MINOR HOTELS EUROPE & AMERICAS

ANNUAL REPORT

2024

NH Collection Frankfurt Spin Tower
Frankfurt, Germany

NH Collection Helsinki Grand Hansa
Helsinki, Finland

MESSAGE FROM THE CHAIRMAN AND THE CEO

MINOR HOTELS
EUROPE & AMERICAS

Message from the Chairman

Dear Stakeholders,

Minor Hotels Europe & Americas concluded an ambitious and successful year in 2024, marked by strategic and financial achievements. The year stands out as a milestone in our growth journey, as we achieved significant progress in operational efficiency, market expansion, and corporate integration.

Record Financial Performance

In 2024 our recurring net profit exceeded the full-year results of 2023, underscoring the strength of our strategic initiatives. Revenue increased by 12% compared to the same period in 2023, reflecting robust pricing strategies and enhanced operational performance. Key drivers of this growth include:

- Average Daily Rate (ADR): Strong upward trajectory due to disciplined pricing strategies.
- Occupancy Rates: Now averaging over 69%, indicating sustainable market demand.
- RevPAR Growth: Demonstrates the effectiveness of our revenue optimization efforts.

Our performance is bolstered by prudent cost management and the synergies derived from our integration with Minor International, resulting in superior revenue optimization and enhanced operational efficiency.

These achievements were further validated by credit rating upgrades in 2024: Moody's raised our rating to Ba3, and Fitch to BB-, both with stable outlooks. These enhancements reflect robust financial fundamentals, positioning us to capitalize on future opportunities.

Strategic Integration with Minor International

One of the most pivotal developments in 2024 was the significant progress made toward full strategic and corporate integration with Minor International. This integration, rooted in the 2018 public acquisition offer and formalized in the 2019 collaboration framework, was delayed by the pandemic but regained momentum in 2023.

Dillip Rajakarier
Chairman Minor Hotels Europe & Americas

The integration has delivered tangible benefits:

- Strengthened global operations through brand unification under the Minor Hotels identity.
- Enhanced cross-selling and market visibility across regions, creating a more monetizable brand portfolio.
- Accelerated growth, attributed to the complementarity of capabilities and alignment with global market trends.

The renaming of our company to Minor Hotels Europe & Americas, as approved at the 2024 Annual General Meeting, symbolized this evolution. This unified identity reflects our commitment to leveraging Minor Hotels' global strength while maintaining our Madrid-based regional focus.

Portfolio Optimization and Strategic Transactions

In 2024, we made key decisions to optimize our asset portfolio and expand in strategic markets:

- Acquisition in Brazil: The €212 million acquisition of a Minor Hotels subsidiary in Brazil, encompassing four hotels, solidifies our presence in this high-growth market. This transaction is expected to add €60 million in annual revenue and over €20 million in EBITDA starting in 2025. Furthermore, it provides a platform for future expansion, including two Anantara-branded resorts currently under development.
- Asset Rotation in Europe: The sale of the Anantara Vilamoura Algarve Resort was a strategic move aligned with our standard asset rotation policy, as our presence in the region will be reinforced with Anantara Royal Vila Viçosa Resort in Alentejo and the Tivoli Kopke Porto Gaia Hotel in the premium and luxury segments.

Sustainability and Talent-Led Growth

In parallel with our financial and strategic progress, we have prioritized excellence in governance, sustainability, and talent development. Our commitment to these areas is critical for long-term value creation and aligns with stakeholder expectations.

Leadership Transition and Future Outlook

The transition in leadership represents a carefully managed step in our strategic evolution. Ramón Aragonés, whose vision and leadership have been instrumental in our success, has transitioned to Vice Chairman of the Board. Gonzalo Aguilar, our new CEO, will now drive the next phase of our journey with a focus on profitability, operational efficiency, expansion and guest satisfaction.

As we enter 2025, Minor Hotels Europe & Americas is better positioned to deliver sustainable growth and enhanced value for our stakeholders. With a clear strategic roadmap, a unified corporate identity, and a strong leadership team, we are poised to achieve new milestones in our journey toward global excellence.

Lastly, I would like to extend my heartfelt gratitude to all our stakeholders–our shareholders, employees, business partners, and guests–for their unwavering support, dedication, and trust. Your contributions have been instrumental in making 2024 an extraordinary year for Minor Hotels Europe & Americas. Together, we have achieved remarkable milestones, and I look forward to continuing this journey of success and growth with you in the years to come.

Dillip Rajakarier

Chairman Minor Hotels Europe & Americas

Message from the CEO

Dear Stakeholders,

Addressing you is one of my first duties as Chief Executive Officer of Minor Hotels Europe & Americas. I would like to take this opportunity to share with you from the outset the guiding principles of my leadership: on the one hand, a passion for this project, and on the other, a firm commitment to teamwork. I aim to approach these with the dedication expected of someone tasked with representing a company that likely stands as the best example of a hotel model with Spanish roots and international reach. I also feel the weight of responsibility as I assume this position at a time when the company has achieved its best year ever in terms of both revenue and profit.

At this stage, all I can assure you of is my dedication, determination, and enthusiasm, alongside a resolute intention to continue the rigorous financial management and market efficiency that defined the tenure of my predecessor, Ramón Aragonés. I had the privilege of working alongside him during the last quarter of 2024, witnessing first-hand the value of his expertise. Rest assured, I will do my utmost to continue and enhance, wherever possible, the consistent growth trajectory that has defined our company in recent years.

I also believe this is the ideal time to strengthen the foundations that have brought us to this point and to anticipate the challenges and opportunities presented by the evolving hospitality market in the short and medium term. We are emerging from two years of strong recovery, during which millions of people reaffirmed their dream and aspiration to travel and to do so in a qualitative, personalised way, with less seasonal dependence and a greater focus on technology, sustainability, gastronomy, and immersion in local cultures. This tailwind has enabled companies across the sector to improve their financial position following two challenging pandemic years, achieve remarkable results, and establish tourism as a driving force for robust and sustained economic recovery in much of the world.

While such accelerated growth may level out in the medium term, projections and reservation trends allow us to remain optimistic, at least through the summer 2025 season. Beyond that, forecasts are harder to predict, though it is evident that the quality of our offerings and the global recognition of our brand portfolio will provide us with a significant competitive advantage when the winds of recovery eventually begin to slow.

At Minor Hotels Europe & Americas, we arrive at this turning point in a strong and efficient position, one that will enable us to further enhance our role within the sector in the years ahead. To that end, we will rely on strengthening commercial ties and knowledge sharing with our primary shareholder, Minor International. It is beyond question that their expertise and reputation in the luxury segment have allowed us to position our portfolio more strategically, offering a more selective and balanced range of options spanning upscale to urban and leisure luxury.

Gonzalo Aguilar
CEO Minor Hotels Europe & Americas

Our unified portfolio of brands is among the most recognised and appreciated worldwide, perfectly reflecting the trends and preferences of emerging, high-potential customer segments. This prior groundwork will continue to add value as long-haul global tourism progresses in the coming years. We also benefit from our shareholder's strength in Eastern outbound markets and their ability to direct clients to our hotels, a flow we aim to make bidirectional and consolidate in the medium term.

This spirit explains many of the hotel openings our company achieved in 2024. NH Collection, one of our most iconic brands, continues celebrating its 10th anniversary with an impressive process of international expansion through Minor Hotels, reaching countries such as Belgium, Finland, Sri Lanka, and Thailand. NH, our company's foundation brand, debuted in Paris with three new hotels. In addition, once again through Minor Hotels, it strengthened its presence in the Asian and African markets with key openings in the Maldives, Sri Lanka, Thailand, and South Africa. nhow will bring its contemporary and avant-garde design to Latin America this year, with the opening of a new hotel in Lima offering unique and personalised experiences, as well as launching a new property in Rome.

Last year also marked a milestone in introducing international brands to Europe further connecting to tourists from around the world. This includes the Anantara brand, a benchmark in luxury tourism, with Palais Hansen Vienna. Tivoli, originally from Portugal, debuted in Spain with Tivoli La Caleta Tenerife Resort and expanded to Italy with two new hotels. The Avani brand, aimed at millennial-minded travellers, also opened properties such as the Avani Museum Quarter Amsterdam and Avani Frankfurt City.

In summary, Minor Hotels Europe & Americas is actively contributing to the growth and development of the Anantara, Tivoli, and Avani brands, as well as the consolidation and expansion of NH, NH Collection, and nhow into new markets. From our Europe and Americas division, we manage six of the eight commercial brands under the same corporate umbrella in the region. Our goal is to add over 300 hotels to the global portfolio at the end of 2027, contributing to MHEA with approximately 80 properties.

As we move into this new phase in 2025, Minor Hotels Europe & Americas is entering a new corporate chapter involving a medium-term business and growth plan. This will focus on optimising the synergies of full integration within Minor Hotels' structure, leveraging its internationalisation advantages, and ensuring a globally coordinated offering between our European and American division and the parent company.

As part of Minor Hotels, we continue to pursue an ambitious expansion plan. Firstly, we will reinforce our presence in the luxury segment with the Anantara brand, benefiting from Minor's extensive expertise in this field. We also aim to grow our offering in the resort segment, particularly with the Tivoli brand and through the introduction of other brands, as we have done with NH at properties such as the NH Marina Portimão Resort in the Algarve, NH Boat Lagoon Phuket Resort in Thailand, NH Bentota Ceysands Resort in Sri Lanka, and NH Maldives Kuda Rah Resort. Similarly, NH Collection has been expanding its resort portfolio, with the NH Collection Maldives Havodda Resort.

At the same time, we will continue to expand in urban markets across major cities in France, the United Kingdom, the Nordic countries, and the Mediterranean, as well as in key U.S. cities. Ultimately, we aspire to become one of the most dynamic players in the hospitality industry, both in our current markets and those we plan to enter. Finally, I must highlight our most valuable and distinctive asset: the more than 14,000 professionals from 150 different countries working across the thirty countries where our hotels are located. A quarter of them are based in countries other than their birthplace. This diverse, creative, and passionate group represents the values and service philosophy that define our company.

As we embark on this new chapter, talent must become the cornerstone of our corporate future. We aim to support and retain our professionals, transforming them into brand ambassadors. We will continue to prioritise digital training, career development, and work-life balance while reinforcing our leadership in equality and diversity. We believe in fostering loyalty through mutual feedback and dialogue. Only with the best professionals will we be able to continue offering warm, empathetic, and personalised service to each of our millions of customers worldwide.

In closing, I want to extend my sincere gratitude to all our stakeholders for their trust and support. I am eager to work together more closely and collaboratively as we continue to advance the company and achieve even greater success in the years ahead

Gonzalo Aguilar

CEO Minor Hotels Europe & Americas

Avani Cancún Airport
Cancun, Mexico

MILESTONES 2024

MINOR HOTELS
EUROPE & AMERICAS

MILESTONES 2024

JANUARY

Minor Hotels Europe & America was included in the Sustainability Yearbook 2024 published by S&P Global every year, obtaining fourth place, as one of the most sustainable businesses in the hotel sector.

With the NH Hotels & Resorts brand, the Company has completed a sponsorship deal with the biggest gaming event in Spain, La Isla, in conjunction with YouPlanet with creator The Gregf as event leader and 40 more top streamers from Spain and Latin America at Gamergy Madrid.

The opening of Avani Frankfurt City represents the brand's debut in Germany. Located in Frankfurt's central business district, the refurbished hotel offers a balance between design and functionality, creating a vibrant atmosphere that reflects the city's renowned electronic music scene.

The company announced its results for the past financial year. Minor Hotels Europe & Americas achieved record revenues of €2.163 million and profits of €128 million. Average revenue per available room (ADR) increased by 13% to €138 per room per night, while average revenue per available room (RevPAR) increased by 26% to €94, following a seven-point increase in occupancy to 68%.

FEBRUARY

Minor Hotels launches the first NH branded hotel in China with the opening of NH Zhengzhou Jinshui.

The Company has received a Tourism Equality award in the Accommodation category at the General Equality Champion of the Year Awards at the ITB tourism fair in Berlin.

The Gender Equality Champion of the Year award is an internationally recognized honour in the tourist and hostelry industries. Launched in 2022, the award recognizes leaders in gender equality and showcases their exceptional practice, encouraging adoption of such practice and improvement throughout the sector.

MARCH

The opening of the Anantara Palais Hansen Vienna materializes the brand's debut in Austria. Located in the historic heart of Vienna, in Schottenring, the hotel occupies a palace built in 1873 by Theophil Hansen. The food options range from the EDVARD, awarded a Michelin star, to the elegant Lobby Lounge & Bar. There are ten rooms for meetings and events, while the leisure facilities include an indoor pool, a gym and the Anantara spa.

The ReThink Hotel awards recognize NH Barcelona Calderón as one of the Top 10 best sustainability and hotel refit renovation projects, highlighting its commitment to solutions that minimize its carbon footprint.

The Company has once again earned second place in the Merco ESG Responsibility Ranking for 2024 in the Tourism sector.

Our commitment to sustainable tourism continues to grow, as does our Up for Planet & People strategy, which encompasses the initiatives we carry out to generate a positive impact on the local communities and destinations where we are present.

The Company's efforts to promote a responsible value chain were reflected with recognition by CDP as 2023 Supplier Engagement Leader, for raising the level of climate action throughout the MHEA supply chain. The Company will continue its drive for sustainable procurement, prioritizing key alliances, increasing consumption from local suppliers and responsible organizations.

APRIL

At the General Shareholders' Meeting held on 19 April, Minor Hotels Europe & Americas announced continuing solid results for the first quarter of 2024. The shareholders also agreed to change the Company's name from NH Hotel Group S.A. to Minor Hotels Europe & Americas S.A.

The change in company name is a business decision that will let the company be recognized by its various stakeholders all over the world under a single corporate name.

NH Collection started its journey 10 years ago, creating the brand promise: "a stay driven by extraordinary feelings".

Now, with almost 100 NH Collection establishments in 21 countries and more than 4500 dedicated team members throughout the world, we have built millions of unique moments and created lifelong memories for our guests.

Fitch has raised Minor Hotels Europe & Americas' corporate rating to 'B' with a stable outlook, an upgrade of two notches, reflecting the company's reported performance in 2023, strong deleveraging and cash flow generation.

MAY

The opening of NH Collection Helsinki Grand Hansa marks the brand's debut in Finland. The hotel combines two buildings of great historic importance, and is one of the best conserved heritage buildings in Helsinki and the heart of Finnish culture and social life since the beginning of the 20th century.

Avani Hotels & Resorts, the Minor Hotels lifestyle brand, continues its European expansion with the launch of Avani Museum Quarter Amsterdam. Located in a reformed mid-century building in the heart of the city's museum district, the 163-room hotel by the canal offers a relaxing stay for both business and leisure guests, as well as access to some of the most unique experiences in Amsterdam through a series of innovative associations.

JUNE

The retirement of Ramón Aragonés is announced, who will be replaced as CEO of Minor Hotels Europe & Americas by Gonzalo Aguilar with effect from 1 January 2025.

The 2024 Minor Awards of Excellence and Leadership Summit was held at the Avani Riverside Bangkok. This was a key annual event for Minor International, a special occasion to recognize our teams and extend networks as an opportunity for growth and collaboration. This year's act, with the title "Broadening horizons", was the official starting point of this journey to explore new opportunities and prepare for the coming years.

A total of five Minor Hotels Europe & Americas hotels won awards at the Travelers' Choice Best of the Best: Anantara Grand Hotel Krasnapolsky and Anantara The Marker Dublin, NH Collection Eindhoven Centre and nhow Amsterdam RAI, and NH Collection Hamburg City.

This award recognizes the best tourist establishments in terms of service, quality and guest satisfaction that obtain excellent opinions from travellers and are ranked among the 1% best establishments in the world.

JULY

Avani Frankfurt City Hotel presents four new experiences designed to submerge guests in the city's vibrant culture, capture the spirit of electronic music and celebrate Frankfurt's historic past as a world hub of techno music.

NH Collection Genova Marina presents the new look & feel of its rooms inspired on its magnificent view of the Old Port of Genoa.

The renovation pays homage to the wonderful city of Genoa, a crossroads of peoples and symbol of maritime culture. The hotel, located on the Ponte Calvi dock, conserves old fragments of the city that mix past and present.

AUGUST

In the first half of 2024, Minor Hotels Europe & Americas achieved revenues of 1,145 million euros, an increase of 11.5% compared to the 1,027 million euros obtained in the same period of the previous year. Between January and June of this year, the hotel chain's total net profit was 71 million euros, 57.4% higher than the 45 million euros achieved in the first half of 2023.

SEPTEMBER

In September the Team Member Engagement Survey 2024 was launched, a key process in gathering feedback from all team members.

NH Collection Eurobuilding presented its new avant-garde, modern design and two new restaurants Casa de Comidas and Bikini Bar, advised by Seville-based chef Rafa Zafra.

OCTOBER

The Company wins the Ecovadis silver medal after completing the assessment process and proving a relatively sound management system that encompasses sustainability criteria, based on four areas: Environment, Work and Human Rights, Ethics and Sustainable Procurement.

The internal newsletter Tell the World reaches its 100th issue. This journey started 10 years ago, and since its launch it has been the channel for communication with team members to share the Company's key milestones.

At the beginning of this month, the team members at the Santa Engracia headquarters were visited by Mr. Dillip Rajakarier, Group CEO of Minor International and CEO of Minor Hotels, Mr. Ramón Aragonés, current CEO of Minor Hotels Europe & Americas and Mr. Gonzalo Aguilar, future CEO of Minor Hotels Europe & Americas, who hosted a meeting in which the three of them were able to enjoy a dialogue.

NOVEMBER

The Q3 2024 Town Hall was the last one for Ramón Aragonés, CEO of Minor Hotels Europe & Americas until 31 December. The team members did not want to miss the opportunity to present a tribute to him and surprise him with a very special event, at which they expressed their gratitude for his leadership and his legacy in the Company.

The Q3 results were presented, in which Minor Hotels Europe & Americas achieves strategic growth, showing an increase in net recurring income of 52%, up to 141 million euros. This solid increase shows the Company's strategic emphasis on revenue optimization and operational efficiency.

DECEMBER

NH Collection Gent opens its doors in the heart of the historic Belgian port city of Ghent.

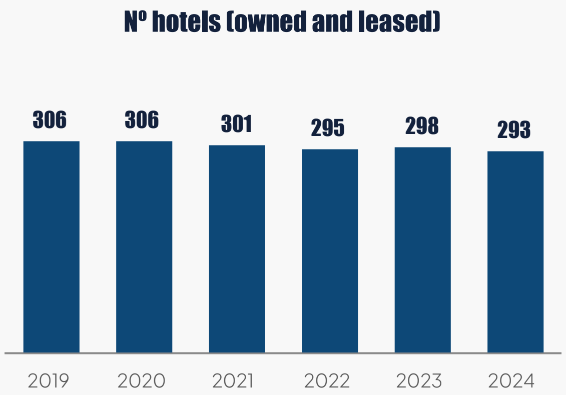
After a large-scale renovation, NH Collection Gent brings the city's rich past to life with a unique combination of modern elegance and a design inspired on the heritage and historic charm of the region.

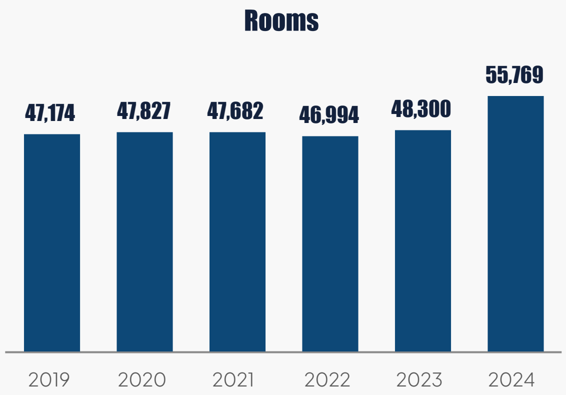
NH Alicante
Alicante, Spain

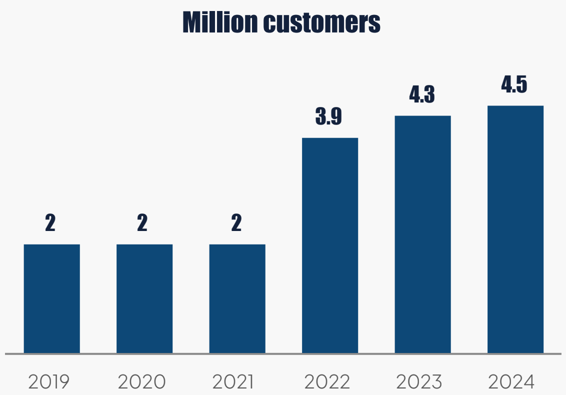
OUR PERFORMANCE AND CONTRIBUTION

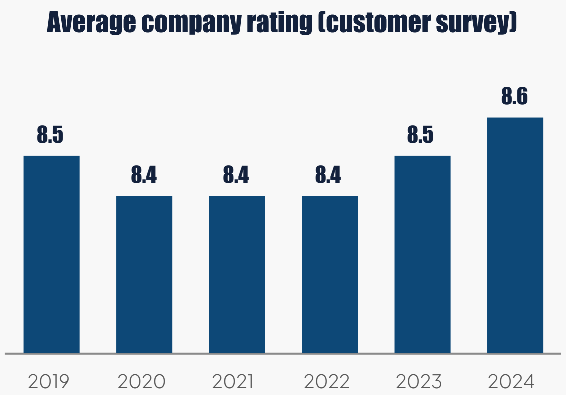
MINOR HOTELS
EUROPE & AMERICAS

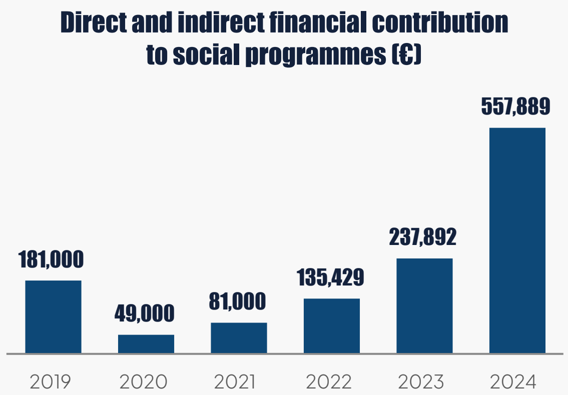
OUR PERFORMANCE AND CONTRIBUTION



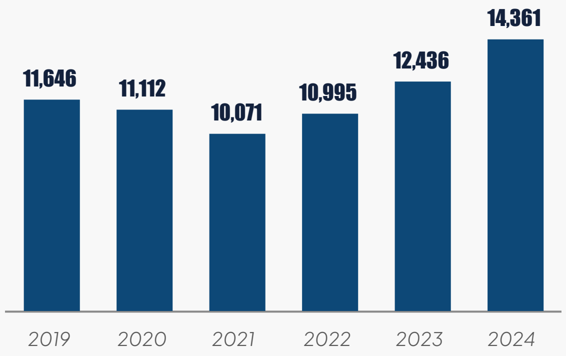




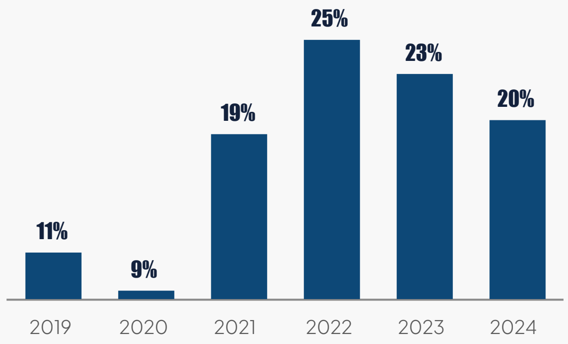




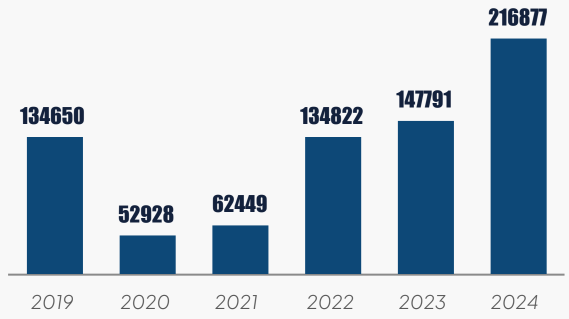
Team members (owned and leased hotels)



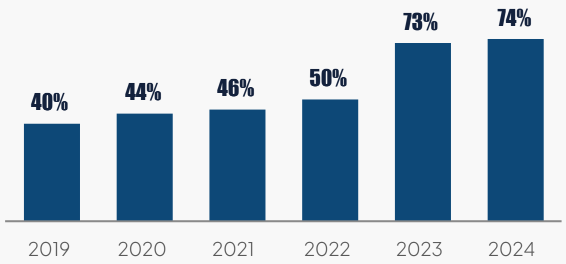
Voluntary turnover rate



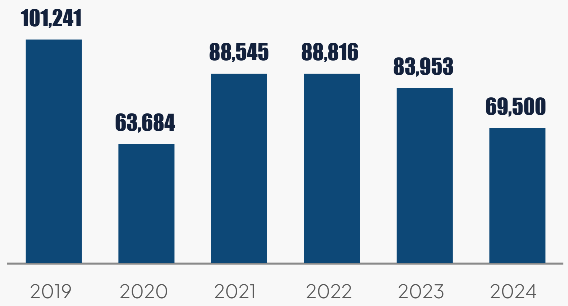
Total hours of training



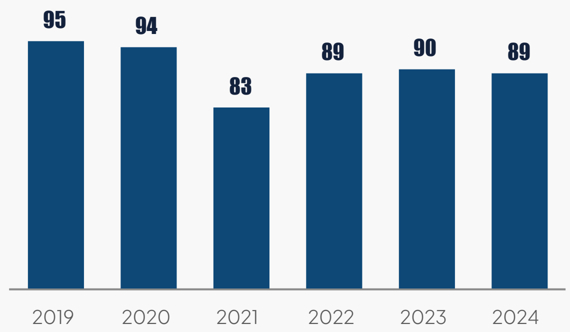
Hotels with sustainability certifications (%)



Total Scope 1+2 emissions (tonnes of CO2)



Purchases from local suppliers (%)



OUR BRANDS IN *EUROPE & AMERICAS*

ANANTARA HOTELS · RESORTS · SPAS

AVANI Hotels & Resorts

nH HOTELS & RESORTS

nH COLLECTION HOTELS & RESORTS

nhow HOTELS & RESORTS

TIVOLI HOTELS & RESORTS

RECOGNITIONS

S&P Global

CDP DISCLOSURE INSIGHT ACTION

INTERNATIONAL HOSPITALITY AWARDS

SILVER | Top 15% ecovadis Sustainability Rating OCT 2024

FTSE4Good

bioscore SUSTAINABILITY CERTIFICATION A+

NH Collection Amistad Córdoba
Cordoba, Spain

RECOGNITION AND AWARDS

MINOR HOTELS
EUROPE & AMERICAS

RECOGNITION AND AWARDS IN 2024

Minor Hotels Europe & Americas is working to consolidate its position as a world leader in excellence, innovation and sustainability in the tourism sector. The awards and recognitions obtained in 2024 are a reflection of the commitment to continue advancing along this path.

It should be noted that, as the name of the company changed in April 2024, there may be awards with the name of the former Company.

CORPORATE AWARDS AND RECOGNITION

ESPAÑA

TRAVEL RANKING AWARDS (NH Hotel Group)

100 MEJORES EMPRESAS PARA TRABAJAR (Minor Hotel Europe & Americas)

PILGRIM AWARDS 2024 (NH Hotel Group)

TOP 100 SOMMELIERS DE ESPAÑA

- Head Sommelier
- Paco Roncero Restaurante - María José Huertas Vega

ITALIA

ITALY'S BEST EMPLOYERS 2025 x Corriere della Sera

- Minor Hotels Europe & Americas

CAMERA DI COMMERCIO SI SPAGNA
Premio alla Responsabilità Sociale e Valori d'Impresa

UK

EQUALITY IN TOURISM: Accommodation category (Recognition – runner-up position) NH Hotel Group

PORTUGAL

PREMIOS XÉNIOS 2024
Mejor Gestor de Potencial Humano

MÉXICO

INCLUSIVE COMPANIES 2024

- Minor Hotels Europe & America

AWARDS AND RECOGNITION FOR HOTELS

ESPAÑA

RE THINK HOTEL
- NH Collection Barcelona Gran Hotel Calderón

NATIONAL GEOGRAPHIC TRAVEL 2024 READERS
- Anantara Palazzo Naiadi Rome

ANNUAL WORLD SKI AWARDS
- NH Collection Andorra Palomé

GUÍA MICHELÍN: Llave Michelín
- Anantara Villa Padierna Marbella Resort

INFORME SOBRE LOS MEJORES HOTELES MICE – CVENT
- NH Collection Madrid Eurobuilding

PREMIOS GASTRO&CÍA
Premio Mejor Apertura de Restaurante de Comida Tradicional:
- NH Collection Madrid Eurobuilding

PREMIOS HOTEL & MANTEL 2024: Mejor Interiorismo
- NH Collection Madrid Eurobuilding

PREMIOS ANUALES DE TURISMO:
Mejor campaña emocional de marca
- NH Collection Hotels & Resorts

ITALIA

ITALIAN MISSION AWARDS
- Best meeting and event space under 1000 m^2 of exhibition spaces: Nhow Milano
- Best luxury business travel hotel:Anantara Palazzo Naiadi Rome Hotel

EUROPEAN MISSION AWARDS 2024
- NH Collection Madrid Eurobuilding

WELL PLATINUM CERTIFICATION: Platinum Certification
- Tivoli Portopiccolo Sistiana Wellness Resort & Spa

USA

BEST HOTELS – U.S. NEWS & WORLD REPORT RANKINGS (11 Hoteles) Gold Winner

TIME's 2024 100 Greatest Places
The World's greatest places of 2024
- Anantara Convento di Amalfi Grand Hotel

NORTH AMERICA'S 50 BEST BARS
Handshake Speakeasy,
- NH Collection Mexico City Reforma

COASTAL LIVING MAGAZINE
Most Stylish Beach Hotels in the world

- Anantara Convento Di Amalfi Grand Hotel

TTG LUXURY TRAVEL AWARDS
Luxury Hotel Company of the Year (Large)

- Anantara Hotels, Resorts & Spa

CONDÉ NAST TRAVELER READERS CHOICE AWARDS: Hotel of the Week

- Anantara Palazzo Naiadi Rome Hotel

TRAVEL + LEISURE WORLD'S BEST AWARDS

- Anantara Convento di Amalfi Grand Hotel
- Tivoli Avenida Liberdade Lisboa
- Anantara Hotels & Resorts
- Anantara Grand Hotel Krasnapolsky Amsterdam

TRIPADVISOR TRAVELLERS CHOICE AWARDS

- Anantara Grand Hotel Krasnapolsky Amsterdam
- Anantara The Marker Dublin
- NH Collection Eindhoven Centre
- nhow Amsterdam RAI

WORLD SPA AWARDS: Brazil's Best Resort Spa 2024

- Tivoli Ecoresort Praia do Forte

CONDÉ NAST TRAVELLER READERS`CHOICE AWARDS

- Anantara Plaza Nice Hotel

Presence of Minor Hotels Europe & Americas in sustainability indices and rankings

Minor Hotels Europe & Americas has been ranked fourth in the Sustainability Yearbook 2024, with a score of 96%, by S&P Global, the sustainable investment agency that ranks the companies that make up the Dow Jones Sustainability Index.

This result consolidates MHE&A's position as a sustainability leader in the industry and confirms the company's solid economic, environmental and social performance.

Minor Hotels Europe & Americas has been awarded the EcoVadis Silver Medal, placing it in the top 15% of companies assessed by this organisation.

This recognition reflects the company's ongoing efforts in the areas of the environment, human and labour rights, ethics and sustainable sourcing, as well as its commitment to promoting transparency throughout the value chain.

Since 2013, the company has been listed on the FTSE4GOOD index, renewing its presence year after year thanks to its responsible management and the improvements it has made. The index was created by the London Stock Exchange to help investors integrate environmental, social and corporate governance (ESG) factors into their decision-making.

The Carbon Disclosure Project recognises the work of the world's leading companies in the fight against climate change. In the latest report, published in February 2025, the Group received a B rating in the annual Climate Change ranking and a B rating in the annual Water Security ranking. With this score, Minor Hotels Europe & Americas once again sees recognition of its pioneering vision of sustainability as a strategic value of the company, which has acted as a lever of transversal value for the company for more than a decade.

In the Merco ranking, the company is one of the 100 most responsible Spanish companies in terms of ESG (Environmental, Social and Governance) in 2024. It is also ranked 2nd in the tourism sector. Through this Corporate Reputation Business Monitor, Merco offers a comprehensive measurement of sustainability that incorporates stakeholder evaluation into its performance.

Minor Hotels Europe & Americas, S.A. and subsidiaries

Audit Report,
Consolidated Annual Accounts and
Consolidated Management Report
at 31 December 2024

Free translation of the independent auditor´s report on the consolidated annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Independent auditor's report on the consolidated annual accounts

To the shareholders of Minor Hotels Europe & Americas, S.A.

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of Minor Hotels Europe & Americas, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, and the statement of profit and loss, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2024, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Key audit matters

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

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Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Key audit matters	How the matters were addressed in the audit
Recoverability of assets associated with the hotel business The Group runs 347 operational hotels that it owns, leases or manages. Assets associated with the hotel business include property, plant and equipment, right-of-use assets, goodwill and other intangible assets, whose carrying amount at 31 December 2024 amounted to €1,786 million, €1,636 million, €139 million and €139 million, respectively, of the corresponding captions of the accompanying consolidated statement of financial position, representing 81% of total assets. The Group assesses the recoverability of goodwill and for the other assets mentioned above, the existence of indications of a decline in value each year, and if so, assesses whether there is impairment requiring the write-down of the carrying amounts of its assets to their recoverable amount, calculated as described in Notes 4.2, 4.3, 4.4 and 11 to the consolidated annual accounts When estimating the recoverable value of each cash generating unit (CGU), the Group considers the higher of fair value less costs to sell and value in use. Value in use is calculated based on future cash flows estimated by applying expected discount and growth rates, in accordance with the Group's business plans. As shown in the accompanying consolidated income statement, the Group recognised a net impairment loss on assets of €5.4 million in 2024. In view of the significance of the judgments made by the Group, the significant estimates made to perform these calculations and considering the quantitative relevance of such assets, we consider that assessing the recoverability of the assets associated with the Group's hotel business is a key audit matter.	Our audit procedures included, among others Understanding the accounting policies applied by the Group, the methodology used and the controls established in its processes for analysing the recoverability of such assets, in order to assess their reasonableness. Obtaining the impairment tests on which we performed, with the collaboration of our internal experts, the following procedures: • Assessment of the reasonableness of the key assumptions and estimates included in the model in relation to future cash flow forecasts and the key aspects considered in estimating cash flows, and the methodology applied to estimate discount rates within an acceptable range. • Arithmetic verification of the calculations taken into consideration in the impairment testing and assessment of the sensitivity analyses, considering the ranges within which the key model assumptions should fluctuate to trigger asset impairment or the reversal of existing impairment. • Evaluation of the sufficiency of the related information disclosed in the accompanying consolidated annual accounts. The results of the procedures carried out have allowed us to achieve the audit objectives for which such procedures were designed.

Key audit matters	How the matters were addressed in the audit
Measurement of right-of-use assets and lease liabilities in hotel leases The Group operates 347 hotels, of which approximately 65% are operated under lease arrangements. At 31 December 2024 the carrying values of rights-of-use assets and lease liabilities, both long-term and short-term, amount to €1,636 million and €2,001 million, respectively, as indicated in the notes to the accompanying consolidated annual accounts (note 8), representing 36% of total assets and 59% of total liabilities, respectively. The Group assesses at the inception of a contract whether it contains a lease, i.e. whether it grants the right to control the use of the identified asset for a period of time in exchange for consideration. Assets and liabilities arising from a lease are initially measured based on the present value of future lease payments, as indicated in note 4.5 to the accompanying consolidated annual accounts and are discounted using the lessee's incremental borrowing rate. Right-of-use assets are depreciated on a straight-line basis over the lease term and lease liabilities are reduced by the lease payments made, discounted with respect to the financial cost each year. In view of the complexity of the calculations performed by the Group, the significance of the estimates made and considering the quantitative relevance of such balances, we consider that the measurement of right -of-use assets and lease liabilities is a key audit matter.	Our audit procedures included, among others • Understanding and evaluating the accounting policies applied by the Group. • Evaluating the controls that the Group has in place in its processes for accounting for hotel lease contracts. • Verifying the movement in right-of-use assets and lease liabilities during the year. • For a selection of contracts and with the collaboration of our internal experts, we evaluated the estimates and assumptions considered by the Group in determining the incremental interest rates used for lease contracts. • Performing tests of details on the additions recognised during the year, verifying, based on a selection, the correct determination of the lease terms and recalculating the resulting amount of right-of-use and lease liabilities. • Performing tests of details on the disposals recognised during the year, verifying, based on a selection, the impacts to be recognised in the income statement as a result of the cancellation of the right-of-use assets and lease liabilities. • Evaluating the sufficiency of the related information disclosed in the accompanying consolidated annual accounts. The results of the procedures carried out have allowed us to achieve the audit objectives for which such procedures were designed.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2024 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit and control committee for the consolidated annual accounts

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

In preparing the consolidated annual accounts, the Parent company'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 aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit and control committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts 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 legislation governing the audit practice 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 annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, 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 company's directors.

- Conclude on the appropriateness of the Parent company's directors' use 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 annual accounts 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 annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit and control 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 company's audit and control committee with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the Parent company's audit and control committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts 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.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Minor Hotels Europe & Americas, S.A. and its subsidiaries for the 2024 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Minor Hotels Europe & Americas, S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration have been incorporated by reference in the consolidated management report.

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit and control committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit and control committee of the Parent company dated 13 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 30 June 2022 appointed us as auditors of the Group for a period of three years, as from the year ended 31 December 2022.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of three years and we have audited the accounts continuously since the year ended 31 December 2019.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 25.2 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by Raúl Llorente Adrián (20613)

13 February 2025

MINOR HOTELS EUROPE & AMERICAS

Consolidated Annual Accounts and Consolidated Management Report at 31 December 2024

2024

MINOR HOTELS EUROPE & AMERICAS
AND SUBSIDIARIES

NH Collection Helsinki Grand Hansa

MINOR HOTELS EUROPE & AMERICAS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 December 2024 AND 31 December 2023

(Thousands of euros)

ASSETS	Note	31/12/2024	31/12/2023
NON-CURRENT ASSETS:			
Property, plant and equipment	7 and 11	1,785,953	1,589,782
Right-of-use assets	8 and 11	1,635,819	1,635,392
Investment in property		2,020	2,056
Goodwill	9 and 11	139,307	85,697
Other intangible assets	10 and 11	139,298	136,046
Deferred tax assets	19	255,166	224,551
Investments accounted for using the equity method	12	42,253	43,719
Other non-current financial assets	13	37,474	34,336
Total non-current assets		**4,037,290**	**3,751,579**
CURRENT ASSETS:			
Inventories	4.8	17,320	15,299
Trade and other receivables	14	189,541	189,636
Current income tax assets	19	18,716	20,572
Other current assets		9,717	9,549
Current financial investments		5,089	–
Cash and cash equivalents	15	219,889	215,991
Assets classified as held for sale	16	67,353	–
Total Current Assets		**527,625**	**451,047**
TOTAL ASSETS		**4,564,915**	**4,202,626**
EQUITY:			
Subscribed capital	17.1	871,491	871,491
Share premium	17.1	776,452	776,452
Other Reserves	17.3	113,769	109,791
Treasury shares	17.4	(417)	(356)
Accumulated gains	17.5	(694,708)	(777,918)
Currency translation difference	17.6	(141,649)	(150,652)
Result for the year attributable to the Parent Company		211,833	128,124
Equity attributed to the Parent Company		**1,136,771**	**956,932**
Non-controlling interests	17.7	59,613	52,790
Total Equity		**1,196,384**	**1,009,722**
NON-CURRENT LIABILITIES:			
Debt instruments and other marketable securities	18	399,234	397,767
Bank borrowings	18	54,854	63,334
Lease liabilities	8	1,732,630	1,698,228
Deferred tax liabilities	19	249,149	176,313
Non-current provisions	21	46,611	43,890
Other non-current liabilities	20	20,437	23,543
Total Non-current liabilities		**2,502,915**	**2,403,075**
CURRENT LIABILITIES:			
Debt instruments and other marketable securities	18	6,444	6,507
Bank borrowings	18	8,572	15,371
Lease liabilities	8	268,185	260,633
Trade and other payables	22	425,167	407,888
Current income tax liabilities	19	22,677	28,263
Current provisions	21	3,744	6,043
Other current liabilities	23	126,146	65,124
Liabilities directly associated with assets classified as held for sale	16	4,681	–
Total current liabilities		**865,616**	**789,829**
Total liabilities		**3,368,531**	**3,192,904**
TOTAL EQUITY AND LIABILITIES		**4,564,915**	**4,202,626**

Notes 1 to 31 set out in the Consolidated Annual Report and Annexes I/II are an integral part of the consolidated statement of financial position at 31 December 2024. The consolidated statement of financial position at 31 December 2023 is presented solely for the purposes of comparison.

MINOR HOTELS EUROPE & AMERICAS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEARS 2024 AND 2023

(Thousands of euros)

	Note	2024	2023
Ordinary income	25.1	2,417,875	2,158,995
Other income	25.1	2,933	5,222
Net gains on disposal of non-current assets	7,8,10 and 25.1	8,675	(239)
TOTAL INCOME		**2,429,483**	**2,163,978**
Procurements		(98,291)	(91,249)
Staff costs	25.2	(625,655)	(530,915)
Other operating expenses	25.2	(988,899)	(915,487)
Net Profits/(Losses) from asset impairment	7, 8, 9, 10 and 11	(5,392)	810
Right-of-use amortisation	8	(190,903)	(186,165)
Property, plant and equipment and other intangible assets amortisation	7 and 10	(112,543)	(106,196)
OPERATING PROFIT/LOSS		**407,800**	**334,776**
Financial income		11,895	12,482
Financial expenses on debt		(29,090)	(32,154)
Financial expenses on leases		(90,778)	(85,608)
Other financial expenses		(30,763)	(26,425)
Other financial profit/(loss)		6,089	(738)
Results from exposure to hyperinflation (IAS 29)		1,377	301
Net exchange differences (Income/(Expense))		(10,677)	(288)
FINANCIAL PROFIT/LOSS	**25.3**	**(141,947)**	**(132,430)**
Share of profit/(Loss) from entities accounted for the equity method	12	1,181	815
NET PROFIT/(LOSS) BEFORE TAX		**267,034**	**203,161**
Income tax	19	(49,144)	(70,316)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**217,890**	**132,845**
PROFIT (LOSS) FOR THE YEAR		**217,890**	**132,845**
Profit/(Loss) for the year attributable to:			
Parent Company Shareholders		211,833	128,124
Non-controlling interests		6,057	4,721
BASIC PROFIT/(LOSS) PER SHARE IN EUROS	***5***	**0.486**	**0.294**
DILUTED PROFIT/(LOSS) PER SHARE IN EUROS	***5***	**0.486**	**0.294**

Notes 1 to 31 set out in the Consolidated Annual Report and Annexes I/II form an integral part of the consolidated statement of profit and loss for 2024. The Consolidated statement of profit and loss for 2023 is presented solely for the purposes of comparison.

MINOR HOTELS EUROPE & AMERICAS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS 2024 AND 2023

(Thousands of euros)

	Note	2024	2023
PROFIT (LOSS) FOR THE YEAR		**217,890**	**132,845**
Conversion differences	17.6	14,998	(17,713)
Total other comprehensive gains (losses) to be registered to profit/(loss) in later periods		**14,998**	**(17,713)**
Actuarial gains (losses) for pension plans and similar obligations - Net of tax	21	(1,320)	(3,888)
Total other comprehensive gains (losses) not to be registered to profit/(loss) in later periods		**(1,320)**	**(3,888)**
OTHER COMPREHENSIVE PROFIT/(LOSS)		**13,678**	**(21,601)**
TOTAL COMPREHENSIVE PROFIT/(LOSS)		**231,568**	**111,244**
Comprehensive Profit / (Loss) attributable to:			
Parent Company Shareholders		219,536	109,571
Non-controlling interests	17.7	12,032	1,673

Notes 1 to 31 set out in the Consolidated Annual Report and Annexes I/II form an integral part of the global consolidated statement of comprehensive income for 2024. The global consolidated statement of comprehensive income for 2023 is presented solely for the purposes of comparison.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2024 AND 2023

(Thousands of euros)

	Capital (Note 17.1)	Share premium (Note 17.1)	Other reserves (Note 17.3)	Treasury shares (Note 17.4)	Retained Earnings (Note 17.5)	Conversion Differences (Note 17.6)	Result for the year attributable to the Parent Company	Equity attributed to the Parent Company	Non-controlling interests (Note 17.7)	Total Equity
Balance at 01 January 2023	**871,491**	**776,452**	**107,555**	**(273)**	**(871,986)**	**(135,978)**	**100,308**	**847,569**	**53,157**	**900,726**
Result for the year	–	–	–	–	–	–	128,124	128,124	4,721	132,845
Other comprehensive profit/(loss)	–	–	–	–	(3,879)	(14,674)	–	(18,553)	(3,048)	(21,601)
Total comprehensive profit/(Loss)	**–**	**–**	**–**	**–**	**(3,879)**	**(14,674)**	**128,124**	**109,571**	**1,673**	**111,244**
Distribution of profit (loss) 2022	–	–	2,236	–	98,072	–	(100,308)	–	–	–
Distribution of dividends	–	–	–	–	–	–	–	–	(1,978)	(1,978)
Other movements	–	–	–	(83)	(125)	–	–	(208)	(62)	(270)
Balance at 31 December 2023	**871,491**	**776,452**	**109,791**	**(356)**	**(777,918)**	**(150,652)**	**128,124**	**956,932**	**52,790**	**1,009,722**
Balance at 01 January 2024	**871,491**	**776,452**	**109,791**	**(356)**	**(777,918)**	**(150,652)**	**128,124**	**956,932**	**52,790**	**1,009,722**
Changes in accounting standards (Note 2.2)	–	–	–	–	(39,731)	–	–	(39,731)	–	(39,731)
Opening balance at 1 January 2024	**871,491**	**776,452**	**109,791**	**(356)**	**(817,649)**	**(150,652)**	**128,124**	**917,201**	**52,790**	**969,991**
Result for the year	–	–	–	–	–	–	211,833	211,833	6,057	217,890
Other comprehensive profit/(loss)	–	–	–	–	(1,300)	9,003	–	7,703	5,975	13,678
Total comprehensive profit/(Loss)	**–**	**–**	**–**	**–**	**(1,300)**	**9,003**	**211,833**	**219,536**	**12,032**	**231,568**
Distribution of profit (loss) 2023	–	–	3,978	–	124,146	–	(128,124)	–	–	–
Distribution of dividends	–	–	–	–	–	–	–	–	(5,154)	(5,154)
Other movements	–	–	–	(61)	95	–	–	34	(55)	(21)
Balance at 31 December 2024	**871,491**	**776,452**	**113,769**	**(417)**	**(694,708)**	**(141,649)**	**211,833**	**1,136,771**	**59,613**	**1,196,384**

Notes 1 to 31 described in the consolidated Financial Statement and Appendices I/II form an integral part of the consolidated statement of changes in equity for the year 2024. The consolidated statement of changes in equity for 2023 is presented for comparison.

MINOR HOTELS EUROPE & AMERICAS, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR 2024 AND 2023

(Thousands of euros)

	Note	2024	2023
OPERATING ACTIVITIES			
Consolidated profit (loss) before tax and discontinued operations:		**267,034**	**203,161**
Adjustments:			
Property, plant and equipment and other intangible assets amortisation (+)	7 and 10	112,543	106,196
Right-of-use amortisation (+)	8	190,903	186,165
(Net) (Profits)/Losses from asset impairment (+/-)	7, 8, 9 and 10	5,392	(810)
Net gains on disposal of non-current assets (+/-)	7, 8, 10 and 25.1	(8,675)	239
Share of profit/(Loss) from entities accounted for the equity method (+/-)	12	(1,181)	(815)
Financial income (-)	25.3	(11,895)	(12,482)
Change in fair value of financial instruments	24.3	–	799
Financial expenses on debt, leases and others (+)	25.3	150,631	144,187
Results from exposure to hyperinflation (IAS 29)	25.3	(1,377)	(301)
Net exchange differences (Income/(Expense))	25.3	10,677	288
Profit (loss) on disposal of financial investments	25.3	(6,089)	(2,338)
Impairment on financial investments (+/-)		–	2,277
Other non-monetary items (+/-)		5,686	9,357
Adjusted profit (loss)		**713,649**	**635,923**
Net variation in assets / liabilities:			
(Increase)/Decrease in inventories		(2,867)	(2,228)
(Increase)/Decrease in trade debtors and other accounts receivable		131	(26,449)
(Increase)/Decrease in other current assets		(4,000)	(10,247)
Increase/(Decrease) in trade payables		(27,317)	28,495
Increase/(Decrease) in other current liabilities		23,782	3,306
Increase/(Decrease) in provisions for contingencies and expenses		(7,181)	(11,285)
(Increase)/Decrease in non-current assets		363	5,275
Increase/(Decrease) in non-current liabilities		(5,149)	(2,963)
Income tax paid		(62,931)	(28,678)
Total net cash flow from operating activities		**628,480**	**591,149**
INVESTMENT ACTIVITIES			
Other interest/dividends received		**9,125**	**11,924**
Investments (-):			
Group companies, joint ventures and associates (Note 6)		(156,911)	(119,210)
Tangible and intangible assets and investments in property	7 and 10	(162,314)	(118,074)
		(319,225)	**(237,284)**
Disinvestment (+):			
Group companies, joint ventures and associates	2.9.5 and 11	19,066	–
Tangible and intangible assets and investments in property		10,034	1,199
Other assets		5,091	2,662
		34,191	**3,861**
Total net cash flow from investment activities		**(275,909)**	**(221,499)**
FINANCING ACTIVITIES			
Dividends paid out (-)		(2,569)	(1,505)
Interest paid on debts (-)		(53,967)	(53,603)
Interest paid by means of payment		(30,604)	(26,297)
Interest paid by financing and other		(23,363)	(27,306)
Payments for transactions with minority shareholders (-)	17.7	(37)	(57)
Payments for transactions with treasury shares (-)	17.4	(46)	19
Payments for bank borrowings (-)	18	(15,352)	(126,703)
Payments for lease liabilities (-)	8	(277,054)	(272,560)
Payments for other financial liabilities (+/-)		(83)	(791)
Total net cash flow from financing activities		**(349,108)**	**(455,200)**
GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**3,463**	**(85,550)**
Effect of exchange rate variations on cash and cash equivalents		**435**	**(222)**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		**3,898**	**(85,772)**
Cash and cash equivalents at the start of the year		**215,991**	**301,763**
Cash and cash equivalents at end of the year		**219,889**	**215,991**

Notes 1 to 31 of the Consolidated Annual Report and Annexes I /II form an integral part of the Consolidated Cash Flow Statement Flow for 2024. The consolidated cash flow statement for 2023 is presented for the purposes of comparison.

