10,347
Producciones de Parques Group (*)	50.00%	21,124	(2,280)	377	(90)		19,131
Fourth Project 2012, S.L.	50.00%	1,561	345	199	(50)		2,055
Melia Hotels USA Group (*)	50.00%	(794)	(371)	1,274		(109)	
Yagoda Inversiones, S.L.U.	50.00%	132	1	100			233
Sierra Parima, S.A.	50.00%	7,025	(775)			(529)	5,720
<b>TOTAL JOINT VENTURES</b>		<b>92,755</b>	<b>(5,208)</b>	<b>4,795</b>	<b>(143)</b>	<b>(638)</b>	<b>91,561</b>
Homasi, S.A.	35.00%	52,417	52		(228)		52,242
Plaza Puerta del Mar, S.A.	20.01%	5,152	861				6,013
Promedro Group (*)	20.00%	5,718	137				5,855
Turismo de Invierno, S.A.	21.42%	3,419	(143)		(1)		3,274
C.P. Meliá Castilla	31.72%	3,533	(605)	55	(7)		2,976
C.P.Meliá Costa del Sol	21.18%	2,669	185	22	(44)		2,833
El Recreo Group (*)	19.94%	545					545
Inversiones Guiza, S.A.	49.85%				(7)		(8)
Hellenic Hotel Management	40.00%				(76)		(76)
Mosaico Group (*)	20.00%	1,525	(39)		(245)		1,241
Detur Panamá, S.A.	49.93%		(596)	1,233		(637)	
Starmel Group (*)	20.00%	1,173	(1,476)	976			673
Renasala Group (*)	30.00%	9,459	(2,365)	1,017			8,111
<b>TOTAL ASSOCIATES</b>		<b>85,610</b>	<b>(3,990)</b>	<b>3,304</b>	<b>(607)</b>	<b>(637)</b>	<b>83,680</b>
<b>TOTAL</b>		<b>178,365</b>	<b>(9,198)</b>	<b>8,098</b>	<b>(750)</b>	<b>(1,275)</b>	<b>175,241</b>

\*) Companies pertaining to the same business line are jointly presented:

Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.

Producciones de Parques Group which comprises the companies Producciones de Parques, S.L., Tertian XXI S.L.U. and Golf Katmandú,S.L.

Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,LLc and Melia Hotels Florida Llc.

Promedro Group which comprises the companies Promedro,S.A. and Nexprom,S.A.

El Recreo Group which comprises the companies El Recreo Plaza, C.A. and El Recreo Plaza & Cía. C.A.

Starmel Group which comprises the companies Starmel Hotels JV, S.L, Starmel Hotels OP 2 S.L.U, Fuerteventura Beach Property, S.L.U. and

Santa Eulalia Beach Property, S.L.U.

Renasala,S.L. Group which comprises the companies Renasala,S.L, Starmel Hoteles OP S.L.U, Torremolinos Beach Property, S.L.U,

Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U. San Antonio Beach Property, S.L.U.

Melcom Group which comprises the companies Sistemas Ribey Cloud,S.L., Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture S.L.

Mosaico Group which comprises the companies Mosaico BV and Mosaico Hoteles, S.A.

Additions in the year mainly related to contributions by shareholders to several companies and to the hedge for the negative holding in Detur Panamá S.A., as well as the derecognition of the negative holding in Meliá Zaragoza, S.L. due to the result obtained until 30 June, date on which the Group sold its holding.

On the other hand, the disposals recognised during the year mainly related to the dividend distribution of Homasi, S.A. and the dissolution of the company Mosaico BV.

Details of the balance sheet and profit and loss account of the most significant associates and joint ventures by volume of assets and net income are as follows:

(Thousand €)	Evertmel Group (*)	Melcom Group (*)	Altavista Hotelera, S.L.	Starmel Group (*)	Renasala Group (*)	Total
EBITDA	10,452	22,044	9,271	7,500	17,457	66,722
Depreciation	(5,779)	(3,488)	(2,135)	(2,932)	(5,022)	(19,355)
Financial Income	(35)			0	(1,000)	(1,034)
Financial Expenses	(4,971)	(6,120)	10	(3,626)	(5,824)	(20,532)
Other financial profit/loss	(1)	(4)	(2,879)	79	(2)	(2,805)
Net financial profit/loss	(5,007)	(6,124)	(2,869)	(3,547)	(6,825)	(24,372)
Profit/loss before tax	(334)	12,432	4,267	1,021	5,610	22,996
Income tax	(289)	2,115	988	556	(1,629)	1,740
Attributed to minority interests		(415)				(415)
<b>NET INCOME</b>	<b>(624)</b>	<b>14,132</b>	<b>5,255</b>	<b>1,578</b>	<b>3,981</b>	<b>24,322</b>

(Thousand €)	Evertmel Group (*)	Melcom Group (*)	Altavista Hotelera, S.L.	Starmel Group (*)	Renasala Group (*)	Total
<b>NON-CURRENT ASSETS</b>	<b>190,499</b>	<b>172,488</b>	<b>132,977</b>	<b>81,665</b>	<b>210,657</b>	<b>788,286</b>
Cash and other cash equivalents	5,264	6	3,452	8,384	7,640	24,746
Other current assets	29,107	7,686	26	3,479	6,820	47,118
<b>CURRENT ASSETS</b>	<b>34,371</b>	<b>7,691</b>	<b>3,478</b>	<b>11,863</b>	<b>14,460</b>	<b>71,864</b>
<b>TOTAL GENERAL ASSETS</b>	<b>224,870</b>	<b>180,179</b>	<b>136,455</b>	<b>93,528</b>	<b>225,118</b>	<b>860,150</b>
Non-current financial liabilities	129,177	64,069	36,829	67,885	162,153	494,040
Other non-current liabilities	6,519	77,068	14,079	14,071	2,970	80,779
<b>NON-CURRENT LIABILITIES</b>	<b>135,697</b>	<b>141,138</b>	<b>50,908</b>	<b>81,955</b>	<b>165,122</b>	<b>574,820</b>
Current financial liabilities	12,756	735	4,306	4,540	10,091	32,427
Other current liabilities	34,063	5,193	5,300	5,225	8,417	58,198
<b>CURRENT LIABILITIES</b>	<b>46,819</b>	<b>5,928</b>	<b>9,605</b>	<b>9,765</b>	<b>18,508</b>	<b>90,625</b>
<b>TOTAL GENERAL LIABILITIES</b>	<b>182,515</b>	<b>147,066</b>	<b>60,513</b>	<b>91,720</b>	<b>183,630</b>	<b>665,444</b>

(\*) Companies pertaining to the same business line are jointly presented:

Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.

Starmel Group which comprises the companies Starmel Hotels OP 2,S.L.U, Starmel Hotels JV, S.L, Fuerteventura Beach Property,S.L.U. and Santa Eulalia Beach Property, S.L.U.

Renasala Group which comprises the companies Renasala,S.L, Starmel Hotels OP S.L.U, Torremolinos Beach Property, S.L.U, Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U, and San Antonio Beach Property, S.L.U.

Melcom Group which comprises the companies Ribey Cloud, S.L., Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture, S.L.

Evertmel Group, Melcom Group and Altavista Hotelera, S.L., are owners of hotels which are operated by other Group companies through lease contracts.

Starmel Group and Renasala Group are made up of companies which own and operate hotels. In addition, they have contracts entered into with the parent company of the Group through which management fees are invoiced.



For comparison purposes, amounts for 2021 are shown below:

(Thousand €)	Evertmel Group (*)	Melcom Group (*)	Altavista Hotelera, S.L.	Starmel Group (*)	Renasala Group (*)	Total
EBITDA	8,424	12,932	8,894	2,004	2,851	35,105
Depreciation	(5,736)	(3,488)	(3,086)	(2,792)	(4,708)	(19,810)
Financial Income	(240)	0	10	1	(997)	(1,225)
Financial Expenses	(5,636)	(6,376)	(3,036)	(5,869)	(5,788)	(26,704)
Other financial profit/loss	(682)	(1)	27	27	1	(627)
Net financial profit/loss	(6,558)	(6,377)	(2,998)	(5,840)	(6,784)	(28,557)
Profit/loss before tax	(3,870)	3,068	2,810	(6,628)	(8,642)	(13,262)
Income tax	(506)	(1,854)	66	(754)	759	(2,288)
<b>NET INCOME</b>	<b>(4,376)</b>	<b>1,214</b>	<b>2,876</b>	<b>(7,382)</b>	<b>(7,882)</b>	<b>(15,550)</b>

(Thousand €)	Evertmel Group (*)	Melcom Group (*)	Altavista Hotelera, S.L.	Starmel Group (*)	Renasala Group (*)	Total
<b>NON-CURRENT ASSETS</b>	<b>195,259</b>	<b>167,364</b>	<b>134,440</b>	<b>82,535</b>	<b>214,130</b>	<b>793,728</b>
Cash and other cash equivalents	3,356	4,067	8,809	8,657	1,738	26,626
Other current assets	34,785	2,363	38	2,304	4,906	44,395
<b>CURRENT ASSETS</b>	<b>38,141</b>	<b>6,430</b>	<b>8,846</b>	<b>10,960</b>	<b>6,644</b>	<b>71,022</b>
<b>TOTAL GENERAL ASSETS</b>	<b>233,400</b>	<b>173,794</b>	<b>143,286</b>	<b>93,495</b>	<b>220,774</b>	<b>864,749</b>
Non-current financial liabilities	139,292	65,489	43,020	71,076	161,847	480,724
Other non-current liabilities	6,824	81,394	15,078	13,672	3,234	120,202
<b>NON-CURRENT LIABILITIES</b>	<b>146,116</b>	<b>146,883</b>	<b>58,099</b>	<b>84,748</b>	<b>165,081</b>	<b>600,926</b>
Current financial liabilities	11,552	2,046	4,759	4,648	16,696	39,701
Other current liabilities	33,532	4,177	11,797	3,589	7,772	60,868
<b>CURRENT LIABILITIES</b>	<b>45,084</b>	<b>6,222</b>	<b>16,557</b>	<b>8,237</b>	<b>24,467</b>	<b>100,568</b>
<b>TOTAL GENERAL LIABILITIES</b>	<b>191,200</b>	<b>153,105</b>	<b>74,656</b>	<b>92,985</b>	<b>189,548</b>	<b>701,494</b>

(\*) Companies pertaining to the same business line are jointly presented:

Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.

Starmel Group which comprises the companies Starmel Hotels OP 2,S.L.U, Starmel Hotels JV, S.L, Fuerteventura Beach Property,S.L.U. and Santa Eulalia Beach Property, S.L.U.

Renasala Group which comprises the companies Renasala,S.L, Starmel Hotels OP S.L.U, Torremolinos Beach Property, S.L.U,

Palmanova Beach Property, S.L.U, Puerto del Carmen Beach Property, S.L.U, and San Antonio Beach Property, S.L.U.

Melcom Group which comprises the companies Ribey Cloud, S.L., Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture, S.L.

## Note 13. Other Financial Instruments

### 13.1. Other Financial Assets

The table below includes the breakdown by categories of financial instruments, recorded in the heading Other financial assets of current and non-current assets of the consolidated balance sheet for years 2022 and 2021:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>1. Financial instruments at amortized cost:</b>						
Loans to associates	90,169	40,935	131,105	86,265	41,081	127,346
Other loans	26,293	2,902	29,196	25,329	2,839	28,168
Other items	63,378	3,907	67,285	53,669	2,543	56,212
<b>2. Financial instruments at fair value through other comprehensive income:</b>						
Cash flow hedges	3,403	3,303	6,706	40		40
<b>3. Financial instruments at fair value through profit or loss:</b>						
Trading Portfolio		1,594	1,594		159	159
Trading Portfolio derivatives	705	14,769	15,474			
Unlisted equity instruments	19,523		19,523	19,541		19,541
<b>TOTAL</b>	<b>203,473</b>	<b>67,411</b>	<b>270,884</b>	<b>184,845</b>	<b>46,622</b>	<b>231,466</b>

The table does not include the headings Trade and other receivables and Cash and other cash equivalents, which also relate to financial assets, as described in Note 3.5. Additional breakdowns are included in Note 14 to that effect.

#### *Financial instruments subsequently measured at amortised cost*

The table below shows a breakdown by nature of financial assets included in this item for 2022 and 2021:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Loans to associates	90,169	40,935	131,105	86,265	41,081	127,346
Other loans	26,293	2,902	29,196	25,329	2,839	28,168
Deposits	1,453	1,961	3,415	1,327	884	2,211
Guarantee deposits	10,899	1,894	12,793	11,064	1,606	12,670
Vacation Club customers	49,486		49,486	39,315		39,315
Financial deposits		52	52		53	53
Other items	1,215		1,215	1,963		1,963
<b>TOTAL</b>	<b>179,517</b>	<b>47,745</b>	<b>227,261</b>	<b>165,263</b>	<b>46,463</b>	<b>211,726</b>

Note 20 Information on related parties includes a breakdown of the balances recorded as loans to associates.

Loans granted to several companies with which the Company does business in various operating segments are included under heading Other loans; the most significant amounts are as follows:

- Loans granted to various unrelated companies with which the Group has a business relationship for the amount of EUR 18.2 million.
- Loans to owners of several hotels operated by the Group under lease and management, for the amount of EUR 9.9 million.

Long-term guarantees granted by the Company basically relate to the rent for hotels leased by the Group through accepted promissory notes. Since such guarantees are granted to ensure compliance with an obligation associated with such agreements, they are not recognised at current value but at face value.

The balance of Vacation club customers relates to the amounts financed in the long-term to this segment customers in the sale of timeshare rights. They are recognised at face value because these financing agreements include a market interest rate.

Likewise, balance of Short-term vacation club customers is broken down in Note 14.2 Trade and Other Receivables.

The Financial deposits item includes long-term amounts in banks and with a maturity over 3 months, therefore, these cannot be considered as other cash equivalents.

#### *Financial instruments at fair value through other comprehensive income*

Cash flow hedge activities relate to interest rate swaps. Hedge activities are explained in Note 13.3.

#### *Financial instruments at fair value through profit or loss*

Long-term trading portfolio includes equity instruments, the market prices of which are used to determine the fair value of these investments, as well as unlisted equity instruments included under this category, the movement of which is detailed in the table below:

(Thousand €)	%	Balance 31/12/2021	Additions	Disposals	Balance 31/12/2022
Hotelera Sancti Petri, S.A.	19.50%	2,634			2,634
Port Cambrils Inversions, S.A.	10.00%	980			980
Inveragua RD, S.A.S	14.24%	131			131
Valle Yamury, S.A.	8.00%	358			358
Victoria Hotels & Resorts, S.L.	7.50%	15,516	606	(300)	15,822
Other financial assets		9			9
<b>TOTAL INVESTMENT</b>		<b>19,628</b>	<b>606</b>	<b>(300)</b>	<b>19,934</b>
<b>IMPAIRMENT LOSSES</b>		<b>(85)</b>			<b>(85)</b>
<b>NET CARRYING VALUE</b>		<b>19,543</b>	<b>606</b>	<b>(300)</b>	<b>19,848</b>

For comparison purposes, movements for year 2021 were as follows:

(Thousand €)	%	Balance 31/12/2020	Additions	Disposals	Balance 31/12/2021
Hotelera Sancti Petri, S.A.	19.50%	2,634			2,634
Port Cambrils Inversions, S.A.	10.00%	980			980
Inveragua RD, S.A.S	14.24%	131			131
Valle Yamury, S.A.	8.00%	358			358
Victoria Hotels & Resorts, S.L.	7.50%		15,516		15,516
Other financial assets		42		(33)	9
<b>TOTAL INVESTMENT</b>		<b>4,145</b>	<b>15,516</b>	<b>(33)</b>	<b>19,628</b>
<b>IMPAIRMENT LOSSES</b>		<b>(85)</b>			<b>(85)</b>
<b>NET CARRYING VALUE</b>		<b>4,060</b>	<b>15,516</b>	<b>(33)</b>	<b>19,543</b>

The registered offices, activities and accounting information in thousand euro of the investees in which the Group holds a non-significant shareholding at the 2022 year end are included below:

(Thousand €)	REGISTERED OFFICE	ACTIVITY	Capital	Reserves	Net Income	%	TBV	NBV
Hotelera Sancti Petri, S.A.	Gremio Toneleros, 24 Palma de Mallorca (España)	Owner and operator hotel	11.900	3.174	2.850	19,50%	3.495	2.634
Port Cambrils Inversions, S.A.	Rambla Regueral, 11 Tarragona (España)	Owner and operator hotel	6.000	813	187	10,00%	700	980
Valle Yamury, S.A. (*)	Velázquez, 106 Madrid (España)	Holding and owner	4.970	(1.814)	245	8,00%	272	279
Inveragua RD, S.A.S.	Avda. Lope de Vega, 4 Santo Domingo (República Dominicana)	Holding	864	(158)	(5)	14,24%	100	131
Victoria Hotels & Resorts, S.L. (**)	Paseo del Club Deportivo, 1 (Madrid)	Owner and operator hotel	15.340	190.484	(2.857)	7,50%	15.223	15.821
Other companies (*)			3					3
			<b>39.077</b>	<b>192.499</b>	<b>420</b>		<b>19.790</b>	<b>19.848</b>

(\*) No Financial Statements are available as at 31 December 2022 for these companies

(\*\*) The companies Victoria Hotels & Resorts, S.L., Crisalian, S.L.U. and Lierinto. S.L.U. are included.

### 13.2. Other Financial Liabilities

The table below shows the breakdown by categories of financial instruments, recorded in the headings Bonds and other negotiable securities, Bank borrowings and Other financial liabilities of current and non-current liabilities of the consolidated balance sheet for 2022 and 2021:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>1. Financial instruments at fair value through other comprehensive income:</b>						
- Cash flow hedges				326	884	1,210
<b>2. Financial instruments at fair value through profit or loss:</b>						
- Trading portfolio derivatives		25	25	553	945	1,498
<b>3. Other financial liabilities at amortized cost:</b>						
- Bonds and other negotiable securities	52,026	24,042	76,068	51,659	82,616	134,275
- Bank borrowings	1,131,463	151,561	1,283,024	1,126,751	122,715	1,249,465
- Lease liabilities	1,313,728	148,838	1,462,567	1,379,126	188,220	1,567,346
- Other financial liabilities	7,746	43,997	51,743	5,133	39,075	44,208
<b>TOTAL</b>	<b>2,504,963</b>	<b>368,464</b>	<b>2,873,428</b>	<b>2,563,546</b>	<b>434,455</b>	<b>2,998,002</b>

Balances under heading Trade creditors and other payables which are also considered as financial liabilities, are not included, as explained in Note 3.5. Additional breakdowns are included in Note 18 to that effect.

The following table shows the reconciliation of changes in assets and liabilities from financing activities. Debt issues and redemptions (Bonds and other negotiable securities and Bank borrowings), as well as Derivative financial instruments (hedges and trading portfolio) have been considered:

(Thousand €)	Bonds and Bank borrowings	Financial instruments at fair value	
		Assets	Liabilities
<b>BALANCE AT 31/12/2020</b>	<b>1,359,841</b>	<b>0</b>	<b>5,866</b>
Financing cash flow	(2,798)		
Exchange differences	26,697		
Changes in fair value		40	(3,157)
Scope Variations			
<b>BALANCE AT 31/12/2021</b>	<b>1,383,740</b>	<b>40</b>	<b>2,708</b>
Financing cash flow	(42,352)		
Exchange differences	17,704		
Changes in fair value		22,141	(2,683)
<b>BALANCE AT 31/12/2022</b>	<b>1,359,092</b>	<b>22,181</b>	<b>26</b>

Lease payments are broken down in Note 17.

#### *Financial instruments at fair value through other comprehensive income*

Cash flow hedge activities relate to interest rate swaps. Hedge activities are explained in Note 13.3.

#### *Financial instruments at fair value through profit or loss*

Trading portfolio derivatives relate to interest rate swaps. Derivative activities are explained in Note 13.3.

### *Bonds and other negotiable securities*

The table below shows the debt issues recorded under this heading and their balances at the end of 2022 and 2021:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Bonds and debentures	52,026	204	52,230	51,659	206	51,865
European Commercial Papers (ECP)		23,759	23,759		77,358	77,358
Other negotiable securities		79	79		5,052	5,052
<b>TOTAL</b>	<b>52,026</b>	<b>24,042</b>	<b>76,068</b>	<b>51,659</b>	<b>82,616</b>	<b>134,275</b>

### *Euro Commercial Paper Programme (ECP)*

In June 2022, the commercial paper programme (“Euro-Commercial Paper Programme” or ECP) was renewed, with maturity date on 2 June 2023, subject to English law, for the maximum amount of EUR 300 million, whereby debt instrument issues can be made in Europe with a maturity of less than 364 days, up to the said amount.

In 2022, a total of EUR 166.4 million of issues was made, and there were outstanding issues for the amount of EUR 24.2 million at year end.

### *Other negotiable securities*

In 2018, the subsidiary Sol Meliá Europe, B.V. carried out a debt issue for the amount of EUR 5 million, which matured on 18 November 2022, within a facility with the following characteristics:

Issuer	Sol Meliá Europe, B.V.
Guarantor	Meliá Hotels International S.A.
Calculation Agent	UBS AG, London Branch
Fiscal Agent and paying agent	The Bank of New York Mellon
Maximum face amount	150,000,000
Currency	EUR / USD
Due date (facility)	04/08/2023

### *Simple bonds*

On 19 November 2018, the parent company issued simple bonds in the total amount of EUR 30 million with the following characteristics:

Issue price	€30,000,000
Face amount	€100,000
Maturity	12 years
Debt rank	Senior unsecured
Issue price	100%
Issue date	19/11/2018
Maturity date	19/11/2030
Coupon	Fixed 3.30%
Repayment price	100%

On 25 May 2021, an increase in the face amount of the bond for the amount of EUR 22.5 million was carried out. Such issue was at a price equal to 98.385% of the face amount.

## Bank borrowings

The breakdown by nature and by maturity of the Group's bank borrowings at the end of 2022 and 2021 is as follows:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Bank loans	775,356	113,207	888,563	825,958	99,128	925,086
Mortgage loans	253,030	33,299	286,330	280,437	19,846	300,283
Credit policies	103,077		103,077	20,349		20,349
Bank lease liabilities		7	7	7	328	335
Interest		5,048	5,048		3,413	3,413
<b>TOTAL</b>	<b>1,131,463</b>	<b>151,561</b>	<b>1,283,024</b>	<b>1,126,751</b>	<b>122,715</b>	<b>1,249,465</b>

The total amount of credit facilities drawn down was EUR 103.1 million; (EUR 20.4 million in 2021); and at the end of 2022 an additional balance of EUR 230.4 million was available (in 2021 the balance was EUR 306.2 million).

Bank debt increases for new bank financing in 2022 amount to EUR 54.6 million (without including amounts for renewal of the ECP). In 2021, the amount was EUR 270.8 million.

The Group's mortgage loans are secured by 10 hotels with a total net carrying amount of EUR 559.5 million; in 2021 the net carrying amount of the mortgaged assets amounted to EUR 517.74 million, as stated in Note 10.

Maturity of bank borrowings is as follows:

(Thousand €)	2023	2024	2025	2026	2027	> 5 years	Total
Bank loans	113,207	291,463	170,935	196,153	98,200	18,605	888,563
Mortgage loans	33,299	31,617	28,424	48,049	27,313	117,627	286,330
Credit policies				103,077			103,077
Bank lease liabilities	7						7
Interest	5,048						5,048
<b>TOTAL</b>	<b>151,561</b>	<b>323,080</b>	<b>199,359</b>	<b>347,279</b>	<b>125,513</b>	<b>136,232</b>	<b>1,283,025</b>

## Lease liabilities

Note 17 Leases includes a breakdown of Lease liabilities.



## Other financial liabilities

The table below shows the breakdown of the items under this heading at the end of fiscal years 2022 and 2021:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Trade bills payable	11		11	11		11
Fixed asset suppliers		10,457	10,457		13,126	13,126
Guarantees received	899	2,363	3,262	871	341	1,212
Other payables	62	614	675	78	3	81
Debt to associates	6,775	27,844	34,619	4,173	24,916	29,089
Dividends payable		1,984	1,984		441	441
Other financial liabilities		735	735		249	249
<b>TOTAL</b>	<b>7,746</b>	<b>43,997</b>	<b>51,743</b>	<b>5,133</b>	<b>39,075</b>	<b>44,208</b>

The amount of Debt to associates is broken down in Note 20.

### 13.3. Hedge Activities and Derivatives

The breakdown by maturity of the fair values of the Group's derivative financial instruments at the end of 2022 and 2021 is as follows:

(Thousand €)	31/12/2022			31/12/2021		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Hedge derivatives assets	3,403	3,303	6,706	40		40
Trading portfolio derivatives assets	705	14,769	15,474			
<b>TOTAL</b>	<b>4,109</b>	<b>18,072</b>	<b>22,181</b>	<b>40</b>		<b>40</b>
Hedging derivative liabilities			0	326	884	1,210
Trading portfolio derivatives liabilities		25	25	553	945	1,498
<b>TOTAL</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>879</b>	<b>1,829</b>	<b>2,708</b>

Within the framework of the Group's interest rate risk management policies (see Note 4.1), the Company, at the end of the fiscal year, has several interest rate swaps, which, based on the contractual terms, qualify as cash flow hedging instruments; therefore, changes in their fair value are taken directly to the Group's equity.

The items hedged by these operations are recorded under heading Bank borrowings. These financial instruments are used to exchange interest rates, so that the Company receives variable interest from the bank in exchange for a fixed interest payment on the same face amount. The variable interest received from the derivative offsets interest payments on the financing hedged. The final result is a fixed interest payment on the financing hedged.

In 2022, the positive impact on equity of these derivative financial instruments, after taking the portion pertaining to the hedged item to the income statement and without considering the tax impact, amounted to EUR 8 million. In 2021, the impact was negative for the amount of EUR 3.2 million.

Likewise, as at 31 December 2022, the notional value of the interest rate swaps that qualify as hedges amounted to EUR 141.5 million, and in 2021 such value amounted to EUR 164.4 million.

The assets relating to derivatives held for trading in the short term include the fair value of EUR 13.7 million relating to the derivative associated with the purchase option on one hotel in Spain, which has been revalued in 2022 due to the increase in the fair value of the mentioned hotel according to the appraisal carried out during the year and the proximity of the deadline for exercising the option.

The other assets and liabilities relating to derivatives held for trading at the end of 2022 relate to interest rate swaps contracted in the framework of the interest rate risk management performed by the Company (see Note 4.1). These interest rate swaps are not considered as accounting hedges because they do not meet the requirements for their application according to IFRS 9.

As at 31 December 2022, except for the derivative related to the purchase option, the notional value of these financial instruments amounted to EUR 51.9 million, and in 2021 such value amounted to EUR 79.1 million.

Maturity by year is as follows:

(Thousand €)	2,023	2,024	2,025	2,026	>4 years	Total
Hedge derivatives assets	3,303	2,527	565	170	141	6,706
Trading portfolio derivatives assets	14,770	635	71			15,475
<b>TOTAL</b>	<b>18,073</b>	<b>3,162</b>	<b>636</b>	<b>170</b>	<b>141</b>	<b>22,181</b>
Trading portfolio derivatives liabilities	25					25
<b>TOTAL</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>

For comparison purposes, the maturities for 2021 were as follows:

(Thousand €)	2,022	2,023	2,024	2,025	>4 años	Total
Hedging derivative liabilities	884	448	(116)	(37)	31	1,210
Trading portfolio derivatives	945	423	118	12		1,498
<b>TOTAL</b>	<b>1,829</b>	<b>871</b>	<b>2</b>	<b>(26)</b>	<b>31</b>	<b>2,708</b>

To determine these fair values, discounted cash flow techniques have been used based on the embedded amounts determined by the interest rate curve in accordance with the market conditions at the measurement date. These measurements have been carried out by the financial institutions from which these products are obtained.