Report on the Consolidated Annual Accounts for 2024

1.- ACTIVITY AND COMPOSITION OF THE PARENT COMPANY

MINOR HOTELS EUROPE & AMERICAS, S.A. (hereinafter the Parent Company) was incorporated as a public limited company in Spain on 23 December 1881 under the trade name "Material para Ferrocarriles y Construcciones, S.A.", which was subsequently changed to "Material y Construcciones, S.A." (MACOSA) and later to "Corporación Arco, S.A."

In 1992, Corporación Arco, S.A. took over Corporación Financiera Reunida, S.A. (COFIR), while at the same time adopting the trade name of the company taken over and amending its corporate purpose to the new activity of the Parent Company, which focused on the management of its shareholding portfolio.

During 1998, Corporación Financiera Reunida, S.A. (COFIR) merged with Grupo Catalán, S.L. and its subsidiaries and Gestión NH, S.A. through the absorption of these companies by the former. Subsequently, Corporación Financiera Reunida, S.A. (COFIR) took over NH Hoteles, S.A., adopted its trade name and broadened its corporate purpose to allow for the direct performance of hotel activities, activities in which it had already been engaged indirectly through its subsidiaries.

Information on these mergers can be found in the annual accounts of the years in which said transactions took place.

The General Shareholders' Meeting of 21 June 2014 agreed to change the company's name from "NH Hoteles, S.A." to "NH Hotel Group, S.A."

The General Shareholders' Meeting of 19 April 2024 agreed to change the company's name from "NH Hotel Group, S.A." to "Minor Hotels Europe & Americas, S.A."

The Parent Company heads up a group of subsidiary companies which, together with Minor Hotels Europe & Americas, S.A., make up the Minor Hotels Europe & Americas Group (hereinafter, the "Group" or "MHE&A Group" - see Annexes I and II) which is dedicated to running hotels, on its own, either owning or leasing the hotels, or via third parties, with management, offering a wide range of functions from its corporate head office and regional offices.

The shares of Minor Hotels Europe & Americas, S.A. are traded on the Madrid, Barcelona, Valencia and Bilbao Stock Markets' Continuous Market.

On 11 June 2018, MHG Continental Holding Pte Ltd made a public offer to acquire 100% of the shares making up Minor Hotels Europe & Americas, S.A.'s company capital, the result of which was that Minor International Public Company Limited ("MINT") acquired, via its wholly owned subsidiary, MHG Continental Holding Pte. Ltd., shares representing 94.13% of the share capital of Minor Hotels Europe & Americas, S.A.

On 8 May 2023, MINT announced its decision to begin a purchase process in the market for shares in Minor Hotels Europe & Americas over a period of 30 days. As a result, between 10 May and 8 June 2023, MINT increased its position in Minor Hotels Europe & Americas to 95.87% of the share capital of Minor Hotels Europe & Americas.

On 13 December 2024 the Company's Board of Directors, at the request of the majority shareholder MINT, resolved to convene an Extraordinary General Shareholders' Meeting of the Company on 20 January 2025. The Extraordinary Meeting approved the delisting offer of all the shares representing the share capital of MHE&A from the Spanish Stock Exchanges, and the formulation by MINT of a delisting tender offer at a price of 6.37 euros per share. The effectiveness of the delisting as well as the settlement of the tender offer made by MINT is subject to the authorisation by the Spanish Markets and Securities Commission.

At year-end, the Group is present in 31 countries with 347 hotels and 55,769 rooms, including a significant presence in Europe.

Minor Hotels Europe & Americas, S.A. has its registered address at Calle Santa Engracia, 120 - 7th floor, Madrid, Spain.

2.- BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATION PRINCIPLES

2.1 Basis of presentation of the Consolidated Annual Accounts

The consolidated annual accounts were prepared using the accounting records of Minor Hotels Europe & Americas, S.A. and the consolidated entities. The consolidated annual accounts for 2024 were prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), other applicable provisions within the financial reporting standards framework, and with the requirements for format and framework provided for in the Delegated Regulation EU 2018/815 of the European Commission, Regulation (EC) No. 1606/2002 of the European Parliament and by Law 62/2003, of 30 December on tax, administrative and social measures, and the applicable rules and circulars of the National Securities Market Commission and the other Spanish accounting regulations that may be applicable, with the purpose of showing a true image of Minor Hotels Europe & Americas, S.A. and subsidiaries' consolidated equity and consolidated financial position at 31 December 2024, and the consolidated comprehensive income, consolidated cash flows and consolidated changes in equity for the financial year ended on that date.

The Group adopted the IFRS-EU on 1 January 2004 and, on that date, applied IFRS 1 "First-time adoption of International Financial Reporting Standards".

The Directors of the Parent company consider that the consolidated annual accounts for 2024, which were drawn up on 13 February 2025, will be approved by the General Shareholders' Meeting without amendment. The consolidated annual accounts for 2023 were approved by the shareholders at the General Shareholders' Meeting held on 19 April 2024 and filed with the Companies Registry of Madrid.

Since the accounting standards and valuation criteria applied in the preparation of the Group's consolidated annual accounts may differ from those used by some of its component companies, the necessary adjustments and reclassifications have been made to standardise them and adapt them to the EU-IFRS.

2.2 Standards and interpretations effective in this period

During the year, new accounting standards came into force and were therefore taken into account when preparing the accompanying consolidated annual accounts, but which did not give rise to a change in the Group's accounting policies:

1) New obligatory standards, amendments and interpretations for the year commencing 1 January 2024:

New standards, amendments and interpretations		Obligatory application in the years beginning on or after:
Approved for use in the European Union		
Amendments and/or interpretations:		
Amendment to IFRS 16 Lease liabilities in a sale with subsequent leasing	This amendment clarifies the subsequent accounting for lease liabilities arising from transactions for sale with subsequent leasing.	1 January 2024
Amendment to IAS 1 Classification of liabilities as current or non-current and classification of non-current liabilities with covenants	Clarifications regarding presentation of liabilities as current or non-current.	1 January 2024
Amendment to IFRS 7 and IAS 7 Financing agreements with suppliers	This amendment introduces breakdown requirements for specific information relating to financing agreements with suppliers and their effects on company liabilities and cash flows, including liquidity risk and the management of associated risks.	1 January 2024

Amendment to IFRS 16. Lease liabilities in a sale with subsequent leasing

The application of the amendment to IFRS 16 relating to lease liabilities in a sale and leaseback operation requires the lessee/seller to calculate the lease liability resulting from the sale and leaseback operation as the present value of all lease payments, including an estimate of those that could be considered variable, and this liability determines the proportion of the asset retained.

The application of this amendment affects all sale and leaseback operations entered into after the implementation of IFRS 16 on 1 January 2019. The impact of this amendment for the Group will result in an increase in rights of use of 31,258 thousand euros, in lease liabilities of 84,233 thousand euros and in deferred assets of 13,244 thousand euros, and a reduction in equity of 39,731 thousand euros.

Amendment to IFRS 7 and IAS 7 Financing agreements with suppliers

The amendment to IFRS 7 and IAS 7 relates to supplier financing arrangements that are characterised by an offer by one or more financing providers to pay amounts that an entity owes to its suppliers and that the entity agrees to pay in accordance with the terms and conditions of the arrangements at the same date or at a date later than the date of payment to the suppliers. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared with the due date for payment of the related invoice.

This amendment has no impact on these consolidated annual accounts because the Group has no liabilities under supplier financing agreements, but rather the reverse factoring agreements are launched at invoice maturity as a facility to the supplier and therefore do not represent financing for the Group but are held as current liabilities with creditors in the line "Trade creditors and other account payable".

2) New obligatory standards, amendments and interpretations which in the years following the year commencing 1 January 2024

The following standards and interpretations had been published by the IASB on the date the consolidated annual accounts were drawn up but had not yet entered into force, either because the date of their entry into force was subsequent to the date of these consolidated annual accounts or because they had not yet been adopted by the European Union:

Approved for use in the European Union		
Amendments and/or interpretations:		
Amendment to IAS 21 Absence of Convertibility	This amendment establishes an approach that specifies when one currency can be exchanged for another, and where not, the determination of the exchange rate to be used.	1 January 2025

Awaiting approval for use in the European Union as of the date of publication of this document[1]		
New standards		
IFRS 18 Presentation and Disclosure in Financial Statements	The aim of this new standard is to set out the presentation and disclosure requirements in financial statements, thereby replacing IAS 1 currently in force.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	The aim of this new standard is to detail the disclosures that a subsidiary may optionally apply in the issuance of its financial statements.	1 January 2027
Amendments and/or interpretations:		
Amendment to IFRS 7 and IFRS 9 Classification and valuation of financial instruments	This amendment clarifies the criteria for classifying certain financial assets, as well as the criteria for the derecognition of financial liabilities settled through electronic payment systems. In addition, it introduces additional breakdown requirements.	1 January 2026
Amendment to IFRS 7 and IFRS 9 Contracts that refer to electricity that depends on the nature	This amendment helps companies to better reflect these contracts in the financial statements and consists of a clarification of the application of the "own use" requirements; the possibility to apply hedge accounting; and new disclosure requirements to allow understanding of the effect of these contracts on the company's financial reporting.	1 January 2026
Amendment to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associates or joint ventures	These amendments clarify the accounting treatment of the sales and contributions of assets between an investor and its associates and joint ventures that will rest on if the non-current assets sold or contributed to an associate or joint venture constitute a "business".	Pending approval
Annual Improvements (Vol. 11)	The objective of these improvements is to improve the quality of the standards by amending existing IFRSs to clarify or correct minor issues.	1 January 2026

1) The approval status of the standards can be consulted on the EFRAG website.

2.3 Accounting correction

During 2024, there were no corrections of errors.

2.4 Accounting criteria change

In 2024, there were no significant changes in accounting criteria.

2.5 Comparison of information

As required by IAS 1, the information on 2023 contained in this consolidated annual report is presented for solely comparative purposes with the information on 2024 and consequently does not in itself constitute the Group's consolidated annual accounts for 2023.

2.6 Foreign currency transactions and balances

2.6.1 Functional currency and presentation currency

The consolidated annual accounts are presented in thousands of euros, rounded to the nearest thousand, which is the Parent company's functional and presentation currency.

2.6.2 Foreign currency transactions, balances and cash flows

Transactions in foreign currencies are converted to the working currency using the exchange rates for the functional currency and the foreign currency on the dates on which the transactions are carried out.

Cash assets and liabilities in foreign currencies have been converted into euros using the rate at the end of the financial year, while non-cash valued at historic cost are converted using the exchange rates applicable on the date the transaction took place. The conversion to euros of non-cash assets which are valued at fair value has been carried out using the exchange rate on the date when they were quantified.

In the presentation of the consolidated cash flow statement, the flows from transactions in foreign currencies were converted to euros using the exchange rates on the date they occurred. The effect of exchange rate change on cash and other cash equivalents in foreign currency is presented separately in the cash flow statement as "The effect of exchange rate differences on cash".

The differences appearing in settling transactions in foreign currency and the conversion of foreign currency cash assets and liabilities to euros is recognised in profit and loss. Nevertheless, exchange rate differences occurring in cash entries forming a part of the net business investment abroad are recorded as conversion differences in other global profit and loss.

Losses or gains from exchange rate differences relating to foreign currency cash financial assets or liabilities are also recognised in profit and loss.

The exchange rates for the euro (EUR) for the main Group company currencies for the years ended 31 December 2024 and 2023 were as follows:

	31/12/2024		31/12/2023	
	Closing rate	**Accumulated average rate (1)**	**Closing rate**	**Accumulated average rate (1)**
US dollar (USD)	1.04	1.08	1.10	1.08
Argentine peso (ARS)	1,063.83	1,063.83	892.86	892.86
Uruguayan peso (UYU)	45.21	43.50	43.12	41.98
Chilean peso (CLP)	1,030.93	1,020.41	961.54	909.09
Mexican peso (MXN)	21.55	19.84	18.72	19.18
Colombian peso (COP)	4,545.45	4,347.83	4,347.83	4,761.90
Czech koruna (CZK)	25.18	25.13	24.72	24.00
Hungarian florin (HUF)	411.52	395.26	383.14	381.68
Brazilian real (BRL)	6.43	5.83	5.36	5.40

(1) In Argentina the closing exchange rate is used as a result of Argentina being considered to be a hyper-inflationary economy.

2.6.3 Conversion of business abroad

The following criteria have been different applied for converting into euros the different items of the consolidated statement of financial position and the consolidated statement of profit and loss of foreign companies included within the scope of consolidation:

- Assets and liabilities have been converted by applying the effective exchange rate prevailing at year-end. Equity has been converted by applying the historical exchange rate.
- The historical exchange rate existing at 31 December 2003 of any companies included within the scope of consolidation prior to the transitional date has been considered as the historical exchange rate.
- The consolidated statement of profit and loss was translated at the average exchange rate for the year, except for the companies in Argentina whose economy was declared hyperinflationary and therefore, in accordance with IAS 29, their consolidated statement of profit and loss was translated at the year-end exchange rate.

Any difference resulting from the application these criteria have been included in the “Translation differences” item under the “Equity” heading.

Any adjustments arising from the application of IFRS at the time of acquisition of a foreign company with regard to market value and goodwill are considered as assets and liabilities of such company and are therefore converted using the exchange rate prevailing at year-end.

2.6.4 Foreign operations in hyper-inflationary economies

In 2018, Argentina was declared a hyperinflationary economy due, among other causes, to the fact that the accumulated inflation rate of its economy exceeded 100% over a continuous period of three years.

As a result, the Group began to apply IAS 29 to the financial statements of Argentine companies with retroactive effect from 1 January 2018. Applying the standard involves the following exceptions:

- Adjusting the historical cost of non-monetary assets and liabilities and the different equity items from the acquisition date or inclusion on the consolidated statement of financial position until year-end to reflect the changes in currency’s purchasing power resulting from the inflation.
- Reflecting the loss or gain corresponding to the impact of inflation for the year on the net monetary position in the profit and loss account.
- Adjusting the various items of the consolidated statement of profit and loss and the consolidated cash flow statement for the inflationary index since its generation, with a counterpart in financial results and in a reconciliation item on the statement of cash flow, respectively.
- Converting all components of the financial statements of Argentine companies at the closing exchange rate.

2.7 Responsibility for the information, estimates made and sources of uncertainty

The Directors of the Parent Company are responsible for the information contained in these consolidated annual accounts.

Estimates made by the management of the Group and of the consolidated entities have been used in preparing the Group’s consolidated annual accounts to quantify some of the assets, liabilities, revenue, expenses and undertakings recognised. These estimates essentially refer to:

- The useful life of the tangible and intangible assets. The Group increases the amount for depreciation/amortisation when service lives are less than those previously estimated, and will cancel or reduce the value of obsolete assets which have been abandoned or sold (Note 4.1 and 4.3).
- The assessment of possible impairment losses on certain non-financial assets that require an estimate of the future evolution of business and the most suitable discount rates. The Group considers that its estimates in this area are appropriate and coherent with the current economic climate and reflect its plans for investment and best available estimates for its future income and profit/(loss) based on the sector’s recovery. The Group believes that its estimates in this area are appropriate and consistent with the current economic environment and reflect its investment plans and the best available estimates of its future revenues and earnings, and considers that its discount rates adequately reflect the risks associated with each cash-generating unit (Note 4.4).
- The market value of specific assets.
- The estimate of the lease liability and the right-of-use asset (Note 4.5).

- The recoverability of consolidation goodwill (Note 4.2).
- The estimates for impairment to accounts receivable (Note 4.6).
- Fair value estimates of the assets and liabilities inherent in the acquisition of a business or pool of assets (Note 2.9.2).
- The hypotheses used in the actuarial calculation of liabilities for pensions and other undertakings made to the workforce; The Group has made certain assumptions to calculate the liability arising from commitments to employees (Note 4.12).
- Calculation of provisions and evaluation of contingencies. To do so, the Group assesses certain legal, tax or other types of proceedings that are not closed off at the date the Consolidated Annual Accounts are drawn up (Note 4.15).
- For the calculation of corporation tax, the Group is subject to it in various jurisdictions. To calculate the provision at worldwide scale, issue of significant judgements is required (Note 411).
- The recoverability of capitalised tax credits. The Group only recognises deferred tax assets in as far as their future realisation or use is sufficiently guaranteed. As future circumstances are unsure and partially escape the Group's control, assumptions must be made to estimate future taxable benefits and the period in which deferred tax is recovered (Note 411).
- The Group's strategy takes into account the targets set in relation to climate change (Note 29), for which reason they are also taken into account when preparing these consolidated annual statements. Therefore, in the context of preparing these consolidated annual statements, the effect of the commitments taken on by the Group was taken into account when calculating the service life of assets, closing costs and analysing impairment to non-financial assets.

In spite of the fact that these estimates were carried out using the best information available at 31 December 2024 on events analysed, it is possible that events may take place in the future which compel their amendment (upwards or downwards) in years to come. This will be done in accordance with the provisions of IAS 8, prospectively.

2.8 Going concern

As a result of applying the IFRS 16 accounting standard, the Group has recognised a short-term liability corresponding to the current value of the lease payment commitments to be made in the next twelve months that, 31 December 2024, amounted to 268,185 thousand euros (260,633 thousand euros at 31 December 2023), meaning that, at 31 December 2024, in part, current liabilities are 337,991 thousand euros higher than current assets (338,782 thousand euros at 31 December 2023).

Excluding this effect due to a purely accounting (non-financial) approach (Note 18), current liabilities would exceed current assets by 69,806 thousand euros, which together with the cash generation expectations associated with the business generated by those same leases, does not represent any impediment to the normal development of the business, and that in turn the Group has available credit lines amounting to 313,000 thousand euros.

The Directors have prepared the Consolidated Annual Statements bearing in mind the going concern principle as they understand that the future perspectives of the Group's business will allow positive results and positive cash flows to be obtained in the next financial years.

2.9 Consolidation principles applied

2.9.1 Subsidiaries

Subsidiaries are considered as any company included within the scope of consolidation in which the Parent Company directly or indirectly controls their management due to holding the majority of voting rights in the governance and decision-making body, with the ability to exercise control. This ability is shown when the Parent Company has the power to direct an investee entity's financial and operating policy in order to obtain profits from its activities. Subsidiaries are consolidated from the date control is transferred to the group and they cease to be consolidated from the date on which control ceases.

The purchase method of accounting is used by the group to account for business combinations.

The annual accounts of subsidiaries are consolidated with those of the Parent Company by applying the full consolidation method. Consequently, all significant balances and effects of any transactions taking place between them have been eliminated in the consolidation process. If necessary, adjustments are made to the annual accounts of the subsidiaries to adapt the accounting policies used to those used by the Group.

Non-controlling interests on the subsidiaries' profit and loss and equity are shown separately on the consolidated statement of profit and loss, the consolidated statement of changes in equity and on the consolidated financial statement, respectively.

The profit or loss of any subsidiaries acquired or disposed of during the financial year are included in the consolidated statement of profit and loss from the effective date of acquisition or until to the effective date of disposal, as appropriate.

2.9.2 Business combinations

The Group applied the exception contemplated in IFRS 1 "First-time adoption of International Financial Reporting Standards", so that only business combinations carried out from 1 January 2004–the transition date to IFRS-EU–have been recorded using the acquisition method. Acquisitions of entities prior to that date were recorded in accordance with the previous Generally Accepted Accounting Principles, taking the necessary corrections and adjustments on the transition date into account.

The Group has applied IFRS 3 "Business Combinations"–revised in 2008–to transactions carried out from 1 January 2010.

The acquisition date is the date on which the Group gains control of the acquired business.

The purchase method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the purchase of a subsidiary includes:

- the fair value of the assets transferred
- the liabilities incurred with the previous owners of the business acquired
- the holdings in the equity issued by the group
- the fair value of any asset or liability arising from a contingent consideration agreement, and
- the fair value of any prior holding in the subsidiary's equity.

The identifiable assets acquired, the liabilities and the contingent liabilities assumed in a business combination are, with limited exceptions, initially valued at their fair value on the acquisition date. The group recognises any non-controlling interest in the entity acquired on a basis of acquisition at fair value, or by the proportional part of the non-controlling interest of the net identifiable assets of the entity acquired.

The costs relating to the acquisition are recognised as expenses when they are incurred.

The excess of:

- the consideration transferred
- the amount of any non-controlling interest in the entity acquired, and
- the fair value of any prior holding in the equity of the entity acquired on the acquisition date

over the fair value of the net identifiable assets acquired is recorded as goodwill. If these amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is directly recognised in profit and loss as a bargain purchase.

When payment of any part of the consideration in cash is deferred, the amounts payable in the future are discounted at their actual value on the exchange date. The discount rate used is the entity's incremental borrowing rate of interest, being the rate at which a similar loan may be obtained from an independent financier under comparable terms and conditions.

The contingent consideration is classified as equity or a financial liability. The amounts classified as a financial liability are subsequently revalued at fair value with the changes in fair value being recognised in profit and loss.

If the business combination is carried out in stages, the book value at the date of acquiring the previously held equity holding is revalued at fair value on the acquisition date, and any gain or loss is recognised in profit and loss.

In addition to the above, IFRS 3 provides a framework for entities to use in assessing whether an integrated set of acquired activities and assets can be regarded as an acquisition of assets rather than a business. This includes an optional concentration test to determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or in a group of similar assets. This test is designed to highlight when a transaction is clearly more akin to an asset acquisition and thereby remove it from the scope of the guidance on business combinations. If this is so, the Group decides on a discretionary basis and on a transaction-by-transaction basis whether the transaction is accounted for as an asset acquisition or as a business combination.

2.9.3 Non controlling interests

Non-controlling interests in subsidiaries acquired after 1 January 2004 are recorded by the percentage holding at the acquisition date at the fair value of the net identifiable assets. Non-controlling interests in subsidiaries acquired prior to the transition date are recognised by the percentage holding in their equity on the date of first consolidation.

Excess losses attributable to non-controlling interests prior to 1 January 2010 but not allocated to them as they exceeded the total amount of the holding in the equity of the subsidiary, are recorded as a decrease in equity attributable to the Parent Company shareholders, except in cases where the non-controlling interests have a binding obligation to assume a part or all of the losses and they have the capacity to make the necessary additional investment. Profit obtained in subsequent financial years is allocated to the equity attributable to Parent Company shareholders until the total losses absorbed in previous accounting period relating to non-controlling interests are recovered.

From 1 January 2010, profit and loss and each item on the other comprehensive results, are allocated to equity attributable to the Parent Company shareholders and the non-controlling interests in proportion to the holding, even if this involves a debtor balance for non-controlling interests. Agreements entered into between the Group and the non-controlling interests are recognised as a separate transaction.

2.9.4 Associates

Associates are considered as any companies in which the Parent Company has the ability to exercise significant influence, though it does not exercise either control or joint control. In general terms, it is assumed that significant influence exists when the percentage stake (direct or indirect) held by the Group exceeds 20% of the voting rights, as long as it does not exceed 50%.

Associates are accounted using the equity method in the consolidated annual accounts.

The profit (loss) net of tax of the associate companies is included in the Group’s consolidated statement of profit and loss, in the item "Share of profit/(Loss) from entities accounted for the equity method", according to the percentage of the Group's stake.

If, as a result of the losses incurred by an associate company, its equity was negative, in the Group's consolidated statement of financial position it would be nil; unless there were an obligation on the part of the Group to support it financially.

At each year-end, the existence of indicators of a potential impairment of the investment in the associate is assessed in order to recognise the related impairment loss, where appropriate To calculate the fair value of investments in companies whose main assets are property, valuations have been obtained from an independent expert. For the remaining companies, cash flow discount valuations made in-house have been used, similar to those described in Note 4.4.

2.9.5 Changes in the scope of consolidation

Additions to the scope of consolidation

In September 2024 the Group acquired 100% of the Luxembourg company Minor Continental Holding (Luxembourg) II S.à.r.l., which in turn holds 159,644,120 shares representing 99.999% of the share capital and voting rights of the Brazilian company Pojuca, S.A. ("Pojuca"), which owns or leases or provides hotel services at several hotels in Brazil (Note 2.9.2 and Note 6).

In February 2023, the companies Mateo, Gmbh; Aldon, Gmbh and Mateo Hotel Savona S.a.S. were purchased, tied to the purchase of the NH Savona Darsena hotel. These acquisitions were accounted for by applying the concentration test in accordance with IFRS 3 and recording the transaction as an asset acquisition.

In March 2023, NH Marbella Hotel, S.L. was acquired. This company is not currently trading.

In July 2023, NH Hotels Finland Oy. was acquired for the purpose of operating the NH Collection Helsinki Grand Hansa hotel.

In December 2023, the Group acquired Minor Continental Holding, S.à.r.l., Hotelagos, S.A., Minor Hotels Portugal, S.A. and Minor Luxury Hotels Vilamoura, S.A. associated with the acquisition of the hotels Anantara Vilamoura Algarve Resort, Tivoli Lagos Algarve Resort, NH Marina Portimão Resort, NH Sintra Centro and Tivoli The Residences at Victoria Golf Club. These acquisitions were accounted for by applying the concentration test in accordance with IFRS 3 and recording the transaction as an asset acquisition.

Disposals

In September 2024 the Group sold 100% of its investment in the companies Onroerend Goed Beheer Maatschappij Danny Kayelaan Zoetermeer B.V. and Onroerend Goed Beheer Maatschappij Capelle aan den Ijssel B.V., owners of two hotels in the Netherlands, and the sale resulted in a cash inflow of 18,808 thousand euros and a profit of 5,978 thousand euros (Note 25.3).

In 2023, there were no additions to the scope of consolidation.

Mergers and divisions

During 2024, the companies Minor Continental Holding (Luxembourg) S.à.r.l. and Minor Hotels Portugal, S.A. were merged by absorption.

Also during 2024, Minor Hotels Portugal, S.A. was spun off into Minor Hotels Sintra, S.A. and Hotelagos, S.A. was spun off into Minor Hotels Portimao, S.A.

During 2023, there were no mergers and/or divisions within the perimeter.

3.- PROPOSED DISTIBUTION OF PROFITS

The proposed distribution of the profit (loss) for the year prepared by the Parent Company's Directors and that will be submitted for approval by the Shareholders at the General Shareholders' Meeting is as follows (in thousands of euros):

	Year 2024
To legal reserves	10,427
To voluntary reserves	74,855
To prior years' losses	18,985
Total	**104,267**

4.- VALUATION STANDARDS

The main principles, accounting policies and valuation standards applied by the Group to draw up these consolidated annual accounts, which comply with IFRS in force on the date of the corresponding annual accounts, have been the following:

4.1 Property, plant and equipment

Tangible fixed assets are valued at their original cost. They are subsequently valued at their reduced cost resulting from cumulative depreciation and, as appropriate, from any impairment losses they may have suffered.

Due to the transition to IFRS, the Group reappraised the value of some land to its market value on the basis of appraisals made by an independent expert. The reappraised cost of such land was considered as a cost attributed to the transition to the IFRS. The Group followed the criterion of not re-valuing any of its tangible fixed assets at subsequent year-ends.

Enlargement, modernisation and improvement costs entailing an increase in productivity, capacity or efficiency or a lengthening of the assets' useful life are recognised as increases in the cost of such assets. Conservation and maintenance costs are charged against the consolidated statement of profit and loss for the year in which they are incurred.

Withdrawn assets and items, whether arising as a result of a modernisation process or due to any other cause, are accounted for by derecognising the balances presented in the corresponding cost and accumulated depreciation accounts.

The Group depreciates its property, plant and equipment following the straight line method, distributing the cost of the assets over their estimated useful lives, in accordance with the following table:

	Estimated years of useful life
Buildings	33-50
Technical installation	10-30
Other installations, fittings and furniture	5-10
Other fixed assets	4-5

These items are depreciated based on their estimated useful life or the remaining term of the lease, if this is less than the useful life.

The profit or loss resulting from the disposal or withdrawal of an asset is calculated as the difference between the profit from the sale and the asset's book value, and is recognised in the consolidated statement of profit and loss.

4.2 Goodwill

Goodwill is determined from the criteria set out in the section on business combinations.

Goodwill is not amortised, but its impairment is checked annually or earlier if there are indications of a potential loss in asset value. For these purposes, the goodwill resulting from the business combination is assigned to each of the Group's cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination and have the criteria referred to in section 4.4 (impairment) applied. After initial recognition, goodwill is valued at cost less accumulated impairment losses.

At the time of the disposal of a subsidiary or jointly controlled entity, the amount attributable to the goodwill is included when determining the profits or losses arising from the disposal.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is valued in the functional currency of the acquired company, with the conversion to euros being made at the exchange rate prevailing at the date the financial statements were closed.

Internally generated goodwill is not recognised as an asset.

4.3 Other intangible assets

Other intangible assets are considered to be any specifically identifiable non-monetary assets which have been acquired from third parties or developed by the Group. Only those whose cost can be estimated in an objective way and from which future economic profits are expected are recognised.

Other intangible assets are initially recognised at acquisition or production cost and are subsequently measured at cost less, as appropriate, their accumulated amortisation and any impairment losses they have suffered.

Any assets deemed to contribute indefinitely to the generation of profits are considered to have an indefinite useful life. The remaining intangible assets are considered have a “finite useful life”.

Other intangible assets with an indefinite useful life are not amortised and are hence subjected to the “impairment test” at least once a year (Note 4.4).

Other intangible assets with a finite useful life are amortised according to the straight-line method on the basis of the estimated years of useful life of the asset in question.

The following are the main items recognised under the “Other intangible assets” heading:

I. Usufruct Rights: As a consequence of entering into the consolidation of Hoteles Royal, S.A., the Group recognised operating rights of the hotel portfolio for 35 years within this concept. Furthermore, in the 2020 financial year, with the entry of the “ Boscolo Hotels” Group (operating 8 hotels in privileged areas of Rome, Florence, Venice, Prague, Nice and Budapest) into the scope of consolidation, operating rights of the hotels where operation commenced with this business combination were recognised lasting 31 years.

II. Concessions, patents and trademarks: basically reflect the disbursements made by Gran Círculo de Madrid, S.A. for the refurbishment and remodelling of the building where the Casino de Madrid is located. The amortisation of such works is calculated on a straight-line basis by taking into account the term of the concession for operating and managing the services provided in the building where the Casino de Madrid is located, which finalises on 1 January 2037. Furthermore, this item includes the brands of the Grupo Royal with a useful life of 20 years.

III. Computer applications: include the costs incurred by the Group Companies in the acquisition and development of various computer software programmes acquired by the different consolidated companies. The amortisation of software applications is performed using the straight-line method at a rate of 20-25% per year.

IV. Other rights: include rights relating to lease agreements as a result of business combinations.

V. Surface rights: include rights of use over land on which a hotel is located or built.

4.4 Impairment to non-financial assets subject to amortisation or depreciation

The Group evaluates the possible existence of impairment each year that would reduce the book values of its tangible and intangible assets. A loss is deemed to exist when the recoverable amount is less than the book value.

The recoverable amount of the assets is the greater of their fair value less the costs of transfer or disposal by another means and their value in use.

In relation to Goodwill and other intangible assets with an indefinite useful life, and regardless of the existence of any indication of impairment, the Group checks potential impairment at least once a year.

The recoverable amount should be calculated for an individual assets, unless the asset does not generate cash entries which are, by and large, independent of those relating to other assets or groups of assets. If this is the case, the recoverable amount is calculated for the Cash-Generating Unit (CGU) it belongs to. As a general rule, the Group has defined each of the hotels it operates as cash-generating units, according to the real management of their operations.

If there are signs of impairment in a CGU that goodwill could not be allocated to goodwill, the Group checks, in the first place, the impairment to the CGU, without including goodwill and recognises, as appropriate, the impairment loss at the level of the CGU. Subsequently, the Group checks the impairment in the group of CGUs to which goodwill was allocated and recognises, as appropriate, the impairment loss at the level of the groups of CGUs.

In the case of Hoteles Royal, S.A., where the whole business of Grupo Royal was acquired and whose purchase was effective in 2015, the cash-generating unit corresponds to the Group as a whole (Colombian, Chilean and Ecuadorian market).

In 2020, with the acquisition of the Boscolo Hotels Group, goodwill was generated which was allocated to a single cash generating unit that relates to the entire Group.

The operating result for each CGU is obtained at the end of the year without taking non-recurring results (if any) or financial results into account. Once the operating result is obtained for each CGU, the impairment test is performed for those in which there are indications of impairment. Among others, the Group considers a CGU to have indications of impairment if it meets the following conditions: it has an associated impairment or it has negative profit/loss from operations and its business is stable (3 years since opening).

Losses due to impairment of the CGU initially, if appropriate, reduce the value of the goodwill allocated to it, and subsequently to the CGU's other assets, pro rata depending on the book value of each one of the assets, with the limit for each one of them of the greater of their fair value less the costs of disposal and its value in use.

On each closing date the Group assesses whether there are any indications that impairment losses recognised in previous years no longer exist, or may have decreased. Impairment losses relating to goodwill are not reversible. Impairment losses on the remaining assets are only reversed if a change has occurred in the calculations used to determine the asset's recoverable amount. Reversal of the impairment loss is recorded as a credited to profit and loss.

The value in use is calculated from the estimated future cash flows, discounted at a discount rate after tax that reflects the current market valuation with respect to the value of money and the specific risks associated with the asset, covering a five-year period and a perpetual value, except in the case of leased hotels that correspond to the term of the lease, a perpetual value therefore not being considered in the latter.

During the year, the Group carried out a appraisal of most of the hotel assets owned by the Group, which were appraised by a global firm specialising in appraisals and consulting services. The valuation of assets at 31 December 2024 covered 64 assets. The valuation was made by a global firm specialising in valuation and consultancy services.

Depreciation of assets subject to impairment is affected depending on their book value net of impairment. In the event that an impaired asset reaches a recoverable amount that is higher than its net book value, the impairment loss will be reversed but will not exceed the book value that could have been obtained (net of depreciation) if a value impairment loss had not been recognised for that asset in previous years.

4.5 Leases

At the beginning of a contract, the Group assesses whether it contains a lease. A contract is, of contains, a lease if it gives the right to control the use of the asset identified during a period of time in exchange for a consideration. Leases are recognised as a right-of-use asset and the corresponding liability on the date the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially valued based on their present value. Lease liabilities include the net present value of the following leasing payments:

- Fixed payments (including fixed payments in essence), less any lease incentive collectable.
- Variable payments for leases that reply on an index or rate, initially valued according to the index or rate on the start date.
- Amounts expected to be paid by the group for residual value guarantees.
- The price to exercise a purchase option if the group is reasonably certain that it will exercise that option.
- Penalty payments terminating the lease if the term of the lease reflects the group exercising that option.

In order to determine the term of the lease contracts, the Group has taken as non-cancellable the initial term of each contract, taking the possible unilateral extensions at the option of the Group only in those cases in which it has been reasonably considered certain that they will be exercised, and only the cancellation options whose exercise has been reasonably considered certain have been taken into account.

The general determination of not including unilateral extension of contracts as a part of their term, is based on the Group´s historical experience. The windows for renewal have historically been used as renegotiation windows, unless the market situation was clearly favourable for the Group. Therefore, given that hotel rental agreements are normally signed with a first term that is higher than a macroeconomic cycle (5 years), our experience shows that is it highly probable that some unknown event may occur on the date the agreement is signed, and which may significantly affect such judgement. The attacks in Europe, or the COVID-19 pandemic, serve as an example as they changed the economic paradigm and affected the frameworks for negotiating rent. Furthermore, to determine the term for lease agreements, the term for recovering the investments made in it are taken into account.

To determine lease terms, there are no penalties for not exercising the extensions mentioned above, nor have early terminations with penalties been included.

Contracts may contain leasing and non-leasing components. The Group assigns the consideration in the contract to the leasing and non-leasing components based on their relative independent prices. For real estate leases in which the Group cannot separate the leasing and non-leasing components, it accounts for them as a single leasing component.

Leasing payments are discounted using the implicit interest rate in the lease. If this rate cannot be easily determined, which is generally the case for the group's leases, the incremental interest rate is used. The incremental interest rate is the interest rate that the lessee would incur at the commencement of the lease if it borrowed, over a period of time, with similar guarantees and in a similar economic environment. The interest was calculated as a combination of the following elements:

- CDS curve of the economic environment
- Euribor Swap Rate Curve.
- Synthetic MHE&A CDS curve.

These elements were combined to obtain an interest rate curve for each contract based on its geoeconomic specificities and from which the calculation process consists of bringing each of the discounted flows to the present value at the interest rate corresponding to each maturity within said curve and calculating which single equivalent rate would be used to discount said flows.

Potential future increases in variable payments for leases based on an index or rate are not included in lease liabilities until they take effect. When the adjustments to the leasing payments based on an index or rate take effect, the leasing liability is assessed again and set against the asset for right of use.

In addition, any change in the scope or consideration of a lease that is considered material would result in the lease liability being remeasured and the value of the right-of-use asset adjusted accordingly.

Lease payments are recorded as a derecognition of the discounted liability, which is increased by the finance cost. The financial cost is charged to profit/(loss) during the leasing period in a manner that records interest that increases the outstanding balance of the liability in each period.

Right-of-use assets are valued at cost that comprises the following:

- The initial valuation amount of the leasing liability.

- Any leasing payment made on or before the state date, less any incentive to lease received.
- Any initial indirect cost.
- Restoration costs.
- Incentives to lease received from the lessor.
- Provision on onerous contracts

Once their value has been determined, right-of-use assets are amortised on a straight-line basis over the lease term.

In application of IFRS 16, all rent that does not come under the definition of fixed payments in substance and, therefore, is outside the Group's maximum compulsory commitment, as they are not inevitable, is recorded as an operational expense for the year.

Therefore, the Group records variable rent that is linked to exploitation of the underlying assets as an expense, along with those arising from percentages of sales and other similar reference points. Moreover, all rent that, in application of IFRS 16, are outside the Group's maximum compulsory commitment are recorded as an operational expense for the year.

Variable rents that are not, in essence, fixed and the way in which they may involve a liability for the Group would be that the flows arising from exploitation of the CGU are estimated to be negative and, therefore, the Group would be obliged to record a provision for onerous contracts.

Short-term leases and low-value leases are recognised as an expense in the consolidated profit and loss account on a straight line basis. A short-term lease contract is one where the period is less than or equal to 12 months. A “low value contract” is one whose underlying asset assigned in use would have a new value of under 5 thousand euros.

In the event that the Group carries out the sale of a hotel asset with subsequent leasing of it, the value of the leasing liability is calculated in accordance with the criteria set out above, but the value of the asset will be calculated according to the part of the previous book value for the asset retained. Therefore, only the amount of any loss or gain referring to the rights transferred to the purchase/lessor will be recorded as profit/(loss) for the sale. Any substantial amendment to the contract after the transaction for sale and subsequent leasing will be treated in the same way as any contractual change, without affecting the profit/(loss) recorded for the sale

In the event that a lease contract expires and is not renewed or is terminated early due to a termination condition in the contract, the remaining liability and the right-of-use asset are cancelled and any difference between the two is recognised in the consolidated statement of profit or loss. The same impact on the consolidated income statement would occur in the event that a material change in a lease contract would result in a reduction of the liability in excess of the right-of-use asset outstanding at the date of the change.

4.6 Financial Instruments

4.6.1 Financial assets

Financial assets are recognised in the consolidated statement of financial position when they are acquired and initially recognised at their fair value. The financial assets held by Group companies are classified as follows:

- Financial assets at fair value through comprehensive profit or loss or consolidated profit and loss: are those assets acquired by the companies with the objective of obtaining the contractual flows and selling them; or those assets that do not consist exclusively of the payment of the principal and interest and the management model is the sale of the same, in general terms, practically all of the variation in the fair value of the Group's financial assets are recorded with a charge to the consolidated statement of changes in equity. Interest income, exchange rate differences and impairment losses are recognised in the income statement and other gains or losses are recognised in the consolidated statement of profit and loss. Any cumulative gain or loss recognised in equity is reclassified to profit or loss at the time of derecognition.

- Financial assets at amortised cost: assets whose contractual cash flows consist exclusively of principal and interest payments and, if the management model of such assets is to hold them to obtain the contractual flows. In this case, the Group records any changes in value with a charge to the consolidated statement of profit and loss.

Transaction costs at the time of acquisition are recognised as an increase in acquisition cost or as an expense, depending on whether the financial asset being transacted is considered at fair value with changes in the comprehensive profit and loss or consolidated profit and loss.

Fair value of a financial instrument on a given date is construed as the amount for which it could be bought or sold on that same date by two knowledgeable parties acting freely and prudently under conditions of mutual independence.

Interest accrued on financial assets at amortised cost is recognised in the consolidated comprehensive statement of profit and loss on the basis of the effective interest rate. Amortised cost is construed as the initial cost minus any collections or amortisation of the principal, taking into account any potential reductions based on expected loss.

As regards valuation corrections made to trade and other accounts receivable in particular, the criterion used by the Group to calculate the corresponding valuation corrections, if any, generally consists of provisioning according to the expected loss based on the credit risk of the customer portfolio.

The Group derecognises financial assets when the cash flow rights of the corresponding financial asset have expired or have been transferred and the risks and rewards incidental to its ownership have been substantially all transferred.

Conversely, the Group does not derecognise financial assets and recognises a financial liability for an amount equal to the consideration received in the transfers of financial assets in which the risks and rewards inherent in its ownership are substantially all retained.

Trade debtors and other receivables

Accounts receivable arising from trading operations are initially recorded at their transaction price and, subsequently, a value correction is made for expected credit losses. Expected credit losses–due to the fragmentation of the Group's trade debtors–are estimated taking the history of losses due to non-payment with respect to the Group's sales and open items into account.

Furthermore, the group's credit risk tools are being used, with a default insurance policy for the clients included in the policy, and for which, in the event of there not being certainty about payment, the requirements of the policy to claim the amounts as an "incident" are being followed.

4.6.2 Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated statement of financial position includes cash, demand deposits and other short-term, highly liquid investments that can be realised in cash quickly and are not subject to a risk of changes in value.

4.6.3 Financial liabilities

Issues of bonds and other securities

Debt issues are initially recognised at the fair value of the consideration received, less the costs directly attributable to the transaction. They are subsequently valued at their amortised cost using the effective interest rate method. Bonds with a maturity date greater than twelve months are classified under non-current liabilities, while those with a maturity date of less than twelve months are included in current liabilities.

In the case of renegotiations, if they were considered non-substantial and consequently did not require the de-recognition of the financial liabilities, the book value of the amortised cost of those financial liabilities at the date of renegotiation is recalculated and a gain or loss due to changes in profit or loss is recognised.

Convertible bond issues are recognised at the time of their issue, distributing the fair value of the consideration received between their equity and liability components, assigning the residual value obtained after deducting the amount established separately for the liability component, from the fair value of these instruments as a whole, to the equity instrument. The value of any derivative embedded in the compound financial instrument other than the equity component will be included in the liability component.

Bank loans

Loans received from banking institutions are recognised at the amount received, net of costs incurred in the transaction. They are subsequently valued at amortised cost. These costs incurred in the transaction and the financial expenses are recognised on an accrual basis in the consolidated statement of profit and loss using the effective interest rate method, and their amount is added to liabilities to the extent to which they are not settled in the period they were produced.

In the case of renegotiations, if they were considered non-substantial and consequently did not require the de-recognition of the financial liabilities, the book value of the amortised cost of those financial liabilities at the date of renegotiation is recalculated and a gain or loss due to changes in profit or loss is recognised.

Trade and other payables

Trade accounts payable are initially recognised at fair value and are subsequently valued at amortised cost using the effective interest rate method.

The Group has contracted confirming operations with various financial entities to manage the payment to suppliers. Trade payables whose payment is managed by financial entities are shown under the entry for trade creditors and other accounts payable, in as far as the Group has only assigned payment management to the financial entities and remains primarily obliged to pay the debt to trade creditors.

Valuation techniques and assumptions applying to the measurement of fair value

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and liabilities under standard terms and conditions which are traded in active liquid markets are based on market prices.
- The fair value of other financial assets and liabilities (excluding derivatives) is determined in accordance with generally accepted valuation models on the basis of cash flow discounting using the price of observable market transactions and contributor listings of similar instruments.
- In order to determine the fair value of interest rate derivatives, cash flow discounting is used based on the implicit flow determined by the interest rate curve according to market conditions. In order to determine the fair value of options, the Group uses the Black-Scholes valuation model and its variants, using for this purpose market volatilities for the strike and maturity prices of said options.

Any financial instruments valued after their initial recognition at fair value are classified as level 1 to 3 based on the extent to which fair value can be observed:

- Level 1: includes any instruments indexed to listed prices (without adjustment) of identical assets or liabilities in active markets.
- Level 2: includes any instruments indexed to other observable inputs (which are not the listed prices included under Level 1) for assets or liabilities, be it directly (i.e., prices) or indirectly (i.e., derived from prices).
- Level 3: includes any instruments indexed to valuation techniques, which include inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

4.6.4 Equity instruments

An equity instrument represents a residual interest in the equity of the Parent Company once all its liabilities are subtracted.

Equity instruments issued by the Parent Company are recognised in equity for the amount received, net of the issue expenses.

4.7 Classification of financial assets and liabilities between current and non-current

In the attached consolidated statement of financial position, financial assets and debts are classified on the basis of their maturity; in other words, those with a maturity date equivalent to or less than twelve months are classified as current and those with a maturity date exceeding this are non-current.

4.8 Inventories

Inventories are measured at the lower of cost or realisable value and the cost of inventory is based on the amount invoiced by the supplier and using a weighted average cost system for the valuation of each type of inventory.

The inventories recorded as at 31 December 2024 relate mainly to food and beverages and room service and cleaning materials amounting to 11,097 thousand euros and 6,223 thousand euros respectively (9,611 thousand euros and 5,688 thousand euros at 31 December 2023).

4.9 Income and expenses

Income and expenses are recognised on an accrual basis, i.e. when the control of goods and services they represent has been transferred, irrespective of the moment when the monetary or financial flows deriving from them arise.

More specifically, income is calculated at the fair value of the consideration to be received and represents the amounts to be collected for the goods and services delivered within the ordinary framework of operations, subtracting any discounts and taxes.

Sale of rooms and other related services

Income from the sale of rooms and other related services is recognised daily based on the services provided by each hotel, including customers who are still staying at the hotel at the close of each day. In this respect, the Group recognises the income when the service is considered to be provided and, therefore, fulfils the obligation for performance assumed on check-in. Due to this, for example, in the case of an accommodation service that covers several nights, the income is recognised on a daily basis for each one of the overnight stays.

The consideration received is distributed among the contracted services. These include direct services such as room, food, drink and other consumption, and others related to banquets, events and the rental of spaces. Therefore, the obligations are completely separate and they are recorded at the time they occur.

In the case of the sale of several services together, such as, for example, an accommodation service with one for breakfast, the Group, when it makes the offer, sets the price for each one of the obligations assumed, for which reason at the time the services are considered to be provided the income is recorded at the price set beforehand. Solely in the case of promotions where the service is provided “free-of-charge” with the other one, the Group applies a methodology where the consideration is divided using a ratio calculated by hotel based on the costs of the service at that hotel plus an additional margin.

Provision of services

The Group recognizes the income from its hotel management contracts in the year in which the services are provided, based on the evolution of the variables that determines this income and which are mainly the total income and the gross operating profit of each hotel managed by the Group.

Loyalty programme

On 1 July 2022, the Group joined the Global Hotel Alliance (GHA), which runs the multi-brand hotel loyalty programme Discovery, such as "NH Discovery". This means that the loyalty programme has been outsourced and is now managed by GHA, which implies a change to its accounting treatment. To this effect, the Group is no longer responsible for the significant entitlement provided to the customer with the delivery of points, except in the case of promotions that we launch in addition to those made by GHA. The provision related to the loyalty programme at year end is therefore not significant. The existing provision at 31 December 2024 relates to customer entitlements generated under the new Discovery multi-brand hotel loyalty programme and these entitlements expire in less than one year at the end of the year.

4.10 Official subsidies

Group companies follow the criteria set out below in recognising official subsidies:

- Non-reimbursable capital subsidies (connected with assets) are valued at the amount granted, recognised as deferred income and taken into profit and loss in proportion to the depreciation of the assets financed by such subsidies during the financial year.

- Operating subsidies are recorded depending on the grounds for them being granted, either as a reduction in the expenses they finance, or as other income.

4.11 Income tax

The cost of the year’s gains tax is calculated through the sum of the current tax resulting from applying the tax rate to the taxable income for the year and then applying the relevant tax adjustments according to the law plus any changes in deferred tax assets and liabilities.

In addition, as the Group is within the scope of the OECD Pillar 2 rules and on 21 December 2024, Law 7/2024 of 20 December was published in the Official State Gazette, establishing a Supplementary Tax to ensure an overall minimum level of taxation for multinational groups and large domestic groups, a Tax on the interest and commission income of certain financial institutions and a Tax on liquids for electronic cigarettes and other tobacco-related products, and amending other tax regulations (hereinafter "Law 7/2024"), the Group analyses the possible impacts that may arise from the application of such tax and whether it would be required to pay an additional tax on the difference between the effective GloBE tax rate per jurisdiction and the minimum rate of 15%. The analysis of all Pillar 2-related regulatory implementation is provided in Note 19.

Deferred tax assets and liabilities include temporary differences, being any amounts expected to be payable or recoverable due to differences between the book values of the assets and liabilities and their tax value, as well as tax loss carry-forwards and any credits resulting from unapplied tax deductions. Said amounts are recognised by applying to the relevant temporary difference or credit the tax rate at which they are expected to be recovered or settled.

In some countries, the tax rate varies depending on whether a transfer of assets is made. In these cases, the Group's policy consists of applying the effective tax rate at which they are expected to be recovered or settled. In the opinion of the Parent's Directors, the deferred tax thus calculated covers the amount which may eventually be settled, if any, in the foregoing case.

Deferred tax liabilities for all taxable temporary differences are recognised, except for those in which the temporary difference arises from the initial recognition of goodwill amortisation of which is not tax-deductible or the initial recognition of other operating assets and liabilities which do not affect either the tax or accounting result.

Deferred tax assets identified as temporary differences are recognised only if it is deemed probable that the consolidated entities will make sufficient tax profits in the future to realise them and they do not come from the initial recognition of other assets and liabilities in a transaction which does not affect either the tax or accounting result. The remaining deferred tax assets (negative tax bases and tax credit carryforwards) recognised are those for which it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which they can be utilised, based on information available at the date of preparation of these consolidated annual accounts.

The Group offsets deferred tax assets and liabilities if there is a legal right to offset with the tax authorities and such assets and liabilities relate to the same tax authority, and the same taxpayer, or several taxpayers, who intend to settle or realise current tax assets and liabilities for their net amount, or realise assets and settle liabilities simultaneously, in each one of the future years where is expected to settle or recover significant amounts of deferred tax assets or liabilities.

The Group capitalises tax credits on the basis that it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised, based on estimates of future profits over a reasonable period of time, prepared on the basis of information available at the date of preparation of these consolidated annual accounts.

At each year-end, deferred taxes (both assets and liabilities) are reviewed in order to verify that they remain in force and the relevant corrections are made in accordance with the outcome of the analyses conducted.

4.12 Obligations to employees

Spanish hotel companies are obliged to make a specific number of monthly salary payments to those employees who leave the company due to retirement, permanent disability or upon reaching a certain age and having a certain number of years of service and fulfilling certain pre-established requirements.

In this regard and in compliance with Royal Decree-Law 16/2005, the Group has outsourced its pension obligations for its employees' pension plans.

Also, in accordance with Italian law, employees of Italian companies have the right to compensation if they resign or are dismissed.

Its obligations to personnel also include those arising from contracting pension funds for certain employees, which in the Group, mainly affects the business units of Italy and the Netherlands.

Therefore, to provide for these obligations to future payments to personnel, the Group has recognised a liability under "Provisions" (Note 21).

4.13 Onerous contracts

The Group considers onerous agreements to be those in which the inevitable costs of fulfilling the obligations they entail exceed the economic benefits expected from them. In the current financial year, no contract or business is in this situation, nor is it estimated that any could acquire such a situation.

The Group follows the principle of recording a provision at the present value of the aforementioned differences between the costs and benefits of the contract, or the compensation foreseen for abandonment of the contract, if such is decided.

4.14 Treasury shares

Pursuant to IAS 32, treasury shares are presented by reducing the Group's equity. Treasury shares are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in the consolidated statement of profit and loss.

4.15 Provisions for risks and charges

The Group follows the policy of provisioning for the estimated amounts arising from ongoing litigation, indemnities or obligations, as well as for any sureties or guarantees granted by Group companies which could involve the Group in a payment obligation (either legal or implicit), provided the amount can be reliably estimated.

Provisions are quantified based on the best information available on the position and evolution of the events that cause them and are re-estimated at the end of each reporting period, being totally or partially reversed when these obligations cease to exist or decrease.

Contingent liabilities, except in business combinations, are not recognised in the consolidated financial statements, but are reported in the notes to the financial statements, in accordance with the requirements of IAS 37.

4.16 Environmental policy

Investments arising from environmental activities are valued at their original cost and capitalised as increases in the cost of fixed assets or inventory in the financial year in which they are incurred.

Any expenses arising from environmental protection and improvement are recognised in the consolidated statement of profit and loss for the year in which they are incurred, irrespective of the moment when the cash or financial flows deriving from them arise.

Provisions for likely or certain liabilities, ongoing litigation and outstanding indemnities or obligations of an indeterminate amount connected with the environment and not covered by the insurance policies taken out are established at the time the liability or obligation linked to the indemnities or payment arises.

4.17 Consolidated cash flow statement

The following terms with their corresponding explanation are used in the consolidated cash flow statement prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operational activities: the typical activities of the entities forming the consolidated group, along with other activities that cannot be classified as investing or financing activities. The group presents confirming activities for trade payables as an operational activity.
- Investing activities: the acquisition and 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 liabilities that are not operating activities.

4.18 Assets and related liabilities held for sale and discontinued operations

Assets and liabilities whose book values are recovered through a sales transaction rather than through continued use are classified as non-current assets held for sale and liabilities related to non-current assets held for sale. This condition is deemed to be met only when the sale is highly probable and the asset is available for immediate sale in its present condition and is expected to be completed within one year from the date of classification.

Non-current assets and related liabilities classified as held for sale are measured at the lower of historical cost or fair value less costs to sell.

Discontinued operations represent components of the Group that are to be disposed of or by a different means. These components comprise activities and cash flows that can be clearly distinguished from the rest of the Group, both operationally and for financial reporting purposes, and represent business lines or geographic areas that can be considered separate from the rest.

5.- PROFIT/(LOSS) PER SHARE

Profit (Loss) per share is calculated by dividing the net profit or loss attributable to the Group in a period by the weighted average number of shares in circulation during the period, excluding the average number of treasury shares held during the same period.

In accordance with this:

	2024	2023
Net Profit/(Loss) for the year (thousands of euros)	211,833	128,124
Weighted average number of shares in circulation (in thousands)	435,652	435,656
Basic and diluted Earnings/(Losses) per share in euros	**0.486**	**0.294**

6.- BUSINESS COMBINATIONS

On 19 September 2024, the Group acquired the shares representing 100% of the share capital of the Luxembourg company Minor Continental Holding (Luxembourg) II S.à.r.l. from MHG Continental Holding (Singapore) Pte, Ltd., a wholly owned subsidiary of Minor International Public Company Limited, the parent company of MHE&A (Note 26). Minor Continental Holding (Luxembourg) II S.à.r.l. in turn holds 159,644,120 shares representing 99.999% of the share capital and voting rights of the Brazilian company Pojuca, S.A. ("Pojuca"), which holds the ownership or the lease agreement or hotel services contract of the properties where the following hotel assets of the Minor Group in Brazil are located:

- The Tivoli Ecoresort Praia do Forte hotel property;
- The lease contract until 2065 of the property where the Tivoli Mofarrej São Paulo hotel is located;
- The annually renewable hotel services agreement in relation to the NH Curitiba The Five hotel of which MHE&A is the lessee through its subsidiary NH Brasil; and
- The hotel services agreement until 2044, extendable until 2049, in relation to the NH Feira de Santana hotel;

The initial consideration for the acquisition was 201,047 thousand euros adjusted upwards by the net working capital position at 31 August 2024 of 10,913 thousand euros. At year-end, 169,568 thousand euros was paid by the Group and the second tranche of the purchase price, plus an interest rate of 5.25% applicable from the closing date until the payment date, which will be paid no later than 19 September 2025. This second tranche at 31 December amounts to 43,026 thousand euros. Following a subsequent review of the net working capital position at the acquisition date and an additional agreement with the seller, the Group has recorded an account receivable from the seller amounting to 477 thousand euros, recorded under "Other non-trade debtors".

The consideration, the final fair values of the assets and liabilities identified at acquisition and the final goodwill are shown below:

Concept	Thousands of euros
Other intangible assets (Note 10)	1,347
Property, plant and equipment (Note 7)	171,683
Right-of-use Assets (Note 8)	69,380
Other non-current financial assets (Note 13)	4,461
Deferred tax assets (Note 19)	180
Other non-current assets	2,833
Cash and cash equivalents	11,388
Other current assets	9,008
Lease liabilities (Note 8)	(45,831)
Provisions for contingencies and charges (Note 21)	(4,461)
Deferred tax liabilities (Note 19)	(60,416)
Other current liabilities	(12,418)
Net assets acquired at fair value	**147,154**
Net Consideration	211,483
Goodwill (Note 9)	**64,329**

The fair values of the assets and liabilities acquired have been estimated on the basis of an appraisal report by an independent expert.

The result contributed by these companies since their inclusion in the scope of consolidation was 3,519 thousand euros with ordinary income of 22,260 thousand euros. If these companies had been part of the Group from the beginning of the year, their contribution to the result would have been 16,345 thousand euros with ordinary income of 63,336 thousand euros.

The Group has a period of up to one year from the acquisition date to carry out the final allocation of the acquisition price of the net assets acquired, although the Group does not expect any significant changes.

7.- PROPERTY, PLANT AND EQUIPMENT

The breakdown and movements in the year were as follows:

	Thousands of euros				
	Land and buildings	Technical installation	Other fixtures, tools, furniture and others	Property, plant and equipment in progress	Total
Cost, deemed cost, revalued cost	1,690,558	909,640	469,741	42,487	3,112,426
Accumulated amortisation and Impairment losses	(504,229)	(646,341)	(370,240)	(1,834)	(1,522,644)
Net Book Value at 01 January 2024	**1,186,329**	**263,299**	**99,501**	**40,653**	**1,589,782**
Cost, deemed cost, revalued cost					
Additions	14,633	54,611	29,727	65,439	164,410
Derecognitions	(4,412)	(22,247)	(22,467)	(892)	(50,018)
Business combination (Note 6)	164,732	5,694	1,252	5	171,683
Changes in consolidation scope (Note 2.9.5)	(33,948)	(6,124)	(5,954)	–	(46,026)
Transfers	5,674	16,023	8,138	(30,523)	(688)
Transfers to assets classified as held for sale and disposal groups (Note 16)	(62,840)	(2,226)	(1,349)	(569)	(66,984)
Exchange differences and IAS 29 impact	52,026	34,140	9,747	(1,780)	94,133
Accumulated amortisation and Impairment losses					
Additions	(24,148)	(45,765)	(29,582)	–	(99,495)
Derecognitions	4,388	20,488	22,130	81	47,087
Reversal/(Allocation) of impairment losses recognised in profit and loss (Note 11)	15,540	(5,793)	(4,466)	(1,114)	4,167
Changes in consolidation scope (Note 2.9.5)	14,362	5,026	5,641	–	25,029
Transfers	–	(77)	84	143	150
Transfers to assets classified as held for sale and disposal groups (Note 16)	1,339	78	169	–	1,586
Exchange differences and IAS 29 impact	(17,289)	(20,437)	(11,163)	26	(48,863)
Balance at 31.12.24	**1,316,386**	**296,690**	**101,408**	**71,469**	**1,785,953**
Cost, deemed cost, revalued cost	1,826,423	989,511	488,835	74,167	3,378,936
Accumulated amortisation and Impairment losses	(510,037)	(692,821)	(387,427)	(2,698)	(1,592,983)
Net Book Value at 31 December 2024	**1,316,386**	**296,690**	**101,408**	**71,469**	**1,785,953**

	Thousands of euros				
	Land and buildings	Technical installation	Other fixtures, tools, furniture and others	Property, plant and equipment in progress	Total
Cost, deemed cost, revalued cost	1,613,903	883,084	455,772	32,136	2,984,895
Accumulated amortisation and Impairment losses	(508,807)	(627,620)	(368,219)	(1,701)	(1,506,347)
Net Book Value at 01 January 2023	**1,105,096**	**255,464**	**87,553**	**30,435**	**1,478,548**
Cost, deemed cost, revalued cost					
Additions	2,653	47,700	29,310	30,782	110,445
Derecognitions	(1,863)	(12,301)	(23,387)	–	(37,551)
Changes in the scope of consolidation	110,898	3,361	1,932	718	116,909
Transfers	2,765	8,105	10,344	(21,384)	(170)
Exchange differences and NIC 29 impact	(37,798)	(20,309)	(4,230)	235	(62,102)
Accumulated amortisation and Impairment losses					
Additions	(22,104)	(42,996)	(28,571)	–	(93,671)
Derecognitions	1,553	11,080	22,984	–	35,617
Reversal of impairment losses recognised in profit and loss (Note 11)	12,946	(1,229)	(826)	(205)	10,686
Transfers	–	–	–	–	–
Exchange differences and NIC 29 impact	12,183	14,424	4,392	72	31,071
Balance at 31.12.23	**1,186,329**	**263,299**	**99,501**	**40,653**	**1,589,782**
Cost, deemed cost, revalued cost	1,690,558	909,640	469,741	42,487	3,112,426
Accumulated amortisation and Impairment losses	(504,229)	(646,341)	(370,240)	(1,834)	(1,522,644)
Net Book Value at 31 December 2023	**1,186,329**	**263,299**	**99,501**	**40,653**	**1,589,782**

The main additions during the year relate to the acquisition of the Tivoli Ecoresort Praia do Forte and Tivoli Mofarrej Sao Paulo hotels in Brazil (Note 6), as well as the renovation and new openings of hotels. In Southern Europe, the NH Collection Eurobuilding and NH Collection Gran Hotel Calderón, in Spain, and the NH Collection Marina, NH Vittorio Veneto, NH Collection President and NH Catania Centro, in Italy, stand out. In Benelux, the refurbishment of the Avani Museum Quarter and NH Groningen hotels in the Netherlands and NH Gent Belfort in Belgium, as well as the fit-out for the opening of the NH Collection Helsinki Grand Hansa in Finland. In Central Europe, the purchase of the land and building of Munchen City Süd and the refurbishment of the NH Berlin Kurfuerstendamm in Germany stand out. In Latin America, the main developments were the refurbishment of NH Florida in Argentina and Collection México City Reforma in Mexico.

The main derecognitions during the year relate to asset retirements in connection with hotel refurbishments carried out over the course of the year.

At 31 December 2024, various items of property, plant and equipment related to two hotels in Portugal and Germany have been reclassified to assets held for sale for an amount of 65,398 thousand euros (Note 16).

The effect on the profit and loss account of assets derecognised, replaced or disposed of to third parties outside the Group was a loss of 800 thousand euros (a loss of 374 thousand euros in 2023), recognised under "Profit/(loss) on the disposal of non-current assets" in the 2024 consolidated statement of profit and loss.

At 31 December 2024, there were mortgages on tangible fixed asset elements with a net book value of 98 million euros (144 million euros in 2023) (Note 18).

The Group has taken out insurance policies to cover any possible risks to which the different elements of its tangible fixed assets are subject, and to cover any possible claims that may be filed against it in the course of its activities. These policies sufficiently cover the risks to which the Group is exposed.

At 31 December 2024, firm investment undertakings amounted to 28.3 million euros. These investments will take place between 2025 and 2026 (29.4 million euros in 2023).

8.- LEASES

The breakdown and movements under this heading were as follows:

	Thousands of euros		
	Real estate	Premiums for contracts and other rights	Total
Cost	4,369,061	73,267	4,442,328
Accumulated amortisation and Impairment losses	(2,752,052)	(54,884)	(2,806,936)
Net Book Value at 01 January 2024	**1,617,009**	**18,383**	**1,635,392**
Cost			
Additions	102,309	40,240	142,549
Derecognitions	(118,426)	–	(118,426)
Business combinations (Note 6)	45,831	23,549	69,380
Conversion differences	(8,142)	(1,215)	(9,357)
Other changes	33,284	–	33,284
Accumulated amortisation and Impairment losses			
Additions	(188,405)	(2,498)	(190,903)
Derecognitions	83,117	–	83,117
Reversal/(Allocation) of impairment losses recognised in profit and loss (Note 11)	(7,451)	–	(7,451)
Conversion differences	2,608	16	2,624
Other changes	(4,390)	–	(4,390)
Balance at 31 December 2024	**1,557,344**	**78,475**	**1,635,819**
Cost	4,423,917	135,841	4,559,758
Accumulated amortisation and Impairment losses	(2,866,573)	(57,366)	(2,923,939)
Net Book Value at 31 December 2024	**1,557,344**	**78,475**	**1,635,819**

	Thousands of euros		
	Real estate	Premiums for contracts and other rights	Total
Cost, deemed cost, revalued cost	4,154,490	73,267	4,227,757
Accumulated amortisation and Impairment losses	(2,591,601)	(52,545)	(2,644,146)
Net Book Value at 01 January 2023	**1,562,889**	**20,722**	**1,583,611**
Cost			
Additions	236,391	–	236,391
Derecognitions	(29,135)	–	(29,135)
Business combinations (Note 6)	–	–	–
Conversion differences	7,315	–	7,315
Accumulated amortisation and Impairment losses			
Additions	(183,826)	(2,339)	(186,165)
Derecognitions	29,135	–	29,135
Reversal/(Allocation) of impairment losses recognised in profit and loss (Note 11)	(1,727)	–	(1,727)
Conversion differences	(4,033)	–	(4,033)
Balance at 31 December 2023	**1,617,009**	**18,383**	**1,635,392**
Cost, deemed cost, revalued cost	4,369,061	73,267	4,442,328
Accumulated amortisation and Impairment losses	(2,752,052)	(54,884)	(2,806,936)
Net Book Value at 31 December 2023	**1,617,009**	**18,383**	**1,635,392**

	Balance at 01/01/2024	Interest expenses (Note 25.3)	Business combinations (Note 6)	Changes	Rent payments	Exchange rate differences	Balance at 31/12/2024
Lease liabilities	1,958,861	90,778	45,831	183,311	(277,054)	(911)	2,000,816

	Balance at 1/1/2023	Interest expenses (Note 25.3)	Changes	Rent payments	Exchange rate differences	Balance at 31/12/2023
Lease liabilities	1,895,592	85,608	246,789	(272,560)	3,432	1,958,861

The main recognitions for the year are due to the opening of several hotels on a lease basis. Highlights include the opening of NH Collection Helsinki Grand Hansa in Finland and Anantara Palais Hansen Vienna in Austria, as well as the contract extensions of the Marbella, NH Ventas, NH Center, NH Collection Santiago and NH Collection Victoria in Spain, NH Collection President, NH Porta Nuova and NH Bologna Villanova in Italy. Also noteworthy is the renewal of the right-of-use for the NH Plaza de Armas in Spain.

The year saw the closures of NH Atlantic den Haag in the Netherlands, NH Geneva City in Switzerland, NH Klösterle Nördlingen, NH Stuttgart Sindelfingen and NH München City Süd in Germany, NH Ciudad de Valladolid, NH Ciudad de la Imagen and NH Leganés in Spain.

The main impact recorded in Other changes relates to the amendment of IFRS 16 concerning sale and leaseback (Note 2.2).

The main impacts on the accompanying consolidated statement of profit and loss relating to the application of IFRS 16 are a higher depreciation expense of 190,903 thousand euros (186,165 thousand euros in 2023), a higher financial expense of 90,778 thousand euros (85,608 thousand euros in 2023) (Note 25.3), a net asset impairment charge of 7,451 thousand euros (net asset impairment charge of 1,727 thousand euros in 2023) and income of 10,811 thousand euros from the cancellation of the hotel contracts.

The amounts recorded as right-of-use assets correspond to properties where the Group is a lessee for its operation as a hotel.

The impact recorded in the accompanying consolidated statement of profit and loss for leases not subject to IFRS 16 amounted to an expense of 203,937 thousand euros (201,905 thousand euros expense in 2023) (Note 25.2), mainly due to equity contracts.

Furthermore, in the lease agreements, there are no restrictions or imposed clauses and no sales transactions with subsequent leasing were carried out during the financial year.

Future cash output that the lessee is potentially exposed to, and which are not shown in the valuation of lease liabilities, exclusively relate to payments for variable leasing. Therefore, future gross payments estimated for the next 5 years total 1,149 million euros. Nevertheless, these expenses will result in higher income and produce higher profits.

The Group has not granted any options to extend and terminate, or guarantees of residual value. There are leases that have not commenced, for which the Group has undertaken gross lease payments of 16,078 thousand euros in a period of 1 to 5 years, and 47,077 thousand euros in a period of more than 5 years.

9.- GOODWILL

The balance included under this item corresponds to the net goodwill arising from the acquisition of businesses of certain companies, and breaks down as follows:

	Thousands of euros	
	2024	2023
Pojuca, S.A.	61,013	–
NH Hoteles Deutschland, GmbH and NH Hoteles Austria, GmbH	42,078	47,657
Grupo Royal	22,494	23,517
Boscolo Hotels	10,581	11,249
Others	3,141	3,274
Total	**139,307**	**85,697**

The movements in this heading of the consolidated statement of financial position in the financial year were as follows:

	Thousands of euros				
	Goodwill 01/01/2024	Currency translation difference	Additions (Note 6)	Impairment (Note 11)	Goodwill 31/12/2024
Pojuca, S.A.	–	(3,316)	64,329	–	61,013
NH Hoteles Deutschland, GmbH and NH Hoteles Austria, GmbH	47,657	–	–	(5,579)	42,078
Grupo Royal	23,517	(1,023)	–	–	22,494
Boscolo Hotels	11,249	(668)	–	–	10,581
Others	3,274	(133)	–	–	3,141
Total	**85,697**	**(5,140)**	**64,329**	**(5,579)**	**139,307**

	Thousands of euros			
	Goodwill 01/01/2023	Currency translation difference	Impairment (Note 11)	Goodwill 31/12/2023
NH Hoteles Deutschland, GmbH and NH Hoteles Austria, GmbH	55,921	–	(8,264)	47,657
Grupo Royal	19,427	4,090	–	23,517
Boscolo Hotels	10,920	329	–	11,249
Others	3,220	54	–	3,274
Total	**89,488**	**4,473**	**(8,264)**	**85,697**

The main movement was due to the purchase of shares representing 100% of the share capital of the Luxembourg company Minor Continental Holding (Luxembourg) II S.à r.l. in turn the holder of 159,644,120 shares, representing 99.999% of the share capital and voting rights of the Brazilian company Pojuca, S.A. (Note 6).

Details of the cash-generating units to which such goodwill arising on consolidation has been allocated is shown below:

	Thousands of euros	
	2024	2023
Pojuca CGU	61,013	–
Grupo Royal CGUs	22,494	23,517
Group CGUs (Boscolo Hotels)	10,581	11,249
CGU 6	13,587	13,587
CGU 21	1,391	6,570
CGU 12	5,285	5,285
CGU 5	2,996	2,996
CGU 13	4,605	4,605
CGU 2	5,027	5,027
CGUs with goodwill allocated individually < €4m	12,328	12,861
Total	**139,307**	**85,697**

10.- OTHER INTANGIBLE ASSETS

The breakdown and movements under this heading were as follows:

	Thousands of euros				
	Usufruct Rights	Concessions, patents and trademarks	Software applications	Other rights	Total
Cost, deemed cost, revalued cost	103,242	37,571	124,772	17,039	282,624
Accumulated amortisation and Impairment losses	(13,607)	(33,399)	(98,742)	(830)	(146,577)
Net Book Value at 01 January 2024	**89,635**	**4,172**	**26,030**	**16,209**	**136,046**
Cost, deemed cost, revalued cost					
Additions	–	421	15,724	–	16,145
Derecognitions	(1,635)	–	(123)	(2,385)	(4,144)
Business combinations (Note 6)	1,150	163	35	–	1,347
Transfers	–	3	535	–	538
Transfers to assets classified as held for sale and disposal groups (Note 16)	–	(31)	(72)	–	(104)
Exchange differences and IAS 29 impact	(1,949)	(171)	76	–	(2,044)
Accumulated amortisation					
Depreciation and amortisation charge	(2,619)	(698)	(9,695)	–	(13,011)
Derecognitions	159	–	115	290	564
Impairment losses recognised in profit and loss	–	3,431	–	40	3,471
Changes in the scope of consolidation	–	–	–	–	–
Transfers	–	373	(373)	–	–
Transfers to assets classified as held for sale and disposal groups (Note 16)	–	1	13	–	13
Exchange differences and IAS 29 impact	436	118	(79)	1	476
Balance at 31 December 2024	**85,177**	**7,780**	**32,186**	**14,155**	**139,298**
Cost, deemed cost, revalued cost	100,807	37,955	140,946	14,654	294,362
Accumulated amortisation and Impairment losses	(15,630)	(30,174)	(108,760)	(499)	(155,064)
Net Book Value at 31 December 2024	**85,177**	**7,780**	**32,186**	**14,155**	**139,298**

	Thousands of euros				
	Usufruct Rights	Concessions, patents and trademarks	Software applications	Other rights	Total
Cost, deemed cost, revalued cost	87,482	36,449	112,225	17,039	253,195
Accumulated amortisation and Impairment losses	(10,031)	(31,800)	(89,773)	(1,321)	(132,925)
Net Book Value at 01 January 2023	**77,451**	**4,649**	**22,452**	**15,718**	**120,270**
Cost, deemed cost, revalued cost					
Additions	100	262	12,608	–	12,970
Derecognitions	(1,428)	(5)	(114)	–	(1,547)
Changes in the scope of consolidation	12,719	23	8	–	12,750
Transfers	–	73	97	–	170
Exchange differences and IAS 29 impact	4,369	769	(52)	–	5,086
Accumulated amortisation					
Depreciation and amortisation charge	(2,373)	(689)	(9,428)	–	(12,490)
Derecognitions	–	5	114	–	119
Impairment losses recognised in profit and loss	(52)	(325)	–	491	114
Changes in the scope of consolidation	–	–	–	–	–
Transfers	–	(294)	294	–	–
Exchange differences and IAS 29 impact	(1,151)	(296)	51	–	(1,396)
Balance at 31 December 2023	**89,635**	**4,172**	**26,029**	**16,209**	**136,046**
Cost, deemed cost, revalued cost	103,242	37,571	124,772	17,039	282,624
Accumulated amortisation and Impairment losses	(13,607)	(33,399)	(98,742)	(830)	(146,577)
Net Book Value at 31 December 2023	**89,635**	**4,172**	**26,030**	**16,209**	**136,046**

The effect on the profit and loss account of intangible assets derecognised, replaced or disposed of to third parties outside the Group was a loss of 1,336 thousand euros (no impact recorded in 2023), recognised under "Profit/(loss) on the disposal of non-current assets" in the 2024 consolidated statement of profit and loss.

10.1 Software applications

The most significant additions in this financial year regarding software applications were a result of investments made in digitisation and improvement to the customer journey experience, and digitisation and optimisation of operating processes to gain sustainability, mobility and include customer care.

10.2 Usufruct Rights

The additions recorded in usufruct rights in 2024 correspond to the business combination of the company Pojuca, S.A. (see Note 6).

10.3 Other rights

Other rights: include rights relating to lease agreements as a result of business combinations in Italy.

11.- IMPAIRMENT

The Group evaluates the possible existence of a loss of value each year that would oblige it to reduce the book values of its tangible and intangible assets or reverse them, if appropriate. A loss is deemed to exist when the recoverable amount is less than the book value. The recoverable amount of the assets is the greater of their fair value less the costs of transfer or disposal by another means and their value in use.

The value in use is calculated from the estimated future cash flows, discounted at a discount rate after tax that reflects the current market valuation with respect to the value of money and the specific risks associated with the asset, covering a five-year period and a perpetual value, except in the case of leased hotels that correspond to the term of the lease, a perpetual value therefore not being considered in the latter. Value in use has been calculated for the CGUs with an indication of impairment and for those related to the recoverability of the Group's goodwill.

For the purpose of determining the fair value of the owned hotels, the Group carried out a valuation of most of the owned hotel assets during the year, which were appraised by a global firm specialising in appraisal and consultancy services. The valuation of assets at 31 December 2024 covered 64 assets. The valuation was made by a global firm specialising in valuation and consultancy services.

11.1 Key assumptions used

The evolution of the key assumptions in the analysed hotels has taking the business knowledge of Group Management into account as well as the growth expected in the sector. In this respect, the projections assumed are based on the Group's budget exercise for 2025.

The strong positioning of the countries where the Group has a presence, the good locations of the portfolio and the high level of recognition of its brands are key factors for continuing with a business strategy that focusses on maximising average rates per room, as well as identifying measures for efficiency in operational costs based on continuous investment in digitisation and systems, supporting ourselves on the economy of scale due to the extensive presence in the main countries.

There are a number of factors that are considered by the Group's Management to make the projections, which are:

- Estimate of external sources specialising in the hotel sector, along with investment banks with reference to the expected growth of the hotel sector.
- Knowledge of the business/asset/local situation of the local Management of each Business Unit to which each CGU belongs.
- Historical results obtained by the CGUs.
- Investments in repositioning the CGUs.

These factors are reflected in the cash flows through the following working hypotheses used to obtain the projections:

- Income from accommodation is projected as the product of percentage occupation, and average rate per room ("ADR" Average Daily Rate: is the ratio of the total income from rooms in a specific period divided by the rooms sold in that specific period) and the total rooms available per year.
- The other revenues are projected based on the average of the relationship between the revenue from accommodation and those revenues.
- Personnel expenses are calculated on the basis of the average cost for personnel plus the relevant increase in each country referenced to the collective employment agreement for each year.
- Fixed expenses increase with the inflation forecast in each country according to the International Monetary Fund (IMF) estimate in its report published in October each year for the next 5 years, and variable expenses are projected on the basis of the evolution of income. With respect to energy expenses, a gradual correction downwards has been estimated for 2025-2027 until a return to normal levels prior to the geopolitical conflict in Eastern Europe. In some countries, wage costs are affected by the growth of the minimum wage.
- For its part, tax is calculated from the tax rates applicable in each country.

The discount rates were calculated by a third party using the Weighted Average Cost of Capital (WACC) methodology: Weighted Average Cost of Capital (WACC), as follows:

$$WACC=Ke*E/(E+D) + Kd*(1-T)*D/(E+D)$$

Where:

Ke: Cost of Equity
Kd: Cost of Financial Debt
E: Equity
D: Financial Debt
T: Tax Rate

The Capital Asset Pricing Model (CAPM) is used to estimate the cost of equity (ke).

The main variables used by a third party to calculate the discount rate are as follows:

- Risk-free rate: The risk-free rate is standardised to show the average sustainable performance of the long-term bonds issued by governments and considered to be "safe" (usually those classified as AAA by the main ratings agencies).

- For European countries, at the valuation date, the higher of 2.5% and the spot value of the German long-term bond has been considered, concluding at 2.5% as the higher value.

- For the US, the higher of the 3.5% and the spot value of the long-term US bond has been considered. In this case, it has been concluded at 4.2% being the highest value. For non-European countries, the inflation spread with the USA is additionally applied.

- Market risk premium: A market risk premium of 5.5% for EUR discount rates and 5% for USD discount rates is estimated, based on a wide range of economic information and multiple methodologies and economic and financial market conditions as of September 2024.

- Beta or systematic risk: Using a sample of listed companies whose businesses are comparable, the sector's risk differential is estimated in relation to the average risk on the global market. To calculate the WACC of leased hotels, a sample of traditional hotel companies is considered as comparables. In addition to this group of comparables, the calculation of the WACC of owned hotels also includes a sample of real estate investment trusts (REITs) as comparables to reflect the real estate contribution to the business. Bloomberg's historic betas were taken as a reference (weekly data at 2 years). Given that these betas are leveraged, they have been de-leveraged taking into account the average historical debt/capital structure for each company over 2 years.

- The capital structure applied was estimated on the basis of the capital structure of the comparable companies, taking the proportion of debt with interest, preferential capital and ordinary capital of these companies that are listed on the stock exchange into consideration. The average capital structure applied is 55.9% for Own Funds and 44.1% for Debt for the group of owned hotel comparables, and 85.7% for Equity and 14.3% for Debt for the group of leased hotel comparables.

- In addition, the local rate for corporation tax on the valuation date in each country was considered.

- To calculate the Cost of Debt, a debt spread of 1.2% is applied for the comparable group of owned hotels and 1.1% for the comparable group of leased hotels, calculated as the average spread of the bond issues of the comparable group.

Below are the pre-tax discount rates of the major countries:

	Discount rate before taxes:				
	Germany	Netherlands	Italy	Spain	Colombia
2024	8.50%	7.23%-7.48%	9.59%-9.84%	8.49%-8.74%	10.72%
2023	9.35%-10.10%	7.61%-8.36%	10.91%-11.66%	13.76%-14.51%	15.39%

The evolution of the key assumptions in hotels with indications of impairment at 31 December in the major countries in euros was as follows:

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Germany		Netherlands		Italy		Spain		Colombia (Royal)	
Post-tax WACC	5.75%	5,75% - 6,50%	5,75% - 6,00%	5,75% - 6,50%	7,25% - 7,50%	7,75% - 8,50%	6,75% - 7,00%	7,25% - 8,00%	10.50%	11.25%
Growth rate (g)	1.98%	1.99%	2.00%	2.00%	2.00%	2.00%	2.00%	1.70%	3.10%	2.96%
Average ADR (years of projection)	118.3	115.9	148.5	134.2	168.0	180.3	136.0	132.2	86.9	91.8
Average Occupancy Rate (years of projection)	64.9%	67.5%	71.5%	70.6%	69.7%	61.6%	73.4%	72.7%	70.9%	73.0%

The post-tax discount rates for owned hotels used by the Group for these purposes range in Europe from 5.25% (Switzerland) to 10% (Romania) and in Latin America from 8.75% (Chile) to 13.5% (Ecuador), excluding Argentina whose post-tax discount rate has been calculated taking into account its hyperinflationary economic situation and ranges from 57.25% in 2025 to 23.50% in 2029, and is normalised to 17.25% for the perpetuity calculation based on the inflation estimate.

The discount rates for hotels under lease after tax used by the Group for this purpose range in Europe from 4.75% (Switzerland) to 9.75% (Romania) and in Latin America from 8.75% (Chile) to 14% (Ecuador). In this regard, the cash flows resulting from the impairment tests were also calculated after tax. In addition, the book value to which the value-in-use is compared does not include any deferred tax liabilities which could be associated with the assets.

Using a post-tax discount rate and post-tax cash flows is consistent with paragraph 51 of IAS 36, which states that "estimated future cash flows will reflect assumptions that are consistent with the manner of determining the discount rate". In addition, the result of the post-tax flows updated at a post-tax discount rate would obtain uniform results with respect to the impairment test if a pre-tax rate were used and, therefore, the impairment and reversion accounting records would be uniform.

11.2 Sensitivity analysis

Furthermore, the Group has carried out a sensitivity analysis for each of the CGUs, and for the groups of CGUs where goodwill is allocated.

For each scenario, each hypothesis has been considered individually, recording the impact on impairment for each of them. Scenario 1 is a negative one where the discount rate is raised 100 b.p. above the rate used in the test and a growth rate lower by 100 b.p., i.e. with minimum growth, and falls in occupancy of 100 b.p.and ADR of 1% which would lead to additional impairment to that registered in 2024.

In the case of Scenario 2, this is a positive one where the discount rate is 100 b.p. below the rate used in the test, a growth rate above 100 b.p., with increases in occupancy of 100 b.p.and ADR of 1% which would lead to lower impairment to that registered in 2024.

A sensitivity analysis of the results of the impairment analysis given variations in the following scenarios, including the impacts that the amendment of each scenario would have without affecting the rest, for the main goodwill, is set out below:

NH Hoteles Deutschland, GmbH and NH Hoteles Austria, GmbH

	Average values				
	Impairment test	Assumption Scenario 1	Results Scenario 1	Assumption Scenario 2	Results Scenario 2
After-tax discount rate:	5,75%-6,25%	6,75%-7;25%	(520)	4,75%-5,25%	573
Growth rate	1,98%-2%	0,98%-1,00%	(1,176)	2,98%-3,00%	1,246
Occupancy rate	70%-78%	69%-77%	(1,810)	71%-79%	1,511
ADR (euros)	146,52-149,47	145,06-147,9	(1,959)	149,47-150,96	1,500

Grupo Royal

	Average values				
	Impairment test	Assumption Scenario 1	Results Scenario 1	Assumption Scenario 2	Results Scenario 2
After-tax discount rate:	8,75%-14%	9,75%-15%	–	–	–
Growth rate	1,51%-3,10%	0,51%-2,10%	–	–	–
Occupancy rate	71%	70%	–	–	–
Average ADR	86.90	85.90	–	–	–

Boscolo Group

	Average values				
	Impairment test	Assumption Scenario 1	Results Scenario 1	Assumption Scenario 2	Results Scenario 2
After-tax discount rate:	6,5%-8,25%	7,5%-9,25%	–	–	–
Growth rate	1,76%-3,00%	0,76%-2,00%	–	–	–
Occupancy rate	75%	74%	–	–	–
Average ADR	217.54	215.38	–	–	–

In addition, a sensitivity analysis of the results of the impairment analysis of the most significant CGUs that have associated property, plant and equipment, intangible assets and rights of use is set out below:

Sensitivity analysis of tangible and intangible assets and rights of use

	Average values				
	Impairment test	Assumption Scenario 1	Results Scenario 1	Assumption Scenario 2	Results Scenario 2
After-tax discount rate:	4,75%-10%	5,75%-11%	(324)	3,75%-9%	266
Growth rate	1,00%-3,20%	0,00%-2,20%	(133)	2,00%-4,20%	(2,271)
Occupancy rate	74.0%	73.0%	(3,133)	75.0%	2,851
ADR (euros)	143.0	141.6	(5,090)	144.4	1,098

11.3 Impairment losses

If the recoverable amount of an asset is estimated to be lower than its book value, the latter is reduced to the recoverable amount by recognising the corresponding reduction through the consolidated statement of profit and loss.

If an impairment loss is subsequently reversed, the book value of the asset is increased to the limit of the original value at which such asset was recognised before the loss of value was recognised.

The Group has recognised a net impairment loss of 5,392 thousand euros (net reversal of impairment of 810 thousand euros in 2023), assummarised below:

- Property, plant and equipment: an impairment reversal amounting to 16,589 thousand euros was recognised in 2024 for certain property, plant and equipment due to improved future cash flow expectations mainly in Southern Europe, as well as an allocation of 12,422 thousand euros, both recorded under "Net gain/(loss) on impairment of assets" in the consolidated statement of profit and loss (reversal of 17,488 thousand euros and allocation of 6,802 thousand euros in 2023) (see Note 7).

- Right-of-use assets: an impairment allocation was recorded for right-of-use of 7,565 thousand euros and a reversal of 114 thousand euros (right-of-use impairment allocation of 1,995 thousand euros and reversal of 268 thousand euros in 2023) (Note 8).

- Goodwill: the Group recognised an impairment loss of 5,579 thousand euros on goodwill for NH Hoteles Deutschland, GmbH and NH Hoteles Austria, GmbH (impairment loss of 8,264 thousand euros in 2023). This impairment arises from their worsening expectations of future cash flows mainly due to the opening of competitor hotels and the worsening of the outlook (see Note 9).

- Other intangible assets: a reversal of impairment losses of 3,688 thousand euro and allocation of 217 thousand euros (reversal of impairment losses of 491 thousand euros and an allocation of 377 thousand euros in 2024) were recognised under "Net Gains/(Losses) on asset impairment" in the consolidated statement of profit and loss for 2023 (see Note 10).

The balance of impairment to property, plant and equipment at 31 December is as follows:

	Thousands of euros	
	2024	2023
Spain	1,869	2,363
Italy	14,066	25,866
Central Europe	22,768	12,791
Benelux	9,240	8,829
Latin America	11,802	12,187
Total impairment	**59,745**	**62,036**

The recoverable amount of the CGUs subject to impairment or reversal (not the entire portfolio of the Group) is as follows:

	Millions of euros
	2024
TOP 10	
CGU 35	87.0
CGU 30	27.3
CGU 32	27.1
CGU 36	26.7
CGU 39	14.0
CGU 40	13.9
CGU 10	8.8
CGU 13	6.1
CGU 24	5.2
CGU 17	1.9
Subtotal	**218.0**
Other CGUs by country	
Spain	0.4
Italy	0.1
Benelux	0.2
Germany	(6.6)
LatAm	1.3
Other Countries	(0.2)
Subtotal	**(4.8)**
Total	**213.2**

12.- INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associated companies at the close of the year are shown below:

Company	Activity centre	Share percentage	Relationship nature	Thousands of euros	
				2024	2023
Mil Novecientos Doce, S.A. de C.V.	CDMX, México	25 %	Asociada	2,629	2,831
Consorcio Grupo Hotelero T2, S.A. de C.V.	CDMX, México	10 %	Asociada	1,956	2,307
Inmobiliaria 3 Poniente, S.A. de C.V.	Puebla, México	17 %	Asociada	155	258
Hotelera del Mar, S.A.	Mar de Plata, Argentina	20 %	Asociada	267	276
Borokay Beach, S.L.	Madrid, España	50 %	Asociada	1,272	928
Sotocaribe, S.L.	Madrid, España	36 %	Asociada	35,974	37,119
Total				**42,253**	**43,719**

The impact recorded on the consolidated statement of profit and loss for the financial year due to consolidation of these holdings was a profit of 1,181 thousand euros (815 thousand euros profit in 2023), recorded under the heading "Share of profit/(loss) from entities accounted for using the equity method". In addition, during 2024 these shareholdings decreased by 2,647 thousand euros, mainly due to the effect of translation differences and other minor movements due to dividends received and contributions (an increase due to translation differences and contributionsof 969 thousand euros in 2023).

The Group's policy on holdings in associated companies consists of ceasing to book losses in these companies if the associated company's consolidated losses attributable to the Group are equivalent to or exceed the cost of its holding in them, provided there are no additional contingencies or guarantees connected with existing losses.

The financial statement of these key companies accounted for using the equity method at year-end is as follows:

Company	Thousands of euros					
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Equity	Net Profit (Loss)
Mil Novecientos Doce, S.A. de C.V.	4,571	6,167	4,275	–	6,463	(724)
Consorcio Grupo Hotelero T2, S.A. de C.V.	5,802	14,271	3,423	6,302	10,348	3,099
Inmobiliaria 3 Poniente, S.A. de C.V.	677	11,886	893	4,484	7,186	439
Hotelera del Mar, S.A.	694	3,462	480	750	2,926	–
Borokay Beach, S.L.	963	1,104	95	–	1,972	–
Sotocaribe, S.L.	11,384	246,092	1,144	48,606	207,726	1,176

13.- OTHER NON-CURRENT FINANCIAL INVESTMENTS

The composition of this heading on the financial statement was as follows:

	Thousands of euros	
	2024	2023
Financial assets at fair value with changes in profit/loss (Note 13.1)	1,342	1,340
Other financial assets at amortised cost (Note 13.2)	36,132	32,996
	37,474	**34,336**

13.1 Financial assets at fair value with changes in profit/loss

The breakdown of this heading is as follows:

	Thousands of euros	
	2024	2023
NH Panamá, S.A.	3,767	3,767
Other investments	760	758
Impairment	(3,185)	(3,185)
Total	**1,342**	**1,340**

In regard to the fair value of financial assets, it does not differ significantly from its cost.

13.2 Other financial assets at amortised cost

The breakdown of this heading is as follows:

	Thousands of euros	
	2024	2023
Subordinated loans to companies owning hotels operated by the Group through leases	6,825	9,572
Long-term deposits and sureties	23,875	21,880
Others	5,432	1,544
Total	**36,132**	**32,996**

The “Subordinated loans to companies owning hotels operated by the Group through leases” item includes a series of loans granted by the Group to companies which own hotels in countries such as Germany, Austria, the Netherlands, Italy and Spain, and which are operated by the Group under a leasing agreement.

The main features of these agreements are as follows:

- Hotel rentals are not subject to evolution of the inflation rate or to that of any other index.
- The aforementioned subordinated loans accrue interest at a fixed rate of 3% per annum.
- Lease agreements establish a purchase right on properties subject to agreements that, as a general rule, may be executed in the fifth, tenth and fifteenth year from the entry into force of the agreement.
- The model used for these lease agreements has been analysed and independent experts consider them to be operating leases. These hotels are covered by the scope of IFRS 16 and, therefore, from the transition date involve recording a right of use asset and a leasing liability.

The increase in "Long-term deposits and guarantees" is explained by the delivery of guarantees during the year.

The increase in "Other" is mainly explained by the contingent asset arising from the purchase of the hotels in Brazil amounting to 4,461 thousand euros. (see Note 6).

14.- TRADE AND OTHER RECEIVABLES

This item reflects different accounts receivable from the Group's operations. Its detail is as follows:

	Thousands of euros	
	2024	**2023**
Clients for services provided	138,371	132,030
Less: impairment on accounts receivable	(4,286)	(4,621)
Trade debtors	**134,085**	**127,409**
Other non-trade debtors	**20,843**	**26,767**
Public administration debtors (Note 19)	**30,318**	**32,226**
Accounts receivable from related entities (Note 26)	**4,295**	**3,234**
Total	**189,541**	**189,636**

As a general rule, these receivables do not accrue interest and are due at less than 90 days with no restrictions on how they may be availed.

The movement for impairment on accounts receivable during the year was as follows:

	Thousands of euros	
	2024	**2023**
Balance at 1 January	4,621	4,398
Conversion differences	(2)	6
Additions	4,760	4,112
Applications	(5,093)	(3,895)
Balance at 31 December	**4,286**	**4,621**

The analysis of the ageing of financial assets in arrears but not considered impaired in the financial year is as follows:

	Thousands of euros	
	2024	**2023**
Less than 30 days	10,732	20,054
From 31 to 60 days	5,462	4,259
More than 60 days	21,153	15,495
Total	**37,347**	**39,808**

In this regard, the impairments recorded take into account all the expected losses on the balances of trade debtors on the financial statement. The remaining accounts included under the accounts receivable heading do not have assets that have undergone impairment.

15.- CASH AND CASH EQUIVALENTS

The breakdown of this heading is as follows:

	Thousands of euros	
	2024	2023
Cash and banks	130,330	106,581
Current deposits maturing in under three months	89,559	109,410
Total	**219,889**	**215,991**

These assets are recognised at their fair value.

The Group's liquidity position at 31 December 2024 is based on the following points:

- The Group had cash and cash equivalents amounting to 219,889 thousand euros (broken down above).
- Available in undrawn credit facilities amounting to 313,000 thousand euros (Note 18).

There are no restrictions on how cash may be used. There is 24 thousand euros reserved in accordance with a firm commitment with the co-owners of Hoteles Royal (358 thousand euros in 2023) for future investments in the hotels.

As a result of the enactment of Royal Decree 1558/2012 of 15 November, of Article 42 bis of Royal Decree 1065/2007 of 27 July, approving the General Regulations on tax management, inspection and procedures, and implementing the common rules of the procedures for applying taxes, which establishes certain reporting obligations with regard to overseas assets and rights, among others, it is disclosed that some members of the Minor Hotels Europe & Americas, S.A. Board of Directors have the right, as representatives or authorised officials, to dispose of bank accounts located abroad, which are in the name of Group companies. The reason certain Board members have the right to dispose of overseas bank accounts is that they are directors or board members of said subsidiaries.

Minor Hotels Europe & Americas, S.A. holds other accounting documents, namely the consolidated annual accounts, from which sufficient data can be extracted in relation to the aforementioned accounts

16.- ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with International Financial Reporting Standard 5 "Non-current assets held for sale and discontinued operations" (Note 4.18), the Group has classified non-strategic assets that are immersed in a divestment process with committed sale plans under this heading.

Assets held for sale, net of their liabilities, have been measured at the lower of their book value and the expected proceeds from their sale less costs.

At 31 December 2024, the Group recorded the company "Minor Luxury Hotels Vilamoura S.A." as available for sale. This company owns the Anantara Vilamoura hotel in Portugal and property, plant and equipment related to a hotel in Germany. No value adjustments have been recorded in the consolidated profit and loss for the classification of these assets and related liabilities.

Movements by balance sheet headings of the assets and liabilities presented under the corresponding held for sale headings are shown below (in thousands of euros):

	2023	Net change	2024
Property, plant and equipment (Note 7)	–	65,398	65,398
Other intangible assets (Note 10)	–	91	91
Other non-current assets	–	32	32
Treasury	–	37	37
Other current assets	–	1,795	1,795
Assets classified as held for sale	**–**	**67,353**	**67,353**
Other non-current liabilities	–	(42)	(42)
Trade and other payables	–	(4,639)	(4,639)
Liabilities linked to assets held for sale	**–**	**(4,681)**	**(4,681)**

17.- EQUITY

17.1 Subscribed share capital and issue premium

Subscribed capital

At year-end 2024, the share capital of Minor Hotels Europe & Americas, S.A. comprised of 435,745,670 fully subscribed and paid up bearer shares with a nominal value of 2 euros each. All these shares carry identical voting and economic rights and are traded on the Continuous Market of the Spanish Stock Exchanges.