## Note 14. Current Assets

### 14.1. Inventories

The breakdown of this heading at the end of 2022 and 2021 is as follows:

(Thousand €)	31/12/2022	31/12/2021
Hotel Business	20,948	18,411
Vacation Club Business	1,240	1,169
Real Estate Business	4,864	4,666
Advances to suppliers	3,134	1,044
<b>TOTAL</b>	<b>30,186</b>	<b>25,290</b>

The Group does not have firm purchase or sale commitments and there are no limitations on availability of inventories.

## 14.2. Trade and Other Receivables

The breakdown of this heading at the end of 2022 and 2021 is as follows:

(Thousand €)	31/12/2022	31/12/2021
Trade receivables	115,600	83,177
Other receivables	67,756	52,690
<b>TOTAL</b>	<b>183,356</b>	<b>135,866</b>

### Trade

Trade receivables by business line at year end are as follows:

(Thousand €)	31/12/2022	31/12/2021
Hotel	63,854	37,414
Real Estate	1,060	239
Club Melia	8,577	11,117
Other operating activities	42,110	34,407
<b>TOTAL</b>	<b>115,600</b>	<b>83,177</b>

The Group has signed a non-recourse factoring agreement with a financial institution under which it periodically assigns the accounts receivable relating to certain customers of the hotel business, and collects the amounts concerned in advance. As a result of the “non-recourse” classification of the assignment of receivables transaction abovementioned, trade receivables are derecognised once assigned, therefore, they are not included in the table above.

The aging of trade receivables at year end from the maturity date was as follows:

(Thousand €)	2022	%	2021	%
Less than 90 days	95,752	83%	65,541	79%
More than 90 and less than 180	6,862	6%	6,733	8%
More than 180	12,986	11%	10,903	13%
<b>TOTAL</b>	<b>115,600</b>	<b>100%</b>	<b>83,177</b>	<b>100%</b>

### Other receivables

The breakdown by nature of the balances included in this item for 2022 and 2021 is as follows:

(Thousand €)	31/12/2022	31/12/2021
Prepayments and accrued income	7,955	5,513
Loans to employees	244	177
Taxes refundable	33,816	24,423
Receivables from associates	10,419	12,134
Receivables	15,067	10,285
Current accounts	256	157
<b>TOTAL</b>	<b>67,756</b>	<b>52,690</b>

These balances relate to commercial transactions carried out by the Group. Receivables from associates are broken down in Note 20.

### 14.3. Cash and Other Cash Equivalents

Cash and other cash equivalents are broken down by geographic areas as follows:

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	31/12/2022
Cash	29,349	24,640	82,853	1,948	138,790
Other cash equivalents	437		9,454		9,890
<b>TOTAL</b>	<b>29,786</b>	<b>24,640</b>	<b>92,307</b>	<b>1,948</b>	<b>148,680</b>

(\*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Rest of Europe, excluding Spain.

Cash equivalents relate to short-term deposits, the maturities of which may range from one day to three months depending on the Group's cash needs.

The main balances comprising the Group's cash, based on the currency in which they are denominated, are in US dollar and Euro.

Balances under this heading for 2021 were as follows:

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	31/12/2021
Cash	9,972	13,235	69,642	1,066	93,915
Other cash equivalents	773		3,170		3,943
<b>TOTAL</b>	<b>10,746</b>	<b>13,235</b>	<b>72,812</b>	<b>1,066</b>	<b>97,858</b>

(\*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Rest of Europe, excluding Spain.

## Note 15. Equity

### 15.1. Share Capital

The share capital as at 31 December 2022 and 2021 is EUR 44,080,000, corresponding to 220,400,000 shares with a par value of Euro 0.20 each. The shares are fully subscribed and paid-up and constitute a single class and series.

All shares comprising the share capital, except for treasury shares, carry the same rights and are listed on the stock exchange (Continuous Market - Spain).

The Ordinary General Shareholders' Meeting held on 10 July 2020, renewed the authority of the Company's Board of Directors to agree the share capital increase, without having to consult the General Shareholders' Meeting beforehand, up to 50% of the share capital. Consequently, the Board of Directors can exercise this right, in one or more times, deciding in each case, not only the timing or appropriateness, but also the amount and conditions which it considers should apply within a maximum period of five years, starting from the date of said Meeting. If the capital increase is made excluding the shareholders' pre-emptive subscription rights, such authority of the Board of Directors is limited to 20% of the share capital.

The voting rights held by the main shareholders with direct and indirect stake in Meliá Hotels International, S.A. as at 31 December 2022 and 2021, are as follows:

Shareholder	31/12/2022 % Shareholding	31/12/2021 % Shareholding
Hoteles Mallorquines Consolidados, S.A.	24.37	24.37
Hoteles Mallorquines Asociados, S.L.	13.76	13.76
Hoteles Mallorquines Agrupados, S.L.	11.29	10.83
Tulipa Inversiones 2018, S.A.	5.39	5.39
Global Alpha Capital Management Ltd.	9.17	5.12
Rest of shareholders (less than 3% individual)	36.03	40.54
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

In October 2018, Mr. Gabriel Escarrer Juliá (Founder and Non-Executive Chairman of the Board of Directors) ceased to exercise control over the Group, although he currently still owns 5.388% of the shares in Meliá Hotels International, S.A., indirectly, through the company Tulipa Inversiones 2018, S.A.

Notwithstanding the foregoing, the Escarrer family (namely, Mr. Escarrer Juliá, his spouse and their 6 children) hold 100% of the shares in the companies Hoteles Mallorquines Consolidados, S.L., Hoteles Mallorquines Agrupados, S.L. and Hoteles Mallorquines Asociados, S.L., although no controlling shareholder exists in any of them.

## 15.2. Reserves

The table below shows the breakdown of heading Other Reserves in consolidated equity at the end of 2022 and 2021:

(Thousand €)	31/12/2022	31/12/2021
Legal reserve	8,816	8,816
Revaluation reserves Royal Decree-Law 7/1996, of 7th June	1,190	1,190
Reserves for actuarial gains and losses	(5,035)	(5,155)
Voluntary reserves	313,822	313,822
Consolidated reserves attributed to the controlling company	116,758	116,758
<b>TOTAL</b>	<b>435,552</b>	<b>435,431</b>

The consolidated reserves attributed to the controlling company include the necessary homogenisation adjustments to present the consolidated equity in accordance with the International Financial Reporting Standards (IFRSs) and the International Financial Reporting Committee Interpretations (IFRICs), as described in Note 2.

Regarding restricted reserves, Meliá Hotels International, S.A. and its subsidiaries incorporated under the Spanish law are obliged to transfer 10% of the profits of each year to a reserve fund until this fund reaches at least 20% of the share capital. This reserve, provided that other reserves are not available, may only be used to offset losses.

## 15.3. Treasury Shares

Breakdown and movements of treasury shares under liquidity contract are as follows:

	Shares	Average Price €	Balance (Thousand €)
<b>BALANCE AT 31/12/2021</b>	<b>277,014</b>	<b>12.99</b>	<b>3,599</b>
Additions	12,556,461	6.02	75,581
Disposals	(12,499,461)	6.02	(75,244)
<b>BALANCE AT 31/12/2022</b>	<b>334,014</b>	<b>11.78</b>	<b>3,936</b>

The number of shares held by the Company as at 31 December 2022 is 334,014, representing 0.152% of the share capital. Treasury shares do not exceed the 10% limit established by the Spanish Corporate Enterprises Act.

The price of Meliá Hotels International, S.A.'s shares at year end was EUR 4.578. At the 2021 year end, the share price amounted to EUR 6.002.

For comparison purposes, movements for year 2021 were as follows:

	Shares	Average Price €	Balance (Thousand €)
<b>BALANCE AT 31/12/2020</b>	<b>234,014</b>	<b>14.45</b>	<b>3,382</b>
Additions	11,667,219	6.33	73,857
Disposals	(11,624,219)	6.34	(73,640)
<b>BALANCE AT 31/12/2021</b>	<b>277,014</b>	<b>12.99</b>	<b>3,599</b>

The number of shares held by the Company as at 31 December 2021 was 277,014, representing 0.126% of the share capital.

## 15.4. Retained Earnings

This heading includes the profit/(loss) for previous years of the parent company, as well as the retained earnings of the other companies included in the scope of consolidation as from the date they were included therein.

Movements during 2022 included under this heading mainly related to the distribution of negative results for the previous year, for the amount of EUR 183.7 million from fully consolidated companies, and for the amount of EUR 9.2 million of losses from associates.

Movements during 2021 included under this heading mainly related to the distribution of negative results for the previous year, for the amount of EUR 564 million from fully consolidated companies, and 31.9 of losses from associates.

## 15.5. Measurement Adjustments

The Measurement adjustments heading in the consolidated Statement of changes in equity, includes a breakdown of Translation differences and Other measurement adjustments recognised in the consolidated balance sheet.

### *Translation differences*

Among the total Translation differences, the amount of EUR 170.4 million negative relates to fully consolidated companies and EUR 58.2 million negative to companies accounted for using the equity method. In 2021, the amounts were EUR 163.4 million negative and EUR 58.8 million also negative, respectively.

According to IAS 21.15, certain financing transactions relating to subsidiaries abroad have been considered as an increase in the value of the investment. During the year, EUR 0.6 million in positive translation differences has been recognised under this heading, while in 2021, EUR 18.3 million in also positive translation differences was recognised.

### *Other measurement adjustments*

Movements during the year mainly related to income and expenses attributed to equity, as well as to transfers to the consolidated income statement of derivative financial instruments classified as hedges, net of their tax effect, for the amount of EUR 4.8 million positive. In 2021, the amount was EUR 2.1 million also positive.

## 15.6. Non-Controlling Interests

The equity interest relating to rights held by third parties outside the Group is included under this heading, including the relevant proportional stake in the result (profit/(loss)).

The consolidated amounts, before carrying out intra-group eliminations, of assets and liabilities of subsidiary companies and their investees with non-controlling interests, as well as their relevant stake in the result (profit/(loss)) for the fiscal year, are included below:

(Thousand €)	Minority percentage	Total Assets	Total Liabilities	Total Net Assets	Non-controlling interests	Non-controlling interests profit/(loss)
Invers. Explot. Turísticas, S.A.	45.07%	152,923	102,436	50,487	13,795	4,880
Realizaciones Turísticas, S.A.	3.73%	189,637	27,152	162,485	5,906	94
Adprotel Strand, S.L.U.	25.00%	212,166	150,195	61,972	25,621	2,904
MIA Exhold, S.A.	0.31%	435,786	268,246	167,541	3,270	(112)
Other companies		272,227	240,470	31,757	(15,930)	1,664
<b>TOTAL</b>		<b>1,262,739</b>	<b>788,498</b>	<b>474,241</b>	<b>32,662</b>	<b>9,430</b>

(\*) This includes non-controlling interests in its subsidiaries (See Annex 1).

The movements in the year mainly relate to the profit/(loss) as well as the translation differences recognised in these companies and their subsidiaries.

The result of non-controlling interests reflected in section Other companies relates to the profit/(loss) of companies operating hotels which, due to the pandemic situation, have negative results.

For comparison purposes, amounts for 2021 are shown below:

(Thousand €)	Minority percentage	Total Assets	Total Liabilities	Total Net Assets	Non-controlling interests	Non-controlling interests profit/(loss)
Invers. Explot. Turísticas, S.A.	45.07%	143,229	108,140	35,089	8,210	328
Realizaciones Turísticas, S.A.	3.73%	187,980	34,203	153,777	5,812	357
Adprotel Strand, S.L.U.	25.00%	221,157	161,752	59,404	23,050	199
MIA Exhold, S.A.	0.31%	402,066	155,537	246,529	3,504	(151)
Other companies		256,650	231,691	24,959	(18,271)	(5,693)
<b>TOTAL</b>		<b>1,211,080</b>	<b>691,323</b>	<b>519,757</b>	<b>22,306</b>	<b>(4,959)</b>

(\*) This includes non-controlling interests in its subsidiaries (See Annex 1).

## Note 16. Other Non-Current Liabilities

### 16.1. Capital Grants and Other Deferred Income

The breakdown of this heading in the consolidated balance sheet is as follows:

(Thousand €)	31/12/2022	31/12/2021
Capital grants	3,592	3,807
Deferred income from customer loyalty programmes	20,298	21,082
Vacation Club deferred income	282,967	279,859
Other deferred income	6,755	8,129
<b>TOTAL</b>	<b>313,612</b>	<b>312,876</b>

Capital grants mainly relate to grants to finance property, plant and equipment purchases. During the fiscal year, the total amount recorded under this item in the consolidated income statement was EUR 214.3 thousand. In 2021, income from grants amounted to EUR 213 thousand.

Regarding loyalty programmes, a portion of the selling price of hotel rooms is assigned as fair value of the points which will be recognised as income in the consolidated income statement at the time they are redeemed by the customers.

Deferred income from vacation club reflects the amount allocated to the weeks not yet enjoyed by the customers, net of the costs directly attributable to the execution of these contracts. This deferred income is recognised as income in the consolidated income statement at the time the customers exercise the rights acquired under their vacation club membership agreement.

### 16.2. Provisions

The Group maintains in non-current liabilities a balance for the amount of EUR 30.2 million in respect of provisions for contingencies and expenses. As stated in Note 3.10, this heading includes the Group's post-employment benefit obligations with staff and provisions for urban-planning related legal disputes with public bodies, as well as the provisions recorded to cover the various liabilities and contingencies arising from operations, commitments acquired and guarantees given in favour of third parties, risks deriving from legal claims and lawsuits and potential liabilities deriving from the different interpretations to which the applicable legislation is open.