According to the most recent notifications received by the Parent Company and the communications submitted to the Spanish National Securities Market Commission (CNMV) prior to the end of each reporting period, the main shareholdings at 31 December were as follows:

	2024	2023
Minor International Public Company Limited ("MINT")	95.87 %	95.87 %

The aforementioned (indirect) shareholding of MINT in Minor Hotels Europe & Americas, S.A. is the result of the IPO made by MHG Continental Holding Pte Ltd. on 11 June 2018 for 100% of the shares that were part of the share capital of Minor Hotels Europe & Americas, S.A., the result of which was that MINT acquired, through its wholly owned subsidiary MHG Continental Holding Pte. Ltd., shares representing 94.13% of the share capital of Minor Hotels Europe & Americas, S.A.

In addition, on 8 May 2023, MINT announced its decision to begin a purchase process in the market for shares in Minor Hotels Europe & Americas over a period of 30 days. As a result, between 10 May and 8 June 2023, MINT purchased 7,544,225 shares and increased its position in Minor Hotels Europe & Americas to 417,728,222 representative shares or 95.87% of the share capital of Minor Hotels Europe & Americas.

On 13 December 2024 the Company's Board of Directors, at the request of the majority shareholder MINT, resolved to convene an Extraordinary General Shareholders' Meeting of the Company on 20 January 2025. The Extraordinary Meeting approved the delisting offer of all the shares representing the share capital of MHE&A from the Spanish Stock Exchanges, and the formulation by MINT of a delisting tender offer at a price of 6.37 euros per share. The effectiveness of the delisting as well as the settlement of the tender offer made by MINT is subject to the authorisation by the Spanish Markets and Securities Commission (Note 1).

Share premium

The Capital Companies Act expressly permits the use of the share premium to increase share capital and does not establish any specific restrictions as to its use.

17.2 Dividends

The Parent Company did not distribute dividends in 2024 or 2023.

17.3 Other Reserves

This solely relates to the legal reserve accrued in accordance with article 274 of the Recast Text of the Companies Act, which provides that, in all cases, a figure equal to 10% of the profit for the financial year must be allocated to it until it reaches at least 20% of the share capital.

It may not be distributed and, if it is used to offset losses, in the event that there are no other reserves that are sufficient for that purpose, it must be replenished with future profits.

At 31 December 2024 and 2023, the Parent Company had not accrued the minimum limit in this reserve as mandated by the Consolidated Text of the Capital Companies Act.

17.4 Treasury shares

At 31 December 2024, the Group had 97,586 treasury shares, compared to 87,989 treasury shares at 31 December 2023.

- On 10 April 2019, the Group signed a liquidity contract to manage its treasury shares with Banco Santander, which entered into force on 11 April 2019. The total number of shares allocated to the securities account associated with the new Liquidity Contract at 31 December 2024 is 97,586 shares, and the current amount allocated to the cash account is 304,524 euros. At 31 December 2023, the number of shares allocated to the liquidity contract was 87,989 shares. The negative effect on reserves recorded for operations carried out in 2024 was -61 thousand euros.

- On 13 December 2024, the Company's Board of Directors resolved, at the request of the majority shareholder, to call an Extraordinary General Meeting of Shareholders to vote on the approval of a delisting tender offer by the majority shareholder Minor International (Note 1), thereby terminating the liquidity contract for the management of treasury shares with Banco Santander.

17.5 Accumulated Gains

This heading includes the parent company's profit/(loss) for previous years and the retained earnings for the remaining companies included within the scope of consolidation by the various consolidation methods, from when they were incorporated.

The movement under this heading in 2024 mainly corresponded to an increase of 124,146 thousand euros due to the distribution of profits in the previous year (positive of 98,072 thousand euros in 2023).

17.6 Currency translation difference

Exchange differences include the following equity effects: the equity effect caused when converting their respective financial statements to euros, using the exchange rate conversion at the end of the financial year (-17,814 thousand euros), and the re-statement of the financial statements of Group Companies operating in hyperinflationary economies due to inflation (26,817 thousand euros).

17.7 Non controlling interests

The movements under this heading during the financial year are summarised below:

	Thousands of euros	
	2024	2023
Opening balance	52,790	53,157
Profit (Loss) for the year	12,032	1,673
Dividends paid to non-controlling interests	(5,154)	(1,978)
Other movements	(55)	(62)
Closing balance	**59,613**	**52,790**

The line "Dividends paid to non-controlling interests" recorded in financial year 2024 dividends paid mainly by NH Las Palmas, S.A. and NH Marín, S.A. amounting to 556 thousand euros and 3,385 thousand euros, respectively.

18.- DEBT IN RESPECT OF BOND ISSUES AND BANK BORROWINGS

The balances of the “Bonds and other negotiable securities” and “Bank borrowings” items for the financial year were as follows:

	Thousands of euros			
	2024		2023	
	Non Current	Current	Non Current	Current
Guaranteed senior notes	400,000	–	400,000	–
Borrowing costs	–	7,911	–	7,911
Arrangement expenses	(766)	(1,467)	(2,233)	(1,404)
Debt instruments and other marketable securities	**399,234**	**6,444**	**397,767**	**6,507**
Unsecured loans	3,939	7,322	11,261	9,185
Subordinated loans	40,000	–	40,000	–
Mortgage loans	11,481	1,266	13,610	6,178
Credit lines	–	–	–	13
Arrangement expenses	(568)	(982)	(1,553)	(954)
Effect of renegotiation of debt IFRS 9	2	12	16	37
Borrowing costs	–	954	–	912
Bank borrowings	**54,854**	**8,572**	**63,334**	**15,371**
Total	**454,088**	**15,016**	**461,101**	**21,878**

The effect of debt movement on the Group's cash flows as reflected in the cash flow statement is affected by non-cash movements generated by exchange rate differences as the group has debts in currencies other than the euro.

Secured senior bonds maturing in 2026

On 14 June 2021 the Parent Company offered guaranteed senior bonds, which mature in 2026, at the nominal value of 400,000 thousand euros. The nominal annual interest rate for the issue is 4% and the cost of arranging the issue of the bond was 6,896 thousand euros.

The outstanding nominal amount at 31 December 2024 was 400,000 thousand euros.

Secured syndicated credit line

On 22 September 2016, the Parent Company and NH Finance, S.A. entered into a revolving business credit with credit institutions amounting to 250,000 thousand euros ("syndicated credit line") with a maturity of three years, extendible to five years at the time of the refinancing of the guaranteed senior notes maturing in 2019. As a consequence of the refinancing of the guaranteed senior notes maturing in 2019, which took place in 2017, the maturity date of said financing was extended to 29 September 2021.

On 16 October 2020, the Parent Company and NH Finance, S.A. agreed the extension of the maturity of the finance to 29 March 2023, with a limit of 236,000 thousand euros.

On 29 June 2021, the Parent Company and NH Finance, S.A. agreed an additional extension of the maturity of the finance to 31 March 2026, with a limit of 242,000 thousand euros. On 1 December 2022, the company NH Finance S.A. was liquidated and replaced by NH Cash Link S.L., remaining together with the Parent Company as the accredited companies.

At 31 December 2024, the total amount of 242,000 thousand euros of this financing was available.

Unsecured loans

- Other non-guaranteed loans

  - In May 2020, the Parent Company signed a bilateral loan for 10,000 thousand euros over 2 years, within the legal framework provided by the Spanish state to mitigate the economic impact of COVID-19 and thus receiving the ICO guarantee. In May 2021, on the basis of Royal Decree Law 34/2020, the Parent Company agreed the extension of the maturity of this loan for a further 3 years, with a new maturity date of May 2025. At 31 December 2024, the outstanding nominal amount of this financing was 1,667 thousand euros.

  - In July 2020, the Parent Company signed a bilateral loan for 7,500 thousand euros over 3 years, within the legal framework provided by the Spanish state to mitigate the economic impact of COVID-19 and thus receiving the ICO guarantee. In April 2021, on the basis of Royal Decree Law 34/2020, the Parent Company agreed the extension of the maturity of this loan for a further 3 years, with a new maturity date of July 2026. At 31 December 2024, the outstanding nominal amount of this financing was 3,032 thousand euros.

- In October 2020 the Italian subsidiary NH Italia Spa signed a bilateral loan for 15,000 thousand euros over 6 years, within the legal framework provided by the Italian state to mitigate the economic impact of Covid-19 and, in this way, receiving the State guarantee (SACE). At 31 December 2024, the outstanding nominal amount of this financing was 6,562 thousand euros.

The remaining unsecured bilateral loans were distributed among the Colombian companies and were fully repaid at 31 December 2024.

Subordinated loan

One loan amounting to 40,000 thousand euros, fully drawn at 31 December 2024 and with a single maturity and repayment date at the end of its term, in 2037, is included in this item. The interest rate on this loan is the 3-month Euribor plus a spread.

Mortgage loans

The detail of the mortgage loans and credits is as follows:

		Thousands of euros			
		2024			
	Mortgaged asset	Fixed rate	Variable interest	Total	Net book value of the mortgaged asset
Spain	NH Palacio de la Merced	–	807	807	12,218
Total Spain		**–**	**807**	**807**	**12,218**
Chile	NH Plaza de Santiago	10,971	969	11,940	12,084
Total Other		**10,971**	**969**	**11,940**	**12,084**
Total		**10,971**	**1,776**	**12,747**	**24,302**

		Thousands of euros			
		2023			
	Mortgaged asset	Fixed rate	Variable interest	Total	Net book value of the mortgaged asset
	Wilan Ander	2,880	–	2,880	3,749
Spain	Wilan Huel	2,063	–	2,063	3,721
	NH Palacio de la Merced	–	1,422	1,422	14,671
Total Spain		**4,943**	**1,422**	**6,365**	**22,141**
Chile	NH Plaza de Santiago	12,332	1,091	13,423	13,677
Total Other		**12,332**	**1,091**	**13,423**	**13,677**
Total		**17,275**	**2,513**	**19,788**	**35,818**

Bilateral credit lines

At 31 December 2024, the balances under this item include the amount drawn down from credit facilities. The joint limit of the credit facilities at 31 December 2024 amounted to 71,000 thousand euros, which is available in full.

Obligations required in the senior notes contracts maturing in 2026, and the syndicated credit line maturing in 2026

The senior notes maturing in 2026, the syndicated and the syndicated credit line maturing in 2026 require the fulfilment of a series of obligations and limitations of essentially homogeneous content as regards the assumption of additional borrowing or provision of guarantees in favour of third parties, the granting of real guarantees on assets, the sale of assets, investments that are permitted, restricted payments (including the distribution of dividends to shareholders), transactions between related parties, corporate transactions and disclosure obligations. These obligations are detailed in the issue prospectus for the aforementioned notes, as well as in the credit agreement of the syndicated credit line.

Additionally, the syndicated credit line maturing in 2026 requires compliance with financial ratios (financial covenants); in particular, (i) an interest coverage ratio of > 2.00x, (ii) a net indebtedness ratio of < 5.50x.

Furthermore, the senior notes maturing in 2026 and the syndicated credit line require fulfilment of a Loan to Value (“LTV”) ratio that depends on MHE&A’s net debt level at any time as shown below:

- Net debt-to-income ratio ˃ 4.00x: LTV ratio = 70%
- Net debt-to-income ratios ≤ 4.00x: LTV ratio = 85%
- Net debt-to-income ratio ≤ 3.50x: LTV ratio = 100%

At 31 December 2024, and based on the reported figures for that year, the ratios described above (financial covenants and LTV) are met.

Package of guaranteed senior bonds maturing in 2026 and syndicated credit line maturing in 2026

The guaranteed senior notes maturing in 2026 and syndicated credit line maturing in 2026 share the following guarantees: (i) pledge of shares: 100% of the share capital of (A) Diegem, (B) Immo Hotel Brugge NV, (C) Immo Hotel Diegem NV, (D) Immo Hotel Stephanie NV,(E) Onroerend Goed Beheer Maatschappij Van Alphenstraat Zandvoort, B.V. and (F) NH Italia, S.p.A.; (ii) first-tier mortgage guarantee on the following hotels located in the Netherlands: NH Conference Centre Koningshof, owned by Koningshof, B.V., NH Conference Centre Leeuwenhorst, owned by Leeuwenhorst Congres Center, B.V., and the joint and several guarantee on first demand of the main operating companies of the Group wholly owned by the Parent Company.

The net book value of the assets granted as mortgage security against the syndicated credit line (242,000 thousand euros fully available at 31 December 2024) and secured senior bonds amounting to 400,000 thousand euros, maturing in 2026, can be broken down as follows:

	Thousands of euros
	Net Book value
NH Conference Centre Leeuwenhorst	44,606
NH Conference Centre Koningshof	29,326
Total	**73,932**
Net book value of assets assigned as mortgage collateral	**73,932**
Value of guaranteed debt	**400,000**
Fixed interest	**400,000**
Variable interest	–

Limitation on the distribution of Dividends

The obligations of the guaranteed "senior" bonds maturing in 2026 and the revolving syndicated credit line maturing in 2026 described above contain clauses limiting the distribution of dividends.

In the case of the senior bonds maturing in 2026, in general, distribution of dividends is allowed as long as (a) there is no current non-compliance and one is not produced as a result of the distribution; (b) the interest coverage ratio pro forma taking into account the planned distribution would be > 2,0x; and (c) the total restricted payments (including, amongst others, certain restricted investments, early repayments of subordinated debt, share buy-backs, payments in cash for subordinated debt to controlling shareholders, or persons associated with them, and other forms of remuneration to shareholders in their position as such) made from the offer date (14 June 2021) must be lower than the total of, amongst other entries, (i) 50% of MHE&A Group's consolidated net income from the first day of the full quarter immediately prior to the offer date up to the date of the full quarter nearest to the distribution date for which the quarterly accounts are available, although when calculating the net income, 100% of the consolidated net losses for that period must be deducted, with the exception of losses prior to 31 March 2022 (this is what is known as the “CNI builder basket”), and (ii) 100% of the net contributions to MHE&A Group's capital since the offer date.

Additionally, as an alternative and without having to be in compliance with the previous condition, the MHE&A may distribute dividends and make other restricted payments without any limit on the amount as long as the leverage ratio (gross debt/EBITDA) pro forma taking into account the intended restricted payment should not be higher than 4.5x.

Finally, and also alternatively and without having to be concurrent with the previous ones, the notes maturing in 2026 establish a franchise to be able to make restricted payments (including dividends) without needing to comply with any specific requirement, for a total aggregate amount of 25,000 thousand euros from the issue date.

For the syndicated credit line, the distribution of a percentage of the MHE&A Group's consolidated net profit from the previous year is allowed, provided that there has been no breach of the relevant financing agreement and the net financial debt (through the dividend payment or other type of distribution)/EBITDA ratio is less than 4.0x. The amount that may be distributed depends on the net financial debt/EBITDA ratio (pro forma taking into account the dividend payment or other type of distribution) in accordance with the following breakdown:

- Net Financial Debt/EBITDA ≤ 4.0x: Percentage of consolidated net profit: 75%
- Net Financial Debt/EBITDA ≤ 3.5x: Percentage of consolidated net profit: 100%
- Net Financial Debt/EBITDA ≤ 3.0x: Percentage of consolidated net profit: unlimited

All these metrics are calculated using consolidated data.

At 31 December 2024, the ratios for the distribution of dividends that year were met.

Contractual maturity schedule

The details by maturity are as follows:

At 31/12/2024				Maturity schedule					
Thousands of euros	**Limit / granted**	**Available**	**Disposed**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Remainder**
Mortgage loans	**12,747**	**–**	**12,747**	**1,266**	**788**	**780**	**780**	**936**	**8,197**
Fixed rate	10,971	–	10,971	572	572	717	717	860	7,533
Variable interest	1,776	–	1,776	694	216	63	63	76	664
Subordinated loans	**40,000**	**–**	**40,000**	**–**	**–**	**–**	**–**	**–**	**40,000**
Variable interest	40,000	–	40,000	–	–	–	–	–	40,000
Guaranteed senior notes mat. in 2026	**400,000**	**–**	**400,000**	**–**	**400,000**	**–**	**–**	**–**	**–**
Fixed rate	400,000	–	400,000	–	400,000	–	–	–	–
Unsecured loans	**11,261**	**–**	**11,261**	**7,322**	**3,939**	**–**	**–**	**–**	**–**
Fixed rate	3,032	–	3,032	1,905	1,127	–	–	–	–
Variable interest	8,229	–	8,229	5,417	2,812	–	–	–	–
Secured syndicated credit line	**242,000**	**242,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Variable interest	242,000	242,000	–	–	–	–	–	–	–
Credit lines	**71,000**	**71,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Variable interest	71,000	71,000	–	–	–	–	–	–	–
Borrowing at 31/12/2024	**777,008**	**313,000**	**464,008**	**8,588**	**404,727**	**780**	**780**	**936**	**48,197**
Arrangement expenses	(3,783)	–	(3,783)	(2,449)	(1,037)	(29)	(29)	(29)	(210)
IFRS 9	14	–	14	12	2	–	–	–	–
Borrowing costs	8,865	–	8,865	8,865	–	–	–	–	–
Adjusted total debt at 31/12/2024	**782,104**	**313,000**	**469,104**	**15,016**	**403,692**	**751**	**751**	**907**	**47,987**
Adjusted total debt at 31/12/2023	**786,966**	**303,987**	**482,979**	**21,878**	**6,196**	**403,737**	**807**	**807**	**49,554**

At 31 December 2024, the average cost of the gross drawdown amount of the Group was 4.1% (4.2% in 2023).

The detail for maturities of the debt for operating leases without discounting is as follows (in thousands of euros):

	Total liabilities	Year 1	Year 2	Year 3	Year 4	Year 5	Remainder
Gross lease payments 31/12/2024	3,047,131	274,149	261,991	236,762	218,910	199,307	1,856,012
Gross lease payments 31/12/2023	2,805,723	265,110	253,422	239,048	213,489	195,681	1,638,973

Net Debt

The detail of net debt at 31 December was as follows:

	Thousands of euros	
Net Debt	**2024**	**2023**
Cash and cash equivalents	219,889	215,991
Financial debt (Long and short term)	(469,104)	(482,979)
Lease liabilities (Note 9)	(2,000,815)	(1,958,861)
Net Debt	**(2,250,030)**	**(2,225,849)**
Cash and liquid investments	**219,889**	**215,991**
Gross debt – fixed interest rates	(2,420,511)	(2,385,348)
Gross debt – variable interest rates	(49,408)	(56,491)

19.- TAX NOTE

Tax consolidation scheme

The Group operates in many countries and is therefore subject to the regulations of different tax jurisdictions regarding taxation and corporation tax.

Minor Hotels Europe & Americas, S.A. and the companies with tax domicile in Spain in which it held a direct or indirect stake of at least 75% during the 2024 tax period are subject to the tax consolidation scheme governed by Title VII, Chapter VI of Law 27/2014 on Corporation Tax.

The companies belonging to the tax group have signed an agreement to share the tax burden. Hence, the Parent Company settles any credits and debts which arise with subsidiary companies due to the negative and positive tax bases these contribute to the tax group.

The companies that make up the tax consolidation group are the following:

Minor Hotels Europe & Americas, S.A.	NH Europa, S.L.
Latinoamericana de Gestión Hotelera, S.L.	NH Atardecer Caribeño, S.A.
NH Central Reservation Office, S.A.	Gestora Hotelera del Siglo XXI, S.A.
NH Hoteles España, S.A.	Nuevos Espacios Hoteleros, S.A.
NH Hotel Ciutat De Reus, S.A.	Coperama Holding, S.L.
Gran Círculo de Madrid, S.A.	Coperama Spain, S.L.
Iberinterbrokers, S.L.	NH Las Palmas, S.A.
Wilan Ander, S.L.	NH Lagasca, S.A.
Palacio de la Merced, S.A.	Wilan Huel S.L.
NH Cash Link, S.L.	NH Marbella Hotel, S.L.

Corporation tax is calculated on the financial or accounting profit or loss resulting from the application of generally accepted accounted standards in each country, and does not necessarily coincide with the tax result, this being construed as the tax base.

In 2024, Spanish companies pay taxes at the general tax rate of 25% irrespective of whether they apply the consolidated or separate taxation schemes. The foreign companies are subject to the prevailing tax rate in the countries where they are domiciled. In addition, taxes are recognised in some countries at the estimated minimum profit on a complementary basis to Corporation Tax.

The prevailing corporation tax rates applicable to Group companies in the different jurisdictions where the Group has significant operations are as follows:

Country	Nominal Rate	Country	Nominal Rate
Germany	30%	Italy	24%
Argentina	25%-35%	Luxembourg	24.9%
Austria	23%	Mexico	30%
Belgium	25%	Netherlands	25.8%
Brazil	34%	Poland	19%
Chile	27%	Portugal	21%
Colombia	35%	Romania	16%
Czechia	19%	South Africa	28%
Dominican Rep.	27%	Spain	25%
Ecuador	25%	Switzerland	8.5%
France	25%	United Kingdom	19%
Hungary	9%	Uruguay	25%
Ireland	12.5%	USA	21%
Denmark	22%	Finland	20%

Financial years subject to tax inspection

In accordance with Spanish tax legislation, the years open for review for the Consolidated Tax Group in Spain are:

Tax	Pending periods
Corporation	2017, 2018 and 2020 to 2023
VAT	2021 to 2024
IRPF (personal income tax)	2021 to 2024
Non-resident Income Tax	2021 to 2024

Financial years 2017 and 2018, which are open to inspection since the Group requested the rectification of the Spanish tax consolidation group's corporation tax returns for 2017, 2018, 2021 and 2022, given that it considers the measures introduced by Royal Decree-Law 3/2016 of 2 December to be unconstitutional. The ruling of the Constitutional Court of 18 January 2024 (unconstitutionality issue 2577/2023) declared certain corporation tax measures introduced by this Royal Decree-Law as unconstitutional. At the date of preparing the accounts, the Group had not obtained a resolution in respect of the years for which rectification was requested. The Group expects to obtain a refund of the overpaid amount of between 8 and 12 million euros. The Group has not recognised an asset for this item as, based on an analysis of the specific circumstances of these challenges, this asset is considered to be contingent as it is not considered virtually certain that it will be obtained.

In relation to the Group's main tax audits and litigation, the audit procedure opened in France in respect of financial years 2021 and 2022 was completed in 2024. The inspections have not led to any material adjustments for the company. In Germany and Colombia, the procedures relating to the review of the offsetting of tax losses and the review of the deductibility of certain expenses for corporation tax purposes, respectively, are still underway. Finally, in January 2025, a notice of initiation of verification and investigation proceedings was received for the Spanish VAT Group for the periods from December 2020 to December 2023.

The Group’s Directors do not expect any significant contingencies to arise from the conclusions of the inspections.

Regarding the financial years open to inspection in the rest of the group, contingent liabilities not susceptible to objective quantification may exist, which are not significant in the opinion of the Group’s Directors. Moreover, the Company considers that there are no significant uncertain tax positions.

Balances with Public Administrations

The composition of the asset balances with Public Administrations at 31 December is as follows:

	Thousands of euros	
	2024	2023
Deferred tax assets		
Tax credits	103,830	99,225
Tax assets due to asset impairment	41,531	43,978
Tax withholdings of workforce	4,134	3,547
Other prepaid taxes	12,212	1,189
IFRS 16	93,459	76,612
Total	**255,166**	**224,551**

	Thousands of euros	
	2024	2023
Short-term taxes receivable		
Current income tax paid	18,716	20,572
Value Added Tax	26,391	28,402
Other tax receivables	3,927	3,824
Total	**49,034**	**52,798**

The movements of the "Deferred tax assets" heading in the year were as follows:

	Thousands of euros	
	2024	2023
Opening balance	**224,551**	**258,345**
Asset impairment	(2,447)	(2,670)
Generation of assets due to tax credits	33,708	–
Settlements of assets due to tax credits	(29,103)	(34,350)
Activation of deductions	–	–
Changes in consolidation scope (Note 2.9.5)	180	1,438
IFRS 16 (Note 8)	16,847	669
Others	11,430	1,119
Total	**255,166**	**224,551**

All these impacts have had an effect on the consolidated statement of profit and loss or the consolidated statement of comprehensive income.

Certain deferred tax assets and liabilities mainly relating to IFRS 16 are offset in the balance sheet. The net amount of deferred tax assets relating to IFRS 16 is 93,459 thousand euros, corresponding to 522,552 thousand euros of deferred tax assets and 429,093 thousand euros of deferred tax liabilities.

The increase in deferred tax assets is mainly due to the movement in deferred tax relating to IFRS 16 amounting to 16,847 thousand euros. This movement is mainly explained by the entry into force of the amendment to IFRS 16 relating to the calculation of the lease liability in a sale and leaseback for an amount of 13,244 thousand euros (Note 2.2).

In 2024, the movement in tax credit assets that has impacted the consolidated statement of profit and loss is an increase of 33,708 thousand euros and a decrease of 29,103 thousand euros, the net movement being an increase of 4,605 thousand euros. The net movement of the 4,605 thousand euros increase in tax credits is mainly due to the net capitalisation of tax credits corresponding mainly to non-deductible financial expenses in prior periods in Spain (net amount of 9,889 thousand euros). In addition, assets were written off in Mexico (1.890 thousand euros), Denmark (1.647 thousand euros), Germany (1.478 thousand euros), the Netherlands (1.404 thousand euros) and Portugal (1.209 thousand euros).

At 31 December 2024, the Group had assets resulting from tax losses and deductions amounting to 103,830 thousand euros (99,225 thousand euros in 2023). Of the total tax credits, 77,605 thousand euros (67,716 thousand euros in 2023) relates to credits activated in Spain. These capitalised tax credits are those for which it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised, based on estimates of future profits over a reasonable period of time, prepared on the basis of information available at the date of preparation of these consolidated annual accounts.

At 31 December 2024, the Group has unused tax credits amounting to 199,583 thousand euros (219,028 thousand euros at 31 December 2023) which have not been recognised in the consolidated statement of financial position. These assets are broken down by country below (amount in quota):

	Thousands of euros	
	2024	**2023**
Tax credits Spain	75,727	99,916
Tax credits Italy	11,388	11,711
Tax credits Belgium	3,818	5,439
Tax credits Luxembourg	3,636	3,958
Tax credits Ireland	–	307
Tax credits South Africa	–	13
Tax credits Denmark	2,306	489
Tax credits Germany	50,166	44,097
Tax credits Austria	14,590	12,407
Tax credits Switzerland	1,799	1,762
Tax credits Czechia	1,539	1,077
Tax credits Hungary	2,168	861
Tax credits Mexico	3,651	2,472
Tax credits Colombia	849	1,941
Tax credits Chile	560	745
Tax credits Uruguay	731	799
Tax credits USA	19,151	22,709
Tax credits France	7,462	6,278
Tax credits Poland	12	–
Tax credits Romania	30	–
Total tax credits	**199,583**	**216,981**
Deductions generated in Spain	–	2,047
Total deductions	**–**	**2,047**
Total non-activated tax credits	**199,583**	**219,028**

The composition of the liability balances with Public Administrations at 31 December is as follows::

	Thousands of euros	
	2024	**2023**
Deferred tax liabilities		
Assets revaluation	249,149	176,313
Total	**249,149**	**176,313**

	Thousands of euros	
	2024	2023
Short-term taxes payable		
Current income tax paid	22,677	28,263
Value Added Tax	7,041	4,962
Personal Income Tax	11,297	8,982
Tax on Income from Capital	1,663	1,132
Social Security	10,752	10,910
Others	19,771	23,072
Total	**73,201**	**77,321**

The movements in deferred tax liabilities during the year were as follows:

	Thousands of euros	
	2024	2023
Opening balance	**176,313**	**192,030**
IAS 29 Hyperinflationary economies	22,541	(16,731)
Business combinations (Note 6)	60,416	–
Others	(10,121)	1,014
Total	**249,149**	**176,313**

The increase in the deferred tax liability is mainly due to the liability generated as a result of the acquisition of the Brazilian company Pojuca, S.A., which owns or leases or provides hotel services for four properties in Brazil (See Note 6). In addition, there has been an increase in deferred tax associated with the revaluation of assets in Argentina due to the application of IAS 29 amounting to 22,541 thousand euros (16,731 thousand euros increase in 2023).

All these impacts have had an effect on the consolidated statement of profit and loss or the consolidated statement of comprehensive income.

The detail, by country and item, of these deferred taxes is as follows:

	2024			
	Thousands of euros			
	Tax credits	Prepaid Taxes	Total Assets	Liabilities
Spain	77,605	40,330	117,935	18,379
Benelux	9,336	24,313	33,649	15,204
Italy	–	11,599	11,599	73,188
Germany	11,066	39,270	50,336	614
Others	5,823	35,824	41,647	141,764
Total	**103,830**	**151,336**	**255,166**	**249,149**

	2023			
	Thousands of euros			
	Tax credits	Prepaid Taxes	Total Assets	Liabilities
Spain	67,716	23,157	90,873	18,597
Benelux	9,686	26,470	36,156	15,642
Italy	–	14,901	14,901	77,511
Germany	12,543	36,814	49,358	857
Others	9,280	23,984	33,263	63,706
Total	**99,225**	**125,326**	**224,551**	**176,313**

Reconciliation of the accounting result to the tax result

The reconciliation between the accounting profit or loss, the corporation tax base, current and deferred tax for the year, is as follows:

	2024						2023		
	Thousands of euros						Thousands of euros		
	Central Services/ Southern Europe and USA	Italy	Benelux	Central Europe	Latin America	TOTAL	Central Services / Southern Europe and USA	Other Companies	TOTAL
Consolidated statement of profit and losss before taxes	**125,367**	**102,949**	**54,660**	**(39,793)**	**23,851**	**267,034**	**84,834**	**118,327**	**203,161**
Adjustments to consolidated profit and loss:									
Due to permanent differences	(106,773)	16,914	(622)	46,386	(18,146)	(62,241)	(28,158)	109,736	81,578
Due to temporary differences	40,714	4,253	(6,477)	5,730	11,303	55,523	(39,969)	(78,621)	(118,590)
Tax base (Taxable profit or loss)	**59,308**	**124,116**	**47,561**	**12,323**	**17,008**	**260,316**	**16,707**	**149,442**	**166,149**
Current taxes to be refunded / (to pay)	9,461	(9,240)	(4,099)	(1,862)	1,779	(3,961)	12,532	(20,223)	(7,691)
Total current tax income / (expense)	(14,444)	(29,788)	(12,210)	(2,101)	(5,553)	(64,096)	(4,098)	(37,070)	(41,168)
Total deferred tax income / (expense)	10,376	1,021	(2,037)	1,173	3,601	14,134	(9,810)	(20,027)	(29,837)
Total other income / (expense)	1,592	1,547	(935)	768	(2,154)	818	198	491	689
Total Gains Tax income / (expense)	**(2,476)**	**(27,220)**	**(15,182)**	**(160)**	**(4,106)**	**(49,144)**	**(13,710)**	**(56,606)**	**(70,316)**

Deductions generated by the consolidated tax group of the Parent Company

At 31 December 2024, the Tax Group has no material tax incentives pending application.

Pillar 2 Directive

Within the European Union, the Pillar 2 Directive (Directive EU2022/2523) was adopted on 15 December 2022, according to which large multinationals with a global turnover of more than 750 million euros in at least two of the previous four financial years will be subject to these rules, which basically seek a minimum taxation on profits.

The Group is within the scope of the OECD Pillar 2 rules.

The ultimate parent company of the Group is MINT, an entity resident in Thailand, which holds its interest through its wholly owned subsidiary resident in Singapore MHG Continental Holding Pte. Ltd. In 2024, the implementation of Pillar 2 regulations has been approved in Thailand and these regulations will be applicable for financial years beginning on or after 1 January 2025.

In Spain, on 21 December 2024, Law 7/2024 of 20 December was published in the Official State Gazette, establishing a Supplementary Tax to guarantee an overall minimum level of taxation for multinational groups and large domestic groups, a Tax on the interest and commission margins of certain financial institutions and a Tax on liquids for electronic cigarettes and other tobacco-related products, and amending other tax rules (hereinafter "Law 7/2024"). Law 7/2024 implements Pillar Two in Spain, establishing, with retroactive effect for years beginning on or after 31 December 2023, a Supplementary Tax, which ensures that large multinational groups are taxed at a minimum effective rate of 15% wherever they operate.

Under Pillar 2 legislation, the Group would be required to pay an additional tax on the difference between the effective GloBE tax rate per jurisdiction and the minimum rate of 15%. In this regard, the Group has carried out an analysis of the possible impacts that may arise from the application of this tax in 2024, considering the application of the Transitional Safe Harbours provided for in Transitional Provision four of Law 7/2024 and the full calculation, if applicable.

Based on the information available at the date of preparation of these consolidated annual accounts, the Group believes that it has no material impact related to the Pillar 2 rules on its current tax expense and applies the exception to recognise and disclose information on deferred tax assets and liabilities arising from the implementation of the 7/2024 Act, as required by IAS 12.

20.- OTHER NON-CURRENT LIABILITIES

The details under the “Other non-current liabilities” heading were as follows:

	Thousands of euros	
	2024	2023
At amortised cost:		
Capital subsidies	1,227	1,300
Investment acquisition liability	3,150	3,150
Other liabilities	16,060	19,093
Total	**20,437**	**23,543**

"Other liabilities" includes the deferral of various long-term commitments to public authorities for 4,817 thousand euros (9,433 thousand euros in 2023).

21.- PROVISIONS

The breakdown of "Provisions" for the financial year, together with the main movements recognised were as follows:

	Thousands of euros						
	Balance at 1/1/2024	Additions	Applications/ Reversals	Business combinations (Note 6)	Conversion differences	Transfers and other changes	Balance at 31/12/2024
Non-current provisions:							
Provision for long-term incentives for staff	4,056	3,309	–	–	25	(3,293)	4,097
Provision for pensions and similar obligations	25,150	6,526	(5,715)	–	(25)	–	25,936
Other claims	14,684	3,252	(5,553)	4,461	(266)	–	16,578
	43,890	**13,087**	**(11,268)**	**4,461**	**(266)**	**(3,293)**	**46,611**
Current provisions:							
Provision for short-term incentives for staff	5,164	–	(5,083)	–	–	3,293	3,374
Other Provisions	879	–	(493)	–	(16)	–	370
	6,043	**–**	**(5,576)**	**–**	**(16)**	**3,293**	**3,744**
Total	**49,933**	**13,087**	**(16,844)**	**4,461**	**(282)**	**–**	**50,355**

	Thousands of euros				
	Balance at 1/1/2023	Additions	Applications/ Reversals	Transfers and other changes	Balance at 31/12/2023
Non-current provisions:					
Provision for long-term incentives for staff	3,612	2,579	–	(2,135)	4,056
Provision for pensions and similar obligations	20,511	9,508	(4,869)	–	25,150
Other claims	17,880	3,318	(6,514)	–	14,684
	42,003	**15,405**	**(11,383)**	**(2,135)**	**43,890**
Current provisions:					
Provision for short-term incentives for staff	–	3,029	–	2,135	5,164
Other Provisions	7,339	–	(6,460)	–	879
	7,339	**3,029**	**(6,460)**	**2,135**	**6,043**
Total	**49,342**	**18,434**	**(17,843)**	**–**	**49,933**

Staff Incentive Plan

The Company introduced its Long-Term Incentive Plan 2022-2026 ("Performance Cash Plan") in 2022, under which a cash amount is to be paid out when certain established targets are met. The Plan has a duration of five years and is divided into three cycles, with each cycle lasting as follows:

- First cycle 2022-2024, payment of which will occur in 2025 (ended on 31.12.2024).
- Second cycle 2023-2025, payment of which will occur in 2026 (current)
- Third cycle 2024-2026, payment of which will occur in 2027 (current)

These schemes consist of a promise to deliver a cash amount to the beneficiaries. The final amount to deliver is conditional on the degree of compliance with Recurring EBITDA/Net Profit in each year of the plan. The degree to which the EBITDA/ Net Profit targets are achieved for each cycle is calculated as follows:

- If the degree to which the EBITDA/Recurring Net Profit targets for the Group are achieved falls below 90%, no long-term incentive amount will be paid for that year.
- If the degree to which the EBITDA/Recurring Net Profit targets for the Group are achieved is between 90% and 100%, 100% of the long-term incentive amount will be paid for that year.
- If the degree of achievement of the Group's EBITDA/Recurring Net Profit target is higher than 100% and lower than 120%, the final degree for that year will be made by linear interpolation.
- If the degree to which the EBITDA/Recurring Net Profit targets for the Group are achieved is 120% or higher, a maximum of 120% of the long-term incentive amount for that year will be paid.

The payment of the first cycle of the Long-Term Incentive Plan 2022-2024 will occur during the first quarter of 2025. The final achievement of this incentive was: 113.62%.

In addition, during the first quarter of 2025, the Company will launch a new long-term incentive cycle, as a continuation of the 2022-2026 Long-Term Incentive Plan. This incentive will begin accruing retroactively from 1 January 2025 and end on 31 December 2027, and consists of the promise to deliver a cash amount to the beneficiaries calculated as a percentage of the fixed salary in accordance with their level of responsibility.

The final amount to deliver is conditional on the degree of compliance with EBITDA and recurring net profit in each year of the plan (2025, 2026 and 2027).

All existing schemes, such as the one intended to be launched in 2025, target approximately 100 beneficiaries. The beneficiaries must remain in the Group at the end of each cycle, notwithstanding the exceptions deemed appropriate, as well as achieving the minimum thresholds for each of the objectives.

Provision for pensions and similar obligations

The “Provisions for pensions and similar obligations” account mainly includes the pension fund of a certain number of employees of the Netherlands business unit, and the T.F.R. “Trattamento di fine rapporto” in Italy, an amount paid to all workers in Italy at the moment they leave the company for any reason. This is another remuneration element, whose payment is deferred and annually allocated in proportion to fixed and variable remuneration both in kind and in cash, which is valued on a regular basis. The annual amount to be reserved is equivalent to the remuneration amount divided by 13.5. The annual cumulative fund is reviewed at a fixed interest rate of 1.5% plus 75% of the increase in the consumer price index (CPI).

This section includes various retirement, performance related and/or long-stay awards considered in the Collective Bargaining Agreements that are applicable in Spain.

The provision includes the impact of changes in its actuarial calculation of 1,320 thousand euros net of tax, as detailed in the comprehensive consolidated statement (-3,888 thousand euros in 2023).

The breakdown of the main assumptions used to calculate actuarial liabilities is as follows:

	2024		2023	
	Netherlands	Italy	Netherlands	Italy
Discount rates	3.5%	1,85% -1,72%	3.5%	2,42% -1,94%
Expected annual rate of salary rise	0.5%	1,40% - 2,60%	0.5%	1,40% - 2,60%
Expected return from assets allocated to the plan	-	0.03%	0.33%	0.04%

	2024	2023
	Spain	Spain
Discount rates	3,46% - 3,48%	3,59% - 3,9%
Expected annual rate of salary rise	2.5%	2.5%

Other claims

The "Other claims" item includes provisions for disputes and risks that the Group considers likely to occur. Among the most significant are the provisions created on the basis of the action brought in the proceedings claiming breach of contract in a property development, as well as other claims received in relation to the termination of certain leases where certain amounts are claimed (Note 24).

22.- TRADE AND OTHER PAYABLES

The breakdown of this item in the consolidated statement of financial position at 31 December is as follows:

	Thousands of euros	
	2024	2023
Trade and other payables	296,020	301,441
Advance payments from customers	75,461	55,476
Accounts payable from related entities (Note 26)	3,162	1,913
Public administration creditors (Note 19)	50,524	49,058
Total	**425,167**	**407,888**

"Commercial Creditors and Other Accounts Payable" covers the accounts payable derived from commercial activity typical of the Group. This heading includes 35,356 thousand euros (40,107 thousand euros at 31 December 2023) relating to creditors from confirming operations.

The "Advance payments from customers" item mainly includes customer deposits arising from the Group's hotel businesses.

INFORMATION ON DEFERRED PAYMENTS TO SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY TO REPORT" OF ACT 11/2013 OF 26 JULY

Below is the information required by Additional Provision Three of Law 15/2010 of 5 July and modified by the Resolution of 29 January 2016, of the Institute of Accounting and Auditing, and Law 18/2022, of 28 September, on the creation and growth of businesses, on the information to be incorporated in the report to the annual accounts relating to the average period for payment to suppliers in commercial transactions of Spanish companies.

	2024	2023
	Days	
AVERAGE PERIOD FOR PAYMENT TO SUPPLIERS	53	65
RATIO OF PAID TRANSACTIONS	52	65
RATIO OF TRANSACTIONS PENDING PAYMENT	63	65
	Amount (Thousands of euros)	
TOTAL PAYMENTS MADE	401,921	367,428
TOTAL PAYMENTS PENDING	21,157	20,351

The above information on payments to suppliers of Spanish companies refer to those which by their nature are trade creditors due to debts with suppliers of goods and services. The table includes, therefore, the "Commercial Creditors and Other Accounts Payable" item in current liabilities of the consolidated statement of financial position.

During 2024, the monetary volume of invoices paid in a period below the maximum period established in the late payment regulations was 276,418 thousand euros (204,704 thousand euros in 2023) representing 69% (56% in 2023) of the total monetary volume of invoices; the number of invoices paid in a period below the maximum period established in the late payment regulations was 124 thousand invoices (110 thousand invoices in 2023) representing 69% (62% in 2023) of the total volume of invoices.

The average period for payment to suppliers has been calculated using the weighted average of the two ratios explained below:

- Ratio of paid transactions: average payment period of transactions paid in each year weighted by the amount of each transaction.

- Ratio of transactions pending payment: average period between the invoice date and the end of the year weighted by the amount of each transaction.

The Company has significantly reduced the maximum payment period to trade suppliers compared to previous years. This has been result of various measures focused on resizing existing resources, as well as renegotiating contracts, implementing technological improvements in invoice processing and other actions in different areas aimed at recovering the legal ratio (set at 60 days), which are showing results compared to the previous year.

23.- OTHER CURRENT LIABILITIES

At 31 December, this item is broken down as follows:

	Thousands of euros	
	2024	2023
Outstanding remuneration	62,937	55,210
Sundry creditors	20,122	9,805
Other liabilities	43,087	109
Total	**126,146**	**65,124**

Outstanding remuneration mainly includes the accrual of fixed and variable salaries which are unpaid, as well as provisions for holidays not taken.

The heading "Sundry creditors" includes the outstanding payment for the acquisition of the hotels in Brazil amounting to 43,026 thousand euros (Note 6 and Note 26).

24.- THIRD PARTY GUARANTEES AND CLAIMS IN PROCESS

At 31 December 2024, the Group had a total of 44,509 thousand euros in economic or financial bank guarantees issued by various banks (41,903 thousand euros in 2023).

Of the 44,509 thousand euros in bank guarantees, 37,424 thousand euros guarantee leasing contract obligations and others related to the Group's usual operations in various countries, and 7,085 thousand euros are guarantees issued to public bodies for administrative and technical matters.

At s31 December 2024, the Group had taken out insurance policies to cover risks arising from damage to material goods, loss of profits and third-party liability. The capital insured sufficiently covers the assets and risks mentioned above.

Commitments to third parties

- Within the framework of new development projects in the normal course of business, in which NH Group subsidiaries act as lessees or operators, the Group's parent company gives personal guarantees in favour of third parties to secure its contractual obligations, often issue promissory notes in payment of said obligations and agrees penalty clauses in case of breach of contract.

- Likewise, within the framework of the group's financing, personal and real guarantees have been granted to fulfil the obligations guaranteed under the financing agreements (Note 18).

Claims in process

The Group's main contingent assets and liabilities on the date these consolidated annual accounts were drawn up, are set out below:

- Two claims have been filed against Group companies in Germany due to the termination of two lease agreements and claiming specific amounts, including damages.

- A claim has been filed against a Group company for alleged breaches of contract, as well as damages associated with such breaches, in connection with a lease agreement that has expired.

- A claim has been filed against two of the Group's companies seeking payment fees to rights management from 1 January 2008 to 31 May 2013, in addition to an unspecified amount corresponding to the period thereafter until a judgement is issued, plus interest and costs. The proceedings finalised after the cassation appeal lodged by the claimant was no admitted, with the judgement on appeal that set a lower amount than that claimed became final, with the settlement process having finalised.

- In the context of a claim brought by the Company against a management entity, this entity has counterclaimed against a Group company for the payment of management entity fees for 2018, 2019, with the claim having been dismissed in full at the first instance, partially upheld at the second instance and the proceedings are currently at the cassation stage.

- A claim for damages has been filed against a Group company within the framework of a corporate relationship, which has been dismissed in its entirety at the appeal stage, although this ruling has been appealed in cassation, which is pending admission.

- Claims for payment, within the framework of the various processes of rent renegotiation that the Company is in, have been lodged where partially favourable judgements have been obtained, out-of-court settlements have been reached or they are still in progress.

- In the context of a legal proceeding in which the Company requested that the termination of a lease agreement be declared lawful, the defendant has answered requesting, among other things, the payment of the rents unpaid as a consequence of the aforementioned termination. A judgment in favour of the Company has been rendered and has become final.

- On the occasion of the agreements reached in 2014 for the sale of the shares held by NH Hotel Group, S.A in the company Sotogrande, S.A., the Group agreed to subrogate to the position of Sotogrande, S.A. for certain claims assuming all rights and obligations relating thereto, and are summarised as follows:

  Plaintiff in the proceedings against construction agents for construction defects in twenty-five homes and contractual liability, where partially favourable judgements have been obtained.

  Respondent in the process of claiming amounts from a real estate development due to construction defects, where a partially favourable judgment has been obtained.

- A former shareholder of the Group has requested the annulment of certain resolutions adopted by the Board of Directors. The claim was wholly dismissed and the proceedings are currently under appeal.

The Directors of the Parent Company consider that the hypothetical loss incurred by the Group as a result of such actions would not significantly affect the equity of the Group.

25.- INCOME AND EXPENSES

25.1 Income

The breakdown of these headings in the consolidated income statements is as follows:

	Thousands of euros	
	2024	2023
Hotel occupancy	1,756,114	1,574,858
Catering	442,432	382,536
Function rooms and others	143,426	140,484
Rentals and other services	75,903	61,117
Ordinary income	**2,417,875**	**2,158,995**
Operating subsidies	(3,138)	(558)
Other operating income	6,071	5,780
Other income	**2,933**	**5,222**
Net gains on disposal of non-current assets	**8,675**	**(239)**
Total	**2,429,483**	**2,163,978**

"Rentals and Other Services" includes the income from fees invoiced to hotels operated on a management basis and the services provided by the Group to third parties.

Operating subsidies mainly includes grants received from European governments. Said governments are conducting a review of the accounts justifying the requested financial aid and the amounts recorded cannot therefore be considered final until that process is complete.

The breakdown of net turnover by geographical markets is as follows:

	Thousands of euros	
	2024	2023
Italy	489,588	459,740
Southern Europe and USA	737,802	629,788
Central Europe	520,071	471,826
Benelux	485,205	461,367
Latin America	184,204	135,708
Central Services	1,005	566
Total	**2,417,875**	**2,158,995**

25.2 Operating profit/(loss)

Staff costs

This item in the consolidated statement of profit and loss is broken down as follows:

	Thousands of euros	
	2024	2023
Wages, salaries and similar	471,362	401,316
Social security contributions	113,451	97,976
Severance payments	3,303	1,637
Contributions to pension plans and similar	13,112	12,991
Other social expenses	24,427	16,995
Total	**625,655**	**530,915**

The average number of people employed by the Parent Company and the companies consolidated through full consolidation in the year broken down by professional category was as follows:

	2024	2023
Group's general management	9	9
Managers and heads of department	1,636	1,537
Technical staff	1,126	1,047
Sales representatives	984	903
Administrative staff	150	138
Rest of workforce	10,456	8,802
Total	**14,361**	**12,436**

In calculating the average number of employees, the Group has not taken into account employees whose contracts have a duration of less than two days.

The breakdown of personnel at 31 December, by sex and professional category, is as follows:

	2024		2023	
	Males	Females	Males	Females
Group's general management	7	3	7	2
Managers and heads of department	939	747	886	694
Technical staff	571	613	522	582
Sales representatives	329	682	304	696
Administrative staff	53	99	53	100
Rest of workforce	5,520	5,764	4,754	5,018
Total	**7,419**	**7,908**	**6,526**	**7,092**

The average number of people with disabilities equivalent to or greater than 33%, directly employed by the Parent Company and fully consolidated companies in Spain in the year, broken down by professional category, is as follows:

	2024	2023
Managers and heads of department	6	2
Technical staff	17	13
Sales representatives	2	3
Administrative staff	11	7
Rest of workforce	91	88
Total	**127**	**113**

The average age of the Group's workforce was approximately 39.9 and average length of service in the Group was 8.1 years (40.0 years and 8.4 years respectively in 2023).

Other operating expenses

The composition of this consolidated income heading is as follows:

	Thousands of euros	
	2024	2023
Leasing (Note 8)	203,937	201,905
Outsourcing of services	159,531	151,245
Commissions	134,208	126,713
Supplies	91,675	95,740
Maintenance and cleaning	64,163	56,158
Laundry and related costs	54,461	49,146
Costs associated with information technologies	46,507	40,802
Marketing and merchandising	44,152	31,384
Taxes, insurance and levies	37,864	36,887
Advisory services	22,554	18,197
Other external services	129,847	107,310
Total	**988,899**	**915,487**

In 2024, the Group experienced an improvement to the level of activity in its hotel business, which led to an increase in some operational expenses directly related to the level of activity, such as the maintenance and cleaning and laundry service, among others. Also, the increase recorded in income from accommodation explains the increase in associated agency commission expenses and the cost of leases associated with variable rents.

During 2024 and 2023, the fees for account auditing and other services provided by the auditor of the Group's consolidated annual accounts and the fees for services invoiced by the entities related to it by control, shared ownership or management, were as follows:

	Thousands of euros	
	2024	2023
Auditing services	803	704
Other verification services	411	251
Total auditing and related services	**1,214**	**955**
Other services	357	392
Total other services	**357**	**392**
Total	**1,571**	**1,347**

Additionally, entities associated with the international network of the consolidated annual accounts auditor have invoiced the Group for the following services:

	Thousands of euros	
	2024	2023
Auditing services	1,163	992
Other verification services	258	260
Total auditing and related services	**1,421**	**1,252**
Tax consulting services	38	37
Other services	13	134
Total other services	**51**	**171**
Total	**1,472**	**1,423**

During 2024, other auditing firms apart from the auditor of the consolidated annual accounts or entities associated with this company by control, shared ownership or management, have provided account auditing services to the companies making up the Group, for fees totalling 276 thousand euros (171 thousand euros in 2023). The fees accrued in 2024 by these firms for tax advice services were 527 thousand euros (578 thousand euros in 2023) and for other services, 673 thousand euros (535 thousand euros in 2023).

25.3 Financial profit/(loss)

Financial income

The breakdown of the amount of financial income is as follows:

	Thousands of euros	
	2024	2023
Interest income	10,912	10,746
Other financial income	983	1,736
Total	**11,895**	**12,482**

Interest income corresponds to remuneration of short term deposits (Note 15).

Financial expenses

The breakdown of the amount of financial expenses is as follows:

	Thousands of euros	
	2024	2023
Interest expenses	26,736	29,561
Amortisation of debt issuance expenses and fair value adjustments	2,354	2,593
Financial expenses on debt	**29,090**	**32,154**
Financial expenses on leases (Note 8)	**90,778**	**85,608**
Financial expenses for means of payment	30,604	26,297
Financial effect relating to restatement of provisions and other financial liabilities	159	128
Other Financial expenses	**30,763**	**26,425**

The decrease in "Interest expenses" is mainly due to the decrease in gross financial debt (excluding lease liabilities) throughout 2023 and 2024 due to principal repayments in accordance with the contractually established schedules (Note 18).

The decrease in the "Amortisation of debt arrangement expenses" line is due to early amortisation of the debt arrangement expenses associated with the financial liabilities cancelled during the 2023 financial year (Note 18).

Interest expenses corresponds to debts valued at amortised cost.

The heading "Financial expenses for means of payment" increased as a result of the increase in activity.

Results from exposure to hyperinflation

This heading includes the net effect recognised in the consolidated statement of profit and loss arising from the application of accounting standards to the financial statements of Argentine subsidiaries from the date of first application since 2018 (Note 2.6.4).

Other financial profit/loss

	Thousands of euros	
	2024	2023
Change in fair value of financial instruments	–	(799)
Profit/(loss) on financial operations and others	6,089	2,338
Impairment on financial investments	–	(2,277)
Total	**6,089**	**(738)**

The result from financial and other operations includes the financial income obtained by the Group in 2024 from the sale of two Dutch companies (Note 2.9.5).

In 2023, impairment of financial investments also includes the impairment of a financial investment in Mexico due to the evolution of the euro-peso and euro-dollar exchange rates,

26.- RELATED PARTY TRANSACTIONS

In addition to its subsidiaries, associates and joint ventures, the Group's “related parties” are considered to be the “key management personnel” of the Parent Company (Board Members and Directors, along with their immediate relatives), as well as organisations over which key management personnel may exert significant influence or control.

Transactions carried out by the Group with its related parties during the year are stated below, distinguishing between major shareholders, members of the Board of Directors and Directors of the Parent Company and other parties that were related during the year even though there are no longer a shareholder at year-end. The conditions of the related-party transactions are equivalent to those of transactions carried out under market conditions:

	Thousands of euros		
	2024		
Income and Expenses	Significant shareholders	Associates or companies of the Group	Total
Expenses:			
Financial expenses	634	–	634
Reception of services	5,082	–	5,082
Other expenses	291	–	291
	6,007	**–**	**6,007**
Income:			
Management or cooperation agreements	840	2,313	3,153
Other income	1,253	–	1,253
	2,093	**2,313**	**4,406**

	Thousands of euros		
	2023		
Income and Expenses	Significant shareholders	Associates or companies of the Group	Total
Expenses:			
Financial expenses	–	–	–
Reception of services	3,986	–	3,986
Other expenses	362	–	362
	4,348	**–**	**4,348**
Income:			
Financial income	–	–	–
Management or cooperation agreements	347	2,133	2,480
Other income	1,393	–	1,393
	1,740	**2,133**	**3,873**

The heading “Management or cooperation agreements” referring to major shareholders includes the amounts that have accrued in the form of management fees payable to the MHE&A Group in the financial year by virtue of the hotel management agreement signed with the Minor Group.

Related party transactions

On 19 September 2024, the MHE&A Group entered into a share purchase agreement with MHG Continental Holding Pte. LTD. whereby it acquired 100% of the share capital of the company Minor ContinentalHolding S.à r.l. II, which in turn owns, directly or indirectly, the shares of Pojuca, S.A. This company holds the ownership or lease of the following hotel assets: Tivoli Ecoresort Praia do Forte and Tivoli Mofarrej Sao Paulo.

This Operation marked compliance with the provisions of the Framework Agreement entered into between the MHE&A Group and Minor on 7 February 2019 with respect to the geographic areas of preference of each party. Through the Operation, the Company has strengthened its presence in the Brazilian market by acquiring ownership of a portfolio of hotels that it had already been operating since June 2019 under a management agreement with Minor.

The consideration paid on the day of signing the contract amounted to a cash payment of 211,960 thousand euros, leaving a payment of 43,026 thousand euros including accrued interest outstanding, based on the value of the assets according to an company value, combined with a net financial position. The reasonableness of this consideration was based on a valuation report issued by Kroll Advisory, S.L., as independent expert.

The operation was also supported by a tax reasonableness report on transfer pricing issued by Deloitte Asesores Tributarios, S.L.U., dated 17 September 2024, and a report by Lefosse Advogados, an external advisory firm that has been involved in the legal due diligence process of the Brazilian companies and assets and has represented the Company in the negotiation of the purchase agreement with MHG, dated 19 September 2024, in which it states that the terms and conditions (leaving aside any commercial, financial, valuation or any other aspect) provided for in the purchase agreement are, on the whole, from a strictly legal point of view, and in the aspects governed by Brazilian law, consistent with those of other similar operations negotiated on arm's length terms between independent parties in which this firm has been involved in the past. The transaction was also approved by the Board of Directors, following a favourable report from the Audit and Control Committee, with all members voting in favour, with the exception of the proprietary directors appointed by Minor International Public Company Ltd. ("Minor"), who abstained from taking part in the deliberation and voting on the resolution.

Related party balances

	Thousands of euros	
	2024	2023
Accounts receivable from related entities (Note 14)	4,108	2,376
Accounts receivable from associated companies (short term) (Note 14)	187	858
Total Assets	**4,295**	**3,234**

	Thousands of euros	
	2024	2023
Accounts payable from related entities (Note 22)	(2,229)	(969)
Accounts payable to associate companies (Note 20)	(933)	(944)
Other financial liabilities (Note 23)	(43,026)	–
Total	**(46,188)**	**(1,913)**

At 31 December 2024, the Group has a net balance pending payment of 41,147 thousand euros with the Minor Group (4,108 thousand euros recorded as an account receivable and 45,255 thousand euros as accounts payable). At 31 December 2023, the Group has a net balance pending receipt of 1,407 thousand euros with the Minor Group (2,376 thousand euros recorded as an account receivable and 969 thousand euros as accounts payable).

27.- INFORMATION BY SEGMENTS

The Management Committee is the body responsible for making decisions on the Group's segments. The Management Committee monitors operational results on the basis of three geographical regions in order to make decisions on the accrual of resources and performance assessments. Each one of the geographical regions is led by its own Managing Director, who reports to the Management Committee.

The way of managing the three geographical regions coming under corporate services, defines the Group's geographical segments:

- BUSE (Southern Europe and USA): includes Italy, Spain, Portugal, France, Andorra, Tunisia and the USA. Within the segment, the information used for Management to manage it is presented separating Italy form the other countries.

- BUNE: within the segment, management information is grouped between Central Europe (which includes: Germany, Austria, Czechia, Hungary, Poland, Romania, Slovakia and Switzerland) and Benelux (which includes: Holland, Belgium, Luxembourg, Ireland and the United Kingdom).

- BUAM (Latin America, which includes: Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Haiti, Mexico and Uruguay).

The following table shows the breakdown of certain balances on the Group's consolidated statement of profit and loss.

	Thousands of euros (2024)						
	BUSE		BUNE				
	Italy	Southern Europe and USA	Central Europe	Benelux	BUAM	Central Services	TOTAL
Ordinary income	489,588	737,802	520,071	485,205	184,204	1,005	2,417,875
Other income	600	1,254	(2,962)	892	250	2,899	2,933
Net Profits/(Losses) from asset impairment	11,841	3,903	(18,915)	(412)	(1,809)	–	(5,392)
Depreciation	(59,506)	(87,426)	(84,646)	(41,955)	(14,285)	(15,627)	(303,446)
Financial income	10	3,173	718	121	7,836	37	11,895
Financial expenses	(19,887)	(38,661)	(50,254)	(22,344)	(11,543)	(7,942)	(150,631)
Results from exposure to hyperinflation (IAS 29)	–	–	–	–	1,377	–	1,377
Share of profit/(Loss) from entities accounted for the equity method	–	344	–	–	416	421	1,181
Income tax	(27,220)	(22,092)	(159)	(15,182)	(4,111)	19,620	(49,144)

	Thousands of euros (2023)						
	BUSE		BUNE				
	Italy	Southern Europe and USA	Central Europe	Benelux	BUAM	Central Services	TOTAL
Ordinary income	459,740	629,788	471,826	461,367	135,708	566	2,158,995
Other income	2,217	1,169	(2,055)	887	326	2,678	5,222
Net Profits/(Losses) from asset impairment	11,005	770	(13,302)	1,845	492	–	810
Depreciation	(55,291)	(81,903)	(86,195)	(41,676)	(11,809)	(15,487)	(292,361)
Financial income	8	4,140	605	69	6,177	1,483	12,482
Financial expenses	(15,568)	(47,668)	(60,429)	(22,756)	(10,344)	12,578	(144,187)
Results from exposure to hyperinflation (IAS 29)	–	–	–	–	301	–	301
Share of profit/(Loss) from entities accounted for the equity method	–	(1)	–	–	773	43	815
Income tax	(28,873)	(14,945)	(7,292)	(12,621)	(7,820)	1,235	(70,316)

2024

	Miles de euros						
	2024						
		BUSE		BUNE			
	TOTAL	Italy	Southern Europe and USA	Central Europe	Benelux	BUAM	Central Services
OTHER INFORMATION							
Inclusions of tangible fixed assets and other intangibles	180,553	33,401	48,094	34,294	34,850	13,886	16,028
Depreciation	(303,446)	(59,506)	(87,426)	(84,646)	(41,955)	(14,285)	(15,627)
Profits/(Losses) from asset impairment	(5,392)	11,841	3,903	(18,915)	(412)	(1,809)	–
STATEMENT OF FINANCIAL POSITION							
ASSETS							
Assets by segments	4,522,662	806,977	1,106,624	896,550	810,391	708,271	193,849
Investments accounted for using the equity method	42,253	–	1,272	–	–	5,008	35,973
Total consolidated assets	**4,564,915**	**806,977**	**1,107,896**	**896,550**	**810,391**	**713,279**	**229,822**
LIABILITIES							
Liabilities and equity by segments	4,564,915	806,977	1,107,896	896,550	810,391	713,279	229,822
Total Consolidated Liabilities and Equity	**4,564,915**	**806,977**	**1,107,896**	**896,550**	**810,391**	**713,279**	**229,822**

2023

	Miles de euros						
	2023						
		BUSE		BUNE			
	TOTAL	Italy	Southern Europe and USA	Central Europe	Benelux	BUAM	Central Services
OTHER INFORMATION							
Inclusions of tangible fixed assets and other intangibles	253,042	37,439	143,361	18,863	26,001	12,913	14,465
Depreciation	(292,361)	(55,291)	(81,903)	(86,195)	(41,676)	(11,809)	(15,487)
Profits/(Losses) from asset impairment	810	11,005	770	(13,302)	1,845	492	–
STATEMENT OF FINANCIAL POSITION							
ASSETS							
Assets by segments	4,158,907	801,204	1,026,056	958,862	865,342	326,078	181,365
Shares in associated companies	43,719	–	928	–	–	5,672	37,119
Total consolidated assets	**4,202,626**	**801,204**	**1,026,984**	**958,862**	**865,342**	**331,750**	**218,484**
LIABILITIES							
Liabilities and equity by segments	4,202,626	801,204	1,026,984	958,862	865,342	331,750	218,484
Total Consolidated Liabilities and Equity	**4,202,626**	**801,204**	**1,026,984**	**958,862**	**865,342**	**331,750**	**218,484**

28.- REMUNERATION AND OTHER STATEMENTS MADE BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Management Bodies of the Parent Company have the following composition at 31 December:

- Board of Directors: 10 members in 2024 (10 members at 31 December 2023),
- Audit and Control Committee: 3 members in 2024 (3 members at 31 December 2023),
- Appointments and Remuneration Committee: 3 members in 2024 (3 members at 31 December 2023).

28.1 Remuneration of the Board of Directors

The amount accrued during the year by the members of the Parent Company's Board of Directors in relation to the remuneration of the Executive Directors, bylaw stipulated directors' fees and attendance fees and other items, is as follows:

	Thousands of euros	
Remuneration item	**2024**	**2023**
Fixed remuneration	1,612	1,536
Short-term variable remuneration	1,062	1,013
Long-term variable remuneration	999	1,637
Parent Company: allowances	11	6
Parent Company: attendance allowances	230	305
Indemnifications/other	38	30
Life insurance premiums	17	14
Total	**3,969**	**4,541**

At 31 December 2024, the Board of Directors had 10 members, three women and seven men (10 members in 2023, three women and seven men).

Remuneration in kind (vehicles and medical insurance) is included under "Other", as well as the loyalty bonus reflected in the Ramón Aragonés agreement.

Additional information in the Annual directors' Remuneration Report.

28.2 Remuneration of Senior Management

The remuneration of members of the Management Committee during the year, excluding those who simultaneously held office as members of the Board of Directors (whose remuneration has been set out above), is detailed below:

	Thousands of euros	
	2024	**2023**
Pecuniary remuneration	3,161	2,476
Remuneration in kind	127	126
Others	692	1,306
Total	**3,980**	**3,908**

There were 7 members of Senior Management 31 December 2024 (6 members at 31 December 2023) excluding the CEO, the Chief Operations Officer and the Chief Assets and Development Officer due to their status as executive directors.

Since 1 January 2025, Gonzalo Aguilar has been the Company's chief executive officer. Mr Aguilar joined the company's senior management on 1 October 2024 in a three-month on-boarding process in which he was supported by Mr Aragonés to ensure a smooth transition.

It is worth pointing out that the post of Chief Financial Officer has been held by Ana Muñoz since 1 May and her remuneration is included from her appointment date. Luis Martinez Jurado, ex-Chief Financial Officer, left the company on 30 April 2024 and his remuneration is included up to his leaving date.

The item "Cash remuneration" includes fixed and short-term variable remuneration accrued in full until 31 December 2024. Remuneration in kind includes the vehicle and the cost of insurance.
The heading "Other" takes the long-term objective remuneration accrued in 2024 into consideration.

28.3 Information on conflicts of interest on the part of Directors

During 2024, Minor International Public Company Limited ("Minor"), an indirect majority shareholder of the Group (95.87%) and represented on the Board by four proprietary Directors, and the Group signed a series of Related Party Transactions, which are broken down in the Audit and Control Committee's Annual Report, and there were transactions arising from Related Transactions approved in previous years which are broken down in Note 26 of this Report. These Related Party Transactions have always been executed in strict compliance with the rules established in the applicable regulations and the Procedure for Conflicts of Interest and Related Party Transactions with Significant Shareholders, Directors and Senior Management of Minor Hotels Europe & Americas, S.A. approved by the Board of Directors on 11 November 2021. All transactions signed with Minor (and/or its group of companies) have counted on a report from the Audit and Control Committee, have been signed under market conditions and with the participation of external advisors, and in compliance with the provisions in the Framework Agreement signed between the parties on 7 February 2019, which regulates, among others, the scope of action of the respective hotel groups headed by the Group and Minor through the identification of preferred geographic areas or zones, the mechanisms necessary to prevent and deal with possible conflicts of interest, as well as to carry out operations with related parties and develop business opportunities. The aforementioned Framework Agreement was duly communicated to the Market via a Relevant Fact and is published in full on the Company's website.

During all meetings of both the Audit and Control Committee and the Board of Directors that dealt with any matter related to Minor, proprietary directors were absent from the meetings, and consequently did not take part in the debate or in the adoption of the corresponding resolution.

In addition, and when the related-party operation so requires, the Company informs the market of the details of the transaction, as was done in the communication sent to the CNMV on 19 September 2024, describing in detail the operation entered into with Minor in relation to the operation in Brazil, whose review, study and approval has scrupulously complied with the rules of good governance.

29.- ENVIRONMENTAL, SOCIAL AND GOVERNMENTAL RISKS

The Parent Company's Board of Directors is the body responsible for supervision of the risk management system, and the Audit and Control Committee supports the Board in supervising the effectiveness of the internal control, internal audit and the risk management systems.

The governing bodies receive information about the main risks the Group is exposed to and the capital resources available to face up to them at least every quarter, along with information about compliance with the limits set in the risk appetite.

Therefore, as in previous years, in 2024 the Audit and Control Committee supervised and validated the Risk Map update and the correct implementation of the action plans that fully or partially contribute to mitigating the main risks.

An analysis was carried out on the 81 corporate risks (financial and ESG) appearing in the Group's risk catalogue for 2024 to identify those relating to *ESG (Environmental, Social and Governance)* criteria. The result was that 51% of all the risks identified were classified as such.

As it is integrated within the Company's Risk Management Model, the ESG Risk Map follows the same process phases, including risk response, monitoring and control and mitigation measures adopted.

In addition, all risks and opportunities arising from climate change have been identified following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The process carried out to identify and manage them can be found in the section: Climate risk management.

For further information on the Company's risk management, please see Chapter 6. Risk Management of the Consolidated Management Report, or the section Risk management model .

Sustainable Business Strategy

Minor Hotels Europe & Americas runs its hotel business with the ambition of spearheading responsible behaviour, generating a positive social and environmental impact where it is present, conveying its human rights, ethical and corporate commitments in its way of working along its entire value chain: shareholders, customers, partners, suppliers and employees, while promoting responsible alliances with two pillars: UP FOR PLANET and UP FOR PEOPLE.

A noteworthy milestone was the setting up of the Sustainability Executive Committee in May 2022, whose main function is to support the Board of Directors in its work providing monitoring of Minor Hotels Europe & Americas' sustainability strategy. This committee is co-chaired by the Chief Assets & Development Officer and the Chief People & Sustainable Business Officer , and it is made up of members of the Company from different key areas with a direct impact on the NH Hotel Group strategy execution.

Convinced it is moving in the right direction to achieve the next sustainability challenges, the Company is aligned with the Sustainable Development Goals (SDGs) to which it can contribute and undertakes to continue creating long-term and global value within the framework of the 2030 Agenda.

More information on this Model and its performance during 2024 is available in section 7. Consolidated statement of non-financial information, Strategy, in the Consolidated Directors' Report 2024.

30.- EXPOSURE TO RISK

Group financial risk management is centralized in the Corporate Finance Division in accordance with the policies approved by the Board of Directors. This Division has put the necessary measures in place to control exposure to changes in interest and exchange rates on the basis of the Group's structure and financial position, as well as credit, liquidity and market price risks. If necessary, hedges are made on a case-by-case basis. The main financial risks faced by the Group's policies are described below:

Credit risk

The Group's main financial assets include cash and cash equivalents (Note 15), as well as trade and other accounts receivable (Note 14). In general terms, the Group holds its cash and cash equivalents in entities with a high credit rating and part of its trade and other accounts receivable are guaranteed by deposits, bank guarantees and advance payments by tour operators.

The Group has no significant concentration of third-party credit risk due to the diversification of its financial investments as well as to the distribution of trade risks with short collection periods among a large number of customers.

The Group has formal procedures for detecting objective evidence of impairment in trade debtors for the provision of services. As a result of these, significant delays in payment terms and the methods to be followed in estimating the impairment loss based on individual analyses are identified. Impairment of accounts receivables from customers for the provision of services at 31 December 2024 amounted to 4,286 thousand euros (4,621 thousand euros at 31 December 2023) (Note 14), and customer balances not included in this impairment have sufficient credit quality. Therefore, with this impairment, the credit risk of these accounts receivable is considered covered.

Interest rate risk

The Group's financial assets and liabilities are exposed to fluctuations in interest rates, which may have an adverse effect on its results and cash flows. It has also set up control policies and the greater part of its debt is at fixed rates with the issue of guaranteed senior debentures. At 31 December 2024, approximately 89% (88% at 31 December 2023) of the gross borrowings drawn down was tied to fixed interest rates (excluding lease liabilities).

In accordance with reporting requirements of IFRS 7, the Group has conducted a sensitivity analysis on possible interest-rate fluctuations in the markets in which it operates, based on these requirements.

Through the sensitivity analysis, taking as a reference the outstanding amount of that financing that has variable interest, we estimated the increase in the interest that would arise in the event of a rise in the reference interest rates.

- In the event that the increase in interest rates were 25 b.p., the financial expense would increase by 0.125 thousand euros plus interest.
- In the event that the increase in interest rates were 50 b.p., the financial expense would increase by 0.250 thousand euros plus interest.
- In the event that the increase in interest rates were 100 b.p., the financial expense would increase by 0.500 thousand euros plus interest.

The results in equity would be similar to those recorded in the income statement but taking into account their tax effect, if any.

Lastly, the long-term financial assets set out in Note 13 of this annual report are also subject to interest-rate risks.

Exchange rate risk

The Group is exposed to exchange-rate fluctuations that may affect its sales, results, equity and cash flows. These mainly arise from:

- Investments in foreign countries (essentially Mexico, Argentina, Uruguay, Colombia, Chile, Ecuador, the Dominican Republic, Brazil, Panama, the United States, Hungary and Czechia).

- Transactions made by Group companies operating in countries whose currency is other than the euro (essentially Mexico, Argentina, Uruguay, Colombia, Chile, Ecuador, the Dominican Republic, Venezuela, Brazil, the United States, the United Kingdom Hungary and Czechia).

In this respect, the detail of the effect on the currency translation difference of the main currencies in 2024 was as follows:

	Thousands of euros	
	Currency translation difference	Change vs 2023
Brazilian real	(10,525)	(561)
Uruguayan peso	(4,288)	(91)
Mexican peso	(18,254)	(5,642)
Colombian peso	(36,115)	(2,036)
Chilean peso	13,017	(1,520)

The changes in the currency translation difference of the above currencies were mainly due to the movements in exchange rates between 31 December 2024 and 31 December 2023:

Year-end euro reference exchange rate	2024	2023	Change
Uruguayan peso	45.21	43.12	(4.84)%
Mexican peso	21.55	18.72	(15.13)%
Colombian peso	4,545.45	4,347.83	(4.55)%
Chilean peso	1,030.93	961.54	(7.22)%
Brazilian real	6.43	5.36	(19.84)%

As can be observed in the table, the movements in the exchange rate of the currencies with respect to the end of the previous year is in line with the changes in equity associated with these currencies.

Below is a detail of the movements in the average exchange rate of the aforementioned currencies:

Average euro reference exchange rate in the year	2024	2023	Change
Uruguayan peso	43.50	41.98	(3.61)%
Mexican peso	19.84	19.18	(3.45)%
Colombian peso	4,347.83	4,761.91	8.70 %
Chilean peso	1,020.41	909.09	(12.24)%
Brazilian real	5.83	5.40	(7.91)%

For these currencies an analysis was carried out to determine if it would be better to apply a monthly average or cumulative average exchange rate, and no significant difference resulted from this analysis.

Liquidity risk

Exposure to adverse situations in debt or capital markets could hinder or prevent the Group from meeting the financial needs required for its operations and for implementing its Strategic Plan.

Furthermore, the continuous concentration in the banking system may make access to financial instruments, bank guarantees and financing working capital more difficult.

Management of this risk is focused on thoroughly monitoring the maturity schedule of the Group's financial debt, as well as on proactive management and maintaining credit lines that allow forecast cash needs to be met.

The Group's liquidity position at 31 December 2024 is based on the following points:

- The group had cash and cash equivalents amounting to 219,889 thousand euros.

- Available in undrawn credit facilities amounting to 313,000 thousand euros (Note 18).

The Group also has 51,400 thousand euros in confirming lines that it uses to manage part of its payments to trade creditors. These lines are distributed amongst several banks and cover trade suppliers in various countries in Europe (Spain, Germany, Holland, Italy, Belgium, Austria and Luxembourg)

The senior notes maturing in 2026 and the syndicated credit facility maturing in 2026 require compliance with a number of financial covenants and loan to value ratios and at 31 December 2024 these ratios were met and there is no liquidity risk in relation to these ratios in the next 12 months.

Lastly, the Group makes cash flow forecasts on a systematic basis for each business unit and geographical area, depending on the capacity to generate positive cash flows from business, in order to assess their needs. This Group liquidity policy ensures payment undertakings are fulfilled without having to request funds at onerous conditions. In this way, the Group's liquidity position is continuously monitored.

Market prices risk

The Group is exposed to risks related to fluctuations of prices of goods and services. These risks are essentially managed in the purchasing process.

In an inflation environment, the Group could be impacted in several ways, such as, for example, by increases in supplies of products and services, salary costs, the cost of renting the hotels leased. This inflation risk can be buffered by, amongst others, diversifying supplies providers, renegotiation of existing contracts that include protection clauses, a business strategy focussing on maximising the average price for the sale of hotel rooms and the identification of efficiency measures for operational costs.

However, the disruptions to the supply chain, exacerbated by geopolitical tensions, have caused upward pressure in the price of supplies of products and services, particularly energy, which has increased drastically in Europe and is reflected in the cost of its supplu and services with a high energy use, such as laundry services. As mentioned above, these risks are managed, among others, by diversification of supply providers, renegotiation of existing contracts and identification of operational cost efficiency measures.

31.- EVENTS AFTER THE REPORTING PERIOD

On 31 January 2025, the company "Minor Luxury Hotels Vilamoura S.A.", which was recorded as available for sale at year-end, was sold, which does not have a negative impact on the consolidated statement of profit and loss.

ANNEX I: SUBSIDIARIES

The data on the Parent company's subsidiaries at 31 December 2024 is presented below:

Investee company	Registered address of investee company	Main activity of the investee company	Parent company´s % stake in investee company	% of voting rights controlled by parent company
Agaga, s.r.o.	Chequia	Hotel Business	100%	100%
Airport Hotel Frankfurt-Raunheim, GmbH & Co. KG	Frankfurt	Real Estate	94%	94%
Aldon Beteiligungs GmbH	Pullach i.Isartal	Holding	100%	100%
Artos Beteiligungs, GmbH	Munich	Holding company	100%	100%
Astron Immobilien, GmbH	Munich	Holding company	100%	100%
Atlantic Hotel Exploitatie, B.V.	The Hague	Hotel Business	100%	100%
Capredo Investments, GmbH	Switzerland	Holding company	100%	100%
Chartwell de México, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
Chartwell de Nuevo Laredo, S.A. de C.V.	Nuevo Laredo	Hotel Business	100%	100%
Chartwell Inmobiliaria de Coatzacoalcos, S.A. de C.V.	Coatzacoalcos	Hotel Business	100%	100%
City Hotel, S.A.	Buenos Aires	Hotel Business	50%	50%
Columbia Palace Hotel, S.A.	Montevideo	Hotel Business	100%	100%
Coperama Benelux, B.V.	Amsterdam	Procurement network	100%	100%
Coperama Central Europe Gmbh (*)	Berlin	Procurement network	100%	100%
Coperama Colombia, S.A.S	Bogotá	Procurement network	100%	100%
Coperama Holding, S.L.	Madrid	Procurement network	100%	100%
Coperama Italia S.r.l.	Milan	Procurement network	100%	100%
Coperama Mexico S.A. de C.V.	Mexico City	Procurement network	100%	100%
Coperama Portugal, Unipessoal Lda	Portugal	Procurement network	100%	100%
Coperama Spain, S.L.	Madrid	Procurement network	100%	100%
Corporación Hotelera Oriental, S.A.	Santo Domingo	Holding company	100%	100%
Dam 9 B.V.	Amsterdam	Corporate services	100%	100%
De Sparrenhorst, B.V.	Nunspeet	Hotel Business	100%	100%
Desarrollo Inmobiliario Santa Fe Mexico, S.A. de C.V.	Mexico City	Hotel Business	50%	50%
Eurotels Chile S.A.	Chile	Holding company	98%	98%
Exploitatiemaatschappij Hotel Best B.V.	Best	Without activity	100%	100%
Exploitatiemaatschappij Hotel Doelen, B.V.	Amsterdam	Hotel Business	100%	100%
Exploitatiemaatschappij Hotel Naarden, B.V.	Naarden	Hotel Business	100%	100%
Exploitatiemaatschappij Hotel Schiller, B.V.	Amsterdam	Hotel Business	100%	100%
Franquicias Lodge, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
GCS Hotel Ltd.	Dublin	Hotel Business	100%	100%

(*) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) in 2024.

(**) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) and Section 291, paragraph 1, of the Commercial code (HGB) in 2024.

Investee company	Registered address of investee company	Main activity of the investee company	Parent company´s % stake in investee company	% of voting rights controlled by parent company
Gestora hotelera del siglo XXI, S.A.	Barcelona	Hotel Business	100%	100%
Gran Circulo de Madrid, S.A.	Madrid	Catering	99%	99%
Grupo Hotelero Monterrey, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
Grupo Hotelero Queretaro, S.A. de C.V.	Querétaro	Hotel Business	57%	57%
Grupo Operador de Hoteles Santa Fe, S.A de C.V	Mexico City	Hotel Business	50%	50%
Heiner Gossen Hotelbetrieb, GmbH (*)	Berlin	Hotel Business	100%	100%
Highmark Geldrop, B.V.	Geldrop	Without activity	100%	100%
Highmark Hoofddorp, B.V.	Hoofddorp	Hotel Business	100%	100%
Hispana Santa Fe, S.A. de C.V.	Mexico City	Hotel Business	50%	50%
Hotel de Ville, B.V.	Groningen	Hotel Business	100%	100%
Hotel expl. mij. Danny Kayelaan Zoetermeer, B.V.	Zoetermeer	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Amsterdam Noord B.V.	Amsterdam	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Atlanta Rotterdam B.V.	Rotterdam	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Capelle aan den Ijssel B.V.	Capelle a/d Ijssel	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Diegem N.V.	Diegem	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Eindhoven B.V.	Hilversum	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Epen Zuid-Limburg B.V.	The Hague	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Flowermarket B.V.	Amsterdam	Without activity	100%	100%
Hotel Exploitatie Maatschappij Forum Maastricht B.V.	Maastricht	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Jaarbeursplein Utrecht B.V.	Utrecht	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Janskerkhof Utrecht B.V.	Utrecht	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Leijenberghlaan Amsterdam B.V.	Amsterdam	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Onderlangs Arnhem B.V.	Arnhem	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Spuistraat Amsterdam B.V.	Amsterdam	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Stadhouderskade Amsterdam B.V.	Amsterdam	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Stationsstraat Amersfoort B.V.	Amersfoort	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Van Alphenstraat Zandvoort B.V.	Hilversum	Hotel Business	100%	100%
Hotel Exploitatie Maatschappij Vijzelstraat Amsterdam B.V.	Amsterdam	Hotel Business	100%	100%
Hotelagos, S.A.	Lagos	Hotel Business	100%	100%
Hotelera de Chile, S.A.	Santiago de Chile	Hotel Business	100%	100%
Hotelera de la Parra, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
Hotelera Lancaster, S.A.	Buenos Aires	Hotel Business	50%	50%
Hotelera Norte Sur S.A	Chile	Real Estate	68%	68%
Hoteles Royal del Ecuador S.A.	Quito	Hotel Business	55%	55%
Hoteles Royal, S.A.	Bogota	Holding company	98%	98%

(*) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) in 2024.

(**) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) and Section 291, paragraph 1, of the Commercial code (HGB) in 2024.

Investee company	Registered address of investee company	Main activity of the investee company	Parent company ´s % stake in investee company	% of voting rights controlled by parent company
Hotels Bingen & Viernheim, GmbH & Co. KG	Munich	Real Estate	94%	94%
Iberinterbrokers, S.L.	Barcelona	Corporate services	75%	75%
IMMO Hotel Belfort N.V.	Diegem	Real Estate	100%	100%
IMMO Hotel Brugge N.V.	Diegem	Real Estate	100%	100%
IMMO Hotel Diegem N.V.	Diegem	Real Estate	100%	100%
IMMO Hotel GP N.V.	Diegem	Real Estate	100%	100%
IMMO Hotel Mechelen N.V.	Diegem	Real Estate	100%	100%
IMMO Hotel Stephanie N.V.	Diegem	Real Estate	100%	100%
Inmobiliaria Royal S.A	Chile	Real Estate	68%	68%
Inmobiliaria y financiera Chile S.A.	Santiago de Chile	Real Estate	100%	100%
Inversiones Chilenas, S.A.S	Bogotá	Hotel Business	98%	98%
Jan Tabak, N.V.	Bussum	Hotel Business	84%	84%
Jolly Hotels Belgium S.A.	Brussels	Real Estate	100%	100%
Jolly Hotels Deutschland GmbH (*)	Berlin	Hotel Business	100%	100%
Jolly Hotels Holland N.V.	Amsterdam	Holding company	100%	100%
Jolly Hotels USA, Inc.	Wilmington	Hotel Business	100%	100%
Koningshof, B.V.	Veldhoven	Hotel Business	100%	100%
Krasnapolsky Belgian Shares, B.V.	Hoofddorp	Holding company	100%	100%
Krasnapolsky Hotels & Restaurants, N.V.	Amsterdam	Holding company	100%	100%
Krasnapolsky Hotels, Ltd.	Somerset West	Without activity	100%	100%
Krasnapolsky International Holding, B.V.	Hoofddorp	Holding company	100%	100%
Latina Chile, S.L.U	Santiago de Chile	Hotel Business	100%	100%
Latina de Gestión Hotelera, S.A.	Buenos Aires	Hotel Business	100%	100%
Latina Holding S.A.U.	Buenos Aires	Holding company	100%	100%
Latinoamericana Curitiba Administracao De Hoteis Ltda	Curitiba	Hotel Business	100%	100%
Latinoamericana de Gestion Hotelera, S.L.	Madrid	Holding company	100%	100%
Leeuwenhorst Congres Center, B.V.	Noordwijkerhout	Hotel Business	100%	100%
Liberation Exploitatie, B.V.	Sprang Capelle	Hotel Business	100%	100%
Marquette Beheer B.V.	Hoofddorp	Holding company	100%	100%
Mateo Grundstuecksverwaltungsgesellschaft mbh	Pullach i.Isartal	Holding company	100%	100%
Matthew Hotel Savona, S.r.L	Bolzano	Holding company	100%	100%
Minor Continental Holding (Luxembourg) II S.à r.l.	Luxembourg	Holding company	100%	100%
MINOR Hotels Portimao, S.A	Portimao	Hotel Business	100%	100%
Minor Hotels Portugal, S.A	Lisbon	Hotel Business	100%	100%
MINOR Hotels Sintra, S.A	Sintra	Hotel Business	100%	100%
Minor Luxury Hotels Vilamoura, S.A.	Vilamoura	Hotel Business	100%	100%
Museum Quarter B.V.	Amsterdam	Hotel Business	100%	100%
Nacional Hispana de Hoteles, S. de R.L. de C.V.	Mexico City	Hotel Business	100%	100%

(*) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) in 2024.

(**) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) and Section 291, paragraph 1, of the Commercial code (HGB) in 2024.

Investee company	Registered address of investee company	Main activity of the investee company	Parent company ´s % stake in investee company	% of voting rights controlled by parent company
New York Palace KFT	Budapest	Hotel Business	100%	100%
NH Aguamarina Dominicana S.R.L.	Dominican Republic Corporate services	Corporate services	100%	100%
NH Atardecer Caribeño, S.A.	Madrid	Corporate services	100%	100%
NH Belgium, cvba	Diegem	Holding company	100%	100%
NH Brasil Administraçao De Hoteis E Participadas Ltda.	Villa Olímpica	Corporate services	100%	100%
NH Cash Link, S.L.	Madrid	Financial company	100%	100%
NH Central Europe Management, GmbH (*)	Berlin	Hotel Business	100%	100%
NH Central Europe, GmbH & Co. KG (**)	Berlin	Hotel Business	100%	100%
NH Central Reservation Office, S.A.	Madrid	Call Centre	100%	100%
NH Ciutat de Reus, S.A.	Barcelona	Hotel Business	90%	90%
NH Europa, S.L.	Barcelona	Hotel Business	100%	100%
NH Finland Oy	Finland	Hotel Business	100%	100%
NH Holding S.R.L	Italy	Holding company	100%	100%
NH Hotel Rallye Portugal Lda	Portugal	Hotel Business	100%	100%
NH Hotelbetriebs.-u. Dienstleistungs, GmbH (*)	Berlin	Hotel Business	100%	100%
NH Hotelbetriebs-u Entwicklungs, GmbH (*)	Berlin	Hotel Business	100%	100%
NH Hoteles Austria, GmbH	Vienna	Hotel Business	100%	100%
NH Hoteles Deutschland, GmbH (**)	Berlin	Hotel Business	100%	100%
NH Hoteles España, S.A.	Barcelona	Hotel Business	100%	100%
NH Hoteles France, S.A.S.	France	Hotel Business	100%	100%
NH Hoteles Polska, Sp. Zo.o.	Poznan	Hotel Business	100%	100%
NH Hoteles Switzerland GmbH	Zurich	Hotel Business	100%	100%
NH Hotels Czequia, s.r.o.	Prague	Hotel Business	100%	100%
NH Hotels USA Franchise Inc	New York	Holding company	100%	100%
NH Hotels USA Inc.	Houston	Hotel Business	100%	100%
NH Hungary Szallodauzemelteto kft	Budapest	Hotel Business	100%	100%
NH Italia Real Estate, S.r.l.	Milan	Real Estate	100%	100%
NH ITALIA, SpA	Milan	Hotel Business	100%	100%
NH Lagasca, S.A.	Madrid	Hotel Business	75%	75%
NH Las Palmas, S.A.	Gran Canaria	Hotel Business	75%	75%
NH Management Black Sea Srl	Bucharest	Hotel Business	100%	100%
NH Marbella Hotel, S.L.	Madrid	Hotel Business	100%	100%
NH Marin, S.A.	Barcelona	Hotel Business	50%	50%
NH Private Equity, B.V.	Hoofddorp	Holding company	100%	100%
NH Private Equity, B.V. (Brand Lux)	Senningerberg	Holding company	100%	100%
NH Private Equity, B.V. (Brand UK)	London	Holding company	100%	100%
NH Strandgade APS	Copenhagen	Hotel Business	100%	100%
NH The Netherlands B.V.	Hoofddorp	Holding company	100%	100%
NHOW Amsterdam B.V.	Amsterdam	Hotel Business	100%	100%
NHOW London, Ltd.	London	Corporate services	100%	100%
NHOW Rotterdam B.V.	Rotterdam	Hotel Business	100%	100%

(*) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) in 2024.

(**) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) and Section 291, paragraph 1, of the Commercial code (HGB) in 2024.

Investee company	Registered address of investee company	Main activity of the investee company	Parent company ´s % stake in investee company	% of voting rights controlled by parent company
Nuevos Espacios Hoteleros, S.A.	Madrid	Hotel Business	100%	100%
Objeckt Leipzig Messe GmbH &Co KG	Munich	Real Estate	94%	94%
Onroerend Goed Beheer Maatschappij Atlanta Rotterdam, B.V.	Rotterdam	Real Estate	100%	100%
Onroerend Goed Beheer Maatschappij Kruisweg Hoofddorp, B.V.	Hoofddorp	Real Estate	100%	100%
Onroerend Goed Beheer Maatschappij Prins Hendrikkade Amsterdam, B.V.	Amsterdam	Without activity	100%	100%
Onroerend Goed Beheer Maatschappij Van Alphenstraat Zandvoort, B.V.	Zandvoort	Real Estate	100%	100%
Operadora Nacional Hispana, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
Palacio de la Merced, S.A.	Burgos	Hotel Business	88%	88%
Palatium Amstelodamum, N.V.	Amsterdam	Hotel Business	100%	100%
Pojuca SA	Bahia	Hotel Business	100%	100%
Quantica, S.A.S.	Bogota	Hotel Business	50%	50%
Restaurant D'Vijff Vlieghen, B.V.	Amsterdam	Catering	100%	100%
Roco Hospitality Group, S.R.L.	Italy	Hotel Business	100%	100%
Royal Hotels International Inc.	USA	Without activity	98%	98%
Royal Santiago Hotel S.A.	Chile	Hotel Business	66%	66%
Servicios Chartwell de Nuevo Laredo, S.A. de C.V.	Nuevo Laredo	Hotel Business	100%	100%
Servicios Corporativos Chartwell Monterrey, S.A. de C.V.	Monterrey	Hotel Business	100%	100%
Servicios Corporativos Hoteleros, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
Servicios Corporativos Krystal Rosa, S.A. de C.V.	Mexico City	Hotel Business	100%	100%
Sociedad Hotelera Cien Internacional S.A.	Bogota	Hotel Business	63%	63%
Sociedad Hotelera Cotopaxi S.A.	Quito	Hotel Business	54%	54%
Sociedad Operadora Nh Royal Panama S.A.	Ciudad de Panamá	Hotel Business	98%	98%
The Marker Anantara Ltd.	Dublin	Holding company	100%	100%
Timeantube Comercio Ltda	Mata de Sao Joao	Holding company	100%	100%
Toralo, S.A.	Montevideo	Hotel Business	100%	100%
Vela Secunda Omnium Primum VIII B.V.	Groningen	Hotel Business	50%	50%
Wilan Ander, S.L.	Madrid	Real Estate	100%	100%
Wilan Huel, S.L.	Madrid	Real Estate	100%	100%

(*) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) in 2024.

(**) The companies belonging to the German consolidated group made use of the exemption provided for in Section 264, Paragraph 3 of the Commercial Code (HGB) and Section 291, paragraph 1, of the Commercial code (HGB) in 2024.

ANNEX II: ASSOCIATED COMPANIES

Investee company	Registered address of investee company	Main activity of the investee company	Parent company´s % stake in investee company	% of voting rights controlled by parent company
Borokay Beach, S.L.	Madrid	Hotel Business	50%	50%
Consorcio Grupo Hotelero T2, S.A. de C.V.	México D.F.	Hotel Business	10%	10%
Gente con actitud de servicios gecase, S.A. De C.V.	Puebla	Hotel Business	17%	17%
Hotelera del Mar, S.A.	Mar de Plata	Hotel Business	20%	20%
Inmobiliaria 3 Poniente, S.A. de C.V.	Puebla	Hotel Business	17%	17%
Mil Novecientos Doce, S.A. de C.V.	Mexico	Hotel Business	25%	25%
Servicios Corporativos 1912, S.A. DE C.V	Mexico	Hotel Business	25%	25%
Servicios Corporativos T2, S.A. DE C.V	México D.F.	Hotel Business	10%	10%
Sotocaribe, S.L.	Madrid	Holding	36%	36%

MINOR HOTELS EUROPE & AMERICAS

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ABOUT THE CONSOLIDATED MANAGEMENT REPORT

MINOR HOTELS
EUROPE & AMERICAS

ABOUT THE CONSOLIDATED MANAGEMENT REPORT

This Consolidated Management Report 2024 (hereinafter "the Report"), of Minor Hotels Europe & Americas[1] (hereinafter "the Company" or "MHE&A") deals extensively and in a clear and transparent manner with the Company'a strategy and performance, concentrating in a single document:

Financial information, contained in chapter *"3. Financial information: Evolution of the business and situation of MHE&A".*

Sustainability information, contained in chapter *"5. Consolidated Non-Financial and Sustainability Statement-and sustainability information and sustainability information":*

- The Company's response to the legal requirements of Act 11/2018, of 28 December 2018, concerning non-financial and diversity reporting, and Act 5/2021, of 12 April, amending the Spanish Companies Act (Consolidating Act) and the EU 2017/C215/01 guidelines for reporting its performance with regard to non-financial reporting.

- The Company's response to the requirements of Directive (EE) 2022/2464 of the European Parliament and of the Council of 14 December 2022, on Corporate Sustainability Reporting (hereinafter "CSRD"). Through it, amendments are made to the Code of Commerce, the Companies Act (Consolidating Act), the Accounts Auditing Act and the corresponding regulation[2]. At the year end, the aforesaid Directive requiring the Report had not been transposed into national legislation in Spain, the country where the headquarters of the parent company are located. The deadline for transposition established by the EU had passed in accordance with the recommendations received from the CNMV, MHE&A voluntarily presents its "Sustainability Statement" under the reporting requirements set out in the CSRD and in Delegated Regulation 2023/2772 of the Commission of 31 Jul 2023 (ESRS Requirements).

- 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, the first delegated act of which establishes the obligation to disclose information on how and to what extent the enterprise's activities are associated to economic activities that are considered to be environmentally sustainable. See: *"European Union Taxonomy for sustainable activities"* and *"Note 5. European Taxonomy".*

- EU 2017/C215/01 guidelines for reporting its performance with regard to non-financial reporting.

- The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). *"Note 6: 'Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).*

Information on **Corporate Governance**: Minor Hotels Europe & Americas publishes the *Annual Corporate Governance Report* and the *Annual Report on Directors' Remuneration* drawn up in accordance with the provisions of article 540 and 541 of the Companies Act, following the instructions of the CNMV[3] .

The Report was drawn up by the Board of Directors of Minor Hotels Europe & Americas on 13 February 2025, and was signed by all members of the Board, with the specifications indicated in the Statement of Responsibility of the Directors for the purposes of the provisions of article 118.2 of Royal Legislative Decree 4/2015, of 23 October, approving the Securities Market Act (Consolidating Act), noting the delegation by some of the Board members of other Directors to sign on their behalf.

This Report is published in digital format and is available on the Company's *website*. Previous financial and non-financial reports can be consulted through the following links:

- *Financial information.*

- *Sustainability information.*

[1] *Minor Hotels Europe & Americas, S.A. and its subsidiaries is a consolidated international hotel operator and one of the leading city hotel companies in the world. They make up an integrated group the core activity of which is carried out in the tourist sector and its main activity is focused on providing accommodation and tourist services for a short duration, as well as the development and operation of its assets (under owned, lease, management and franchise) for events, conferences and other types of conventions.*
[2] *Delegated Regulation (EU) 2023/2772 of the Commission of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.*
[3] *Established in Circular 3/2021, of 28 September, of the CNMV, amending the model annual corporate governance report and annual report on remuneration of directors of listed companies. The Company also follows the recommendations of the Good Governance Code for Listed Companies revised by the CNMV on 26 June 2020.*

Tivoli Portopiccolo Sistiana
Trieste, Italy

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GENERAL INFORMATION

MINOR HOTELS
EUROPE & AMERICAS

Business Model of Minor Hotels Europe & Americas

Minor Hotels Europe & Americas is an established international hotel operator and one of the world's leading urban hotel companies. Last April, Minor Hotels unified its global corporate identity with the change of name from NH Hotel Group S.A. to Minor Hotels Europe & Americas S.A. This took place after the vote at the General Shareholders' Meeting held in April 2024, in favour of the change of the Company's corporate name by the shareholders.

By adopting the name Minor Hotels Europe & Americas, the Company reinforces its integration with Minor Hotels, and fosters a unique and recognizable corporate identity for stakeholders, accelerating the global growth of the hotel group. In addition, this strategic move strengthens the global commercial and operational structure, benefiting other stakeholders such as industry professionals, customers, partners and shareholders, and other members of the financial community.

At the end of the financial year 2024, the Company is present in 31 countries, operating 347 hotels y 55,769 room in three continents (Europe, America and Africa), with a significant presence in Europe. Having a centralized business model allows Minor Hotels Europe & Americas to offer excellent service to its customers in the different hotels in the different regions and geographical areas in which it operates. The corporate headquarters and regional offices offer the hotels a wide range of functions such as sales, revenue management, reservations, marketing, human resources, financial management and systems development, among others.

This flexible operational and financial structure has allowed the Company to overcome the major challenges of previous years due to the low level of demand. In the medium term, the Company will continue to benefit from brand recognition, excellent locations and strong market positioning in Europe. It should be noted that in 2023, according to the Brand Finance Hospitality study, the Company has been recognized as the most valuable Spanish brand, sixth in Europe and top 25 worldwide.

Details of the MHE&A business model can be found in the following section: *SBM-1. Business Model, Value Chain and Strategy.*

Avani Alonso Martinez
Madrid, Spain

Minor Hotels Europe & Americas Strategy

Throughout 2024, Minor Hotels Europe & Americas focused its efforts on implementing and monitoring the five strategic pillars that guide its corporate vision. This approach has enabled the company to exceed the objectives set for the year and to respond effectively to the expectations of shareholders, partners, customers and team members.

The five strategic pillars and key achievements are detailed below:

1. The best value proposition for our customers

Developing a solid and differentiating value proposition for customers is the first strategic pillar of Minor Hotels Europe & Americas. The company is committed to understanding the market, the expectations and the specific needs of guests in order to create experiences that add real value to each stay. To this end, strategic initiatives aimed at innovation and continuous growth have been implemented, overseen by a multidisciplinary team that analyses emerging trends and ensures an innovative approach.