The breakdown by type of obligations is as follows:

(Thousand €)	31/12/2021	Additions	Disposals	31/12/2022
Provision for retirement, seniority bonus and personnel obligations	11,743	326	(882)	11,187
Provision for taxes and liabilities	13,913	5,098		19,011
<b>TOTAL</b>	<b>25,656</b>	<b>5,424</b>	<b>(882)</b>	<b>30,198</b>

#### *Provisions for retirement, seniority bonus and personnel*

At the end of each fiscal year, actuarial studies are carried out to assess the past services corresponding to commitments established in supra-enterprise collective agreements. In 2022, the estimated accrued amount was EUR 11.6 million, with an impact of EUR 2.2 million on the income statement for 2022. In 2021, the total amount accrued was EUR 12.2 million, with an impact of EUR 1.1 million on the income statement.

The assessment of these commitments undertaken by the Company has been conducted in accordance with the actuarial assumptions of the model which pertains to the Group, using the calculation method known as the Projected Unit Credit and the demographic assumptions established by the PER2020 tables, using a capitalisation rate of 3.23%, and a salary increase assumption of 2.82%. In addition, the probability of tenure of employees until retirement has also been applied, based on the Group's experience in respect of employees leaving the Company, giving rise to the following rotation ratios according to the employee's current age:

Ages Range	% Rotation
< 45	9.03%
45 - 55	3.73%
> 55	2.97%

Likewise, a significant part of these commitments has been outsourced in compliance with the legislation in force. At the 2022 year end, the balance of assets linked to the post-employment benefit plans amounted to EUR 0.4 million, liabilities being presented in their net amount. At the 2021 year end the balance for this item was EUR 0.6 million.

On the other hand, the positive amount recognised in the consolidated Statement of comprehensive income of EUR 0.4 million relates to changes in the percentages and actuarial assumptions for the calculation of the remunerations and retirement bonuses in respect of the Group's post-employment benefits commitments to its employees. In 2021, the negative amount recognised in the consolidated Statement of comprehensive income was EUR 0.3 million.

For comparison purposes, information for 2021 is shown below:

(Thousand €)	31/12/2020	Additions	Disposals	31/12/2021
Provision for retirement, seniority bonus and personnel obligations	12,942	500	(1,698)	11,743
Provision for taxes and liabilities	13,541	639	(268)	13,913
<b>TOTAL</b>	<b>26,483</b>	<b>1,139</b>	<b>(1,966)</b>	<b>25,656</b>

#### *Provision for liabilities*

The increase recognised under this section mainly relates to obligations linked to various contracts, as well as provisions for various litigations.

## Note 17. Leases

### 17.1. Rights of Use

The opening and final balances of Right-of-use assets, as well as movements during the year and the depreciation amounts for each type of underlying asset for 2022 and 2021 are detailed below:

(Thousand €)	Balance 31/12/21	Depreciation and impairment 2022	Variations	Exchange Differences	Balance 31/12/22
<b>GROSS VALUE</b>					
Buildings	2,788,741		(146,534)	(13,514)	2,628,693
Plant and Machinery	1,057		(3)	26	1,080
Other fixed assets	22,102		909		23,011
<b>Total Gross Value</b>	<b>2,811,900</b>	<b>0</b>	<b>(145,628)</b>	<b>(13,488)</b>	<b>2,652,785</b>
<b>ACCUMULATED DEPRECIATION</b>					
Buildings	(1,365,933)	(136,662)	242,111	(1,555)	(1,262,040)
Plant and Machinery	(731)	(145)		(6)	(882)
Other fixed assets	(16,136)	(2,925)	16	(0)	(19,045)
<b>Total Accumulated Depreciation</b>	<b>(1,382,800)</b>	<b>(139,733)</b>	<b>242,127</b>	<b>(1,562)</b>	<b>(1,281,968)</b>
<b>NET CARRYING VALUE</b>	<b>1,429,100</b>	<b>(139,733)</b>	<b>96,499</b>	<b>(15,050)</b>	<b>1,370,817</b>

During the year, the early derecognition of two hotels leased in Spain and one hotel in Germany was carried out, representing a decrease in the value of the Right of use for the amount of EUR 10.8 million.

In addition, several contractual amendments were carried out, which increased the value in the Right of use by EUR 69.1 million. Such contractual amendments include maturity extensions of certain contracts and renegotiations regarding disbursement obligations.

The variation in lease payments subject to CPI has increased the value in the Right of use by EUR 38.2 million.

Depreciation and impairment heading for 2022 includes a net reversal of impairment for the amount of EUR 35.2 million (see Note 7.5) as a result of the expiration of lease contracts and the results of the impairment test of cash-generating units under lease carried out according to the methodology described in Notes 3.2 and 3.12. In the said test, the activity recovery during the year and the expectation of activity recovery at the levels before the health crisis, which is included in the budget approved by the governing body of the Group for 2023 and in the projections for the years of the lease term, have led to a greater value in use of such cash-generating units and, therefore, to a reversal of impairment of the assets associated with the mentioned units.

The discount rates used in the said test have been determined for each lease contract on the basis of the weighted average cost of the capital (wacc) per country, adjusted to reflect the lower cost associated with the lease liabilities. In this sense, for the relevant geographic areas in terms of CGUs under lease, the estimated weighted average cost of the capital was 9.3% for Spain and between 8.1% and 10.1% for EMEA, while the discount rate adjusted to reflect the mentioned cost of lease liabilities for each contract was between 1.3% and 5.5% for Spain and between 1.3% and 3.7% for EMEA.

Exchange differences are due to the depreciation of the British pound and the appreciation of the US dollar against the euro, and mainly affect four hotels located in the United Kingdom and one hotel located in the USA, respectively.

On the other hand, it is worth mentioning that, in December 2022, the lease contract comprising 17 hotels in Spain has been renewed for 6 months under a lease contract with variable payments.

For comparison purposes, the movements in 2021 were as follows:

(Thousand €)	Balance 31/12/20	Depreciation and impairment 2021	Variations	Exchange Differences	Balance 31/12/21
<b>GROSS VALUE</b>					
Buildings	2,479,495		274,982	34,264	2,788,741
Plant and Machinery	1,001		25	31	1,057
Other fixed assets	16,289		5,813		22,102
<b>Total Gross Value</b>	<b>2,496,785</b>	<b>0</b>	<b>280,820</b>	<b>34,295</b>	<b>2,811,900</b>
<b>ACCUMULATED DEPRECIATION</b>					
Buildings	(1,296,161)	(142,142)	77,327	(4,957)	(1,365,933)
Plant and Machinery	(591)	(131)		(9)	(731)
Other fixed assets	(13,115)	(3,021)			(16,136)
<b>Total Accumulated Depreciation</b>	<b>(1,309,867)</b>	<b>(145,294)</b>	<b>77,327</b>	<b>(4,966)</b>	<b>(1,382,800)</b>
<b>NET CARRYING VALUE</b>	<b>1,186,918</b>	<b>(145,294)</b>	<b>358,146</b>	<b>29,330</b>	<b>1,429,100</b>

Variations mainly related to the incorporation of two hotels in United Kingdom for the amount of EUR 58.1 million, one in Luxembourg for the amount of EUR 19.6 million, one in Germany for the amount of EUR 109 million and one in Spain for the amount of EUR 52 million.

During the year, the early derecognition of two hotels leased in Spain was carried out, representing a decrease in the value of the Right of use for the amount of EUR 3.7 million.

In addition, several contractual amendments were carried out, which increased the value in the Right of use by EUR 123 million, of which EUR 90.6 million were made in Spain and 26.6 in Germany. Such contractual amendments included maturity extensions of certain contracts and renegotiations of lease payments.

Exchange differences were due to the appreciation of the British pound and the US dollar against the euro, and mainly affected four hotels located in the United Kingdom and one hotel located in the USA.

## 17.2. Lease Liabilities

There follows a breakdown of fixed lease payments (not discounted) expected to be made by the Company in the coming years:

(Thousand €)	2,022	2021
Less than 1 year	171,519	207,149
Between 1 and 5 years	558,380	603,517
More than 5 years	1,625,647	1,657,793
<b>TOTAL</b>	<b>2,355,546</b>	<b>2,468,459</b>

Likewise, liabilities for lease contracts entered into with joint ventures for the amount of EUR 104.6 million (see Note 20) are included; EUR 128.8 million in 2021.

The average term of the lease contracts is 8.72 years. In the case of hotels 11.78 years, and 2.53 years for other lease contracts. In 2021, the average term was 7.76 years, in the case of hotels was 9.53 years, and 3.05 years for other lease contracts.

In the amount above reflected, EUR 19.8 million of payments is included relating to lease contracts other than hotel lease. In 2021, the amount was EUR 23.3 million.

The performance of lease liabilities was as follows:

(Thousand €)	2022	2021
OPENING BALANCE	1,567,346	1,348,559
Financial expense leases	29,415	27,422
Fixed lease payments	(221,240)	(187,575)
Other variations (increases or decreases)	87,046	378,940
<b>TOTAL</b>	<b>1,462,567</b>	<b>1,567,346</b>

The difference in fixed payments is because in 2022 the lease payments tied to CPI or similar index have increased. In addition, lease payments deferred as a result of the pandemic caused by Covid-19 have been settled.

During the year, the early derecognition of two hotels leased in Spain and one hotel in Germany was carried out, representing a decrease in the value of liabilities for the amount of EUR 12.8 million.

In addition, several contractual amendments were carried out, which increased the value of liabilities by EUR 69.1 million. Such contractual amendments include maturity extensions of certain contracts and renegotiations regarding disbursement obligations.

The variation in lease payments subject to CPI has increased the value of liabilities by EUR 38.2 million, while the depreciation of British pound and the appreciation of dollar decreased the value of liabilities by EUR 7.5 million.

#### *Other payments not included in lease liabilities*

As mentioned in Note 2, the Company decided to avail of low value and short-term exemptions. The amount relating to this type of agreements, as well as the expenses relating to the variable lease payments not included in the measurement of lease liabilities are included below:

(Thousand €)	2,022	2,021
Variable leases	14,446	3,092
Short-term leases	6,562	4,380
Low value leases	4,310	3,240
<b>TOTAL</b>	<b>25,318</b>	<b>10,713</b>

Under Variable leases item, the portion of the lease payment which depends on indexes or rates based on the performance of the hotels is included.

Short-term leases heading includes the lease payment of two hotel contracts with a maturity less than twelve months and, therefore, is not included within the calculation of lease liabilities.

The Group has entered into several lease contracts of hotels which opening is planned for future years. There follows a breakdown of the disbursements planned for fixed lease payments included in such contracts:

(Thousand €)	2,022	2021
Less than 1 year	4,703	
Between 1 and 5 years	13,142	6,990
More than 5 years	21,194	1,250
<b>TOTAL</b>	<b>39,039</b>	<b>8,240</b>

## Note 18. Trade Creditors and Other Payables

The breakdown of this heading at the end of 2022 and 2021 is as follows:

(Thousand €)	31/12/2022	31/12/2021
Trade creditors	358,767	252,959
Other payables	141,997	113,697
<b>TOTAL</b>	<b>500,764</b>	<b>366,656</b>

### 18.1. Trade Creditors

The balance of trade creditors includes any payables to suppliers of goods, supplies and other services pending payment and/or for which the invoices have not yet been received, which at the end of the year amounted to EUR 297.55 million. At the previous year end, this balance amounted to EUR 205.4 million.

Likewise, this heading mainly includes prepayments from customers in the hotel business, which, at the end of 2022 amounted to EUR 61.2 million; EUR 47.5 million at the end of 2021.

### 18.2. Other Payables

The main items included in Other payables are set out below:

(Thousand €)	31/12/2022	31/12/2021
Accruals and deferred income	3,512	3,987
Accrued wages and salaries	72,244	58,654
Taxes payable	43,650	23,975
Social security contributions payable	12,320	10,109
Trade payables, associates	6,607	15,260
Other liabilities	3,665	1,712
<b>TOTAL</b>	<b>141,997</b>	<b>113,697</b>

These balances relate to commercial transactions carried out by the Group. Payables to associates are included in section Commercial transactions in Note 20.

## Note 19. Tax Situation

The companies within the Group are subject to the tax legislation applicable in the countries in which they carry out their activities. Current tax regulations in some of these countries do not coincide with the Spanish regulations. As a consequence of the above, the information included in this note should be construed in the light of the peculiarities of the applicable tax regulations for the benefit of legal entities, with reference to applicable tax bases, tax rates and deductions.

### 19.1. Years Open to Inspection

According to the legal provisions in force, tax returns may not be considered to be final until they have been inspected by the tax authorities or the statute of limitations period has elapsed, which may be extended by administrative procedure.