Minor Hotels' brand architecture covers the Select, Premium and Luxury segments, enabling it to respond to the different needs of its customers. During 2024, several hotels in the portfolio underwent repositioning and rebranding projects to offer products with impeccable design and exceptional quality. Loyalty programmes have also been enhanced, such as the transition to the NH Discovery programme and its integration with GHA Discovery, extending the company's global reach and offering exclusive benefits to customers.

n addition, the commercial strategy has identified new business opportunities and improved the efficiency of pricing management through data analytics tools and process automation. This approach has enabled us to optimise occupancy, reduce costs and maximise profitability. Furthermore, the digitisation of the customer experience has played a crucial role, incorporating advanced technologies such as mobile applications and IoT devices to personalise each stage of the stay.

MHE&A takes advantage of advanced technologies to offer personalised and seamless experiences at every stage of the guest's stay, from booking to check-out. In this sense, personalisation is a key element in building customer loyalty, using data to tailor communications and services.

For more details on this pillar, see: *The best value proposition for our customers.*

2. Grow to gain scale

The second strategic pillar focuses on sustainable growth in existing markets and the exploration of new geographies, segments and business models. Strategic diversification has led the company to consolidate emerging businesses such as luxury, resorts and branded residences, sectors characterised by high profitability and resilience. In a constantly evolving sector, the company proactively adapts to new business opportunities, aligning innovation and excellence to meet the needs of customers and partners. This commitment to strategic diversification allows us to explore and consolidate new models that complement the traditional offering, thereby increasing our impact on the market.

The branded residences model is consolidating as one of the fastest growing business lines in the hotel sector and the company is prepared to lead this trend. Thanks to its experience and knowledge of the market, MHE&A offers a unique added value, combining efficient operational management with brand prestige. This approach allows the company to offer owners not only a superior quality product, but also a differentiated experience and high quality standards that meet the expectations of the most demanding customers. This strengthens the Company's position as a benchmark in the segment.

In addition, MHE&A is evaluating a large number of projects in the luxury segment, an area in which it intends to strengthen its presence with exclusive, high value-added initiatives. It is also focused on identifying opportunities that include both luxury developments and high-end resorts, as well as projects in strategic urban locations, reinforcing its commitment to a diversified offering adapted to different markets and customer profiles.

In 2024, Minor Hotels Europe & Americas expanded its hotel portfolio with new properties in key destinations such as Benidorm, Mérida and Ibiza, consolidating its presence in strategic markets. In addition, its positioning in the resort segment was strengthened by the continued success of flagship properties in destinations such as Ibiza and the Costa Blanca, demonstrating the company's commitment to excellence and sustainable growth.

In terms of business models, the Company has a particular interest in management and franchising, which is reflected in the new agreements signed this year. The company expects to continue on this path with new contracts until 2025, consolidating its growth strategy.

For details of the evolution of the pillar throughout the year, see the section *'Grow to gain scale'*.

3. Develop the value proposition of Team Members

Corporate culture is key for Minor Hotels Europe & Americas. The company considers its team members to be its main asset and understands that, in order to build a solid corporate culture, it is essential to manage the attraction and development of talent, as well as to sustain their motivation and their pride in belonging.

The people strategy focuses on the values of leadership, equal opportunities, communication and innovation to create a homogeneous culture. During the year, key projects were consolidated to improve the value proposition for team members. A series of measures will also be tested to improve the attraction and retention of talent in the company, focusing on the development and expansion of listening opportunities to get closer to team members and implement specific actions to promote continuous improvement and reduce attrition.

The strategy of attracting and retaining talent has been redefined to address the new market reality and the needs of Minor Hotels Europe & Americas. The Company has continued to look after its teams and has provided them with tools to manage the uncertainty of past years, focusing on identifying, developing and retaining talent.

The average number of team members for the parent company and the consolidated companies during 2024 was 14,361 as can be seen in the following table:

Team Members by category

	2024		2023	
	FTEs	Headcount	FTEs	Headcount
General management of the Group	9	9	9	9
Directors and Heads of Department	1,636	1,662	1,537	1,567
Technicians	1,126	1,152	1,047	1,073
Commercial	984	1,044	903	962
Administrative	150	156	138	143
Rest of the staff	10,456	11,199	8,802	9,539
Total	**14,361**	**15,222**	**12,436**	**13,292**

For more information on the PEOPLE pillar, see the *'Evolving the value proposition for team members'* and *Team Members* sections.

4. Digital transformation

Digital transformation is a key strategic pillar for Minor Hotels Europe & Americas, designed to drive operational excellence, optimise the customer experience and ensure business sustainability. This approach integrates all aspects of operations through a global vision that enables real-time data collection and analysis to improve decision-making and efficiency in all areas.

The implementation of a centralised database and advanced technology platforms, such as SAP and artificial intelligence tools, has made it possible to personalise the customer experience, automate key processes and reduce operating costs. In addition, the digitalisation of processes, such as e-invoicing and operational mobility, has led to a significant reduction in the use of paper, in line with sustainability objectives.

The digital strategy is also based on a commitment to information privacy and security, meeting the most stringent international standards and ensuring data integrity. At the same time, the adoption of agile methodologies is driving a cultural shift towards innovation and continuous learning, positioning Minor Hotels Europe & Americas as a benchmark in an ever-evolving hospitality market.

Read more about the pillar and the company's innovative projects in the following sections " *'Digital Transformation'* and *'Digitisation and innovation'*.

5. Being a benchmark in sustainability

MHE&A is aware of the impact of its activities on the environment and is working to prevent and anticipate possible environmental contingencies, as well as to integrate sustainability into all its processes, seeking to reduce its negative impacts and maximise its positive ones, through the UP FOR PLANET & PEOPLE pillars.

For Minor Hotels Europe & Americas, the fight against climate change is a fundamental strategic value and, with the aim of moving forward in defining its climate strategy, the company has redefined its corporate objective of reducing carbon emissions throughout its value chain, in line with the global objective of keeping the temperature increase below 1.5ºC. In this sense, in June 2024, SBTi validated the new targets for greenhouse gas emissions, committing to a 46.2% reduction in Scope 1 and 2 emissions by 2030 and a 27.50% reduction in Scope 3 emissions over the same period.

This is one of the key sustainability objectives that the company has set itself, and it has a direct and indirect impact on all the services and products that the company provides around the world. To achieve this, MHE&A has set up the 'SBT 2030' working group, which is coordinated by the Sustainable Business Department and involves all areas that play a key role in the decarbonisation of the company. For more details, see *E1-4: Climate change mitigation and adaptation targets*. It also encourages the reduction, reuse and recycling of natural resources, such as water and energy, by substituting reuse and recycling of natural resources such as water and energy by substituting existing materials with more sustainable, innovative and respectful alternatives. existing materials with more sustainable, innovative and respectful alternatives.

MHE&A is also aware of its role in the creation of quality employment as well as in generating a positive impact in the communities where it is present always offering its clients the best experience. always offering its customers the best experience. With this in mind, the Company operates under the slogan 'people welcoming people', promoting the professional development of its team members and fostering a responsible culture and a sustainable mindset in its teams, while promoting diversity, ethics and well-being as some of its main priorities. More information in *"Being a benchmark in sustainability"*.

Anantara Villa Padierna Palace Benahavis
Marbella, Spain

3

FINANCIAL INFORMATION. MHE&A RESULTS AND POSITION

MINOR HOTELS
EUROPE & AMERICAS

Global economic and tourism context

During 2024, the recovery that began in 2021 following the economic crisis generated by the Covid-19 pandemic has consolidated. Thus, the world economy grew by +3.2% compared to growth of +3.3% the previous year. More specifically, the Eurozone is showing growth of +0.8% in 2024 (+0.4% in 2023).

The world economy faces 2025 with optimistic growth, although uncertainty and threats have not disappeared. Two positive factors: the long (but transitory) inflation episode of 2022-2023 has been left behind and the global economy has shown great resilience in terms of growth and employment, both to the interest rate hikes necessary to tackle the escalation of prices and to geopolitical shocks (Ukraine and the Middle East, rivalry between the US and China). In fact, to the surprise of many, the spectre of recession has disappeared and the financial markets have closed 2024 with excellent results.

In this context, the International Monetary Fund (IMF) identifies as risks the escalation of tariffs leading to increased uncertainty and fragmentation of the global economy, a reduction in migratory flows and restrictions on global liquidity. These risks are more likely to materialise since Trump won the election in November 2024.

The four countries that account for the largest proportion of the Company's sales and results show the following growth rates in 2024: Spain (+3.1% in 2024 vs. +2.7% in 2023), the Netherlands (+0.9% in 2024 vs. +0.1% in 2023), Germany (-0.2% in 2024 vs. -0.3% in 2023) and Italy (+0.6% in 2024 vs. +0.7% in 2023). On the other hand, growth in Latin America was +2.4% in 2024, the same figure as the previous year.

Inflation in the prices of underlying goods has fallen, but inflation in the prices of services is still above average in many countries, especially in the United States and the euro zone. The central banks of the economies where inflation is proving more persistent are proceeding more cautiously in the easing cycle, keeping a close eye on indicators of activity and the labour market, as well as exchange rate fluctuations.

Global headline inflation is projected to decline from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies reaching their targets earlier than emerging and developing economies. These levels are well above the target level and even higher than those observed before the pandemic (2017–19) of around 3.5%.

According to UNWTO data, an estimated 1.4 billion tourists made international trips in 2024, indicating a near-recovery (99%) of pre-pandemic levels. These figures represent an 11% increase over 2023, i.e. 140 million more international tourist arrivals, with results driven by strong post-pandemic demand, the good performance of major source markets and the ongoing recovery of destinations in Asia and the Pacific.

Europe, the world's largest destination region, had 747 million international arrivals in 2024 (+1% above 2019 levels and 5% higher than 2023) supported by strong intra-regional demand.

The Americas (213 million) recovered 97% of pre-pandemic arrivals, and the Caribbean and Central America already exceeded 2019 levels. Compared to 2023, the region grew by 7%.

The latest UNWTO data also highlights the economic impact of tourism. International tourism receipts recorded strong growth in 2024, having already reached pre-pandemic levels in 2023. Thus, receipts amounted to $1.6 trillion in 2024, around 3% more than in 2023 and 4% more than in 2019 (in real terms), according to preliminary estimates.

Group situation

It is worth highlighting the rapid recovery of MHE&A's results, explained by the operational and financial transformation in the years prior to the pandemic as well as the measures adopted during it.

The Company's excellent performance in the years prior to the pandemic is the result of a complete transformation, including brand segmentation and greater positioning in the upper segment, portfolio optimization, heavy investment in repositioning and information systems for pricing strategy, a focus on efficiency and cost control, and, finally, a reduction in financial debt.

The priorities of this Plan were to boost the Company's revenues and increase its efficiency, while taking advantage of its strengths to create new opportunities for repositioning and organic expansion as a means of additional growth.

On the other hand, during 2021 MHE&A proactively implemented a series of initiatives to reinforce the capital structure, including a capital increase, the refinancing and extension of the maturities of the financial debt and the divestment of a relevant asset through a sale & leaseback operation. These milestones made it possible to face the recovery of the sector from the best position from a financial point of view and allowed for a rapid reduction of financial indebtedness.

With the entry of Minor International into the capital at the end of 2018, a new phase of opportunities was opened up through the creation of a global hotel platform with a presence on five continents. This marked the beginning of a new phase in which additional opportunities emerged, such as:

- Possibility of increasing the current customer base, attracting growing Asian demand to European markets.
- Economies of scale with commercial partners, travel agencies and suppliers.
- The ability to use a wider umbrella of brands in new geographical areas, that is, to take NH brands to Minor's geographical areas and viceversa.

- Enter the luxury segment with new opportunities for rebranding and the opening and signing of new hotels in this segment.
- Promote the segment diversification strategy, integrating the resorts market into our pillars of growth.
- Integration of Tivoli's European operations under the NH umbrella.
- Having the best teams, promoting the exchange of talent.

Since 2019, Minor Hotels and NH Hotel Group have unified their global portfolio of eight brands – Anantara Hotels, Resorts & Spas, Avani Hotels & Resorts, Elewana Collection, NH Hotels & Resorts, NH Collection Hotels & Resorts, nhow Hotels & Resorts, Oaks Hotels, Resorts & Suites and Tivoli Hotels & Resorts – introducing them to new markets around the world.

In 2024, Minor Hotels unified its global corporate identity with the change of name from NH Hotel Group to Minor Hotels Europe & Americas, following a favourable vote at the General Shareholders' Meeting that took place in April 2024. By adopting the name Minor Hotels Europe & Americas, the Company reinforces its integration with Minor Hotels, and fosters a unique and recognizable corporate identity for stakeholders, accelerating the global growth of the hotel group. Furthermore, this strategic move strengthens the global commercial and operational structure, benefiting professionals in the sector, clients and shareholders. Minor Hotels is a global hotel group that operates more than 560 hotels, resorts and residences in 57 countries.

Both groups are currently sharing their knowledge base and industry experience in order to realize short-term opportunities, taking advantage of the complementary nature of their hotel portfolios by defining a global commercial strategy, implementing economies of scale with a broader customer base, exploring avenues of development for all their brands in different geographies and accessing a shared talent base.

Digitalisation has been and will be key in the evolution of the sector. Technology and digitalisation improve the customer experience and increase efficiency. The digital component is key to responding to the security and experience needs of travellers. Technology is a facilitator that complements the work of our employees, freeing them from administrative tasks so that they can offer more personalized attention to customers.

It is worth noting that MHE&A continues to be at the forefront of innovation. The Company's digital transformation has made processes and systems more efficient, increased its ability to stand out from the competition, and allowed it to continue improving its basic processes. One of the major achievements was the centralization of all its properties and functions into a single integrated system. This provides MHE&A with a 100% integrated digital platform: NH Digital Core Platform.

A pioneering technological solution in the sector that has allowed the systems of all the hotels in the portfolio to be integrated, and which has become the basis for MHE&A to expand its knowledge of the customer, maximize its efficiency and innovate on a large scale in all its areas of value.

In a continuous improvement of the customer experience and in order to adapt to new traveller trends, a series of initiatives have been launched in the last 5 years, including:

- Fastpass, a combination of three innovative services - Online Check-in, Choose Your Room and Online Check-out - that gives customers full control over their stay.
- “Stay in one hotel, enjoy them all”, allows customers to enjoy a selection of services at any hotel in the city they are in for the duration of their stay.
- Extended Stay, with discounts of up to 35% on stays of more than 7 days for working away from home for an extended period.
- Smart Spaces, a new B2B proposal with exclusive spaces for working and organizing small business meetings, taking advantage of all the benefits of our hotels.
- Hybrid Meetings, to enhance the value of business events by reaching a wider audience from different destinations, combining face-to-face and virtual attendees.
- NH+, a new approach to the corporate segment aimed at SMEs, which were the first to resume their activity and has allowed us to expand this segment of corporate clients.
- The NH Rewards loyalty program was renamed NH Discovery after the migration to the Global Hotel Alliance program (GHA) of which Minor International is a part. This allows us to participate in and benefit from a loyalty program with more than 30 million members and more than 850 hotels with 45 brands in more than 100 countries. NH hotels and members are complementary to those of GHA, which is a great advantage when it comes to gaining visibility in the main issuing markets and different business segments.

The lifting of mobility restrictions from mid-2021 was the key factor in the recovery of the hotel sector. The increase in the cost of supplies and operating costs, including personnel costs, energy costs and all costs linked to the CPI, is playing an important role in the profitability of hotel companies, which is partly being offset by the strategy to maximize prices.

Size continues to be a relevant factor as economies of scale allow for greater efficiency in operational management. The fragmentation of the hotel sector in Europe remains high and therefore opportunities will arise for the concentration of the sector to accelerate towards more efficient and sustainable business and management models with greater economies of scale.

At the beginning of the recovery after the pandemic, hotel companies experienced difficulties in finding workers, and for this reason the sector had to attract talent again through attractive professional career plans that promote training and labour flexibility.

With regard to quality indicators, MHE&A focuses on measuring quality, using information sources and surveys with a high volume of reviews and evaluations received. In this sense, the average score received by TripAdvisor in 2024 reaches 8.7,compared to 8.5 in December 2023. Additionally, the average score on Google Reviews reached 9.0, in 2024 compared to 8.9 in December 2023. These average scores demonstrate the high levels of quality perceived by MHE&A customers and the continuous commitment to quality. For more details, see: *quality measurement.*

On the other hand, as mentioned in previous sections, in 2024 the Company began the operation of 5 new hotels, 3 in Paris, Vienna and Helsinki, providing 765 rooms. At 31 December, the Company thus reached in 2024 a total of 347 hotels with 55,769 rooms. Furthermore, MHE&A has signed 8 new hotels in 2024 with 699 rooms. These hotels have been under rental, management and franchise formulas, and under the NH Collection, Tivoli and Anantara brands. The hotels in European locations such as Benidorm, Marbella, Ibiza, Palermo and Alagna Valsesia (Piedmont, Italy) stand out, while in Latin America they are in Mérida (Mexico) and Asunción (Paraguay).

The income figure for the financial year 2024 reached 2,418 million euros, showing an increase of 12.0% (+259 million euros) compared to 2023. Profit for the year attributable to the shareholders of the Parent Company reached 211.8 million euros compared to 128.1 million euros in 2023. This increase is explained by the increase in subsequent activity and the consolidation of the recovery during 2024.

With regard to the gross debt situation, this figure decreased from 483 million euros in diciembre 2023 to 469 million euros in diciembre 2024. Regarding the treasury situation and other liquid assets, at 31 de diciembre de 2024 they amount to 219.9 million euros (216.0 million euros at 31 de diciembre de 2023). In addition, this liquidity is complemented by the syndicated credit line for an amount of 242.0 million euros (fully available at the end of the 2023 and 2022) and credit facilities amounting to 71.0 million euros.

As a result of the strong recovery of the business, the rapid reduction of debt and the generation of cash flow, the credit rating of MHE&A has been favourably reviewed by the Rating agencies this year. In April 2024, Fitch upgraded MHE&A's rating from “B” to “BB-” with a stable outlook. Additionally, in October 2024, Moody's upgraded the credit rating from “B1” to “Ba3” with a stable outlook. It should be noted that both agencies have highlighted that MHE&A has a relevant portfolio of owned assets that increase its financial flexibility and deleveraging capacity.

As a result of the public offering on 31 October 2018 and the 30-day share buyback program that ended on 8 June 2023, Minor currently holds 417,728,222 shares in Minor Hotels Europe & Americas, S.A., representing 95.87% of its share capital. For more details: see: *Shareholder structure*.

In December 2023, MHE&A announced the acquisition of 5 hotels in Portugal from Minor for 133 million euros, strengthening MHE&A's presence in the Portuguese resort market by acquiring ownership of a portfolio of hotels that had already been operating since 2019 under a management agreement with Minor, which will enable it to take advantage of operational and commercial synergies through the MHE&A platform in Southern Europe and reinforce its current growth strategy in this vacation segment.

In addition, on 19 September 2024, MHE&A announced the acquisition of 4 hotels in Brazil from Minor for 212 million euros.

This amount will be paid in cash in two tranches, the first tranche, amounting to 169.6 million euros, representing 80% of the estimated price, was paid on the closing date of the Transaction; and the second tranche, equivalent to 20% of the estimated price, increased by an interest rate of 5.25% applicable from the closing date until the payment date, will be paid no later than 19 September 2025. With this operation, MHE&A consolidates a growth platform in Brazil for future expansion projects, such as the Anantara Mamucabo Bahía Resort and Anantara Prea Ceara Resort hotels, included in the Pojuca pipeline, and for which the corresponding hotel management contracts have already been signed, subject to the construction of the respective assets by their owners.

This completes the corporate reorganization process between the Company and Minor based on the preferred geographical areas defined for each of them in the Framework Agreement signed between the Company and Minor on 7 February 2019. These corporate reorganisation transactions were carried out under market conditions and with the validation of external advisors.

Finally, on 13 December 2024, the Company's Board of Directors agreed, at the request of the majority shareholder Minor International, to call an Extraordinary General Meeting of the Company's shareholders on 20 January 2025. At that Extraordinary Meeting, the offer to delist all the shares representing the share capital of MHE&A from the Spanish Stock Exchanges was approved, as was the formulation by Minor International of a public takeover bid for the shares by exclusion at a price of 6.37 euros per share. The effectiveness of the delisting and the settlement of the takeover bid made by Minor International is subject to authorisation by the National Securities Market Commission.

Shareholder Structure

At the end of the financial year 2024 the share capital of Minor Hotels Europe & Americas, S.A was € 871,491,340 and was represented by 435,745,670 bearer shares with a nominal value of 2 euros each, fully subscribed and paid up. All these shares have equal voting and economic rights and are listed on the Continuous Market of the Spanish Stock Exchanges.

According to the latest notifications received by the Company and the communications made to the National Securities Market Commission (CNMV) before the end of each financial year, the most significant shareholdings at the end of the financial year were as follows:

	2024	2023
Minor International Public Company Limited ("MINT")*	95.87%	95.87%

**MINT is the indirect shareholder through MHG Continental Holding (Singapore) Pte Ltd.*

The aforementioned (indirect) participation of MINT in Minor Hotels Europe & Americas, S.A. is the result of the takeover bid made by MHG Continental Holding Pte Ltd. for 100% of the shares forming part of the share capital of Minor Hotels Europe & Americas, S.A. on 11 June 2018, the result of which was that MINT acquired, through its wholly-owned subsidiary MHG Continental Holding Pte. Ltd, shares representing 94.13% of the share capital of Minor Hotels Europe & Americas, S.A.

In addition, on 8 May 2023, MINT announced its decision to initiate a process to purchase shares of Minor Hotels Europe & Americas on the market for a period of 30 days. Thus, between 10 May and 8 June 2023, MINT bought 7,544,225 shares, increasing its position in MHE&A to 417,728,222 shares representing 95.87% of the share capital of MHE&A.

The average share price of Minor Hotels Europe & Americas, S.A. in 2024 stood at 4.97 euros per share (4.16 euros in 2023), with a minimum price recorded in August of 3.96 euros per share (2.96 euros in January 2023) and a maximum price in December of 6.30 euros per share (4.84 euros in June 2023). MHE&A's market capitalisation at the end of 2024 amounted to 2,745.20 million.

At 31 December 31 2024, MHE&A had 97,586 treasury shares (all of them referring to the liquidity contract), 87,989 treasury shares at 31 December 2023. The reduction in treasury shares in the period is explained entirely by the operation of the liquidity contract.

Liquidity contract for treasury share management

On 10 April 2019, the Board of Directors of NH agreed to sign a liquidity contract with Banco Santander, S.A. for the management of its treasury shares. The Contract came into force on 11 April 2019.

The signing of the Liquidity Agreement was agreed by the Board of Directors at the proposal of the Proprietary Directors representing the Minority shareholder, as a measure to promote and favour the liquidity of the Company's shares, taking into account current market conditions.

This contract conforms to the liquidity contract model included in Circular 1/2017 of 26 April of the National Securities Market Commission on liquidity contracts, for the purposes of its acceptance as market practice.

The total number of shares allocated to the securities account associated with the Liquidity Agreement at 31 December 2024 is 97,586 shares and the current amount allocated to the cash account is 304,524 euros.

On the occasion of the formulation by MINT, the Company's majority shareholder, of a public takeover bid by exclusion for all the shares representing the capital stock of MHE&A, which was announced last Friday, 13 December 2024, the liquidity contract signed with Banco Santander, S.A., dated 10 April 2019, has been temporarily suspended.

Average payment period

Below is a breakdown of the information required in the Third Additional Provision of Act 15/2010 of 5 July and amended by the Resolution of 29 January 2016, of the Institute of Accounting and Account Auditing and by Act 18/2022, of 28 September, on the creation and growth of companies, on the information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in commercial transactions of Spanish companies.

	2024	2023
	Days	
Average payment period to suppliers	53	65
Ratio of paid operations	52	65
Ratio of operations pending payment	63	65
	Amount (thousands euros)	
Total payments made	401,921	367,428
Total outstanding payments	21,157	20,351

The data shown in the table above on payments to suppliers of Spanish companies refers to those that, by their nature, are trade payables for debts with suppliers of goods and services, so they include the data relating to the item "Trade and other payables" under current liabilities in the consolidated statement of financial position.

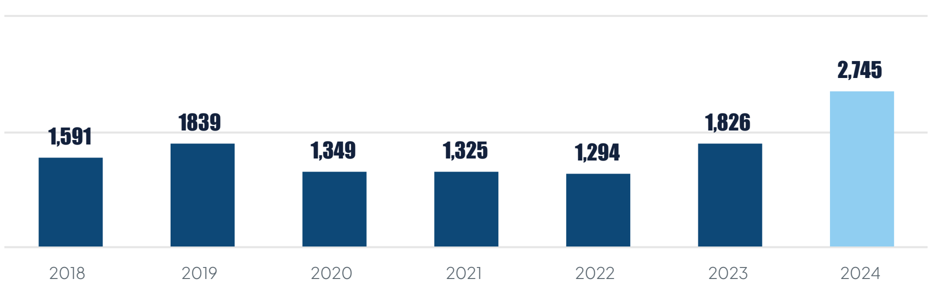
During the year 2024 the monetary volume of invoices paid in a period less than the maximum established in the regulations on late payment was 276,418 thousand euros (204,704 thousand euros in 2023) representing 69% (56% in 2023) of the total monetary volume of invoices; the number of invoices paid in a period less than the maximum established in the regulations on late payment was 124 thousand invoices (110 thousand invoices in 2023) representing 69% (62% in 2023) of the total volume of invoices.

The average supplier payment period has been calculated as the weighted average of the two ratios explained below:

- Ratio of paid transactions: average payment period of paid transactions in each financial year weighted by the amount of each transaction.
- Ratio of operations pending payment: average time between the invoice date and the year-end date weighted by the amount of each operation.

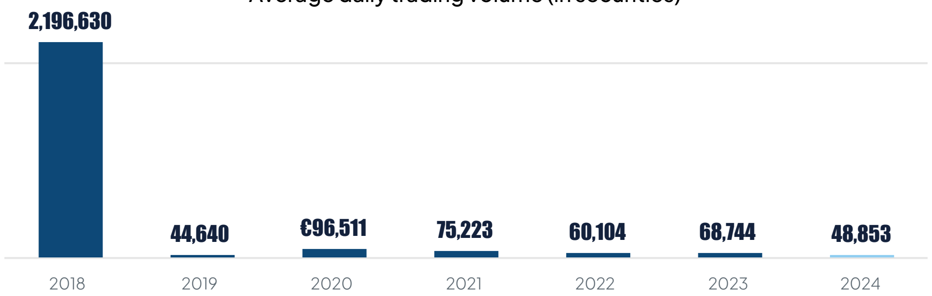
Spanish companies have significantly reduced the maximum payment period to commercial suppliers compared to previous years. This has been the result of various measures focused on the resizing of existing resources, as well as the renegotiation of contracts, the implementation of technological improvements in invoice processing and other actions in different areas focused on the recovery of the legal ratio (established at 60 days) and which are showing results compared to the previous year.

Capitalisation at the end of each financial year (in millions of €)



During 2024, 12,506,373 shares of Minor Hotels Europe & Americas, S.A. were traded on the Continuous Market (17,461,171 shares in 2023), with an average daily trading volume on the Continuous Market of 48,853 shares (68,744 shares in 2023).

Average daily trading volume (in securities)



Relationship with shareholders and investors

Throughout 2024, MHE&A has maintained continuous and permanent contact with the Company's analysts and investors, in order to attend to their needs regarding the general evolution of the Company. This contact with the market is carried out through individual meetings, attendance at investor conferences organized by various financial entities and requests for individual calls.

Main indicators of relations with shareholders and investors in 2024

Entities that carry out analysis of Minor Hotels Europe & Americas	8
Shareholder and investor enquiries dealt with	80
Individual meetings with shareholders and investors	70
Analysts' follow-up reports	40

The Company regularly produces consistent and transparent financial information in order to allow monitoring for the analysis and valuation of the Company.

As a listed Company, MHE&A publishes quarterly results to the market. In the half-yearly and annual publications, a call/conference with the market is additionally held, with an average attendance of 50 participants, including investors and analysts.

The quarterly results publications include details of:

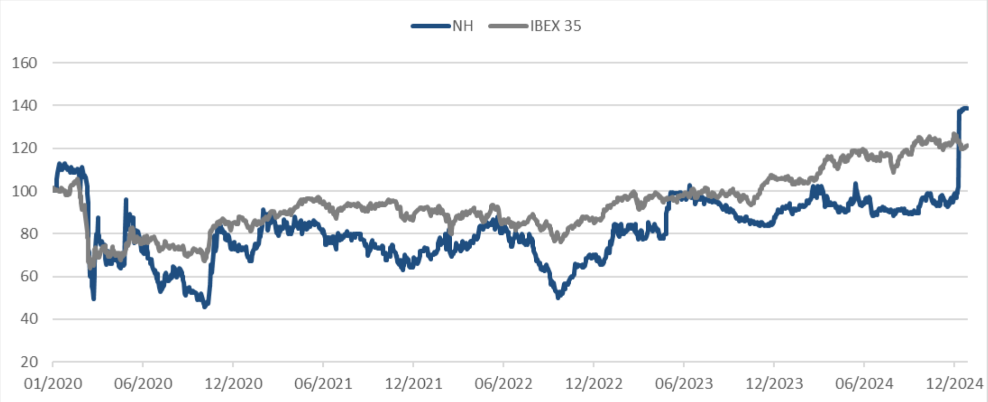
- Main KPIs and drivers of results.
- Evolution by geography.
- Evolution of costs.
- Detail of cash flow and financial debt position.

In addition, the Investor Relations department maintains permanent contact with the market through calls, trips, investor conferences, etc., to inform the investment community of the Company's progress. All information of interest to shareholders, including information on corporate governance and other information on General Meetings, is available at all times on the *Minor Hotels Europe & Americas* website.

Evolution of Minor Hotels Europe & Americas

Evolution of Minor Hotels Europe & Americas vs. IBEX 35

1 January 2020- 31 December 2024



Foreseeable Evolution

Global growth, estimated at 3.2% in 2024, is projected to increase slightly in 2025 to 3.3%, the same growth figure expected for 2026, below the historical average (2000-2019) of 3.7%. Global headline inflation is projected to decline to 4.2% in 2025 and 3.5% in 2026, converging toward the target level sooner in advanced economies than in emerging market and developing economies.

The global economy begins 2025 amid high economic and political uncertainty. Donald Trump's victory in the US election could intensify trade tensions, increase the fiscal deficit and destabilise financial markets.

In the EU, the weak performance of Germany and France compromises European economic growth and the momentum for necessary reforms and investments. Asia continues to lead global growth, albeit at lower rates and with China facing a real estate and financial crisis, while Latin America and Africa present mixed prospects that require reforms and increased financing. Spain stands out with robust growth thanks to the dynamism of its exports and employment, although it faces structural challenges in the medium and long term and could be affected in the short term by geo-economic tensions and the weak performance of Germany and France.

Energy commodity prices are forecast to decline by 2.6% in 2025, partly due to falling oil prices caused by weak Chinese demand. The monetary policy rates of the major central banks are expected to continue to decline, albeit at different rates, due to variations in the outlook for growth and inflation. The fiscal policy stance is expected to become more restrictive during the period 2025-26 in advanced economies, particularly in the United States.

According to UNWTO forecasts, international tourist arrivals will grow by 3% to 5% in 2025 compared to 2024, assuming a continued recovery in Asia and the Pacific and solid growth in most other regions. This initial forecast is based on the assumption that global economic conditions remain favourable, inflation continues to decline, and geopolitical conflicts do not escalate.

The outlook reflects a stabilisation of growth rates after a strong rebound in international arrivals in 2023 (+33% compared to 2022) and 2024 (+11% compared to 2023).

These positive expectations are confirmed in the most recent UN Tourism Confidence Index. Around 64% of the UN Tourism panel considers that the outlook is “better” or “much better” for 2025 compared to 2024. Around 26% foresee a similar performance in their destination, while only 9% believe that 2025 will be “worse” or “much worse” than last year.

However, the economic and geopolitical headwinds continue to pose considerable risks. More than half of those interviewed indicate that the main challenges facing international tourism in 2025 are the high costs of transportation and accommodation and other economic factors, such as the volatility of oil prices. Likewise, geopolitical risks (apart from current conflicts), extreme weather events and staff shortages are crucial challenges that are a cause for concern. In this context, tourists are expected to continue looking for value for money.

NH Toulouse Airport
Toulouse, France

4

CORPORATE RISK MANAGEMENT

MINOR HOTELS
EUROPE & AMERICAS

4. CORPORATE RISK MANAGEMENT

Risk management is part of the culture of Minor hotels Europe & Americas and is integrated across all of the Company's operations.

Risk Management Governance

The Company's Board of Directors is the body responsible for supervision of the risk management system, in accordance with the provisions of article 5 of the Board Regulations.

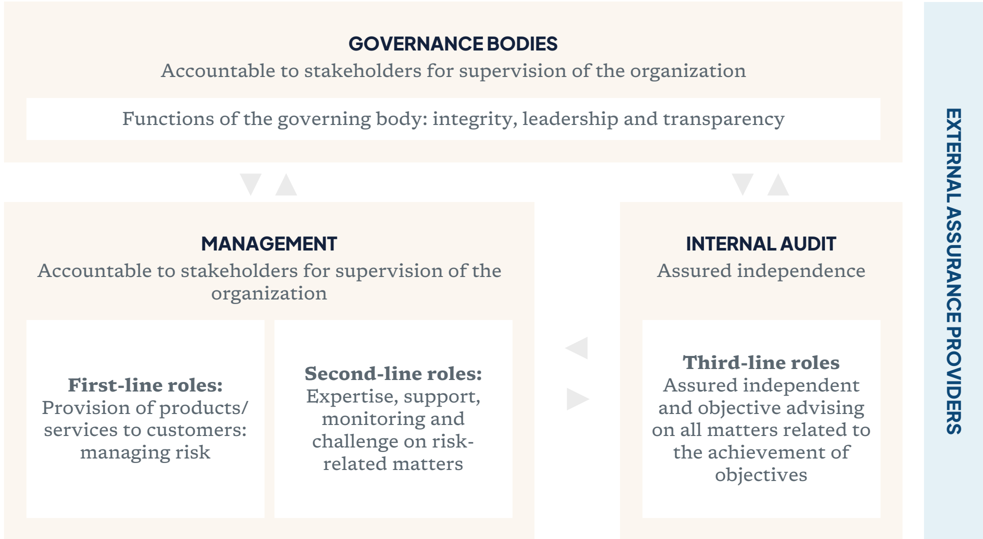
As regulated in article 25 b) paragraph 3 of the Company's Board Regulations, the Audit and Control Committee provides support to the Board of Directors in the supervision of the effectiveness of internal control, internal audit and risk management systems, including tax risk management. In this regard, as in previous years, in 2024, the Audit and Control Committee has supervised and validated the update of the Risk Map and the correct implementation of the action plans that contribute to mitigating the main risks totally or partially, with the prior approval of the Board of Directors.

Furthermore, the duties of the Company's Management Committee include risk management and control based on tolerance to risk, assigning responsibility for the main risks, periodic monitoring of their evolution, identification of mitigating actions and the definition of response plans. For these purposes, the Executive Risk Committee, made up of members of the Management Committee and Senior Executives, provides support to the Management Committee in this supervision, as well as promoting a risk culture in the Company. To this end the Company has an internal risk management manual, updated in 2021, that details the principles, processes and controls currently in place.

The Risk Management function, integrated in the Internal Audit department, is responsible for ensuring that the Company's risk management and control system operates correctly and is linked to the strategic goals.

To ensure that there are no conflicts of independence and that the Company's risk management and control system works as planned in the Corporate Risk Management Policy, an independent third party periodically reviews its operation. Furthermore, to ensure independence, the Risk Management function is independent of the region and, like the Internal Audit department, is functionally dependent on the Audit and Control Committee.

In line with the above, Minor Hotels Europe & Americas follows the Three Lines of Defence model, updated in July 2020 by the Institute of Internal Auditors (IIA) on a worldwide level.



- First line of defence: provided by the functions (hotels, regions and corporate units) that own the risks and their management (Operations, Sales, Marketing, etc.).
- Second line of defence: provided by the functions in charge of oversight of the risks (Risk Management, Compliance, Data Protection, Internal Control, Sustainable Business, etc.).
- Third line of defence: provided by the internal audit function which provides independent assurance.

The Corporate Risk Management Policy of Minor Hotels Europe & Americas (approved in 2015 by the Board of Directors), as well as the internal Risk manual that develops it, aims to define the basic principles and the general framework of action for the identification and control of Risks of all kinds that may affect the companies over which Minor Hotels Europe & Americas has effective control, as well as ensuring alignment with the Company's strategy.

Risk management model

The risk management model of Minor Hotels Europe & Americas, implemented both at MHE&A's head office and in the business units, is aimed at identifying those events that may have a negative impact on the achievement of the Company's strategic objectives, obtaining the maximum guarantee for shareholders and stakeholders and protecting the Company's income and reputation in the short, medium and long term.

The risk management model established is based on the integrated framework of COSO ERM 2017 (Enterprise Risk Management) and includes a set of methodologies, procedures and supporting tools that enable Minor Hotels Europe & Americas.

- Adopt suitable governance in relation to risk management in the Company.
- Ensure that the objectives defined in the Company are aligned with its strategy and its risk profile.
- Identify, assess and prioritize the most relevant risks that could affect the attainment of strategic goals, identify measures to mitigate such risks and establish action plans in line with the Company's risk tolerance.
- Monitor periodically the action plans established for the main risks, in the framework of a continuous improvement model.
- Report periodically to the Company's main governing bodies on the status of the main risks and action plans.

GOVERNANCE AND CULTURE

In relation to the management of risks in the Company

STRATEGY AND DEFINITION OF OBJECTIVES

In accordance with the Company's risk profile and in line with the defined strategy

PERFORMANCE AND CONTROL ACTIVITIES

Identify, assess, prioritise and respond to risks

ANALYSIS, MONITORING AND REVIEW

Periodic monitoring of action plans, in the framework of a continuous improvement model

INFORMATION, COMMUNICATION AND REPORTING

Regularly to the main governance bodies (Management Committee, Executive Risk Committee, Audit and Control Committee and Board of Directors)

Risk management catalogue

Process of identification, prioritisation, supervision and monitoring

The corporate Risk Map is updated annually and approved by the Board of Directors, following review and validation by the Audit and Control Committee. This Map was approved by the Board of Directors at its meeting on 11 November 2024.

The Company has updated its Risk Map through a process in which 33 Senior Executives from all Corporate Departments and Business Units identified, evaluated and prioritized the main risks faced by the Company in accordance with the Risk Catalogue.

As a result, the Company has identified the most relevant risks for the Company. Each of the main risks on the Company's Risk Map is assigned to a Risk Owner, who is in turn a member of the Management Committee. Periodically, the Risk Owners present the status of the main risks under their responsibility, as well as the mitigating controls and future action plans, to the Audit and Control Committee (for example, the risk of a change in the economic cycle was presented on 23 July 2024).

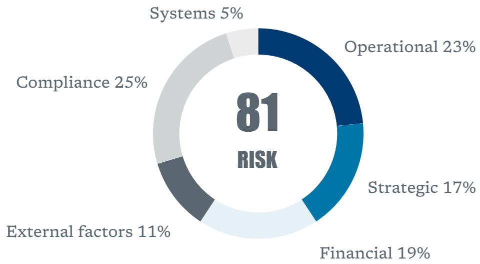
Every year, when the Risk Map is updated, the Risk Management function is responsible for reassessing the catalogue of risks, both financial and non-financial. The final catalogue is validated with the senior executives involved in the process, as well as with the bodies involved in its validation (Management Committee, Executive Risk Committee and Audit and Control Committee) and approval (Board of Directors). In addition, during the year, risk managers can report/suggest a new risk to the Risk Office.

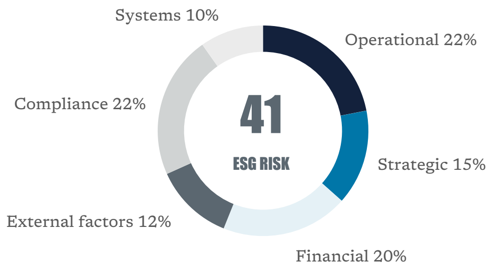
Likewise, for the main risks on the Risk Map, the Audit and Control Committee periodically supervises their status. Each of the Risk Owners periodically presents to the ACC the implementation and development of the action plans for each of the main risks identified.

It should be noted that the corporate Risk Map includes the main risks to which the Company is exposed, including those associated with climate change.

Risk Categories

Of the 81 Risks included in the Company's Risk Catalogue, an analysis has been carried out to identify those related to ESG (Environmental, Social and Governance) aspects. The six categories of risks to which Minor Hotels Europe & Americas is exposed are shown below:





OPERATIONAL
Generated by inadequate management of processes and resources, whether human, material or technological

FINANCIAL
In accordance with the Company's risk profile and in line with the defined strategy

COMPLIANCE
Arising from possible regulatory changes, as well as non-compliance with both internal and external regulations

STRATEGIC
Created by difficulties in accessing markets and difficulties in divesting assets

EXTERNAL FACTORS
Consequences of natural disasters, health crises, political instability or terrorist attacks

SYSTEMS
Events that could affect the integrity, availability or reliability of operational and/ or financial information

Thus, it has been determined that 41 of the 81 Risks are linked to social, environmental and corporate governance issues, which means a 51% of all risks. It should be noted that most of these are in the “Operational” and “Compliance” risk categories.

Being integrated within the Company's Risk Management Model, the ESG Risk Map follows the same process phases, including risk response, monitoring and control, and mitigation measures adopted.

All the risks derived from climate change are explained in detail in the chapter *'TCFD Report'*, in line with the recommendations of the Task Force on Climate-Related Financial Disclosures.

Risk factors and control and management measures

Risk Trend (RT)	Likelihood of the risk	Magnitude
↑ Increase ↔ Stable ↓ Decrease	Remote; Unlikely; Likely, Very likely	Very significant; Significant; Material

Category	Risk event	Description of the risk	RT	Likelihood	Magnitude	Control and mitigation measures
Business	Labour legislation / collective agreements	New labour legislation or changes in conditions in collective agreements, as well as different interpretations of legislation could have a significant impact and affect financial conditions and business results.	↑	Likely	Significant	■ Presence in associations in the tourist sector. ■ Presence on committees of sector experts. ■ Institutional relations with various bodies. ■ Presence of specialized HR personnel at the negotiation of collective agreements. ■ Collaboration with HR consultants
Strategic	Distribution channels (internal and external) and maximization of ADR (Average Daily Rate)	Online travel agencies (OTAs) and distributors continue to increase their market share and MHE&A must put measures in place to counter this by increasing sales through direct channels (Hotel, Website, Central Reservation System) or by renegotiating commissions with OTAs The loss of control over the price in direct channels compared to other distribution channels should also be considered, in light of the liberalization of scraping/crawling tools and technologies in distribution and price. Finally, it is necessary to ensure that pricing projects are not delayed so that MHE&A can maximize the net ADR. The capacity to negotiate commercial conditions should also be considered.	↔	Likely	Significant	■ Existence of a Revenue Management Committee. ■ Optimized budgeting process. ■ Periodic analysis of results compared to budget and definition of action plans. ■ Control process over intermediary commissions. ■ Corporate commission policy. ■ Definition of a Strategic Plan aimed at boosting sales through direct channels (Hotel, Website, Central Reservation System). ■ NH DISCOVERY loyalty program. ■ Analysis of price competitiveness (price parity compared to OTAs and distributors). ■ Technological tools to improve pricing and revenue management. ■ Optimized calculation of net ADR using Business Intelligence techniques. ■ OTA diversification strategy and renegotiation of intermediation costs. ■ Periodic an
Strategic	Dependence on city and business segment	Any change in patterns in this segment will affect the Company with a limited possibility of mitigating through other segments.	↔	Likely	Significant	■ Existence of an Expansion Committee. ■ Periodic attendance at hotel sector investment conferences. ■ Organisation of regular meetings with possible investors to develop hotel projects
Strategic	Inability to find additional growth	Inability to find additional ways of growth that permit sustainable and resilient growth that will safeguard the Company's future. NH should be capable of developing and executing a suitable Expansion/Growth Plan to counter the reaction of its competitors and assure continuous growth.	↔	Likely	Significant	■ Existence of a documented expansion process (lease and management agreements). ■ Definition of a Strategic Plan aimed at boosting the Company's growth by geographical area, type of contract, brands, segments, etc. ■ Implementation of the Office for Integration with Minor International (principal shareholder). Development of the NH branding the Middle East and the Asia Pacific region and gradual implementation of the Anantara, Tivoli and Avani in Europe and Americas.
Compliance	Data privacy (GDPR)	Possible breaches of the General Data Protection Regulation (GDPR) together with the uncertainty regarding the behaviour and attitude of the regulator in the event of potential privacy breaches, could compromise the Company's objectives. Furthermore, the costs and risks deriving from inadequate data protection and management increase as the Companies face more and more advanced security breaches.	↔	Likely	Material	■ Periodic review and update of the data processing activity matrix for each Company in MHE&A. ■ "Privacy by Design" procedures. ■ Existence of the Data Protection Office, supported by specialist advisors. ■ Mandatory online GDPR training for all team members. ■ Existence of a specific channel for reporting possible security breaches related to data protection. ■ Existence of data Recovery Plan.

Category	Risk event	Description of the risk	RT	Likelihood	Magnitude	Control and mitigation measures
Financial	Changes in accounting standards	New accounting standards and regulations (e.g. IFRS16, IAS29), as well as varying interpretations of accounting standards currently in force could have a significant impact on the Company's financial statements.	↔	Likely	Material	■ Contract management using a computer tool that covers FRS16 currently in force. ■ Specialist advising on new regulations. ■ Periodic attendance at conferences on changes in accounting standards given by specialized advisors (external audit firms). ■ Internal assessment of possible impacts of new accounting standards. ■ Training courses on new accounting standards for the corresponding internal personnel.
Financial (cont.)	Adverse effects of the exchange rate	MHE&A operates in countries subject to fluctuations in exchange rates (Mexico, Colombia or Argentina) and therefore the financial results could be affected.	↔	Likely	Material	■ Periodic monitoring of the impact of the exchange rate of the main local currencies. ■ Specific cash repatriation plans from local currency to strong currency (e.g. USD). ■ Specific strategies to manage the exchange rate effect by country (e.g. dollarization of revenues), giving priority to natural hedging (purchases in the same currency as revenues).
Financial (cont.)	Adverse effects of the inflation rate	It is a phenomenon that is occurring today not only in hyperinflationary economies. Obviously it affects us on the cost side. It is possible to pass on some of these costs via the price, but it is possible that this system will not be able to absorb the entire increase, which may affect the Company's results.	↔	Likely	Significant	■ Periodic monitoring of collective agreement negotiation. ■ Analysis and review of the main sources of operating costs (housekeeping, food and beverages, energy, water, etc.). ■ Monitoring of the correct application of IAS29 due to hyperinflation in Argentina.
Financial (cont.)	Interest rate risk	In 2024, the rise in interest rates of previous years was reversed, and the ECB cut rates from 4% to 3% (four consecutive cuts of 25 basis points) with the aim of boosting the eurozone economy once inflation is close to the target set. The evolution of interest rates affects the cost of the Company's debt structure. For example, a rise in interest rates would increase the Company's financial expenses linked to debt with a variable reference rate, which would have an effect on results and cash flows. In this sense, the Company proceeded during 2022 and 2023 to repay that variable-rate structured debt (and therefore affected by the rises), thanks to the good liquidity situation and the cash generated by the business. At the end of the 2024 financial year, 12% of the Group's financial debt is exposed to interest rate fluctuations (88% has fixed interest rates). As an estimate, an increase in interest rates of 25 basis points would mean an increase in financial expenses of around 0.145 million euros. On the other hand, the rise in interest rates can make other products that the Company uses more expensive, such as guarantees or reverse factoring lines used to optimize working capital. In the case of guarantees, for example, the improved situation in the sector, and of the Company within it, means that we can negotiate not to use this type of product in certain cases (replacing them with no-cost corporate guarantees, not linked to any interest rate). In the case of reverse factoring, the cost is not applied to MHE&A but to the suppliers, but a scenario of rising interest rates may make them lose interest in the product. The approach continues to be to negotiate these instruments in preference to traditional transfer as a means of payment. So, although the greatest risk to the Company is posed by interest rate rises, in scenarios of falling rates there may be adverse effects, especially linked to the decrease in the remuneration that can be obtained in the placement of liquidity points that the Company may have available for limited periods of time and on which it can undertake short-term financial investments.	↔	Unlikely	Material	■ Assessment of interest rate hedging instruments and reasonability of the economic/commercial terms.
Financial (cont.)	Reduction in available credit facilities due to concentration in the banking system	Difficulties in increasing financial instruments such as bank security and WK (confirming) instruments to match the current size and future growth opportunities.	↔	Likely	Material	■ Continuous dialogue with banks and financial institutions to identify new partners and find the best financing arrangements for NH. ■ Continuous dialogue with the present lender banks to increase this type of facility (in some cases, a reduction in other credit facilities is required as it is difficult to increase the exposure limit). ■ Analyse new short-term capital market solutions (i.e. commercial paper). ■ New local financial institutions should be identified at national level, as most current lenders are unwilling to increase their exposure. ■ The Company's positioning in ESG may help to diversify financing products.

Category	Risk event	Description of the risk	RT	Likelihood	Magnitude	Control and mitigation measures
External factors	Change in economic cycle	The contraction of the global economy (or low levels of economic growth) could have a negative effect on MHE&A's revenues and profitability and slow the Company''s future growth.	↔	Likely	Very significant	■ Existence of a Commercial Strategic Plan aimed at diversification and strengthening of segments. ■ Operational optimization and efficiency projects. ■ Asset Repositioning Strategy
External factors	Geopolitical risks (terrorism and political instability)	MHE&A operates in countries where there is a risk of terrorist attacks. This could lead to a reduction in sales due to the "panic effect" on tourism. It could impact travel/tourism patterns to affected areas and lead to increased insurance premium and security costs. The occurrence of a terrorist attack could cause damage to one or more MHE&A properties whose value is not fully covered by the current insurance policy. MHE&A also operates in certain countries subject to political instability or uncertainty that could affect business decisions or financial results (e.g. Brexit, Spain/Catalonia, Italy, Mexico, etc.). This also includes the possible impact of the Helms-Burton Act on potential lawsuits against MHE&A in US courts (Cuba, Sotocaribe, etc.).	↑	Likely	Significant	■ Existence of a communication protocol in case of crisis. ■ Existence of a Business Continuity Plan and a Data Recovery Plan. ■ Quarterly analysis of the economic and geopolitical situation in the regions in which MHE&A operates and evaluation of the impact on the Company's operations. ■ Existence of a Risk Executive Committee. ■ Documented Risk Management and Insurance process. ■ Adaptation of the commercial strategy to mitigate the impact of some issuing markets (for example, Russia, China).
External factors (cont)	New competitors in the tourism sector	The use and popularity of sharing economy providers, for example, Airbnb, has grown enormously in recent years. These companies compete against traditional accommodation providers such as hotels or hostels and could impact customer demand for these traditional accommodations or even force traditional accommodation models to modify their business model or cost structure to compete effectively. The uncertainty in the behaviour and attitude of the regulator towards these new accommodation models must also be considered. On the other hand, MHE&A is subject to intense competition from other hotel chains, as well as from specialist or independent hotel operators. The increase in the hotel supply in some of the main cities in which MHE&A operates, as well as the creation of new business models or the repositioning of hotels are examples of initiatives by competitors. Finally, large market concentrations due to mergers and acquisitions could threaten MHE&A's market share.	↔	Likely	Material	■ Presence in local and/or national associations in the tourist sector, ■ Presence on committees of sector experts. ■ Institutional relations with various bodies. ■ Pilot projects with technological tools to monitor results of collaborative economy service providers in the main city locations where the Company is present. ■ Operational initiatives aimed at attracting families to NH accommodation and special initiatives launched to facilitate and increase the experience of corporate customers (for example, the NH+ Business Program).
Systems	Cyberattacks	The number of cyberattacks continues to increase significantly as attacks become more sophisticated and attack methods diversify. The damage from these incidents can result in financial loss or loss of intellectual property, making it necessary to strengthen current cyber risk mitigation strategies. Cyber-attacks could result in the loss of sensitive business or customer information (including credit card details), business interruptions, litigation arising from system interruptions, as well as other costs and liabilities.	↔	Very likely	Material	■ Existence of a corporate Security Policy. ■ Periodic intrusion testing to detect vulnerabilities in systems and communications. ■ Perimeter security measures. ■ Periodic analysis of malware, virus, etc. ■ Cybersecurity awareness campaigns (training capsules). ■ Online training in cybersecurity for all team members (mandatory). ■ Information Security Management System based on international standards. ■ Annual audit by an external firm of compliance with PCI-DSS regulations.
Systems	Inability to keep up with technology	MHE&A's current operations and technological infrastructure may not be able to meet performance expectations in relation to quality, business operations, cost and innovation as well as our competitors, especially those competitors who have been "born in the digital age" and have a reduced cost structure for their operations, or even competitors with a long history and superior operations. For this reason, MHE&A needs to keep up to date with the technological developments necessary to adequately support its operations and its business and compete effectively. Finally, one must also take into account the inability of MHE&A's systems and processes to meet the demands and the speed of growth of the Company, as well as the difficulty of having the necessary resources to face it.	↔	Unlikely	Material	■ Periodic checks to monitor the performance of MHE&A's technological platforms. ■ Recurring analysis to ensure that system versions are kept up to date. ■ Attendance at events and meetings with specialized suppliers and consultants to keep abreast of technological developments. ■ Analysis of business and technological requirements and coordination between departments in projects to integrate hotels into the portfolio. ■ Performance analysis of the customer booking process on the NH website and in the mobile application. ■ Recurring review of the loading time of the MHE&A website on mobile and desktop devices. ■ FastPass initiative, a combination of three innovative services: Online Check-in, Choose Your Room and Online Check-out. ■ Existence of a Digital Evolution Plan (DER).
Systems	SAP/website crashes	MHE&A is currently operating with SAP systems in both the back office and the front office. If there is a crash in SAP, MHE&A might not be able to invoice its customers or MHE&A might have to stop the administration department from working. Furthermore, MHE&A's income depends on the success and availability of the Web.	↔	Unlikely	Material	■ Existence of a documented process that details the tasks and actions to be carried out at operational level in the event of system shutdowns (whether planned or unplanned) to mitigate the impact on the operation. ■ The measures detailed above for the risk of cyberattacks (intrusion testing, perimeter security, analysis of malware and viruses, etc.)

Emerging risks and new challenges

Emerging risks are those that are expected to have a significant impact on the Company's operations and therefore on its financial results in the future (2031-2050). The risk management process analyses the Company's environment to identify emerging risks that are not currently affecting the business but have the potential to do so in the future. Risk managers can report emerging or newly identified risks at any time for analysis and consideration by the Risk Office.

These risks form part of the risk map, but the Company analyses them in depth to identify potential long-term impacts and anticipate appropriate mitigation measures. In addition, the early identification and assessment of emerging risks enables the Company to make more informed decisions and turn potentially negative events into opportunities. Internally, the Executive Risk Committee regularly oversees the monitoring of the corporate risk map, which is approved annually by the Board of Directors.

NH Collection Royal WTC
Bogota, Colombia

Emerging risks identified in 2024

Adaptation of processes to Artificial Intelligence

Technological Category

Artificial Intelligence (AI) presents some significant dangers, such as the displacement of jobs or security, protection and privacy issues, among others; and raising awareness of these issues helps spark conversations around the legal, ethical, and societal implications of AI. Additionally, it should be noted that there is a great technological sustainability risk. If the entire planet starts using artificial intelligence, there is not enough energy in the world to support it, and there is not enough material to create all the graphics cards needed to make it work.

The applicable regulation in this area in the European Union is not yet defined and AI technologies often collect and analyse large amounts of personal data, which raises issues related to data privacy and security. It is therefore an aspect that requires regulation to assure better conditions for the development and use of this innovative technology.

It is crucial to develop new legal and regulatory frameworks to address the specific issues raised by AI technologies, such as liability and intellectual property rights. Legal systems must evolve to keep pace with technological advances and protect the rights of all. Adequate management of this risk is crucial in order to balance the long-term benefits with the short-term complications.

Mitigation measures

- To mitigate these security risks, best practices for the safe rollout of AI will be developed. In addition, to foster international co-operation to establish global standards and regulations that protect against threats to AI security.
- As AI technologies continue to develop and become more efficient, team members must be provided with training to acquire new skills to remain relevant in the changing landscape.
- Advocating for strict data protection regulations and secure data processing practices. Working to govern adequately the inclusion of such new technologies in everyday life with good change management, to ensure furthermore that the impact is not on replacing people but on increasing capacities.

Transition to new low-emission technologies

Technological-Environmental Category

Changes are taking place in human behaviour towards low-carbon products and activities. Climate-friendly consumption is leading to more sustainable transport, low-carbon manufacturing, and more efficient energy use. In addition, consumers are gradually valuing certification standards (e.g., BREAM or LEED), which is also setting a precedent for consumer behaviour that puts pressure on industries to accelerate the transition. This increased demand for low-emission goods and services will lead to adjustments in value chains.

Shifting from traditional systems and processes towards more sustainable alternatives and keeping up to date with the best available technology to contribute to a low-carbon economy is a challenge. In addition, the costs associated with low-emission technologies due to the purchase of new equipment or replacement of technology. This risk involves aspects such as initial investment in new technologies, the adaptation of existing infrastructure and/or team member training.

As decarbonization processes make further progress, certain technologies or systems used will begin to suffer unforeseen or premature depreciation or devaluation. This would lead to changes in the value of assets and investments.

Other challenges will also arise on replacing existing products and services with innovative low-emission options. This includes the development and use of renewable energy and energy efficiency. It is also likely that some activities will be replaced or become financially unfeasible as more affordable options become available, with direct social implications.

Mitigation measures

- Implementing technologies and practices that improve energy efficiency in facilities. Completing sustainable certification procedures that highlight the commitment to sustainability.
- Evaluating and investing in clean technologies such as more efficiency heating and cooling system.
- Investments associated to improving the efficiency and useful life of equipment.
- Proactively planning an orderly transition to face the challenges posed by new technologies.

Avani Rio Novo Venice Hotel
Venice, Italy

5

CONSOLIDATED STATEMENT OF NON FINANCIAL INFORMATION AND SUSTAINABILITY INFORMATION

MINOR HOTELS
EUROPE & AMERICAS

ESRS 2- GENERAL DISCLOSURES

BASIS FOR PREPARATION

BP-1: General basis for establishing the state of sustainability

The Consolidated Non-Financial Information and Sustainability Information for 2024 has been prepared on the basis of the information recorded in the corporate systems of Minor Hotels Europe & Americas S.A. and subsidiaries.

It has been prepared in accordance with European Sustainability Reporting Standards (ESRS) adopted by the European Union through Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards and Directive (EE) 2022/2464 of the European Parliament and of the Council, of 14 December 2022, on Corporate Sustainability Reporting (hereinafter "CSRD") for which amendments are made to the Code of Commerce, the Companies Act (Consolidating Act), the Accounts Auditing Act and the corresponding regulation. At the end of the fiscal year (31/12/2024) and date of presentation of the Report (13/01/2025) the aforesaid Directive has not been transposed into domestic legislation in Spain (the country where the headquarters of the parent Company are located and where the Company is listed through the securities market (Madrid Stock Exchange)).

As the deadline for transposition established by the EU has passed, the Company and in accordance with the recommendations issued by the National Securities Market Commission (CNMV), MHE&A voluntarily presents its "Non-Financial and Sustainability Statement" following the established format and under the disclosure requirements set out in the CSRD and in Commission Delegated Regulation 2023/2772 of 31 July 2023 (ESRS Requirements).

The Company also presents information under other provisions of the applicable regulatory framework and voluntary sustainability reporting frameworks:

- The Company's response to the legal requirements of Act 11/2018 of 28 December 2018 on non-financial and diversity reporting, and of Act 5/2021, of 12 April, amending the Companies Act (Consolidating Act) and the EU 2017/C215/01 guidelines for reporting its performance as regards non-financial reporting.
- 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. In its first and third delegated act, it establishes the obligation to disclose information on how and to what extent the Company's activities are associated to economic activities that are considered environmentally sustainable and in a second delegated act described specifications for the content and presentation of the information to be reported, key performance indicators and their calculation methodology. *'European Union Taxonomy for sustainable activities'*. and *Note5 :"European Taxonomy".*
- EU 2017/C215/01 Guidelines for performance as regards non-financial reporting.
- The recommendations of the Task Force on Climate-Related Financial Disclosures. See *Note 6: 'Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).*

The Directors of the parent Company consider that the Consolidated Non-Financial and Sustainability Statement for 2024, which were drawn up on 13 February 2025, will be approved by the General Shareholders' Meeting without modifications. The Consolidated Non-Financial Information Statements - Sustainable Business Report for 2023 (now Consolidated Non-Financial and Sustainability Statement) was approved at the General Shareholders' meeting held on 19 April 2024 and filed with the Mercantile Registry of Madrid.

Contents

The definition of the contents of the Statement is determined by relevant matters for the activity of Minor Hotels Europe & Americas, its value chain and its main stakeholders, based on the analysis of their relevance (henceforth referred to as *Double Materiality Analysis*) performed in 2023 and 2024.

The Double Materiality Analysis has taken into account *the Company's strategy* and goals as well as other sector-specific material matters defined by the Sustainable Hospitality Alliance and (World Tourism Organisation) UNWTO, and the main sustainability trends. In this first year, the Company has paid particular attention to the provisions of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards Sustainability Reporting Standards.

The Company has a number of different systems for *engagement with its stakeholders*, which are a source of analysis to define the relevant contents to include in its reporting. The results of this communication ensure active mechanisms are in place to identify their needs and monitor the commitments acquired and the degree of compliance with the challenges presented in the previous yeas.

As far as the quality of the information is concerned, Minor Hotels Europe & Americas seeks to convey balanced information, reflecting both the positive and negative aspects of its performance, in the key material areas identified throughout 2024, offering its stakeholders the progress made in material matters for their knowledge and for comparison with other companies or industries.

Scope

This chapter sets out the eighteenth edition of the "Sustainability Report" of Minor Hotels Europe & Americas, currently referred to as the Consolidated Non-Financial and Sustainability Statement. It includes the Company's activity and main results in fiscal year 2024 (from 1/01/2024 to 31/12/2024), integrating performance in the economic, environmental, social and governance areas.

The Statement shows the management by Minor Hotels Europe & Americas of both actual and potential, positive and negative impacts the Company generates, as well as the material risks and opportunities identified in the Double Materiality Analysis. Which is based on its business model and taking into consideration all the elements/parties identified in MHE&A's *value chain* as well as its *business model.* In this regard, throughout the Consolidated Non-Financial and Sustainability Statement, the Company indicates precisely to what extent the reported information (policies, actions, metrics and goals) cover each of the elements and parties identified in the value chain.

The information reported corresponds to a control perimeter aligned with the parent Company and subsidiaries that are consolidated in the Consolidated Annual Account[4]. This scope corresponds to the consolidated perimeter (hotels owned and leased, central services and headquarters). However, certain indicators also include a reporting perimeter whose scope may also include information on hotels in hotels under management and franchises. In these cases, this scope will be explicitly indicated where appropriate.

Geographical presence of Minor Hotels Europe & America in 2024

	Hotels under ownership and lease	Hotels under management and franchise
Hotels in the world	293	54
Countries with activity	24	18
Rooms	48,092	7,677

Figures at 31.12.2024

Furthermore, in the case of information referring to the chapter *UP FOR PEOPLE*, data on FTEs (Full Time Equivalents) are provided for all kinds of own workforce identified. in this regard, it should be noted that the data concerning Own Workforce include all kind of team members (except Extra Labour and Trainees), considering hotels under ownership and lease, as well as central services and headquarters, included in MHE&A's ERP SAP HCM system.

In the case of information on energy and water consumption, as well as the carbon footprint (scope 1 and 2), data are reported in accordance with the consolidated perimeter, excluding data from central services and headquarters. Central services and headquarters are a total of 12 sites vs. 293 hotels in the consolidated scope at year-end 2024. In this regard, MHE&A's main environmental impact derives from the activity carried out in its hotels. The environmental data for 2023 do not include the NH Magdeburg hotel due to its closure in March 2023, its consumption is not significant compared to the total consumption of the other hotels.

Where the scope of the information varies with respect to the criteria described above, this will be stated explicitly.

It should be noted that the Company has not opted this year to omit any element of specific information on intellectual property, know-how or results of innovation.

Minor Hotels Europe & Americas S.A. presents its "Consolidated Statement of Non-Financial Information and Sustainability Information" on a consolidated basis, i.e. all subsidiaries included in the consolidation are exempt from individual sustainability reporting during the 2024 financial year in accordance with Article 19a or Article 29a(8) of Directive 2013/34/EU.

[4] *A breakdown of the companies belonging to the consolidated perimeter is shown in Appendix I of the Consolidated Annual Accounts for 2024 of Minor Hotels Europe & Americas S.A.*

Principles governing the preparation of the Sustainability Statement

This Consolidated Statement of Non-Financial Information and Information on Sustainability includes consolidated sustainability information with indicators and quantitative measurement data and qualitative information on the Company's sustainable management. In accordance with Annex B of the ESRS 1, the process followed for the preparation has been guided by the following principles:

- **Accuracy:** the information presented sets out quantitative and qualitative data in a detailed and consistent manner, giving stakeholders the capacity to assess the Company's impacts.
- **Neutrality:** the information set out in the statement is without bias, representing the positive and less positive impacts of the Company's performance to prevent the information presented from inappropriately affecting the conclusions or assessments of users of the information.
- **Understandability:** the information is presented in a clear, accessible, understandable and concise. This allows any stakeholder to comprehend the information being communicated.
- **Relevance:** the information presented is explained in the current market context and relatedly. It allows users to relate the information, providing them with the necessary information to make decisions.
- **Comparability:** the information provided contains references to previous reporting periods so that the main stakeholders can analyse the evolution of the Company's performance. also permits comparability with the performance of other organizations. Consistency helps to achieve comparability.
- **Completeness:** the Company discloses the main impacts identified as material, as well as the different actions and measures that Minor Hotels Europe & Americas is carrying out to meet information needs and expectations. This Statement presents the Company's ESG performance during the reporting period, providing sufficient information to assess its impacts.
- **Faithful representation:** the information reflects the essence of the business operations in terms of sustainability under a perspective of neutrality and prudence. In this regard, it allows different stakeholders to see how the Company has adapted its strategy and management of impacts, risks and opportunities to the reality of the business in which it operates.
- **Sustainability context:** The information is presented with due regard for the global context in which the Company operates, with the goal of growing and creating value in a broad setting and context of sustainable development.
- **Timeliness:** the information is published on an annual basis and is made available to all the Company's stakeholders, giving them the ability to make decisions accordingly.
- **Verifiability:** the information is verified by an independent third party that assures stakeholders can have confidence.

As a result, the Consolidated Non-Financial and Sustainability Statement is aimed at providing a balanced, accurate and consistent report of the MHE&A's performance, linked to relevant matters for its strategy and for its stakeholders. To that end, the Company establishes suitable links between retrospective and prospective information, where appropriate, to favour an understanding of the relationship between historic information and forward-looking information.

The information contained in this Statement also represents the Company's projections and forecasts at the date of preparation. Such information involves known and unknown risks, uncertainty and other factors that could affect future forecasts, such as the attainment of the goals set. Future events may therefore cause changes in the projections and forecasts presented throughout the Consolidated Non-Financial and Sustainability Statement. In this regard, Minor Hotels Europe & Americas may opt to update such information with future forecasts at any later time, although it wishes to expressly state that it is not required to do so.

The comparability of data and information with that of previous years is also key, as tool for the tracking and evolution of such data. As in previous editions of the report, this Statement has been prepared with the involvement and participation of the heads of the business areas and based on engagement with each category of stakeholders, which means it is aligned with and responds to the expectations of relevant information for the value chain of MHE&A.

BP-2: Information on special circumstances

Time horizons

For the purposes of reporting the information contained in this Consolidated Non-Financial and Sustainability Statement and as indicated in MHE&A's Consolidated Annual Accounts, the Company refers to the following time intervals and horizons:

- Current time horizon: the year 2024;
- Short-term time horizon: less than 1 year (up to 31/12/2025);
- Medium-term time horizon: from 1 to 5 years (from 01/01/2026 to 31/12/2030);
- Long-term time horizon: from 5 to 25 years (from 01/01/2031 to 31/12/2050).

Where the time horizon of the information varies with respect to the criteria set out above, this will be stated explicitly.

Value chain estimation

- **Calculation of FTEs/headcount in managed and franchised hotels:** for those managed and franchised hotels for which no people data is available in the system (ERP SAP HCM system), an estimate has been made based on the information available in the system for hotels with similar characteristics such as hotel location, hotel brand, number of rooms or revenues, among others. Of the total of 54 managed and franchised hotels, 24 of them have data in the system, for the remaining hotels the data has been estimated. In this way, the aim is to obtain the most accurate approximation possible, ensuring the consistency and representativeness of the estimate in the global context of the Company.

Sources of estimation and outcome uncertainty

- **Taxonomy:** a breakdown of the estimated calculation of the key performance indicators referred to in Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 in relation to CapEx and OpEx can be consulted in detail in the following section: *"Content and methodology of key performance indicators"*.

- **Self-generated renewable energy:** the Company has a total of 44 hotels with green electricity production technology facilities (solar panels, photovoltaic panels, vacuum tubes, etc.). Actual data are provided for 12 of them, while for the remaining 32 installations, a differentiation has been carried out between photovoltaic solar panels (7 hotels) and thermal solar panels (25 hotels).
  - Photovoltaic solar panels: the production of green electricity is estimated using the following formula: panel size (in kW - considering an average of 1.7 m2) * Solar radiation (kWh/m^2/day) * Panel efficiency * 365 days.
  - Thermal solar panel: on average, a thermal solar panel produces between 400 and 600 kWh per m^2 each year. Applying a conservative approach, the lesser of the values is taken (400 kWh per m^2) and on average the panel size is considered to be 1.7 m2. Knowing the total number of panels installed, green electricity generation using this technology is calculated.

- **Waste generation:** details of the assumptions, criteria and methodologies followed for calculating estimations of the Company's waste generation can be consulted in the following section: *"E5-5: Resource outflows".*

- **Scope 3 emissions:** details of the assumptions, criteria and methodologies used to estimate the Company's Scope 3 Footprint can be found in the following section: *E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions*.

Changes in the preparation or presentation of sustainability information

In previously published reports, the scope of the information focused on both the consolidated perimeter, which exclusively covered hotels under ownership and lease agreements, in line with the scope of the consolidated financial statements report, and the perimeter of managed and franchised hotels. This approach made it possible to comprehensively reflect the impacts, both positive and negative, of the Company's activities on the communities and environments in which it operates, providing a more complete perspective aligned with its commitment to transparency and sustainability.

However, this Statement refers solely to the consolidated perimeter, in compliance with regulatory requirements. Nevertheless, for information in which the scope varies, this is clearly identified in the information in question.

Reporting errors in prior periods

No errors from prior periods have been identified.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

See sections: Scope and *IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement*

Incorporation by reference

In relation to incorporation by reference, information has been included that relates to the consolidated financial statements and is linked to the following disclosure requirements: ESRS 2 IRO-1 of E1 (data point RA 15) relating to the financial impact of climate risks; E1-3 (data point RD 29c) relating to the European Union taxonomy and; S1-6 (data point RD 50f) relating to the number of employees.

Use of phased-in provisions in accordance with Appendix C of ESRS 1

ESRS	Disclosure requirement	Full name of the disclosure requirement	Phase-in or effective date (including the first year)
ESRS 2	SBM-1	Strategy, business model and value chain	The undertaking shall report the information prescribed by ESRS 2 SBM-1, paragraph 40(b) (breakdown of total revenue by significant ESRS sector), and 40(c) (list of additional significant ESRS sectors) starting from the application date specified in a Commission Delegated Act to be adopted pursuant to article 29b(1) third subparagraph, point (ii), of Directive 2013/34/EU.
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	The undertaking may omit the information prescribed by ESRS 2 SBM-3, paragraph 48(e) (anticipated financial effects) for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS 2 SBM-3, paragraph 48(e) by reporting only qualitative disclosures for the first three years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first three years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E3-5 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E3-5 by reporting only qualitative disclosures, for the first three years of preparation of its sustainability statement.
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E5-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E5-6 by reporting only qualitative disclosures, for the first three years of preparation of its sustainability statement.
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	The undertaking may omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement.
ESRS S1	S1-11	Social protection	The undertaking may omit the information prescribed by ESRS S1-11 in the first year of preparation of its sustainability statement.
ESRS S1	S1-14	Health and safety	The undertaking may omit reporting on non-employees for the first year of preparation of its sustainability statement.

Events after the reporting period

The following significant events have occurred since 31 December 2024:

- On 31 January 2025, the company *'Minor Luxury Hotels Vilamoura S.A.'* the company of the Anantara Vilamoura hotel, was sold. It was classified as asset held for sale at the end of the financial year, with no negative impact on the consolidated income statement.

Queries

To respond to any doubts or need for clarification and for any suggestions in relation to this Consolidated Non-Financial and Sustainability Statement, the Company provides the following channels of direct contact:

- Sustainable Business Department (sustainablebusiness@minor-hotels.com)
- Investor Relations Department (investor.relations@minor-hotels.com)

Verification of the Consolidated Non-Financial and Sustainability Statement

The Consolidated Non-Financial and Sustainability Statement has been verified by *PricewaterhouseCoopers Auditores S.L,* an independent third party. The independent review report can be consulted in *"NOTE 8. INDEPENDENT VERIFICATION REPORT"*-

STRATEGY

SBM-1: BUSINESS MODEL , VALUE CHAIN AND STRATEGY

BUSINESS MODEL OF MINOR HOTELS EUROPE & AMERICAS

Minor Hotels Europe & Americas is a consolidated international hotel operator and its main activity consists of providing short-stay accommodation and services such as restaurant services or venue hire for events, conferences and other types of conventions in the Company's hotels[5].

In April 2024 Minor Hotels unified its global corporate identity with the change of the Company name from NH Hotel Group S.A. to Minor Hotels Europe & Americas S.A. This change was made following the vote that took place at the General Shareholders' Meeting held in April 2024, in favour of the change in the Company's registered name by the shareholders.

By adopting the name Minor Hotels Europe & Americas, the Company reinforces its integration with Minor Hotels, and fosters a single corporate identity recognizable to stakeholders, accelerating the hotel group's global growth. This strategic shift also reinforces the global commercial and operational structure, benefiting stakeholders such as professionals in the sector, customers and shareholders.

At the end of 2024, the Company was present in 31 countries, operating 347 hotels and 55,769 rooms in three continents (Europe, America and Africa), with significant presence in Europe. At 31 December 2024, the Company has a workforce made up of 14,361 team members (FTEs), 2,076 in the southern Europe region, 5,060 team members in the northern Europe region and 6,667 *team members* in the Americas region and 558 between central offices and the Central Reserves, in its consolidated reporting perimeter.

The centralized business model allows Minor Hotels Europe & Americas to offer its guests an excellent service in the various hotels in the different regions and geographical areas where it does business. These services have not only made it possible to generate profits in economic terms, but also in awareness, with the Company becoming a conglomerate of brands recognized among other aspects for the quality it offers to its customers.

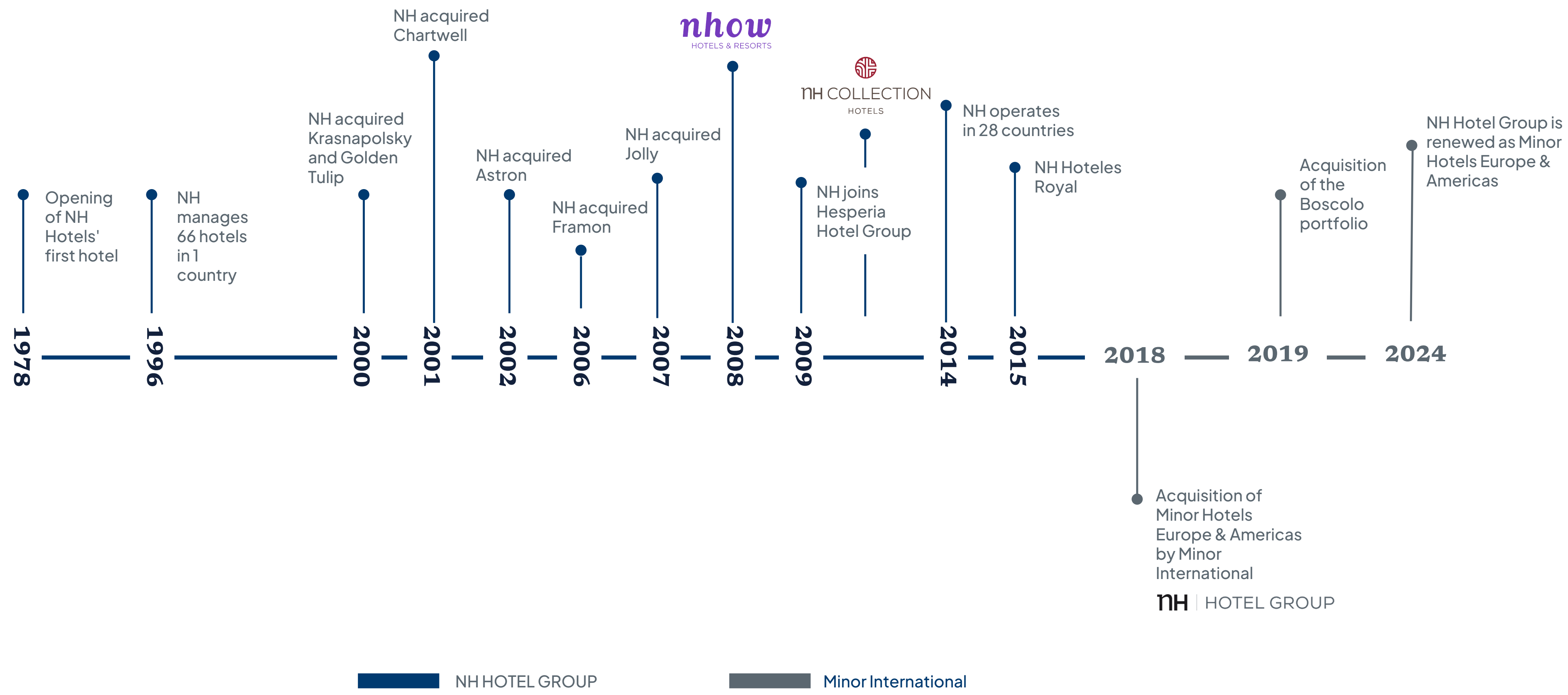
The corporate head office and the regional offices offer the hotels a wide range of functions such as sales, revenue management, booking, marketing, human resources, financial management and systems development, among others.

In the medium term, the Company is expected to continue benefiting from the brand recognition, the excellent locations and the strong market position in Europe.

Tivoli Palazzo Gaddi Firenze
Florence, Italy

[5] *The Company does not carry out activities referred to in DR 40b of ESRS 1 SMB-1 Strategy, business model and value chain activities related to: the fossil fuels sector; chemical production; controversial weapons and; cultivation and production of tobacco.*

Our evolution over the years



Our vision and values

Our vision

MHE&A's passion has always been to maintain an entrepreneurial vision in everything it does, using creativity to find new solutions to challenges in order to create value for its guests, partners and shareholders.

The Company is big enough to achieve big goals, but small enough to pay attention to the details in everything it does. This balance drives MHE&A with equal parts ambition and responsiveness, backed by a formidable infrastructure and great adaptability in all its projects.

Across all its brands, the Company focuses on what really matters to the people it interacts with every day, making a significant difference in the industry. Its essence is to be the best at what it does, not the biggest. This philosophy defines its exacting standards and guides everything it does.

MHE&A strives to be a leader by delivering exceptional experiences that anticipate and fulfil the aspirations of its customers, while making a positive impact on its stakeholders. It is the delight in the eyes of its clients, the passion in the hearts of its team and the confidence that defines the Company.

MHE&A has a robust approach to sustainability, underpinned by its vision, core values, business strategy and a dynamic stakeholder engagement practice. From these pillars, the Company identifies its own interests and those of its stakeholders, and identifies material issues of common concern.

Minor Hotels' sustainability framework is based on this understanding and is integrated into the development of its sustainable business strategy. These interrelated elements strengthen MHE&A's approach to sustainability, enabling it to improve the economic, social and environmental conditions of all its stakeholders.

Our mission

The Company is dedicated to creating innovative and insightful hospitality experiences that deliver what people really want. Its mission is to create sustainable value for its customers, team members, partners and the communities in which it operates by fostering innovation, operational excellence and a commitment to social and environmental responsibility.

Our values

Minor Hotels Europe & Americas has defined a culture that expresses who it is, what it wants to achieve and how it will do it. To this end, it has identified core values that represent the beliefs that will enable it to achieve its vision.

These values inspire and motivate its teams in the pursuit of strategic goals, guide their daily work and promote the development of a leadership model.

- Customer-centric: clients are our priority. This conviction guides everything the Company does, every day.
- Results-oriented: with passion and energy, MHE&A strives for excellence in every initiative.
- People Development: the Company gives its team the opportunity to develop and maximise their potential, to accept challenges and to exceed expectations.
- Innovation: continuous improvement and the search for new ways of doing things allow MHE&A to stand out in its sector.
- Strategic alliances: by working closely with its partners, the Company creates and achieves a shared vision of growth.

Minor Hotels Europe & Americas has a guest-centric approach that places the guest at the centre of all decisions. This philosophy drives the development of a service culture that prioritises attention to detail, while reinforcing corporate values based on sustainability, innovation and responsibility, with people as the fundamental pillar.

The Company aims to be the destination of choice for travellers, offering them memorable experiences that exceed their expectations and make them feel special. This vision, shared by all members of the Company, serves as a guide for performance and commitment. At the same time, MHE&A aims to consolidate its position as the best option for investors and owners who wish to grow with the Company thanks to a global and flexible offer, motivated and proud teams, efficient management tools and unique solutions.

Our brands

The complementary nature of the traditional portfolios of Minor Hotels and Minor Hotels Europe & Americas, as well as the benchmark position of their different brands, allows the Company to grow and compete with greater guarantees of success, creating added value for its customer base throughout the world. Both Groups are aligned to take advantage of the best opportunities for the expansion of their brands in their different preferred territories.

Minor's entrance in the capital opened up a new era of opportunities to create value, through a global hotel platform with presence in five continents, that can reach more customers with a broader brand umbrella and in new geographies.

All the brands share the values and principles that characterise the Company. Thanks to the diversity of brands, Minor Hotels Europe & Americas takes advantage of opportunities in different market segments while at the same time strengthening its competitive position by encompassing different guest experiences.

ANANTARA HOTELS · RESORTS · SPAS

Anantara Hotels & Resorts is the luxury brand with hotels in destinations such as Asia, the Middle East, Indican Ocean, Africa and Europe. Enrich guests' stays with a distinctive design and authentic experiences that connect them to each destination.

NH COLLECTION HOTELS & RESORTS

NH Collection is a global brand that offers premium urban hotels and inspirational resorts in key destinations in Europe, the Americas, Middle East and Asia. The hotels are carefully conceived with an eclectic and elegant ambience, and offer extraordinary stays with the unique combination of comfort and innovation, intuitive service and local identity, creating a collection of feelings and emotions that create lasting memories.

AVANI Hotels & Resorts

Avani Hotels & Resorts is designed for contemporary travel. It strikes a perfect balance between work and leisure, design and functionality, service and privacy, relaxation and fun. With locations in Europe, Middle East, Asia, Africa and Australia, Avani has vibrant hotels in both urban and vacation destinations.

nhow HOTELS & RESORTS

nhow Hotels & Resorts is an unconventional premium lifestyle brand. Designed for curious and cosmopolitan travellers, nhow establishments capture the local atmosphere with a bold and vibrant interpretation of the destination. They become a creative centre that surprises guests and inspires them to think differently, at the same times as they connect with the environment.

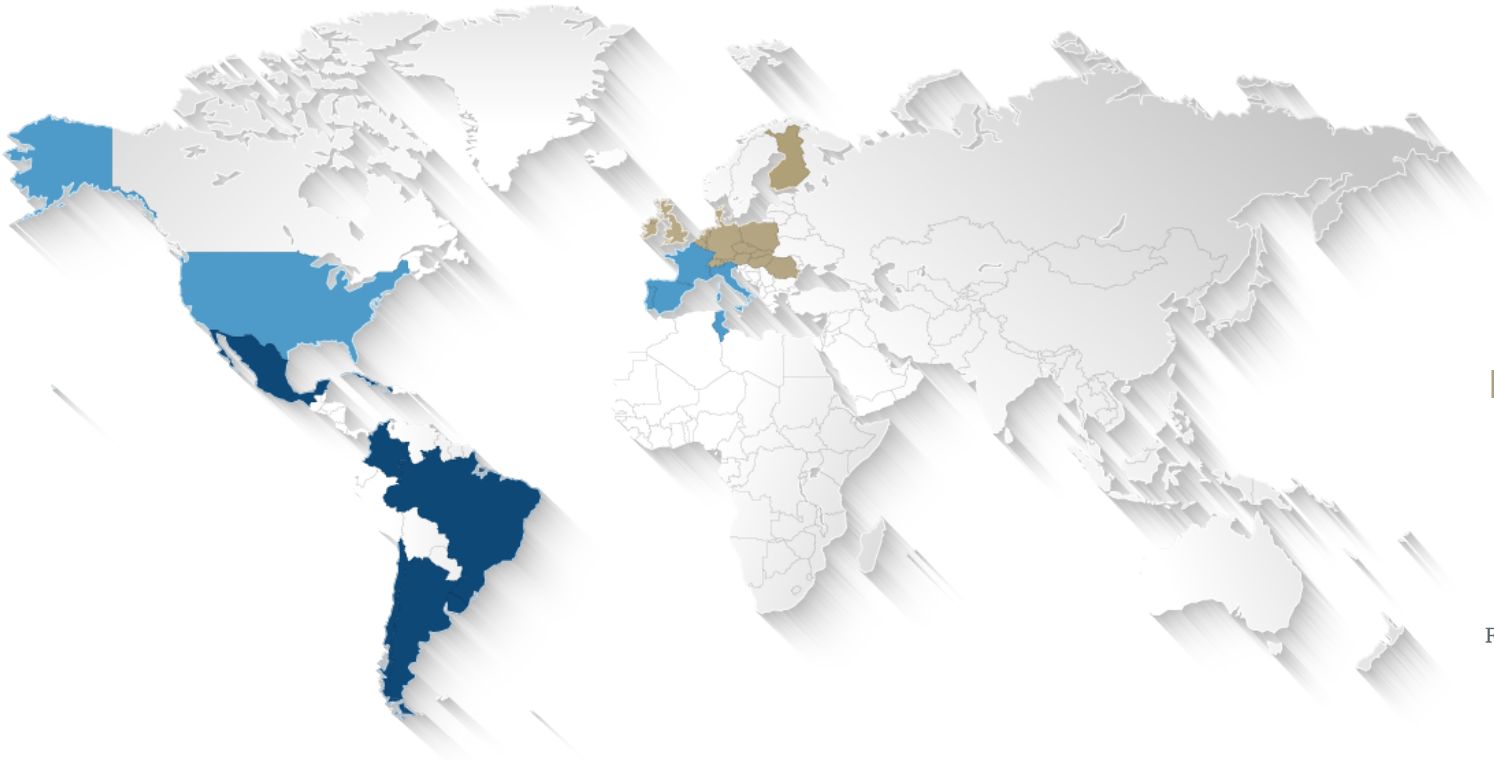
NH HOTELS & RESORTS

NH Hotels & Resorts is a select global brand extending across Europe, the Americas, Middle East, Africa and Asia. It offers experiences you can trust for those who want to get the most out of their stay, based on the perfect combination of the best location, excellent value for money and a friendly service.

TIVOLI HOTELS & RESORTS

Tivoli Hotels & Resorts is a collection of luxury properties, a unique brand located at idyllic beaches, cosmopolitan locations and luxury destinations. Tivoli's philosophy and its long tradition make the brand stand out in both mature markets and in new emerging markets; from iconic destinations in Europe or the Middle East to Brazil or China.

Our global presence and portfolio breakdown



347 HOTELS

31 COUNTRIES

55,769 ROOMS

4.5 MILLION CUSTOMERS

Figures at 31.12 2024. Includes hotels operated under property, lease, management and franchise contracts.

AMERICAS REGION

61 HOTELS
8,276 ROOMS
9 COUNTRIES

Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Haiti, Mexico and Uruguay

NORTHERN EUROPE REGION

113 HOTELS
22,746 ROOMS
15 COUNTRIES

Austria, Belgium, Czech Republic, Denmark, Finland, Germany, Hungary, Ireland, Luxembourg, Netherlands, Poland, Romania, Slovakia, Switzerland, United Kingdom

SOUTHERN EUROPE REGION

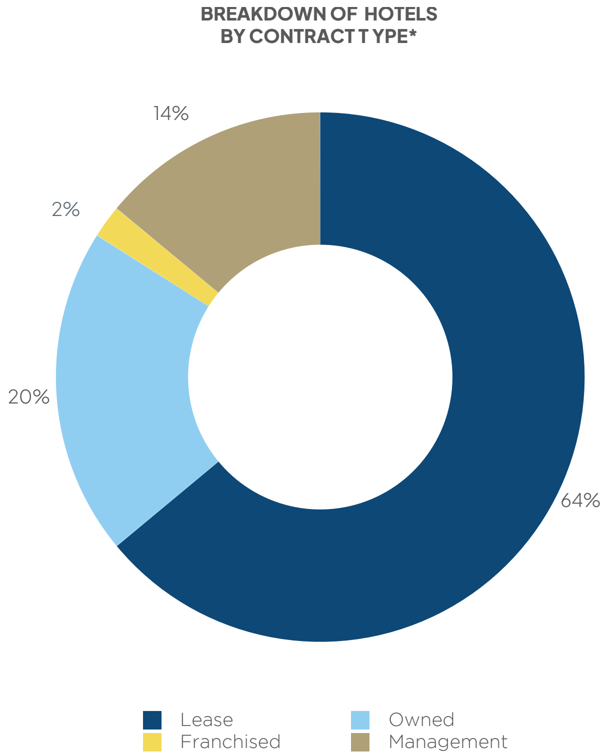
173 HOTELS
24,747 ROOMS
7 COUNTRIES

Andorra, France, Italy, Portugal, Spain, Tunisia and USA

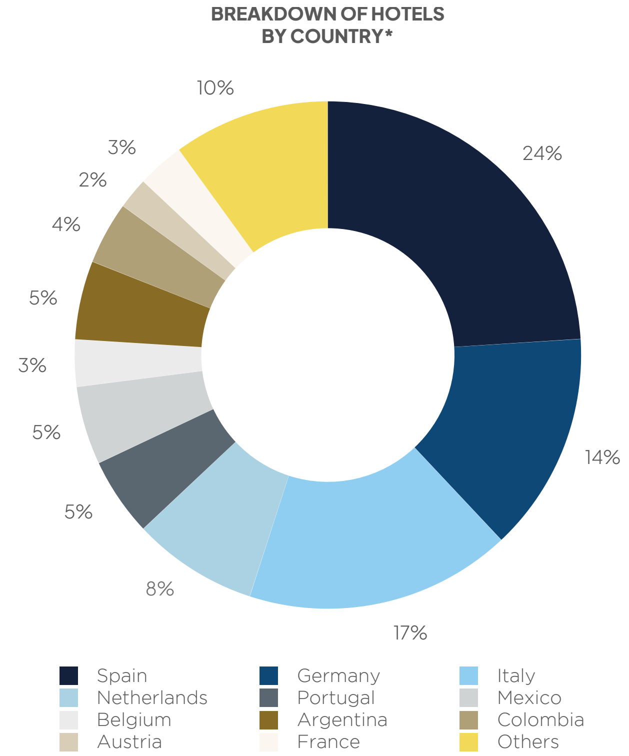
Portfolio breakdown

Minor Hotels Europe & Americas is an urban hotel chain and a consolidated multinational operator. At the end of 2024, the Company is present in 31 countries, operating 347 hotels and 55,769 rooms.

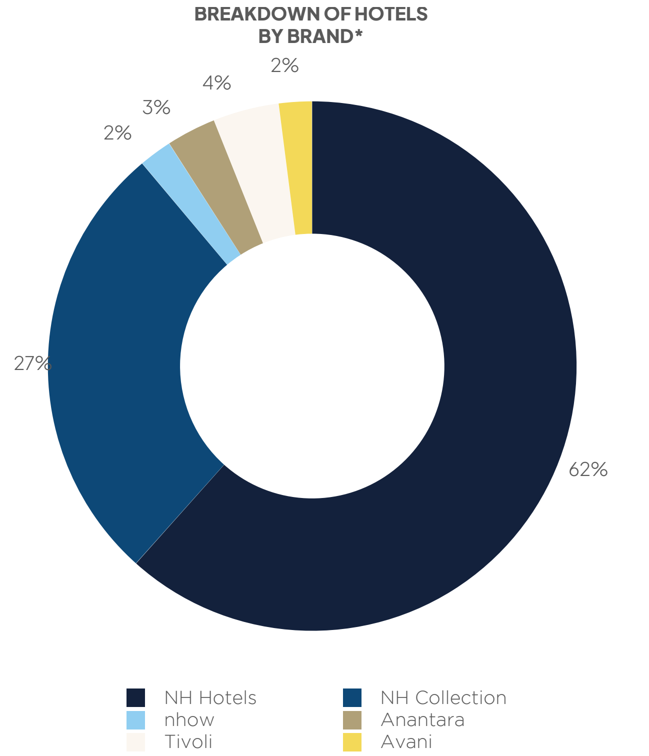
The centralised business model allows Minor Hotels Europe & Americas to offer an excellent service to its customers, and a high added value to owners looking for first-class operator.



*31 December 2024



*31 December 2024.Includes hotels operated under ownership, lease (consolidated perimeter), management and franchise contracts.



*31 December 2024. Includes hotels operated under ownership, rental (consolidated scope), management and franchising

	TOTAL		OWNED		LEASE		MANAGEMENT		FRANCHISED	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Minor Hotels Europe & Americas	**347**	**55,769**	**71**	**11,934**	**221**	**35,952**	**49**	**7,427**	**6**	**456**
Argentina	16	2,241	12	1,524	0	0	4	717	0	0
Brazil	4	799	1	291	2	396	1	112	0	0
Chile	6	719	4	500	0	0	2	219	0	0
Colombia	14	1,403	0	0	13	1,355	1	48	0	0
Cuba	2	251	0	0	0	0	2	251	0	0
Ecuador	1	124	0	0	1	124	0	0	0	0
Haiti	1	72	0	0	0	0	1	72	0	0
Mexico	16	2,531	4	685	7	993	5	853	0	0
Uruguay	1	136	1	136	0	0	0	0	0	0
Americas Region	**61**	**8,276**	**22**	**3,136**	**23**	**2,868**	**16**	**2,272**	**0**	**0**
Austria	8	1,492	0	0	8	1,492	0	0	0	0
Belgium	12	2,025	6	822	6	1,203	0	0	0	0
Czech Republic	4	734	0	0	1	152	3	582	0	0
Denmark	1	394	0	0	1	394	0	0	0	0
Finland	1	224	0	0	1	224	0	0	0	0
Germany	49	9,867	4	870	45	8,997	0	0	0	0
Hungary	3	483	0	0	3	483	0	0	0	0
Ireland	1	187	0	0	1	187	0	0	0	0
Luxembourg	1	148	1	148	0	0	0	0	0	0
Netherlands	27	6,419	8	2,316	18	3,666	1	437	0	0
Poland	1	93	0	0	0	0	0	0	1	93
Romania	1	83	0	0	1	83	0	0	0	0
Slovakia	1	117	0	0	0	0	1	117	0	0
Switzerland	2	290	0	0	2	290	0	0	0	0
United Kingdom	1	190	0	0	0	0	1	190	0	0
Northern Europe Region	**113**	**22,746**	**19**	**4,156**	**87**	**17,171**	**6**	**1,326**	**1**	**93**
Andorra	2	100	0	0	0	0	2	100	0	0
France	9	1,423	0	0	5	873	4	550	0	0
Italy	59	8,662	14	2,001	41	6,068	4	593	0	0
Portugal	17	3,299	3	633	7	1,136	7	1,530	0	0
Spain	84	10,882	12	1,720	58	7,836	9	963	5	363
Tunisia	1	93	0	0	0	0	1	93	0	0
USA	1	288	1	288	0	0	0	0	0	0
Southern Europe Region	**173**	**24,747**	**30**	**4,642**	**111**	**15,913**	**27**	**3,829**	**5**	**363**

Figures at 31 December2024.

Expansion and portfolio optimisation

The ambition as a Company is to continue growing, and to reinforce even more its position in tourist destinations and leadership in the urban sector. During this year, the combined and simultaneous commitment to leisure destinations and business trips has reinforced MHE&A's capacity for recovery.

During the year, Minor Hotels Europe & Americas has opened 9 new hotels in different countries, with a total of 1,425 rooms. The opening of hotels in new countries consolidates the Company's position in markets.

Of particular relevance is the opening of three 4-star hotels in Paris, where the Company will operate under its NH Hotels and NH Collection brands. With this milestone, MHE&A has presence in the second-most-visited city in the world, allowing it to continue strengthening its presence in France.

In addition, 2024 saw the opening of the NH Collection Helsinki Grand Hansa, the Company's first hotel in Finland and a key market in MHE&A's strategy of growth in Nordic countries. The Collection brand hotel is a 5-star hotel located in Helsinki, formed by two of the most iconic and recognized buildings in the city.

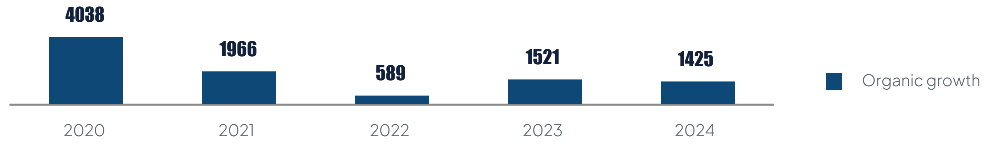
In 2024 also occurred the opening of Anantara Palais Hansen Vienna which came to the Austrian capital under the Anantara luxury brand., representing the first Ananatara in the Austrian capital. This opening represents an important step in the strategy for the luxury sector, in which the Company already has 10 hotels. The Company continues expanding the presence of this brand through high quality assets as a priority for Minor Hotels Europe & Americas.

It should be noted that in September 2024, Minor Hotels Europe & Americas acquired from Minor Hotels four hotels of the Tivoli and NH brands in Brazil, totalling almost 800 rooms, thus strengthening the Company's presence in Latin America and entering key Brazilian cities such as São Paulo.