In this respect, the years open to inspection in the various countries in which the Group operates are as follows:

	Corp. Inc. Tax	Personal Income Tax	VAT	I.G.I.C. [general indirect Canaries tax]	I.R.A.P. [Italian regional tax on productive activities]	PIS/COFINS [social integration programme/contribution for the financing of social security]
Spain	2019-2022	2020-2022	2020-2023	2020-2023		
France	2020-2022	2021-2023	2021-2023			
England	2017-2022	2018-2023	2018-2023			
Italy	2017-2022	2018-2023	2018-2023		2017-2022	
Germany	2013-2022	2014-2023	2014-2023			
Holland	2019-2022	2019-2023	2019-2023			
China	2018-2022	2019-2023	2019-2023			
USA	2020-2022					
Mexico	2017-2022		2019-2023			
Dominican Rep.	2020-2022		2019-2023			
Venezuela	2018-2022	2019-2023	2019-2023			
Brazil	2018-2022	2019-2023				2019-2023

## 19.2. Deferred Tax Assets and Liabilities

The balance details of the Group's deferred tax assets and liabilities in 2022 and 2021 is as follows:

(Thousand €)	Balance sheet	
	31/12/2022	31/12/2021
<b>Non-current deferred tax asset is as follows:</b>		
Tax credits activated by deductions pending application	11,471	6,516
Tax credits activated by tax bases pending offset	41,010	70,405
<b>Temporary differences for:</b>		
Tax value of Tryp goodwill	4,896	4,570
Cash flow hedges (SWAP)	26	361
Tax deductible provisions at the payment time or when liability is generated	53,739	54,934
Different criteria for tax and accounting depreciation	14,703	12,298
Inter-group results elimination	2,549	6,689
Financial expenses not deducted	32,399	24,930
Accounting (non-tax) revenues to be distributed over several years	75,722	76,129
Leases	56,243	70,317
Other	8,066	2,248
<b>TOTAL ASSETS</b>	<b>300,824</b>	<b>329,397</b>
<b>Non-current deferred tax liability is as follows:</b>		
Fair values in business combinations	31,468	24,234
Finance lease operations	10,908	10,812
Fixed assets restatement and revaluation	61,671	57,596
Property investments fair value adjustment	16,783	15,396
Differences in accounting and tax values of assets	10,131	6,660
Accounting revaluation for merger	2,347	2,389
Sales under reinvestment deferral	3,678	3,644
Accounting (non-tax) expenses to be distributed over several years	9,201	9,148
Leases	153	839
Other	30,606	52,058
<b>TOTAL LIABILITIES</b>	<b>176,946</b>	<b>182,776</b>

Deferred taxes recognised in 2022 and 2021 by the Group are as follows:

(Thousand €)	Deferred tax Assets	Deferred tax Liabilities
<b>BALANCE 31/12/2020</b>	<b>317,235</b>	<b>192,870</b>
Expenses / Income of the period	4,349	(19,003)
Translation differences and others	7,813	8,909
<b>BALANCE 31/12/2021</b>	<b>329,397</b>	<b>182,776</b>
Expenses / Income of the period	(33,035)	(9,742)
Translation differences and others	4,462	3,912
<b>BALANCE 31/12/2022</b>	<b>300,824</b>	<b>176,946</b>

Deferred tax assets and liabilities are calculated considering the future changes in the tax rate approved in all geographic areas.

### 19.3. Tax Credits for Loss Carryforwards

The tax loss carryforwards of the companies within the Group, detailed by geographic area and maturity date, are detailed below:

(Thousand €)	2,023	2024-2028	2029-2035	Años sucesivos	Total 31/12/2022
Spain				588,509	588,509
Rest of Europe				230,529	230,529
America and rest of the world			7,469	28,115	35,584
<b>TOTAL</b>			<b>7,469</b>	<b>847,153</b>	<b>854,622</b>

Within the Rest of Europe area, United Kingdom stands out with EUR 96.8 million, Germany with EUR 53 million, France with 40.4 million, Italy with EUR 25.4 million, Austria with EUR 9.4 million, the Netherlands with EUR 3.4 million and Luxembourg with EUR 2.1 million, and within America and the rest of the world, Brazil stands out with EUR 28.1 million and Mexico with EUR 7.4 million.

The Group's main capitalised tax losses and deferred tax assets generated are detailed below:

(Thousand €)	31/12/2022	
	Capitalised Tax Losses	Deferred Tax Assets
Spain	76,018	19,005
Germany	49,448	8,285
United Kingdom	21,795	5,449
Italy	20,000	4,800
Mexico	7,469	2,241
Holland	3,000	731
Luxemburg	2,000	499
<b>TOTAL</b>	<b>179,730</b>	<b>41,010</b>



For comparison purposes, the tax loss carryforwards detailed by geographic area and maturity date at the 2021 year end are detailed below:

(Thousand €)	2,022	2023-2027	2028-2034	Subsequent years	Total 31/12/2021
Spain				621,740	621,740
Rest of Europe				240,011	240,011
America and rest of the world			32,994	21,444	54,438
<b>TOTAL</b>			<b>32,994</b>	<b>883,195</b>	<b>916,189</b>

The Group's main capitalised tax losses and deferred tax asset for the previous year are detailed below:

(Thousand €)	31/12/2021	
	Capitalised Tax Losses	Deferred Tax Assets
Spain	132,625	33,156
Germany	59,124	18,456
United Kingdom	30,321	5,761
Mexico	29,940	8,982
Italy	13,830	3,319
Holland	3,000	731
<b>TOTAL</b>	<b>268,840</b>	<b>70,405</b>

#### 19.4. Tax Credits

The Group's available tax credits, by geographic areas and maturity, are detailed below:

(Thousand €)	2,023	2024-2028	2029-2035	Subsequent years	Total 31/12/2022
Spain		3,089	6,512	3,332	12,933
Rest of Europe					
<b>TOTAL</b>		<b>3,089</b>	<b>6,512</b>	<b>3,332</b>	<b>12,933</b>

88.70% of tax credits for deductions have their corresponding deferred tax asset duly recognised.

For comparison purposes, available tax credits by geographic area and maturity date, at the 2021 year end are detailed below:

(Thousand €)	2,022	2023-2027	2028-2034	Subsequent years	Total 31/12/2021
Spain		3,008	5,693	5,158	13,859
Rest of Europe	166	1,063			1,229
<b>TOTAL</b>	<b>166</b>	<b>4,071</b>	<b>5,693</b>	<b>5,158</b>	<b>15,088</b>

The information set out in Article 86 of Law 27/2014 of 27 November on Corporate Income Tax applicable to mergers and divisions of business lines carried out in previous years is included in the first notes to the annual accounts approved following each of these operations and is summarised as follows:

- Inmotel Inversiones, S.A.: 1993, 1996, 1997 and 1998
- Meliá Hotels International S.A.: 1999, 2001, 2005, 2009 and 2012
- Prodigios Interactivos, S.A.: 2019

## 19.5. Reconciliation of the Consolidated Accounting Income, the Aggregated Tax Base and the Corporate Income Tax Expense

(Thousand €)	2022	2021
Consolidated Net Income	120,124	(197,859)
Income tax expense	36,188	(19,531)
Adjustments for impairment and provisions	(65,276)	(31,976)
Finance lease transactions	866	8,076
Non-deductible expense/income	(19,061)	(3,193)
Exchange differences	(6,105)	(22,440)
Inflation adjustments	(34,857)	52,080
Other adjustments	31,527	120,490
<b>PREVIOUS TAXABLE INCOME</b>	<b>63,406</b>	<b>(94,353)</b>
Offset of tax-loss carryforwards	(39,060)	(7,523)
Tax losses not recognised	(2,659)	(3,485)
<b>GROSS TAX BASE</b>	<b>21,687</b>	<b>(105,361)</b>
<b>TAX EXPENSE AT RATE APPLICABLE BY LAW (25%)</b>	<b>5,422</b>	<b>0</b>
<b>Effect of tax rate applicable in other countries</b>	<b>3,955</b>	
<b>CORPORATE INCOME TAX FOR THE PERIOD</b>	<b>9,377</b>	<b>3,201</b>

## 19.6. Income Tax Expense (Income)

The table below reflects the amounts recorded as an expense (income) for the fiscal years 2022 and 2021, the balances being detailed by items, and differentiating between current tax and deferred tax:

(Thousand €)	2022	2021
	Expense / (Income)	Expense / (Income)
<b>Current Tax</b>		
Income tax for the period	9,377	3,201
Other taxes for the fiscal year	844	1,068
Adjustments to income tax of prior years	2,674	(448)
<b>Deferred Tax</b>		
Net variation in credits for tax losses	(19,830)	(16,125)
Net variation in tax credits	4,922	75
Other deferred tax	38,201	(7,302)
<b>TOTAL INCOME TAX EXPENSE</b>	<b>36,188</b>	<b>(19,531)</b>

The heading Other taxes for the fiscal year relates to taxes similar to the income tax as well as other taxes in developing countries based on income or assets.

All Adjustments to income tax in fiscal years prior to 2022 and 2021, relate to changes between the final tax and the tax estimate made during the previous year.

## 19.7. Status of the Main Tax Inspections and Litigation

The main inspections and litigation processes of a tax nature for the Group which could have a negative impact on the Group, take place in Spain and America. In particular, the following stand out:

- Commencement of a tax audit and investigation regarding the Corporate Income Tax from 2017 to 2019 and the Value Added Tax and withholdings and income on account for the period between November 2017 and December 2019 initiated in respect of the tax group headed by Meliá Hotels International S.A.
- Litigation in Mexico in relation to Income Tax assessments for 2012 issued against Corporación Hotelera Hispano Mexicana, S.A. de C.V. The purpose of the process is the adequacy of the documentary evidence to prove and apply certain tax losses. The figures under discussion amount to MXN 481 million (EUR 23 million).
- Litigation in Mexico in relation to Income Tax assessments for 2015 issued against Operadora Mesol, S.A. de C.V. The purpose of the process is the adequacy of the documentary evidence to prove and apply certain consultancy costs. The figures under discussion amount to MXN 27 million (EUR 1.3 million).

The Group has adequately made provisions for any liabilities which may arise from the existing tax inspections and litigation. However, as a result, among others, of the different interpretations of the current legislation, additional liabilities may arise from an inspection. The Group assesses the uncertain tax treatments and reflects the effect of the uncertainty on the taxable profit (tax loss), tax bases, unused tax losses or unused tax credits and the corresponding tax rates. On this account, the Group has recognised an amount of EUR 23.4 million under Other deferred tax liabilities (EUR 25.7 million in 2021).

The inspection in the Dominican Republic for Income Tax assessments for 2018 and 2019 issued against Infinity Vacations Dominicana SAS has been closed without regularisation.

## Note 20. Information on Related Parties

The following are considered to be related parties:

- Associates and joint ventures that are accounted for using the equity method, as detailed in Annex 2 of the notes to these annual accounts.
- Significant shareholders of the controlling company.
- Members of the Board of Directors and members of the SET.

All transactions with related parties are arm's length transactions under market conditions.

## 20.1. Transactions with Associates and Joint Ventures

### Commercial transactions

Commercial transactions carried out with associates and joint ventures mainly relate to hotel management activities and other related services. The table below shows the amount recognised in operating revenues in the consolidated income statement, as a result of transactions carried out with these entities, and the commercial balances outstanding therewith, at the end of 2022 and 2021:

(Thousand €)	31/12/2022			31/12/2021		
	Net Income 2022	Assets	Liabilities	Net Income 2021	Assets	Liabilities
Evertmel Group (*)	160	444	1,083	47	324	13,156
Meliá Zaragoza, S. L.				3,190		
Producciones de Parques Group (*)	3,338	1,651	84	1,127	1,521	193
Melcom Group (*)	(307)	701	4,470	(596)	14	
Altavista Hotelera, S. L.	24	213	10	32	486	10
Fourth Project 2012, S.L.	26	10	15	23	31	
Melia Hotels USA Group (*)		480			(360)	
Sierra Parima	76	191	160	50	11	
Jamaica DevCo	132	663	298	49	1,693	1,454
<b>TOTAL JOINT VENTURES</b>	<b>3,449</b>	<b>4,353</b>	<b>6,119</b>	<b>3,922</b>	<b>3,719</b>	<b>14,813</b>
Turismo de Invierno, S.A.	553	750	17	183	813	86
C.P. Meliá Castilla	3,049	1,098	150	1,192	1,564	25
C.P.A.M.Costa del Sol	2,570	700	15	1,279	330	34
Nexprom, S.A.	2,768	1,185	4	1,087	449	20
Starmel Group (*)	2,086	506	224	1,443	1,488	121
Renasala Group (*)	4,861	1,867	61	1,629	3,836	154
Plaza Puerta del Mar	389			227		
Inversiones Guiza, S. A.	(20)	24	13	(15)	14	6
Detur Panamá, S. A.	(4)	(65)	4	5	(79)	2
<b>TOTAL ASSOCIATED COMPANIES</b>	<b>16,251</b>	<b>6,066</b>	<b>487</b>	<b>7,031</b>	<b>8,415</b>	<b>448</b>
<b>TOTAL</b>	<b>19,700</b>	<b>10,419</b>	<b>6,606</b>	<b>10,953</b>	<b>12,134</b>	<b>15,260</b>

(\*) Companies pertaining to the same business line are jointly presented:

Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L. and Kimel S.L.

Producciones de Parques Group which comprises the companies Producciones de Parques, S.L., Tertian XXI S.L.U. and Golf Katmandú,S.L.

Grupo Starmel which comprises the companies Starmel Hotels JV, S.L, Starmel Hotels OP 2 S.L.U, Fuerteventura Beach Property, S.L.U. and Santa Eulalia Beach Property, S.L.U.

Renasala Group which comprises the companies Renasala,S.L, Starmel Hoteles OP, S.L.U, Torremolinos Beach Property, S.L.U,

Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U. San Antonio Beach Property, S.L.U.

Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,Llc. and Melia Hotels Florida Llc.

El Recreo Group which comprises the companies El Recreo Plaza, C.A. and El Recreo Plaza & Cía.

Melcom Group which comprises the companies Sistemas Ribey Cloud,S.L. (dissolved), Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture S.L.

The main changes during the year to trading liabilities relate to the payment of invoices for the lease of hotels that are operated by the Group and owned by associates or joint ventures.

## Financing transactions

The breakdown of the financing maintained by the Group with associates at the end of 2022 and 2021, as well as financial income and expenses accrued in 2022 and 2021 arising from these transactions, is as follows:

(Thousand €)	31/12/2022			31/12/2021		
	Net Income 2022	Assets	Liabilities	Net Income 2021	Assets	Liabilities
Evertmel Group (*)	433	18,917	24,264	(2,063)	17,173	17,040
Altavista Hotelera, S. L.	221	10,406		220	17,796	2
Melcom Group (*)	1,187	36,556	1,052	861	36,565	1,052
Producciones de Parques Group (*)			712			2,021
Fourth Project 2012, S.L.	(92)		6,993	(120)		4,409
Melia Hotels USA Group (*)	581	5,230		397	3,637	
Sierra Parima	(626)	5,645		(23)	155	
Jamaica DevCo	489	24,552		698	24,427	
<b>TOTAL JOINT VENTURES</b>	<b>2,195</b>	<b>101,305</b>	<b>33,020</b>	<b>(31)</b>	<b>99,753</b>	<b>24,524</b>
Turismo de Invierno, S.A.			112			
C.P. Meliá Castilla			345			3
C.P.A.M. Costa del Sol			252			35
Nexprom, S.A.			100		5	
Starmel Group (*)	415	6,966	259	686	6,629	1,917
Renasala Group (*)	1,000	22,679	531	1,000	20,226	2,609
Inversiones Guiza, S. A.	2					
Detur Panamá, S. A.	(787)	155		228	732	
<b>TOTAL ASSOCIATED COMPANIES</b>	<b>629</b>	<b>29,800</b>	<b>1,598</b>	<b>1,914</b>	<b>27,592</b>	<b>4,564</b>
<b>TOTAL</b>	<b>2,824</b>	<b>131,105</b>	<b>34,618</b>	<b>1,883</b>	<b>127,345</b>	<b>29,088</b>

(\*) Companies pertaining to the same business line are jointly presented:

Evermel Group which comprises the companies Evertmel, S.L, Mongamenda S.L. and Kimel S.L.

Producciones de Parques Group which comprises the companies Producciones de Parques, S.L., Tertian XXI S.L.U. and Golf Katmandú,S.L.

Grupo Starmel which comprises the companies Starmel Hotels JV, S.L, Starmel Hotels OP 2 S.L.U, Fuerteventura Beach Property, S.L.U.

and Santa Eulalia Beach Property, S.L.U.

Renasala Group which comprises the companies Renasala,S.L., Starmel Hotels OP,S.L.U, ,Torremolinos Beach Property ,S.L.U,

Palmanova Beach Property, S.L.U, Puerto del Carmen Beach Property, S.L.U, San Antonio Beach Property. S.L.U.

Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,LLc. and Melia Hotels Florida Ll.c.

Melcom Group which comprises the companies Sistemas Ribey Cloud,S.L. (dissolved), Pelicanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture S.L.

At each year end, interest is calculated on the average balance of the current accounts, including debit or credit balances, depending on the special circumstances of each joint venture or associate, and the return thereof is made according to the needs. These balances accrue interest at market rates, which is settled annually based on the daily balance of the account. The interest rate applied in 2022 and 2021 was 2%.

### Lease transactions

The amounts corresponding to lease contracts with associates and joint ventures are broken down below. Lease payments are included within the amount reflected in column Net Income, including the variable amounts, if any, which are not discounted in calculating lease liabilities.

(Thousand €)	31/12/2022		31/12/2021	
	Net Income 2022	Liabilities	Net Income 2021	Liabilities
Evertmel, S. L. (JV)	(7,561)	43,480	(7,342)	48,619
Altavista Hotelera, S. L.	(1,626)	17,575	(3,380)	22,375
Melcom Group (*)	(11,312)	21,268	(11,403)	33,131
Fourth Project 2012, S.L.	(2,246)	14,291	(2,218)	16,572
Jamaica DevCo	(779)	7,978	(736)	8,140
<b>TOTAL JOINT VENTURES</b>	<b>(23,525)</b>	<b>104,591</b>	<b>(25,079)</b>	<b>128,837</b>

### Guarantees and deposits

At the end of 2022, the Group has deposits with associates or joint ventures for the amount of EUR 0.6 million.

In 2021, the Group had deposits with associates or joint ventures for the amount of EUR 0.7 million.

## 20.2. Transactions with Significant Shareholders

Balances by type of transaction effected with significant shareholders are as follows:

(Thousand €)	Transaction type	2022	2021
Tulipa Inversiones 2018, S.A.	Services rendered	1,057	213
Tulipa Inversiones 2018, S.A.	Leases	184	139
<b>TOTAL</b>		<b>1,241</b>	<b>352</b>

### 20.3. Transactions with Executives and Members of the Board of Directors

Board meeting and committee attendance fees paid to the directors in 2022 and 2021 were as follows:

(Thousand €)	2022	2021
<b>External independent directors</b>	<b>514</b>	<b>419</b>
Mr. Fco Javier Campo García	126	119
Mr. Fernando D'Ornellas Silva	126	111
Mrs. Carina Szpilka Lazaro	102	95
Mrs. M <sup>a</sup> Cristina Henriquez de Luna	78	78
Mrs. Cristina Aldamiz-Echevarría de Dura	54	16
Mrs. Montserrat Trape Viladomat	27	0
<b>Proprietary directors</b>	<b>272</b>	<b>323</b>
Mr. Luis María Díaz de Bustamante y Terminel	114	107
Mr. Gabriel Escarrer Julia	38	43
Mrs. María Antonia Escarrer Jaume	11	37
Hoteles Mallorquines Consolidados S.A.	0	28
Hoteles Mallorquines Asociados S.A.	54	54
Hoteles Mallorquines Agrupados S.L.	54	54
<b>Other external director</b>	<b>0</b>	<b>38</b>
Mr. Juan Arena de la Mora	0	38
<b>Executive director</b>	<b>54</b>	<b>54</b>
Mr. Gabriel Juan Escarrer Jaume	54	54
<b>TOTAL</b>	<b>839</b>	<b>834</b>

In 2022, Mr. Luis María Díaz de Bustamante y Terminel has been appointed as External Proprietary Director, and Ms Montserrat Trape Viladomat has been appointed as External Independent Director in his place. Likewise, Ms María Antonia Escarrer resigned from her position in the Board and in the Appointments, Remuneration and Sustainability Committee on 28 February 2022.

In 2021, Mr. Juan Arena de la Mora resigned from his position as external Director and the company Hoteles Mallorquines Consolidados, S.L. was replaced in its position as external proprietary director by Ms M<sup>a</sup> Antonia Escarrer Jaume as natural person.

Remuneration of executive directors and members of the senior management in 2022 and 2021, considering accrued amounts, was as follows:

(Thousand €)	2022		2021	
	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration
<b>Executive directors</b>	<b>869</b>	<b>457</b>	<b>694</b>	<b>457</b>
Mr. Gabriel Juan Escarrer Jaume	869	457	694	457
<b>High direction</b>	<b>2,004</b>	<b>869</b>	<b>1,759</b>	<b>837</b>
<b>TOTAL</b>	<b>2,874</b>	<b>1,326</b>	<b>2,453</b>	<b>1,294</b>

In addition, the amount of EUR 85 thousand was accrued by the Executive Director in 2022 relating to long-term savings systems and other items. The amount accrued for these items in 2021 was EUR 84 thousand.

The Company has not assumed any obligation and has not granted any advance payment or loans to directors. On the other hand, the Group has arranged a civil liability policy (D&O) for the Group's directors and executives, under the terms and conditions that are common in insurance policies of this nature, with a premium for 2022 of EUR 297,275; EUR 282,359 in 2021. There are no share-based payments.

## Note 21. Contingent Liabilities

The Group has commitments with third parties in respect of assets and liabilities not recognised in the consolidated balance sheet given the remote probability that they give rise to an outflow of economic resources or because the commitments must not be recognised in accordance with current regulations. Such contingent assets and liabilities are detailed below by amount and item.

### 21.1. Guarantees and Deposits

The Group secures several operations through bank guarantees and for various items, for the amount of EUR 45.1 million.

The Group has granted collateral and bank guarantees for operations undertaken by associates for the amount of EUR 0.6 million.

For comparison purposes, information for year 2021 is shown below:

The Group secured several operations through bank guarantees and for various items, for the amount of EUR 41.4 million.

The Group had granted collateral and bank guarantees for operations undertaken by associates for the amount of EUR 0.7 million.

### 21.2. Other Contingent Liabilities

Corporación Hotelera Metor, S.A., a subsidiary which is 76% owned, is involved in a dispute with its minority shareholder, claiming that all agreements and transactions carried out with such shareholder be declared invalid. The Company has undertaken the necessary actions to ensure that the resolution of such dispute does not have a significant impact on the Group's consolidated financial statements. In addition, there is no economic assessment, since this is a dispute concerning the control and the challenging of certain corporate agreements.

## Note 22. Other Information

### *Situations of conflicts of interest in which directors are involved:*

According to the requirements of Articles 229 and 230 of the Revised Text of the Spanish Corporate Enterprises Act, the members of the Board of Directors confirmed that neither they, nor any persons with whom they have ties, as referred to in Article 231 of the aforesaid Act, carry out any activities on their own account or for third parties which may involve any effective competition, present or future, with the Company or which, in any way whatsoever, would place them in a position of permanent conflict with the interests thereof, except for the following:

The Vice Chairman and CEO has refrained himself from participating in the discussions and voting of the matters considered at the meetings of the Board of Directors in relation to decisions in which he himself, or a person linked to him, had a potential conflict of interest, direct or indirect, with the Group.

Direct and indirect shareholdings controlled by the members of the Board of Directors are the following:

Shareholder / Board Member	Nr. direct and indirect voting rights	% total voting rights	Position on the Board
Mr. Gabriel Escarrer Juliá	11,874,749	5.3878%	Chairman
D. Gabriel Escarrer Jaume	166,666	0.0756%	Vice President and Chief Executive
Hoteles Mallorquines Agrupados, S.L.	24,882,289	11.2896%	Director
Hoteles Mallorquines Asociados, S.L.	30,333,066	13.7627%	Director
Mr. Jose María Vázquez Pena	72,500	0.0329%	Director
Mr. Luis M <sup>a</sup> Díaz de Bustamante y Terminel	300	0.0001%	Secretary and Director
Mr. Alfredo Pastor Bodmer	6,000	0.0026%	Director
Mrs. Montserrat Trape Viladomat	14,500	0.0066%	Director

The Directors and persons related to them, other than those already mentioned, or persons acting on their behalf, have not undertaken during the fiscal year other transactions with the parent company or other Group companies, which fall out of the scope of the Group's ordinary course of business, or which are not based on market conditions.



### Information on the deferral of payments to suppliers

There follows the information required by Third Additional Provision of Law 18/2022, of 28<sup>th</sup> of September, on the creation and growth of enterprises, and Law 15/2010 of 5<sup>th</sup> July (amended by Second Final Provision of Law 31/2014, of 3<sup>rd</sup> of December) prepared according to the Resolution of the ICAC (Accounting and Auditing Institute) of 29 January 2016, on information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in commercial transactions for 2022 and 2021:

(Thousand €)	2022	2021
Supplier average payment period	59.91	71.44
Ratio of transactions paid	54.49	72.89
Ratio of transactions pending payment	99.56	60.15
<b>TOTAL PAYMENTS MADE</b>	<b>531,064</b>	<b>398,644</b>
<b>TOTAL OUTSTANDING PAYMENTS</b>	<b>72,469</b>	<b>50,990</b>

There follows a breakdown of the monetary volume and number of invoices paid within the legal term established:

(Thousand €)	2,022
Monetary volume	85,193
<i>Total payments percentage</i>	<i>16.04%</i>
Number of invoices	33,187
<i>Total invoices percentage</i>	<i>8.99%</i>

### Audit fees

Fees for auditing the parent company and the subsidiaries which are part of the consolidated annual accounts amounted to EUR 1,248 thousand, of which the amount of EUR 503 thousand has been invoiced by Deloitte, S.L. in Spain. At international level, Deloitte has invoiced EUR 579 thousand. The remaining amount of EUR 166 thousand relates to other audit firms. Likewise, fees invoiced during the year for other services provided to the parent company and subsidiaries by any other company pertaining to the same network of auditors of the consolidated annual accounts amounted to EUR 327 thousand.

In 2021, fees for auditing the parent company and the subsidiaries which were part of consolidated annual accounts amounted to EUR 1,109 thousand, of which the amount of EUR 426 thousand was invoiced by Deloitte S.L. in Spain. At an international level, Deloitte invoiced EUR 570 thousand. The remaining amount of EUR 113 thousand related to other audit firms. Likewise, fees invoiced in 2021 for other services provided to the parent company and subsidiaries by any other company pertaining to the same network of auditors of the consolidated annual accounts amounted to EUR 248 thousand.

## Note 23. Events After the Reporting Date

There have been no events between the end of the reporting period and the preparation of these consolidated annual accounts which may involve any adjustments to evidence conditions that existed at the year end, and no events have taken place after the year end which could affect the capacity of the users of the Financial statements to make proper evaluations and economic decisions.

## Annex 1. Subsidiaries

	Company	COMPANIES OPERATING HOTELS	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(F1)	GL0055	APARTHOTEL BOSQUE, S. A.	Camilo José Cela, 5 (Palma de Mallorca)	Spain	100.00%		100.00%
(A)	GL0643	ARESOL CABOS S.A. de C.V.	Km 19,5 Ctra. Cabo San Lucas (S. Jose del Cabo)	Mexico		99.69%	99.69%
(A)	GL0264	AYOSA HOTELES, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		49.00%	49.00%
(A)	GL0629	BISOL VALLARTA, S. A. de C. V.	Paseo de la Marina Sur (Puerto Vallarta)	Mexico		99.68%	
						0.01%	99.69%
(A)	GL0630	CALA FORMENTOR, S. A. de C. V.	Boulevard Kukulkan (Cancún)	Mexico		92.40%	
						7.29%	99.69%
(A)	GL0627	CARIBOTELS DE MEXICO, S. A. de C. V.	Playa Santa Pilar, Aptdo 9 (Cozumel)	Mexico		16.41%	
						29.63%	
						53.70%	99.74%
(A)	GL0641	CIBANCO SA IBM FIDEICOMISO EL MEDANO	Playa El Medano s/n, (Cabo San Lucas)	Mexico		100.00%	100.00%
(F1)	GL0237	COLÓN VERONA, S.A.	Canalejas, 1 (Sevilla)	Spain	100.00%		100.00%
	GL0046	COM.PROP. SOL Y NIEVE (*)	Plaza del Prado Llano (Sierra Nevada)	Spain	93.27%		93.27%
(A)	GL0616	CORP.HOT.HISP.MEX., S. A. de C. V.	Boulevard Kukulkan km.12,5 (Cancún)	Mexico		9.22%	
						90.47%	99.69%
(A)	GL0686	CORP. HOTELERA METOR, S. A.	Faustino Sánchez Carrión s/n (Lima)	Peru		75.87%	75.87%
(A)	GL0626	DESARROLLOS SOL, S.A.S.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.		61.79%	
						37.91%	99.69%
(A)	(F2) GL0519	HOTEL ALEXANDER, S. A. S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F2) GL0639	HOTEL COLBERT S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F2) GL0640	HOTEL FRANCOIS S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F2) GL0518	HOTEL MADELEINE PALACE, S.A.S.	8, Rue Cambon 75001 (Paris)	France		100.00%	100.00%
(A)	(F2) GL0645	HOTEL ROYAL ALMA S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	GL0452	INFINITY VACATIONS DOMINICANA	Instal.Hotel Circle,Avda.Barceló,Bávaro (P.Cana)	Dominican Rep..		100.00%	100.00%
	GL0416	INNSIDE VENTURES, LLC	1029, Orange St. Wilmington (Delaware)	USA.		100.00%	100.00%
(A)	(F7) GL0039	INVERS. EXP. TURISTICAS, S. A.	Mauricio Legendre, 16 (Madrid)	Spain	54.93%		54.93%
(A)	GL0625	INVERS. INMOB. IAR 1997, C. A.	Avenida Casanova con C/ El Recreo (Caracas)	Venezuela		99.69%	99.69%
(A)	GL0675	INVERSIONES AGARA, S.A.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.		99.69%	99.69%
(A)	GL0575	INVERSIONES AREITO, S.A.	Avda. Barceló, s/n (Bávaro)	Dominican Rep.	64.54%	35.46%	100.00%
(A)	(F1) GL0234	INV. HOTELERAS LA JAQUITA, S.A.	Avda. de los Océanos, s/n (Tenerife)	Spain	70.80%	28.64%	99.44%
(A)	GL0512	LOMONDO Limited	Albany Street-Regents Park (Londres)	United Kingdom		100.00%	100.00%
(A)	GL0411	LONDON XXI Limited	336-337 The Strand (Londres)	United Kingdom		100.00%	100.00%
(A)	(F1) GL0026	MELIÁ HOTELS INTERNATIONAL, S.A.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain			100.00%
	GL0410	MELIA HOTELS ORLANDO, LLC.	Brickell Avenue Suite 1000, 800	USA		50.00%	50.00%
(A)	(F1) GL0236	PRODISOTEL, S.A.	Mauricio Legendre, 16 (Madrid)	Spain		100.00%	100.00%
(F1)	GL0041	REALIZACIONES TURÍSTICAS, S.A.	Mauricio Legendre, 16 (Madrid)	Spain	95.97%	0.30%	96.27%
(A)	GL0258	S' ARGAMASSA HOTELERA S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
(A)	GL0663	SOL MELIÁ DEUTSCHLAND, gmbh	Am Schimmersfeld 5 (Ratingen)	Germany	100.00%		100.00%
(A)	GL0590	SOL MELIÁ ITALIA S.R.L.	Via Masaccio 19 (Milán)	Italy	100.00%		100.00%
(A)	GL0402	SOL MELIÁ LUXEMBOURG, S.A.R.L.	1 Park Draï Eechelen, L1499	Luxembourg	100.00%		100.00%
(A)	(F1) GL0061	TENERIFE SOL, S. A.	Playa de las Américas (Tenerife)	Spain	50.00%	48.13%	98.13%

	Company	MANAGEMENT COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(F1)	GL0040	APARTOTEL, S. A.	Mauricio Legendre, 16 (Madrid)	Spain	99.79%		99.79%
	GL0653	GESMESOL, S. A.	Elvira Méndez, 10 - Edif. Bco do Brasil	Panama	100.00%		100.00%
	GL0538	ILHA BELA GESTAO E TURISMO, Ltd.	31 de Janeiro, 81 (Funchal - Madeira)	Portugal	100.00%		100.00%
	GL0651	MELIÁ BRASIL ADMINISTRACAO	Avenida Cidade Jardim, 1030 (Sao Paulo)	Brazil		100.00%	100.00%
(A)	GL0613	MELIÁ MANAGEMENT, S.A.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.	99.99%	0.01%	100.00%
(A)	GL0421	MELIA VIETNAM COMPANY LIMITED	13th Floor, Plaza Saigon Building, 39 Le Duan Street, Ben	Vietnam	100.00%		100.00%
	GL0567	NEW CONTINENT VENTURES, Inc.	800 Brickell Avenue Suite 1000 (Miami)	USA		100.00%	100.00%
(A)	GL0609	OPERADORA MESOL, S. A. de C. V.	Blvd. Kukulkan Km 16.5 No 1 T.5. Zona Hot (Cancún)	Mexico	100.00%		100.00%
	GL0587	PT SOL MELIÁ INDONESIA	Ed. Plaza Papindo-Menara Mandiri Lt. 16	Indonesia	95.00%	5.00%	100.00%
(F1)	GL0606	SOL MANINVEST, B. V.	Strawinskylaan 915 WTC, Toren A, 1077 XX (Amsterdam)	Netherlands	100.00%		100.00%
(A)	GL0405	SOL MELIÁ BALKANS EAD	Región de Primorski, Golden-Sands-Varna	Bulgaria	100.00%		100.00%
(A)	GL0589	SOL MELIÁ HOTEL MANAG. SHANGHAI CO, LTD.	Suite 13-1A1, 13th Floor, Hang Seng Bank Tower, 1000	China	100.00%		100.00%
	GL0400	SOL MELIÁ GREECE, HOTEL & TOURISTIC	14th Chalkokondili Str & 28th October str (Atenas)	Greece	100.00%		100.00%
	GL0688	SOL MELIÁ PERÚ, S. A.	Av. Salaberrí, 2599 (San Isidro - Lima)	Peru	99.90%	0.10%	100.00%

	Company	COMPANIES WITH SUNDRY ACTIVITIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL	
(A)	(F1)	GL0404	ADPROTEL STRAND, S.L.	Mauricio Legendre, 16 (Madrid)	Spain	50.00%	25.00%	75.00%
		GL0561	BAJA SERVICIOS ADMINISTRATIVOS S.A	Ctra Transpeninsular, km 19,5 (Los Cabos)	Mexico	100.00%		100.00%
(F1)		GL0052	CASINO TAMARINDOS, S. A.	Retama, 3 (Las Palmas)	Spain	100.00%		100.00%
		GL0579	CREDIT CONTROL CORPORATION	Brickell Avenue, 800 (Miami)	USA	100.00%		100.00%
(F1)		GL0152	DORPAN, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		GL0593	GUARAJUBA EMPREENDIMENTOS, S.A.	Avda. Jorge Amado s/n, Bahia	Brasil	100.00%		100.00%
(F1)		GL0025	HOGARES BATLE, S.A.	Gremio Toneleros, 42 (Palma de Mca.)	Spain	51.49%	46.70%	98.19%
(A)	(F2)	GL0517	HOTEL METROPOLITAN, S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F1)	GL0280	HOTELPOINT, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		GL0454	IMPACT HOSPITALITY V3NTURES, LLC	Celebration Place, 225 (Miami)	USA		100.00%	100.00%
(A)		GL0628	INMOBILIARIA DISTRITO CIAL., C. A.	Avda. venezuela con Casanova (Caracas)	Venezuela		89.26%	89.26%
(F1)		GL0266	MELIA EUROPE & MIDDLE EAST, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(F1)		GL0263	NAOLINCO AVIATION,S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(F1)		GL0290	NETWORK INVESTMENTS SPAIN, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		100.00%	100.00%
(A)	(F1)	GL0200	PRODIGIOS INTERACTIVOS, S.A.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(F1)		GL0355	PROYECTOS FINANCIEROS HAYMAN, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(F1)		GL0275	RENÉ EGLI, S.L.U.	Playa La Barca, Pájara (Las Palmas de G.Canaria)	Spain	100.00%		100.00%
(F1)		GL0147	SECURISOL, S. A.	Avda.Notario Alemany s/n Hotel Barbados (Calviá)	Spain	100.00%		100.00%
(A)		GL0576	SEGUNDA FASE CORP.	Carretera 3, Intersecc. 955 (Rio Grande)	Puerto Rico		100.00%	100.00%
		GL0563	SERVICIOS ARTEMISA, S.A.de C.V.	Boulevard Kukulkan Km 12 (Cancún)	Mexico	100.00%		100.00%
		GL0565	SERVICIOS INTEGRALES DE PERSONAL IRIS, S.A.de C.V.	Paseo de la Marina Sur (Puerto Vallarta)	Mexico	100.00%		100.00%
		GL0564	SERVICIOS PERSONALES ORFEO, S.A.de C.V.	Boulevard Kukulkan Km 16,5 (Cancún)	Mexico	100.00%		100.00%
		GL0591	SERVICIOS PITEO, S.A.de C.V.	Avda Tulum 200, 5m 4 (B.Juarez)	Mexico	100.00%		100.00%
		GL0546	SOL CARIBE TOURS, S. A.	Via Grecia - Edif. Alamanda 6B (Panamá)	Panama		100.00%	100.00%
		GL0615	SOL GROUP CORPORATION	800 Brickell Avenue, Suite 1000, FL, 33131 (Miami)	USA		100.00%	100.00%
(F1)		GL0513	SOL MELIÁ EUROPE, B. V.	Eduard Van Beinumstraat, 40 1077 CZ (Amsterdam)	Netherlands	100.00%		100.00%
		GL0598	SOL MELIÁ FUNDING	Regatta Office Park West Bay Road P.O.Box 31106	Cayman Islands		100.00%	100.00%
(A)		GL0571	SMVC DOMINICANA, S.A.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.		100.00%	100.00%
(F1)		GL0228	SMVC ESPAÑA S.L.	Mauricio Legendre, 16 (Madrid)	Spain		100.00%	100.00%
(A)		GL0573	SMVC MÉXICO, S.A de C.V.	Boluevard Kukulkan (Cancún)	Mexico		100.00%	100.00%
		GL0588	SMVC PANAMÁ S.A.	Antigua escuela las Américas, Lago Gatún	Panama		100.00%	100.00%
		GL0570	VACATION CLUB SERVICES INC.	Bickell Avenue, 800 (Miami)	USA.		100.00%	100.00%
		GL0397	WILLET RESERVATIONS	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		100.00%	100.00%

			SOCIEDADES HOLDINGS	DOMICILIO	PAÍS	P,DIR	P,IND	TOTAL
(A)	(F2)	GL0521	CADSTAR FRANCE, S.A.S.	12, Rue du Mont Thabor (Paris)	France		100.00%	100.00%
	(F1)	GL0353	DESARROLLOS HOTELEROS SAN JUAN EXHOLD, S. L.	Sarria, 50, 08029 Barcelona	Spain		99.69%	99.69%
	(F1)	GL0284	DOMINICAN INVESTMENTS, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		99.69%	99.69%
	(F1)	GL0683	FARANDOLE, B. V.	Eduard Van Beinumstraat, 40 1077 CZ (Amsterdam)	Netherlands		99.69%	99.69%
	(F1)	GL0182	HOTELES SOL MELIÁ, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	GL0012	INVERS. HOTELERAS LOS CABOS, S.A.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		99.69%	99.69%
(A)		GL0418	MELIÁ HOTELS INTERNAT. UK LIMITED	Albany Street , Regents Park, London NW1 3UP	United Kingdom	100.00%		100.00%
	(F1)	GL0350	MIA EXHOL, S. A.	Sarria, 50, 08029 Barcelona	Spain	82.26%	17.43%	99.69%
	(F1)	GL0289	NEALE EXPA SPAIN, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		99.69%	99.69%
	(F1)	GL0287	PUNTA CANA RESERVATIONS, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	GL0352	SAN JUAN INVESTMENTS EXHOLD, S. L.	Sarria, 50, 08029 Barcelona	Spain		99.69%	99.69%
	(F1)	GL0359	SOL GROUP, EXHOL, SL.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(A)	(F2)	GL0530	SOL MELIÁ FRANCE, S.A.S.	20 Rue du Sentier (Paris)	France	100.00%		100.00%
	(F1)	GL0351	SM INVESTMENT EXHOL, S. L.	Sarria, 50, 08029 Barcelona	Spain	100.00%		100.00%
		GL0574	SOL MELIA VACATION CLUB LLC.	Bickell Avenue, 800 (Miami)	USA		100.00%	100.00%

	Company	DORMANT COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
	GL0413	BEDBANK TRADING, S.A.	Rue St.Pierre, 6A (Fribourg)	Switzerland	100.00%		100.00%
	GL0669	COMP. TUNISIENNE GEST. HOTELIÈRE	18 Boulevard Khézama n° 44, 4051 Sousse (Túnez)	Tunisia		100.00%	100.00%
(A)	GL0533	DESARROLLADORA DEL NORTE, S. en C.	PMB 223, PO Box 43006, (Rio Grande)	Puerto Rico		49.85%	99.69%
(F1)	GL0098	GEST.HOT.TURISTICA MESOL	Gremio Toneleros, 42 (Palma de Mallorca)	Spain	100.00%		100.00%
(F1)	GL0282	GONPONS INVERSIONES, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(F1)	GL0183	HOTELES SOL, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	GL0602	INVERSIONES INVERMONT, S. A.	Av. Venezuela, Edif. T. América (Caracas)	Venezuela	100.00%		100.00%
(A)	GL0572	SMVC PUERTO RICO	Sector Coco Beach, 200 Carretera 968 (Rio Grande)	Puerto Rico	100.00%		100.00%
	GL0414	SOL MELIA JAMAICA, LTD.	21, East Street (Kingston CSO)	Jamaica	100.00%		100.00%
	GL0527	SOL MELIÁ MARROC, S.A.R.L.	Rue Idriss Al-Abkar, 4 - 1° Etage	Morocco	100.00%		100.00%
	GL0670	SOL MELIÁ SERVICES, S. A.	Rue de Chantemerle (Friburgo)	Switzerland		100.00%	100.00%
(F1)	GL0259	THIRD PROJECT 2012, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%

(A) Audited companies

(F1) Companies which comprise the consolidated tax group with Meliá Hotels International, S.A.

(F2) Companies which comprise the consolidated tax group with Sol Meliá France, S.A.S.

(F7) Companies which comprise the consolidated tax group with Inextur, S.A.

(\*) Shareholding in this company is through the ownership of apartments representing 93.27%, and which are recognised under the heading property, plant and equipment.

## Annex 2. Associates and Joint Ventures

	Company	COMPANIES OPERATING HOTELS	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
	GL0043	C.P.APARTOTEL M.CASTILLA (*)	Capitán Haya, 43 (M adrid)	Spain	32.14%	0.09%	32.23%
	GL0045	C.P.APARTOTEL M.COSTA DEL SOL (*)	Paseo Marítimo 11 (Torremolinos)	Spain	4.50%	18.75%	23.25%
	GL0692	DETUR PANAMÁ S. A.	Antigua Escuela Las Américas (Colón)	Panama	49.93%		49.93%
	GL0396	HOLAZEL, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	50.00%		50.00%
	GL0142	NEXPROM, S. A. (JV)	Avda. del Lido s/n (Torremolinos)	Spain	17.50%	2.50%	20.00%
	GL0170	PLAZA PUERTA DEL MAR, S.A.	Plaza Puerta del Mar, 3 (Alicante)	Spain	12.60%	7.81%	20.41%
(A) (F5)	GL0261	PRODUCCIONES DE PARQUES, S.L. (JV)	Avda. P.Vaquero Ramis, s/n (Calviá)	Spain	50.00%		50.00%
(A) (F3)	GL0267	STARMEL HOTELS OP, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A) (F4)	GL0295	STARMEL HOTELS OP 2, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		20.00%	20.00%
(A) (F5)	GL0253	TERTIAN XXI, S.L.U. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
	GL0042	TURISMO DE INVIERNO, S.A.	Plaza Pradolano, s/n Sierra Nevada (Granada)	Spain	21.42%		21.42%
	Company	OWNER COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(A) (F7)	GL0242	ALTAVISTA HOTELERA, S.L.	Avda. Pere IV, 272 (Barcelona)	Spain	7.55%	41.19%	48.74%
(A) (F8)	GL0059	BELLVER PROPERTY, S.L.U. (JV)	C/ Recoletos 3, 1º (Madrid)	Spain		50.00%	50.00%
	GL0407	EL RECREO PLAZA ñ CIA., C.A. (JV)	Avda.Fco.de Miranda Torre Oeste,15 Of.15(Caracas)	Venezuela		1.00%	18.94%
							19.94%
(A) (F6)	GL0209	EVERTMEL, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	49.00%		49.00%
(A)	GL0260	FOURTH PROJECT 2012, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
(A) (F4)	GL0270	FUERTEVENTURA BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		20.00%	20.00%
	GL0409	MELIA HOTELS FLORIDA, LLC. (JV)	Brickell Avenue Suite 1000, 800	USA		50.00%	50.00%
(F6)	GL0248	MONGAMENDA, S.L. (JV)	Alexandre Rosselló, 15 (Palma de Mallorca)	Spain		49.00%	49.00%
(A) (F3)	GL0272	PALMANOVA BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A) (F8)	GL0058	PELLICANOS PROPERTY, S.L.U. (JV)	C/ Recoletos 3, 1º (Madrid)	Spain		50.00%	50.00%
(A) (F3)	GL0273	PUERTO DELCARMEN BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A) (F3)	GL0274	SAN ANTONIO BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A) (F4)	GL0271	SANTA EULALIA BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		20.00%	20.00%
(A) (F3)	GL0269	TORREMOLINOS BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
	Company	COMPANIES WITH SUNDRY ACTIVITIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(F5)	GL0294	GOLF KATMANDU, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
(A)	GL0539	INVERSIONES GUIZA, S. A.	Avda. Lope de Vega, 4 (Sto. Domingo )	ominican Rep.		49.84%	49.84%
(A)	GL0276	JAMAICA DEVCO S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	49.00%		49.00%
(F6)	GL0255	KIMEL MCA, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		49.00%	49.00%
(A)	GL0580	SIERRA PARIMA, S.A.	Avda. Barceló, s/n (Bávaro)	ominican Rep.	50.00%		50.00%
	Company	DORMANT COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
	GL0644	HELLENIC HOTEL MANAGEMENT	Panepistimiou, 40 (Atenas)	Greece	40.00%		40.00%
	GL0283	YAGODA INVERSIONES, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%

	Company	HOLDING COMPANIES	REGISTERED OFFICE	COUNTRY	DIR. HOLD.	IND. HOLD.	TOTAL
	GL0406	EL RECREO PLAZA, C.A. (JV)	Avda.Fco.de Miranda Torre Oeste,15 Of.15(Caracas)	Venezuela		19.94%	19.94%
	GL0027	HOMASI, S.A.	C/ Cavanilles 15,Pl.baja (Madrid)	Spain	34.99%		34.99%
(F8)	GL0060	MELCOM JOINT VENTURE (JV)	C/ Recoletos 3, 1º (Madrid)	Spain	50.00%		50.00%
	GL0408	MELIA HOTELS USA, LLC. (JV)	Brickell Avenue Suite 1000, 800	USA		50.00%	50.00%
	GL0399	MOSAICO HOTELES, S. A.	C/ cavanilles, 15 - Bajo Madrid 28000	Spain	35.00%		35.00%
	GL0155	PROMEDRO, S. A. (JV)	Avda. del Lido s/n (Torremolinos)	Spain	20.00%		20.00%
(A) (F3)	GL0296	RENASALA, S.L. (JV)	Zurbarán, 9 (Madrid)	Spain	30.00%		30.00%
(A) (F4)	GL0268	STARMEL HOTELS JV, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	20.00%		20.00%

(A) Audited companies.

(JV) Joint Ventures

(F3) Companies which comprise the consolidated tax group with Renasala, S.L.

(F4) Companies which comprise the consolidated tax group with Starmel Hoteles JV, S.L.

(F5) Companies which comprise the consolidated tax group with Producciones de Parques, S.L.

(F6) Companies which comprise the consolidated tax group with Evertmel, S.L.

(F7) Companies which comprise the consolidated tax group with Inextur, S.A.

(F8) Companies which comprise the consolidated tax group with Grupo Melcom.

(\*) Shareholding in these companies is through the ownership of apartments representing 32.23% and 23.25%, respectively, and which are recognised under the heading Investment property.

## Preparation of the Consolidated Management Report and Consolidated Annual Accounts for 2022

At the meeting of the Board of Directors of Meliá Hotels International, S.A. held on 27 February 2023 (Monday) at E-07009-Palma (Mallorca) and at the registered address, Calle de Gremio Toneleros nº 24; previously called timely and in due form and according to the provisions of Article 35 and related articles of the Company Bylaws and Article 17 and related articles of the Regulations of the Board of Directors, the Consolidated Annual Accounts and Management Report have been prepared and approved, which incorporates by reference to a separate document the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors, of Meliá Hotels International, S.A. for 2022, following the format and labelling requirements laid down by Delegated Regulation EU 2019/815 of the European Commission, unanimously by all the members of the Board of Directors, except for Mr. Gabriel Escarrer Juliá, Chairman of the Board of Directors of Meliá Hotels International, S.A., who did not attend the mentioned meeting following medical instructions, which prevented him from signing the mentioned annual accounts and management report in a handwritten or digital form.

By means of this Statement, all the members comprising the Board of Directors attending the meeting hereby prepare and unanimously approve the mentioned Consolidated Annual Accounts and Management Report for 2022, for verification by the auditors and subsequent approval by the General Shareholders' Meeting.

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Signed Mr. Gabriel Escarrer Jaume  
Vice Chairman and Chief Executive Officer

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Signed Ms Cristina Henríquez de Luna Basagoiti  
Director

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Signed Ms Cristina Aldamiz-Echevarría de Durana  
Director

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Signed Ms Carina Szpilka Lázaro  
Director

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Signed Mr. Fernando d'Ornellas Silva  
Director

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Signed Mr. Francisco Javier Campo García  
Director

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Signed Hoteles Mallorquines Asociados, S.L.  
(Represented by Mr. Alfredo Pastor Bodmer)  
Director

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Signed Hoteles Mallorquines Agrupados, S.L.  
(Represented by Mr. José M<sup>a</sup> Vázquez-Pena Pérez)  
Director

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Signed Ms Montserrat Trape Viladomat  
Director

In witness whereof, this Statement is signed by all the members of the Board comprising the Board of Directors of the Company.

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Signed Mr. Luis M<sup>a</sup> Díaz de Bustamante y Terminel  
Secretary and Director



*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

## **INDEPENDENT LIMITED ASSURANCE REPORT ON THE NON-FINANCIAL INFORMATION STATEMENT OF MELIÁ HOTELS INTERNATIONAL, S.A. AND SUBSIDIARIES FOR 2022**

To the Shareholders of Meliá Hotels International, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Non-Financial Information Statement ("NFIS") for the year ended 31 December 2022 of Meliá Hotels International, S.A. and subsidiaries ("Meliá" or "the Group"), which forms part of the Management' Report ("MR") of the Group.

The content of the Management' Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the "Non-Financial and Diversity Information requirements (Law 11/2018)" Appendix, the "GRI Standards table of contents" Appendix and the "Eligibility report and alignment with the EU Taxonomy" Appendix to the MR ("the MR Appendices").

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### **Responsibilities of the Directors**

The preparation and content of the Meliá Group's Management' Report are the responsibility of the Board of Directors of Meliá Hotels International, S.A. The NFIS included in the Management' Report was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as the criteria described as indicated for each matter in the "Non-Financial and Diversity Information requirements (Law 11/2018)" Appendix and the "GRI Standards table of contents" Appendix to the Management' Report.

This responsibility also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the MR and the NFIS to be free from material misstatement, whether due to fraud or error.

The Board of Directors of Meliá Hotels International, S.A. is also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the Management' Report and the NFIS is obtained.



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## **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the international standards on quality in force and, accordingly, maintains a system of quality management that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

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## **Our Responsibility**

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower.

Our work consisted of making inquiries of management and the various units of Meliá that participated in the preparation of the MR, reviewing the processes used to compile and validate the information presented in the MR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Meliá personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.
- Analysis of the scope, relevance and completeness of the contents included in the 2022 MR based on the materiality analysis performed by Meliá and described in the "Materiality Analysis" section of the MR, taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2022 MR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2022 MR.

- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2022 MR Appendices, and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the directors and management.

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### **Emphasis of Matters**

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with aligned economic activities in relation to the climate change mitigation and climate change adaptation objectives for the first time for 2022, in addition to the information referring to eligible activities required in 2021. As a result, the accompanying NFIS does not include comparative information in relation to alignment. Also, since the information referring to eligible activities in 2021 was not required with the same level of detail as in 2022, the information disclosed in relation to eligibility in the accompanying NFIS is similarly not strictly comparable. In addition, it should be noted that the Board of Directors of Meliá Hotels International, S.A. has included information on the criteria which, in its opinion, best enable it to comply with the aforementioned obligations and which are defined in the "Eligibility report and alignment with the EU Taxonomy" Appendix to the accompanying MR. Our conclusion is not modified in respect of this matter.

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### **Conclusion**

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Meliá Hotels International, S.A. and subsidiaries for the year ended 31 December 2022 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as the criteria described as indicated in the "Non-Financial and Diversity Information requirements (Law 11/2018)" Appendix and the "GRI Standards table of contents" Appendix to the MR.

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## Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.



David Rodríguez Martínez

27 February 2023

# **Meliá Hotels International, S.A. and Subsidiaries**

Auditor's report on the system of Internal Control over Financial Reporting (ICFR) of the Meliá Hotels International Group for 2022

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails*

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE MELIÁ HOTELS INTERNATIONAL GROUP FOR 2022

To the Directors of Meliá Hotels International, S.A.:

As requested by the Board of Directors of Meliá Hotels International, S.A. and Subsidiaries ("the Meliá Hotels International Group") and in accordance with our proposal-letter of December 12, 2022, we have applied certain procedures to the information relating to the ICFR system included in section F of the Annual Corporate Governance Report ("ACGR") of the Meliá Hotels International Group for 2022, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system.

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Meliá Hotels International Group in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Meliá Hotels International Group was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Meliá Hotels International Group's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Meliá Hotels International Group's annual financial reporting for 2022 described in the information relating to the ICFR system. Therefore, had we applied procedures additional to those described below or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Meliá Hotels International Group in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model ACGR established in CNMV Circular no. 5/2013, of 12 June 2013, and subsequent modifications, being the most recent CNMV Circular 3/2021 of 28 September (hereinafter, the Circulars of the CNMV).
2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Meliá Hotels International Group.
3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR system descriptive information. In this regard, the aforementioned documents include reports prepared for the Audit and Control Committee by internal audit, senior management and other internal or external specialists.
4. Comparison of the information detailed in point 1 above with the knowledge on the Meliá Hotels International Group's ICFR system obtained through the procedures applied during the financial statement audit work.
5. Reading of the minutes taken at meetings of the Board of Directors, Audit and Control Committee and other committees of the Meliá Hotels International Group to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.
6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.

This report has been prepared exclusively in the context of the requirements established by article 540 of the consolidated text of the corporate enterprises act Corporate Enterprises Act, and by the aforementioned CNMV Circulars, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Pablo Hurtado March

27 February 2023