Hotels opened betgween 1 January and 31 December 2024

Hotel name	Country	City	Category	Rooms
Anantara Palais Hansen Vienna Hotel	Austria	Vienna	*****	152
NH Collection Helsinki Grand Hansa	Finland	Helsinki	*****	224
NH Feira de Santana	Brazil	Feira de Santana	***	112
NH Paris Champs-Elysées	France	Paris	****	90
NH Gare de l´Est	France	Paris	****	207
NH Opéra Faubourg	France	Paris	****	103
Tivoli Ecoresort Praia do Forte	Brasil	Bahia	*****	291
Tivoli Mofarrej Sao Paulo Hotel	Brasil	Sao Paulo	*****	218
Tivoli Portopiccolo Sistiana Apartments	Italy	Trieste	*****	28
Includes hotels operated under ownership, lease, management and franchise contrcts.				**1,425**

In recent years, the evolution of openings and new incorporations, in number of rooms, has been as follows:



MHE&A has also signed off on 8 new hotels in 2024 with 699 rooms. These mostly correspond to management contracts. In 2024, MHE&A has focused part of its attention on growth in markets where it already has a presence, such as Spain and Mexico, with new hotels in Benidorm and Mérida (Mexico) under the Tivoli brand and in Ibiza under the NH Collection brand. In Italy, new hotels were signed in Palermo and Mirtillo, both under the NH Collection brand. In addition, the presence of the luxury Anantara brand was strengthened in Marbella with a branded residences project.

It is important to note that throughout 2024, MHE&A has demonstrated its strength as a Company to be present in new markets. Some examples are the three hotels in Paris, the opening of the hotel in Helsinki and the signing of a hotel in Paraguay.

In addition, the existing portfolio now includes new signatures or openings in countries such as Portugal (Porto, Vila Viçosa, Lisbon and Borba), Mexico (Guadalajara and Aguascalientes) and Italy (Cagliari and Murano).

Exits from the portfolio

This year there have been 12 exits from the Company's portfolio. These hotels are no longer operated by Minor Hotels Europe & Americas as they are not strategic in generating value for the Company.

Exits from the portfolio between 1 January and 31 December 2024

Hotel name	Country	City	Category	Rooms
Tivoli Palácio de Seteais Sintra Hotel	Portugal	Sintra	*****	30
NH Ciudad de la Imagen	Spain	Madrid	***	76
NH Klösterle Nördlingen	Germany	Nördlingen	****	98
NH Sparrenhorst	Netherlands	Nunspeet	****	117
NH Ciudad de Valladolid	Spain	Valladolid	****	80
NH Geneva City	Italy	Geneva	****	70
NH Leganes	Spain	Madrid	***	78
NH Stuttgart Sindelfingen	Germany	Stuttgart	****	103
NH Zoetermeer	Netherlands	Zoetermeer	****	104
NH Capelle	Netherlands	Capelle aan den Ijssel	****	105
NH Atlantic Den Haag	Netherlands	The Hague	****	152
NH München City Süd	Germany	Munich	***	162
				1,175

VALUE CHAIN

Minor Hotels Europe & Americas, S.A. and its subsidiaries form an integrated group of companies engaged in operating owned or leased hotels (20% and 64% respectively) and management hotels under management or franchise agreements (14% and 2% respectively).

- Owned: ownership of the hotel and responsibility for management lie with Minor Hotels Europe & Americas.
- Lease: Minor Hotels Europe & Americas is the lessee of the hotel and is responsible for operating it.
- Management: the owners operate the hotel which is managed by Minor Hotels Europe & Americas or any of its subsidiaries using the brand, operating system and central procurement, logistics and distribution services.
- Franchise: the owner of a hotel operates under one of the Company's brand using that brand's standards (quality, processes, etc.).

The Company's goal is to contribute a differential value to stakeholders, aspiring to be a global benchmark in the hotel sector with a profitable, fluid business model aimed at excellence based on sustainability.

In this regard, the Company's value chain refers to thee activities, resources and relations with MHE&A's business model and the external environment in which the Company operates. It therefore encompasses the activities, resources and relations the Company uses and which form the basis to offer its accommodation and MICE services to both B2B and B2C customers.

The relevant activities, resources and relations are structured around three major parts: upstream, own operations and downstream.

A detailed segmentation of the areas of operation, key suppliers and relations with customers is presented below, highlighting the interaction and responsibilities at each level of the chain.

- **The Company's own operations:**

This covered the range of services that MHE&A offers at its premises. These services vary depending on the hotel category. It is noteworthy that the Company's main activity is carried out through urban hotels, which represents 97% of MHE&A's portfolio. However, in resort hotels that constitutes 3% % of the Company, the ranges of services offered in that segment may be more diverse and varied.

At MHE&A's hotels as a whole, independently of the type of contract, the services come under the accommodation sector, restaurants (restaurants, buffets, rooftop bars, etc) the MICE sector (meetings, incentives, conferences and exhibitions) and other services such as parking, spa and wellness facilities, gym, laundry, bicycle hire and shuttle services, among others.

Having defined the range of services the Company offers and the activities it carries out, these should be considered in the framework of the Company's contractual map (owned, lease, managed and franchise hotels).

In this regard, the Company's own operations cover those carried out in owned and leased hotels (consolidated scope of MHE&A's consolidated annual accounts). They represent the assets and operations over which the Company has direct control. This type of contract allows for comprehensive management of all operational aspects, from hiring and training of team members, who are part of the Company's own workforce, to the implementation of quality standards aligned with the MHE&A brand and strategy. It also offers a high degree of flexibility to optimise the guest experience, assuring consistency in the services and the effective application of policies.

In addition, and aligned with the contents of the consolidated annual accounts, MHE&A's central offices act as a core of planning, co-ordination and control of all the activities, assuring service quality and customer satisfaction in all its establishments. In a centralised model such as that in place in MHE&A, central offices are the place where the corporate strategies are designed, the brand quality standards are established and the corporate policies are developed, which are applicable both to the Company's own operations and to hotels under management and franchise arrangements. Central offices are also responsible for oversight of financial management, technological innovation and relations with the supply chain, assuring operational efficiency and the optimisation of upstream resources. They also co-ordinate global marketings, sales and distribution channels, strengthening the brand positioning in B2C and B2B markets. They provide ongoing support to the different regions (Americas, Northern Europe and Southern Europe), promoting skills development, data analysis and regulatory compliance, ensuring that each link in the value chain contributes to the Company's overall success.

- **Key actors in this part of the value chain:**
  - Team members or, according to the terminology used in ESRS S1: own workforce employees: who work at owned or leased hotels and central services.
  - Own workforce non-employees[6], according to the terminology used in ESRS S1: this category refers to workers who work at the Company's premises under contracts between Minor Hotels Europe & Americas S.A. and subsidiaries and Temporary Employment Agencies.

[6] As there is some degree of uncertainty concerning the application and interpretation of certain aspects of the CSRD rules, companies "CSRD" and companies have to make judgement decisions in interpreting the requirements, the Company has carried out the best interpretation of the definition provided for "non-employees". To this end, MHE&A has analysed in detail the terms of DR 55a) of ESRS S1 of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 as well as the contents of the EFRAG "ESRS Implementation Q&A platform" of February 2024 (FAQ ID 33) which provides a definition of "non-employees". According to these indications, Minor Hotels Europe & Americas limits "own workforce non-employees" to workers provided by companies that are mainly engaged in «employment related activities» registered under NACE code N78. It should also be noted that MHE&A does not include self-employed workers in that section, as they are not material with regard to the total number of the Company's own workforce. The Company currently does not have the datapoint referring to these non-employees and is working to obtain it in future reporting periods.

- **Upstream:** is the set of activities and processes that take place before the service is delivered to the end customer. It includes the resources and actions necessary for MHE&A to operate efficiently. In this sense, it includes the supply chain and the suppliers who provide the Company with goods or services essential for the proper functioning of the hotel:

    - Products, such as Food & Beverages (F&B), textiles, among others, or

    - Services, if outsourced, differentiating by highest volume would be hotel cleaning, commonly referred to in the sector as housekeeping, or hotel security, among other maintenance services. In terms of relevance of customers in the business model and with regard to the type of suppliers the supply chain has, attention should be drawn to the presence of both meta search engines (digital platforms that allow users to compare prices, availability and characteristics of accommodation from multiple sources in real time, online travel agencies (OTAs) and other booking platforms) and marketing and consultancy agencies.

Because of MHE&A's type of business model, no transformation of natural resources for the production of products or services is carried out, rather the Company engages in the consumption of resource inflows[7].

As well as the supply chain and considering the contractual map described above, aspects related to hotels under management and franchise arrangement are included in this part.

- **Key actors impacted in this part of the chain**:

    - Suppliers of goods and services (due to their relevance, notably temporary employment agencies, outsourcing companies, maintenance services, laundry services, security services and suppliers of F&B and amenities).

    - Owners and partners and the financial community.

    - Workers of all hotels under management and franchise arrangements: they are not part of Minor Hotels Europe & Americas' own workforce according to ESRS S1 terminology, but are part of the value chain employees, but their performance is aligned with the standards and values set by the company. It should be noted that although the salaries of these employees are not paid by Minor Hotels Europe & Americas, the company manages their training and professional performance in the same way as that of the company's team members, to ensure alignment with the brand values and corporate policies.

- **Downstream:** MHE&A as a hotel chain providing services, the "distribution" of the finished product in MHE&A takes place at the Company's own premises. The Company does not carry out processing that gives rise to a product that has to be stored and transport to the end customer in its sales. As a result of this situation, MHE&A has identified as the last phase of its value chain the customers (end users) who may be classified in two major groups:

    - B2B customers: companies that organize events and corporate customers that seek accommodation solutions for their employees or professional activities. This group contributes value through recurring contracts, agreements and large-scale bookings, as well as generating opportunities for additional services such as meetings or conferences.

    - B2C customers: individual customers who book directly using the corporate website or through channels such as meta search engines or online agencies. This classification focuses on the personalised experiences, creating loyalty through programmes and meeting expectations in relation to quality, comfort and sustainability.

- **Key actors in this part of the chain:**

Customers are fundamental to the Company's success, as they contribute both to profitability and to the brand reputation. Differentiated but complementary approaches are necessary in order to maximise their value in the chain.

The Minor Hotels Europe & Americas value chain is an essential part of the Company's success, working on long-term relations based on a model of trust, respect and mutual benefit, with a strong ethical and responsible commitment. Collaboration with all members and working together assure the present and future.

As indicated in the basis for presentation of the reported information, this Statement includes all the companies over which MHE&A exercises effective control, in other words, those that consolidate as owned or leased hotels. In addition, as indicated in the section dealing with IRO-1, information on material sustainability matters has been checked based on the IROs identified in direct and indirect relationships in prior (upstream) and subsequent (downstream) phases of the value chain, depending on the outcomes of the due diligence process and the double materiality assessment.

[7] *"The Company does not consume raw materials (natural resources transformed into products or services). In MHE&A's operations, no such raw materials are transformed to obtain goods and services. instead, the Company consumes resource inflows, considered to be end goods and services that are made available to customers in hotels in the course of its daily operations.*


CENTRAL OFFICES
HOUSEKEEPING
CONSTRUCTION
IT EQUIPMENT
WASTE MANAGEMENT
UPSTREAM
MHE&A'S OPERATIONS
DOWNSTREAM
LAUNDRY
LOGISTICS
AMENITIES
F&B
ROOMS
SECURITY
SERVICE: SPA
RESTAURANTS: ROOFTOP
SERVICE: LAUNDRY
SERVICE: BIKES
SERVICE: GYM
SERVICE: POOL
RESTAURANTS: BUFFET
B2B CUSTOMERS
RESTAURANTS: RESTAURANT
B2C CUSTOMERS
MARKETING
SERVICE: E-VEHICLE CHARGING
SHUTTLES
SERVICE: PARKING
DISTRIBUTION CHANNELS
CONSULTANCY

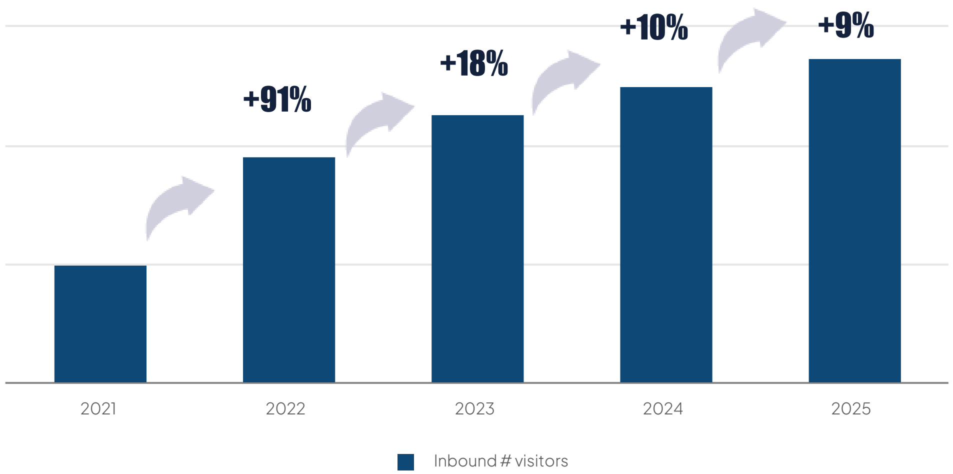
STRATEGY FOR MINOR HOTELS EUROPE & AMERICAS

In an increasingly dynamic and competitive business environment, the corporate strategy is based for another year on responding to the needs of shareholders, partners, customers, team members and other stakeholders. Accordingly, the Company does not merely following the same strategic lines as in previous years, but carries out an exhaustive analysis of the macroeconomic environment and market dynamics to update its strategy and continue complying with its fundamental principles.

Macroeconomic environment

As far as macroeconomic expectations are concerned, looking closely at the case of Europe which represents a very high percentage of operations, and according to an analysis by the European Commission, it can be concluded that Europe has shown a relevant recovery, with the arrival of foreign tourists exceeding 2019 figures in the first half of 2024, and that travel spending this year will be 13.7% higher than in 2023, reaching a total of 800,500 billion euros. Although it may seem that Europe is reaching its peak, there is still margin for the potential of the hotel sector in Europe.

In this context, the following graph shows the evolution of the number of travellers to Europe, both in historical terms and in forecasts for the period 2021-2025 (Source: *European Commission*).



Sectorial environment

The hotel sector, as a fundamental part of the tourist industry, is in constant evolution, adapting to the economic, social and technological dynamics that shape travellers' preferences. Analysing the trends and shifts in these preferences is crucial to ensure that the Minor Hotels Europe & Americas strategy fulfils its purpose.

The demand for wellness services and experiences in hotels, the boom in music and sports events, the growth of solo travellers and their specific needs, the demand for sustainable options and the growth of new related businesses such as cruises are just some of the trends that have been analysed.

Following this analysis, and with the addition of new projects and the attainment of many key milestones in 2024, MHE&A has concluded that its strategy continues to respond to the challenges and opportunities the sector offers, and to its own capabilities as a Company.

The five strategic pillars on which the strategy has been based over the last year, as well as the main milestones and results achieved, are detailed below.

1. The best value proposition for our customers

The first strategic pillar underpinning the strategy of Minor Hotels Europe & Americas is the development of best value proposition for customers. This aspect is seen from the start of the process of defining and updating the strategy. The Company focuses on understanding the market, the expectations and specific needs of customers, to design experiences that really add value to the stay. In this regard, Minor Hotels Europe & Americas is committed to improving guests' experiences through a series of strategic initiatives focused on innovation and growth. The driving force behind these innovations is a multidisciplinary team that works in an effective framework that oversees emerging trends and ensures the Company is at the forefront to offer forward-looking solutions.

With this approach, Hotels Europe & Americas has a brand architecture in the Select, Premium and Luxury segments, according to our new brand architecture, which responds to customers' real needs; *'we adapt and reposition our products to create unique and memorable experiences, making each visit special; 'we work to ensure that customers perceive the value of the services provided; we focus on continuously improving our loyalty programme to generate long-term trust and fidelity; we incorporate new technologies and solutions to optimise guest comfort and satisfaction; and we continue to develop a Food & Beverage strategy to always be at the forefront of the sector".*

Brand architecture

The massive growth in brands is challenging for companies when it comes to continue to set themselves apart in their customers' mind. The challenge is to create and maintain a brand recognition that is clearly perceived by customers, in an environment of hypersegmentation in the hotels sector.

Therefore, Minor Hotels Europe & Americas places special importance on the configuration of its brand architecture, and on the customer needs and profiles it serves.

Nowadays it is imperative for a hotel business to have a clear and well-defined concept of its position and purpose for each of its brands.

With the six brands it manages, MHE&A covers a range of experiences from the most universal to the most distinctive. It seeks to meet the levels of exclusiveness and distinction that the diverse customer profiles demands. In 2024, the Company has worked on updating and improving certain aspects of its brands to meet these expectations.

In the case of Anantara, as a relatively new brand in Europe and the Americas, the Company continues to devote resources and efforts to building brand awareness by developing marketing tools and materials such as photos and videos, a contact plan, updating the brand identity with a regional approach or the development of a specific value proposition for MICE.

For Avani Hotels & Resorts, we have worked on adapting the brand concepts for Europe and the Americas as well as implementing several PR actions to boost brand awareness.

As well as providing support to teams in NH brand hotel openings in territories other than Europe and the Americas, for the NH brand we have worked on developing the brand concepts for the Resorts segment.

The marketing plan for the brand's tenth anniversary was launched in 2024. Throughout the year, recurring support has also been given to teams in NH Collection openings outside Europe and the Americas, reinforcing MHE&A's integration in Minor Hotels.
As with the NH brand, the NH Collection Resorts has been developed.

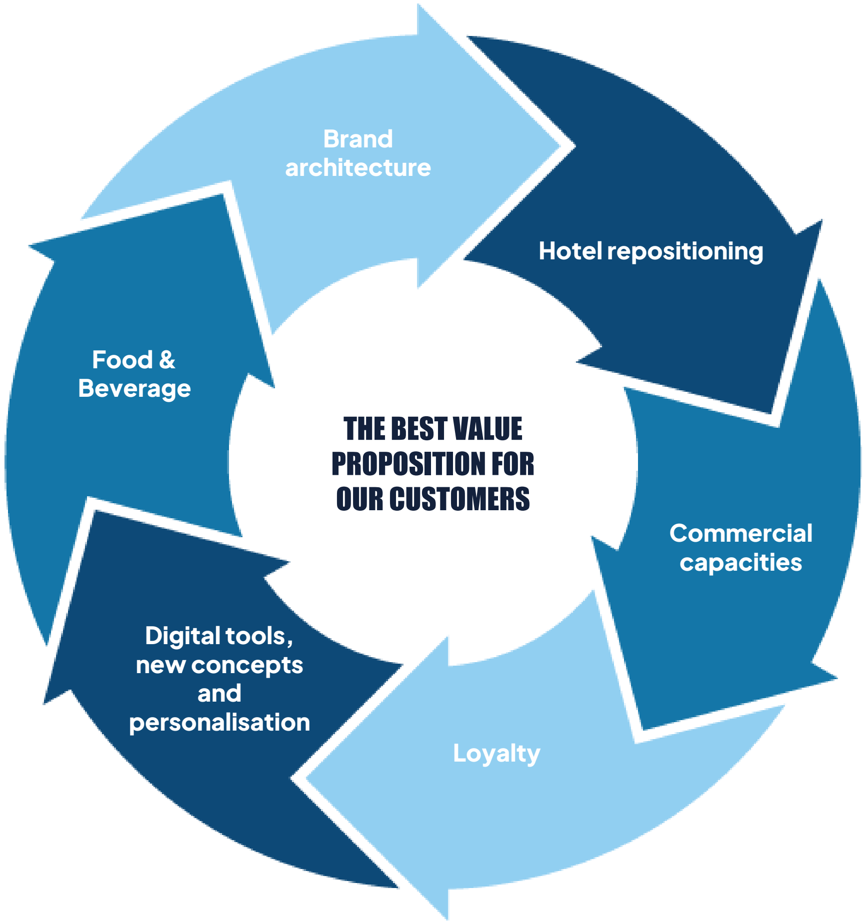
Photo and video sessions were held for all the brand's properties, together with a new marketing campaign for the brand (Dance now, change nhow) with its consequent activations.

This year has marked the 90th anniversary of Tivoli, and several actions were carried out to increase brand awareness. A specific campaign was developed around this celebration with specific digital assets both in the hotels and on social media and the design of special celebration menus with unique food experiences and specific spa and wellness offerings in all the properties of the Tivoli Hotels & Resorts brand.

Hotel repositioning

The Company invests resources in repositioning and rebranding its hotel portfolio to maximise the value of the current portfolio and offer customers products of impeccable quality and design.

In 2024, specifically, 56 hotels were involved in repositioning and rebranding projects. Some of these projects were aimed at rebranding or design reform and modernisation of the hotels.



At MHE&A, hotel refurbishments and renovations are carried out strategically, with the aim of improving the customer experience and maximising perceived value. This approach lets us guarantee that the improvements put in place do not just respond to guests' expectations but are also aligned with the quality and sustainability standards the Company promotes. By elevating the quality of facilities and services, both customer satisfaction and their rating of the hotels are increased, which leads to a market capacity to adjust prices in a competitive and sustainable manner, striking a balance between profitability and excellence.

Commercial capacities

A sound commercial strategy makes it possible to identify new business opportunities, optimise prices, capture new segments and maximise occupancy. To this end, the Company is supported to a considerable extent by process automation and the implementation of data analysis tools to predict demand, in turn reducing costs and improving productivity.

In 2024 we have continued to promote projects for this purpose.

1. The pricing strategy, for example, has focused on redefining rules and guidelines to ensure an optimal approach to pricing in terms of coherence, consistency, sequence, product differentiation, brand indexation and city, backed by a totally updated rates structure.
2. To improve the revenue management functions, the Company has finished implementing an automation solution for estimating sales through more than 300 variables analysed daily and an automation tool for pricing which has permitted a better time to market and excellence in processes through automation and robust technology. MHE&A has managed to improve current pricing automation, from optimising three times a day to optimisation in real time. Taking advantage of the power of automation technology, the Company has been able to improve significantly the restriction management process, reducing time and minimising possible human errors so that revenue managers work by exception, focusing their efforts where they are needed most.
3. The upselling strategy has made it possible to achieve record sales figures both in upselling prior to the customer's arrival and during the check-in process.

Thus the Company is focused on the continuous evolution of its operational promise to meet present and future needs. Its approach involves constant innovation in the physical experience, such as the design of rooms, bed linen and services, and in the digital experience, including high-speed Wi-Fi and cloud-based services. The Company continuously perfects the quality of the service to adapt it to the different brands and guest segments as they follow new trends. For this purpose, the Company has invested in more sophisticated quality measurement tools, with the aim of improving customer satisfaction and achieve operational excellence.

Loyalty

A key element of the strategy is the loyalty programme strategy, which plays a fundamental role in business growth. Having a loyalty programme and loyal members is therefore key in order to have a direct relationship with customers, and better knowledge of their habits and preferences. The loyalty programme drives bookings through direct channels at a lower cost. Furthermore, in general, travellers rate hotel loyalty programmes positively, so designing an attractive value proposition becomes imperative for any hotel chain.

In this regard, Minor Hotels Europe & Americas, two years ago migrated its loyalty program to NH Discovery, and its integration into the GHA Discovery program, an even more global program. By joining the Global Hotel Alliance, MHE&A has significantly expanded its reach, offering customers benefits in more destinations, unique brand experiences and reduced acquisition costs. This alliance also allows access to new destination markets and attracts customers through increased visibility. As the value proposition continues to be refined, the program will continue to evolve, supporting our ambitious growth plans for the future. As evidence of this, the program currently has more than 28 million members, over 40 brands, more than 800 hotels and a presence in more than 100 countries. GHA Discovery offers a complete value proposition around the brands' service principles, promotional points, local experiences and booking benefits through direct channels.

In 2024 the first phases of the new Web Secrets proposition have been completed, together with the corresponding media and internal communication campaign. Some examples of the main benefits offered from now on are:

- Special promotions for booking through direct channels.
- A guaranteed 5% discount on the rate for programme members and more beneficial cancellation policies.
- 5 Discovery Dollars (D$) per booking.
- Free premium WIFI.

Digital tools, new concepts and personalisation

The customer experience digitalisation strategy takes advantage of advanced technologies to offer personalised experiences at each stage of the guest's stay. From booking to check-out, digital tools such as mobile apps and IoT (Internet of Things) devices facilitate more fluid interactions, offer personalised recommendations and offer greater convenience. This not only improves guest satisfaction, but also optimises operational efficiency.

These levers allow the Company to keep competitive, optimising operations and at the same time creating memorable experiences that improve the creation of guest loyalty.

1. Digital tools are revolutionising hotel operations and the way guests interact with the Company. Some examples would be the automation of processes such as online check-in and check-out. In 2024, tablets in reception have been improved to reduce waiting times and offer a general improvement in the user experience.

2. Personalisation, closely linked to the loyalty programme, is a key element for MHE&A in creating customer loyalty. It is therefore at the heart of the guest experience. By using data to adapt communications and services, the Company can create highly personalised experiences for them all over the world. This is reflected in actions such as room assignments according to guest preferences or recommending local activities and gastronomic options that match their interests. The Company also guarantees consistent communication through diverse channels, which allows us to obtain valuable comments from guests, promote sale opportunities and maximise both customer benefits and hotel revenues. To this end, in 2024 we have developed the following projects:

   - Design of an algorithm to assign rooms according to guests' recorded preferences.
   - Definition of customer journeys adapted to each guest profile in order to personalise their experience.

It should be noted that there is an 'Innovation Circle', a forum in which all the Company's innovation-related functions are represented and contribute their point of view and needs to the development of new projects.

F&B strategy

A new strategic lever was incorporated in 2023 placing special focus on the F&B division, with the aim of ensuring that all points of sale offered a high-quality value proposition adapted to customers' demands.

In an environment in which major restaurant chains are growing by standardising recipes and menus and in which cost containment is indispensable, in which innovative business models emerge and social media plays a fundamental role, the need for a specific and differentiated strategy for the F&B division is clear.

Some examples of projects developed in 2024 are: The development of reporting tools to monitor and evaluate the success of the actions to be implemented, the updating of the operational promise of the different brands, with updated brand standards for NH and NH Collection, unique F&B concepts have been developed for NHOW, the F&B standards for Tivoli Resorts have been launched, and several agreements have been finalised with renowned brands and chefs in the sector; similarly, for Anantara, we have sought partnerships with premium brands such as Wolseley in the Anantara Krasnapolsky.

NH Collection Abascal
Madrid, Spain

2. Growing to gain scale up

The Company continues to grow in its current markets, strengthening its network and using the support of its operational structure, an ambitious expansion plan that will help consolidate its position in markets where it is already present, and explore new strategic regions, new segments and business models.

In a sector in constant evolution, the Company adapts proactively to new business opportunities, aligning innovation and excellence to satisfy the needs of guests and partners. This commitment to strategic diversification allows us to explore and consolidate emerging models that complement the traditional offering, thus extending the impact on the market. The Company is committed to diversification towards highly profitable and resilient businesses such as the luxury segment, resorts and branded residences.

In this line, the branded residences model is consolidating as one of the growing business lines in the hotel sector, emerging as a market opportunity. Thanks to its experience and knowledge of the market, Minor Hotels could provide added value by combining efficient operational management with the prestige and reputation of the brands it operates. This approach allows us to offer owners not only a superior product, but also a differentiated experience and high quality standards, aligned with the expectations of the most demanding customers. Thus, we strengthen our position as a benchmark in this segment, maximizing the return for our partners and investors.

The Company also assesses a large number of projects in the luxury segment, where it seeks to boost the Company's presence through exclusive initiatives with high added value. It is also focused on identifying opportunities that range from luxury developments to high-level resorts, as well as projects in strategic urban settings, reinforcing its commitment towards a diversified offering adapted to different markets and guest profiles.

In 2024 Minor Hotels Europe & Americas has focused on growth in current markets, based on the existing structure, with signings of new hotels in destinations such as Benidorm, - Tivoli Bernidorm, or the Tivoli Merida, Anantara Branded Residence, NH Collection Mirtillo, NH Collection Ibiza or the rebranding of the NH Collection Marbella or the change in contract type to franchise, as in the case of the NH Zamora.

The Company also reinforces its positioning in the resorts segment thanks to the success of iconic properties in key destinations such as Ibiza and the Costa Blanca, which have become benchmarks for quality and exclusiveness.

The Company has maintained growth in current markets supported on its existing structure with new signings in Portugal (Porto, Vila Viçosa, Lisbon and Borba), Mexico (Guadalajara and Aguascalientes) and Italy (Cagliari and Murano), as well as forthcoming openings in Chile and Peru, and its positioning in new markets, with particular attention to Paris, Greece, London and the Nordic countries.

The Company is committed to diversification towards highly profitable and resilient businesses such as the luxury, resorts and lifestyle segments. In this regard, the Company already has 10 hotels operating under the Anantara brand, 9 resort hotels and 8 Avani hotels.

With regard to business models, the Company has a special interest in management and franchise businesses, an aspect which is reflected in the new signings made this year.

On 19 September 2024, MHE&A announced the acquisition of 3 hotels in Brazil from Minor for 212 million euros. This transaction complies with the provisions of the Framework Agreement formalised between the Company and Minor on 7 February 2019 on the geographical areas of preference of each of the parties. With this operation, MHE&A reinforces its presence in the Latin American resorts market, which will allow it to reinforce its current strategy of growth in that segment.

The Company's positioning is currently moving upwards, thanks to the growth opportunity afforded by taking advantage of Minor Hotels Europe & Americas' reputation as the leading operator and corporate umbrella of Minor Hotels. These projects are expected to culminate with the signing of the respective contracts in the course of 2025, consolidating our strategy for growth in the luxury market.

3. Developing the value proposition for Team Members

Minor Hotels Europe & Americas has maintained its focus on its strategic pillars throughout the year, ensuring that it continues to uphold its long-term vision, but adapting the initiatives launched to give them meaning and utility within the complex individual, social and Company context of recent years. Within the Company's business strategy, corporate culture plays a fundamental role. The Company considers its team members as its main asset and understands that, in order to build a strong culture, it is essential to attract and develop talent, as well as to foster their motivation and pride in belonging to Minor Hotels Europe & Americas. To this end, the Company's People strategy focuses on results orientation, excellence in customer service, team member development, innovation and collaboration. This culture promotes responsible behaviour in all professionals, fostering a committed work environment aligned with corporate values.

This year, key projects of the People strategy have been consolidated, to establish the foundations for the launch of the strategic initiatives. In this regard, and with a view to boosting organisational commitment as a lever of the strategy, the Company has focused on developing and extending listening movements with the aim of getting even closer to its team members, and accordingly implement specific actions or critical points of people management to promote continuous improvement and reduce staff turnover. Internal communication channels have also been improved and reinforced to reach all team members.

From the standpoint of attracting and retaining talent, the talent pools and plans for the succession, development and retention of key roles in the Company have been updated. Furthermore, in 2024 the performance evaluation and talent management model has been consolidated, whose main objective is to strengthen meritocracy and skills development as key levers for growth and development within the Company. This model, based on objectives, competencies and critical capabilities for Minor Hotels Europe & Americas, covers all permanent team members who have been with the Company for more than 3 months. In addition, the incorporation of the best talent in all areas of the Company is one of the Company's priorities. The talent attraction and retention strategy, redefined to address the new market reality and the needs of Minor Hotels Europe & Americas, has been consolidated in 2024. With it, the Company is taking steps forward in fostering team member internal mobility, as well as promoting actions to attract external talent by strengthening the relationship with the network of academic institutions it has been collaborating with for some time and incorporating new entities,. The Company has the purpose of supporting and promoting the hotel sector as a career choice for young people. At the same time, the Value Proposition for team members has been enhanced to guarantee long-term talent retention, reconsidering the importance of key elements such as career development, wellbeing or compensation, among others.

It is worth noting that during the last three years, the Company has resumed very relevant processes within the People strategy, such as the climate survey, talent calibrations, the celebration of memorable moments for team members or training and internal development programs, among others. With all this, Minor Hotels Europe & Americas has continued to take care of its teams by focusing on identifying, developing and retaining talent. In addition, the Company will continue to reinforce engagement by creating optimal working environments to maximize their contribution. This strategic pillar drives different lines of action:

Organisational commitment

- Creation of a continuous listening strategy (which has come to be called “Have Your Say”) made up of milestones such as: (1) creation of action plans at all levels, based on the results of the 2022 and 2024 climate survey, (2) launch of the 2023 engagement pulse to measure the impact of the action plans designed as a result of the 2022 climate survey, (3) launch of the employee suggestion box as an anonymous 24/7 open feedback channel for team members to proactively share ideas on how to make the company a better place to work, (4) launch of onboarding and offboarding touchpoints, to collect feedback from team members at two key moments in the team member's life cycle, linking them to the turnover report by workplace, to expand the range of tools available to the manager that allow for better team management.
- Relaunch of the corporate university as a way of boosting commitment and expanding the range of training available to all team members.
- Updating the internal communication channels strategy to boost and maintain internal commitment, as well as strengthening its role as a lever for change management.

Attracting and managing talent

- Continuity to the process of calibrating talent in key positions.
- Promotion of the use of feedback functionality beyond the manager's perspective in the standard performance management process.
- Expansion of global recruitment sources based on profile segmentation through the automatic integration of job boards, schools and universities in the new vacancy publication and management module.
- Promotion of internal mobility, especially in relation to task forces that allow team members to have international experiences and get to know other brands within the Company, giving team members the opportunity to consult and apply to all vacancies in Europe & the Americas with a single click through the new vacancy publication and management module.
- Diversification of Employer Branding actions, with a special focus on collaboration with the Top Hospitality Schools in Europe and work on a homogeneous candidate experience from the publication of vacancies to the management of candidates throughout the selection process.
- Greater visibility to sustainability content as a relevant lever for attracting and retaining talent.

Value proposition

- *Leveling of all standard positions* in the Company through the contribution analysis of existing roles in accordance with the Group's new strategic lines.
- Strengthening of the *“Pay for Global Performance”* with the launch of variable remuneration in 2023 as well as a new cycle of the Long-Term Incentive Plan.
- Definition of *new salary increment models*, enriching existing ones with talent parameters

These policies foster a dynamic, inclusive and growth-oriented work environment where each team member can develop his or her potential and contribute to the success of the business. By attracting and retaining talent, encouraging professional development, promoting innovation and fostering a corporate culture, the company reaffirms its commitment to the well-being of its team and to service excellence. This strategy enables the Company not only to meet the challenges of the present, but also to build a sustainable and competitive future in the industry.

4. Digital transformation

At Minor Hotels Europe & Americas, digital transformation is a cross-cutting pillar of the strategy, designed to drive operational excellence, improve the guest experience and assure business sustainability. Accordingly, a unified and comprehensive vision has been developed that integrates all operational aspects and allows for data compilation and analysis in real time, optimising decision making and improving efficiency in all areas of the organization.

Comprehensive information in real time

The implementation of a centralised database has revolutionised the Company's capacity to manage the operation, the commercial area and accounting in an integrated manner. With a single source of customer master data, including histories, preferences and consents, we assure not only compliance with regulations such as NIS2, GDPR and PCI, but are also able to personalise the customer experience and boost the value proposition. This digital ecosystem permits dynamic occupancy planning, automatic adjustments to rates in real time and the generation of online reports for all areas, ensuring transparency and fluid management.

Privacy and information security

MHE&A's commitment to privacy and information security is unwavering. The platforms and tools used are designed to minimise risks and to comply with the highest international standards. Redundant interfaces are eliminated, maintenance costs are reduced and duplications in databases are avoided, guaranteeing information integrity and significantly reducing exposure to vulnerabilities.

Advanced systems and operational efficiency

A SAP-based technological platform has been implemented, capable of integrating advanced tools such as CRM, artificial intelligence and automation, facilitating in-house developments and responding effectively to the business needs. These solutions have improved operational efficiency, by automating key processes such as intercompany billing, procurement management and revenue forecasting through machine learning. Process digitalisation, such as electronic billing and operational mobility, has also reduced the use of paper in a significant way, in line with the commitment to sustainability.

Culture change and agile methodology

The digital transformation at Minor Hotels is not only technological; it also involves a significant cultural change. Agile methodology has been introduced as the basis for project development, with autonomous multidisciplinary teams, tolerance for uncertainty and a mindset geared towards continuous learning. Projects such as the one-minute check-in demonstrate how this approach improves the customer experience and optimizes internal processes.

With a comprehensive approach that combines these six lines of action, MHE&A is moving towards a more digital, agile and efficient Company.

This model reinforces the ability to innovate and offer solutions adapted to the demands of a constantly changing market, always prioritizing the privacy and security of customer and partner information.

In 2025, the Company expects to reach key milestones such as the digitization of 70% of supplier invoices and the automation of processes that maximize efficiency. The digitization strategy, combined with the commitment to privacy and information security, reinforces its ability to offer cutting-edge solutions in a constantly evolving market.

5. Being a benchmark in sustainability

The Company is aware of the effects of its activity on the environment, and works to prevent and anticipate possible environmental contingencies, and also to embed sustainability in all its processes, striving to reduce negative impacts and maximise positive impacts through the *UP FOR PLANET & PEOPLE* pillar.

At Minor Hotels Europe & Americas, fighting climate change is a fundamental strategic value, and with the aim of advancing in the definition of its climate strategy, the Company has redefined its corporate objective of reducing carbon emissions throughout its value chain to align with world ambitions to maintain the increase in temperature below 1.5 ºC. In this regard, in June 2024 SBTi validated the new goals in relation to greenhouse gas emissions, with a commitment to a 46.2% reduction by 2030 in scope 1 and 2 emissions, and 27.50% for scope 3 emissions in the same timeframe. This is one of the main goals the Company has set in the context of sustainability, and has a direct and indirect impact on all the services and products the Company offers globally. To achieve these goals, MHE&A has created the "SBT 2030" working group, the coordination of which is led by the Sustainable Business Department, and all areas that have a key role in the Company's decarbonisation participate in it. For more details, see: *E1-4: Targets related to climate change mitigation and adaptation*. A breakdown of other sustainability goals of the Company can be consulted in each of the topical chapters.

These decarbonisation goals are integrated in MHE&A's "SBT 2030" Plan, which sets out the levers of action to achieve these goals. This integration reduces the risk of non-compliance. To this end the Company has carried out measures to implement renewable energy, thus reducing dependence on energy based on fossil fuels and mitigating the increase in price and consequent impact on costs. It also favours green financing.

In this regard, Hotels Europe & Americas operates with the aim of minimising the negative impact and maximising the positive impact that its presence may have on the environment, taking into account aspects that range from design to operations and refurbishment work.

It also promotes the reduction, reuse and recycling of natural resources, such as water and energy, as well as emissions such as greenhouse gas (GHG) emissions, replacing existing materials with more sustainable, innovative and environmentally-friendly alternatives.

Additionally, the Company is also aware of the role it plays in creating quality employment and in generating a positive impact in the places and communities where it is present, to offer its guests the best experience, inviting them to share in the sustainable commitments.

Accordingly, the Company operates under the motto "people who welcome people", promoting the career development of its team members, fosters a culture of responsibility and a sustainable mindset among its teams while promoting diversity, ethics and wellbeing as some of its main priorities.

Sustainable Business Model

Minor Hotels Europe & Americas conveys human rights and ethical business principles in the way it works throughout its value chain: shareholders, customers, partners, suppliers and team members, promoting responsible alliances through two main pillars: UP FOR PLANET and UP FOR PEOPLE.

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

Accordingly, the Sustainable Business strategy is defined as follows:

UP FOR PLANET

WORKLINE 1

SUSTAINABLE PRODUCTS AND ASSETS

Fighting climate change and advancing towards decarbonisation, by minimising our "environmental footprint while developing more sustainable hotels through building renovation,

Sustainable infrastructure and buildings

WORKLINE 2

PROCESSES AND OPERATIONAL STANDARDS

Responsible resources management through the "4R" rule: Reduce, Reuse, Recycle, Replace, while offsetting residual footprint.

Increase green electricity consumption
Improve efficiency
Eco-friendly amenities
Eliminate single-use plastics

WORKLINE 3

SUSTAINABLE PURCHASING

Strengthen the sustainable value chain, prioritising key partnerships, local suppliers and responsible organisations.

ESG partnership with suppliers
Improve packaging
Improve logistics impact
Circularity
Local community development through procurement

UP FOR PEOPLE

WORKLINE 4

TEAM MEMBERS

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

Diverse and inclusive workforce
Team member development
Sustainable mindset
Health and wellbeing

Minorities development
Healthy environment
Sustainability mindset

WORKLINE 5

CUSTOMERS

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

Green Stay > The Forest
Carbon-neutral events > The Forest
Green mobility
ESG partnership with customers
Wellness offering

Quality perception linked to sustainable offering
Diverse food offering for customers
Successful RFPs thanks to sustainability
Carbon-neutral events

WORKLINE 6

COMMUNITIES

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

Hotels with a Heart
Together with love
Community Development

RN donation
Benefits
Team members involved
Local suppliers

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

SUSTAINABLE GROWTH

Combine company-wide best practice with careful consideration of environmental factors and the interest of communities in promoting sustainable tourism.

INNOVATION

Promote the exchange of ideas and best practice between hotels to enhance the experience and continue showing leadership in the sector.

LEADERSHIP

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

EQUAL OPPORTUNITIES

Invest in development programmes designed to nurture talent and future leaders, both within the organisation and in the community at large, fostering diversity and inclusion.

RESPONSIBLE GOVERNANCE

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

COMMITMENT MINDSET

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

RESOURCE EFFICIENCY

Reduce the negative impact of our operations by using natural resources efficiently and minimising waste and emissions.

CULTURE

Offer opportunities for local suppliers and promote awareness of the local culture among guests, by integrating it into everyday experiences.

SBM-2: INTERESTS AND VIEWS OF STAKEHOLDERS

The impact of Minor Hotels Europe & Americas influences the long-term success of the Company and of its stakeholders. So, in the Company, listening to stakeholders is essential in preparing, developing, implementing and monitoring Minor Hotels Europe & Americas' global strategy and in preparing other relevant processes.

The Company establishes two-way, continuous, transparent and clear communication with its stakeholders. MHE&A considers stakeholders to be any individuals or social groups that can affect or be affected by the Company's present or future actions. This definition includes team members, customers, suppliers, owners and partners as well as shareholders, investors and the financial community, who are regarded as partners in carrying out the business; and also external stakeholders: regulatory bodies, the media and society as a whole, starting with the local communities where the Company carries out its activities.

In this regard, Minor Hotels Europe & Americas has identified eight main categories of stakeholders, with whom, throughout 2024, it has continued to maintain close links. Evidence of this is the update of the materiality analysis, the active presence at forums and meetings or direct responses to information requests made through communication channels, among others.

As far as double materiality is concerned, the Company carried out this process in 2023 and updated it in 2024. Details of it can be seen in the next section of the Statement. The Company has taken into account the views of its stakeholders throughout the process through interviews and meetings as well as by sending out questionnaires. These mechanisms have allowed the Company to obtain both qualitative and quantitative information in relation to sustainability matters. The input received has been integrated in the results consolidation too, bringing to light the aspects or matters that generate the greatest concern to the different stakeholders. The details could be search on the following section *"Double Materiality Analysis".*

SHAREHOLDERS, INVESTORS AND FINANCIAL COMMUNITY***

CUSTOMERS*

MEDIA**

REGULATORY BODIES**

SUPPLIERS*

OWNERS AND PARTNERS***

SOCIETY**

TEAM MEMBERS*

** Interested parties*

*** Sustainability users*

**** Both*

Engagement with our stakeholders

The views and needs of stakeholders are of great relevance to Minor Hotels Europe & Americas as they combine efforts to achieve common goals.

Minor Hotels Europe & Americas engages in constant and fluid collaboration with its stakeholders through diverses channels and format, to keep the Company updated in relation to new demands and needs, and also in order to respond better to stakeholders' concerns and queries.

Through the following communication channels, MHE&A receives the views and expectations of its stakeholders.

Engagement and communication channels

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

Stakeholders	Dialogue and participations mechanisms	Relevance	Corporate department
Team Members	Satisfaction/work climate surveys Internal communication: Newsletters, Town Halls, talks, intranet, MyNH App, sundry communications Skills and knowledge assessment: Time For You (TFY) Team Member Suggestion Box Whistleblowing channel Employee portal Non-Financial Information Statement (currently Consolidated Non-Financial and Sustainability Statement) Double materiality analysis Corporate website and social media	Very high	People Department
Shareholders, investors and financial community	General Shareholders' Meeting Direct communication channel with investors: investor.relations@minor-hotels.com Financial, Non-Financial and Corporate Communication Policy through the media, social media and other channels Newsletters Proxy Advisors Roadshows Regular meeting: Investor Agenda Annual and quarterly corporate reports Whistleblowing channel Non-Financial Information Statement (currently Consolidated Non-Financial and Sustainability Statement) Double materiality analysis Corporate website and social media	Very high	Finance Department and PR, Communication & Public Affairs Department
Owners and members	Regular meetings Organisation of and participation in different forums, meetings, conferences, events. etc. Advertising and media Internal communication platform Double materiality analysis Corporate website	Very high	Assets & Development Department
Customers	Satisfaction survey Online rating platforms (Tripadvisor, Booking, Google Reviews, etc). Direct contact with hotels (contact telephone number e-mail) Loyalty programmes: NH DISCOVERY Complaints systems: Whistleblowing channel Customer service Corporate videos Advertising campaigns Webinars Double materiality analysis Corporate website, corporate app and social media	Very high	Marketing Management area: CRM & Loyalty & Promotions Department, Experience, Design & Innovation Department, Marketing Strategy Brand & Product Department and Quality Department

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

Stakeholders	Dialogue and participations mechanisms	Relevance	Corporate department
Suppliers	■ Direct communication through regular in-person meetings, calls and mail ■ Direct visits to suppliers ■ Sector conventions ■ Advertising and media ■ Supplier approval platform ■ Non-Financial Information Statement (currently Consolidated Non-Financial and Sustainability Statement) ■ Double materiality analysis ■ Corporate website and social media	High	Procurement Department
Media	■ Press releases ■ Forums, meetings, conferences, events, etc. ■ Institutional relations ■ Corporate website and social media	High	PR, Communication & Public Affairs Department
Regulatory bodies	■ Collaboration through alliance at local, regional, autonomous community and national level and with international organisations, essentially from the tourist and hotel sector ■ Annual and quarterly publications ■ Collaboration with sector associations ■ Double materiality analysis ■ Corporate website	High	PR, Communication & Public Affairs Department and Legal Affairs Department
Society	■ Organisation of and participation in different forums, meetings, conferences, events, etc. ■ Regular meetings and direct communications with different social organisations ■ Collaboration agreements ■ Volunteering actions ■ Non-Financial Information Statement (currently Consolidated Non-Financial and Sustainability Statement) ■ Double material analysis ■ Corporate website and social media	Medium	Sustainable Business Department

Stakeholders' interaction with strategy and business model

Aware of the importance of the results obtained through various communication channels, Minor Hotels Europe & Americas has included the views and interests of stakeholders in the development of its business strategy. The demands made through the various dialogue and participation mechanisms have been essential in establishing the pillars on which long-term value creation is based. Integrating these views and interests into the design and execution of MHE&A strategy is therefore essential for the company to remain competitive, responsible and resilient in a changing environment. By integrating stakeholder expectations, MHE&A can identify opportunities for improvement, mitigate risks and create a robust value proposition that meets the needs of all stakeholders.

This integration has not only made it possible to improve the competitiveness of Minor Hotels Europe & Americas, but has also contributed to greater confidence among its stakeholders.

Any significant occurrence in relation to sustainability that could generate a high impact on the Company, received from stakeholders through any of the channels referred to above, is taken to the administrative, management and supervisory bodies. Specifically to the member of the Management Committee (Chief Officer) responsible for handling the high-impact incident identified, who, in collaboration with the rest of the members of the Management Committee will evaluate whether or not it pertain to any pillar of action of the Sustainable Business strategy.

Every quarter, the Management Committee carries out a review in terms of content and achievement of the MHE&A strategy. In this regard, it should be noted the Company's model and strategy currently covers the most relevant issues identified in the Double Materiality Analysis and as a result there have been no modifications to them.

Minor Hotels Europe & Americas' understanding of stakeholder interests and opinions in relation to the strategy and business model is reflected in the interrelationship between stakeholders, the pillar of the growth strategy and the sustainability issues identified in the Double Materiality Analysis.

Strategy pillar	Stakeholders	Material matter
The best value proposition for our customers	■ Customers; ■ Owners and partners; ■ Regulatory bodies; ■ Media	■ Customer experience and service quality ■ Ethics, transparency and business culture
Growing to scale up	■ Owners and partners; ■ Shareholders, investors and financial community; ■ Suppliers	■ Ethics, transparency and business culture
Developing the value proposition for Team Members	■ Team members ■ Owners and partners;	■ Commitment to team members and responsible hiring; ■ Health, safety and wellbeing of Team Members; ■ Training, talent management and career development of Team Members ■ Workers in the value chain ■ Ethics, transparency and business culture
Being a benchmark in sustainability	■ Society; ■ Suppliers; ■ Team Members; ■ Regulatory bodies	■ Fighting climate change; ■ Responsible water management; ■ Circular economy and waste management; ■ Sustainable purchasing; ■ Culture of diversity, equality and inclusion of team members; ■ Health, safety and wellbeing of Team Members: ■ Training, talent management and career development of Team Members ■ Communities ■ Ethics, transparency and business culture
Digital transformation	■ Suppliers; ■ Team Members; ■ Customers; ■ Regulatory bodies; ■ Media	■ Ethics, transparency and business culture ■ Digital transformation

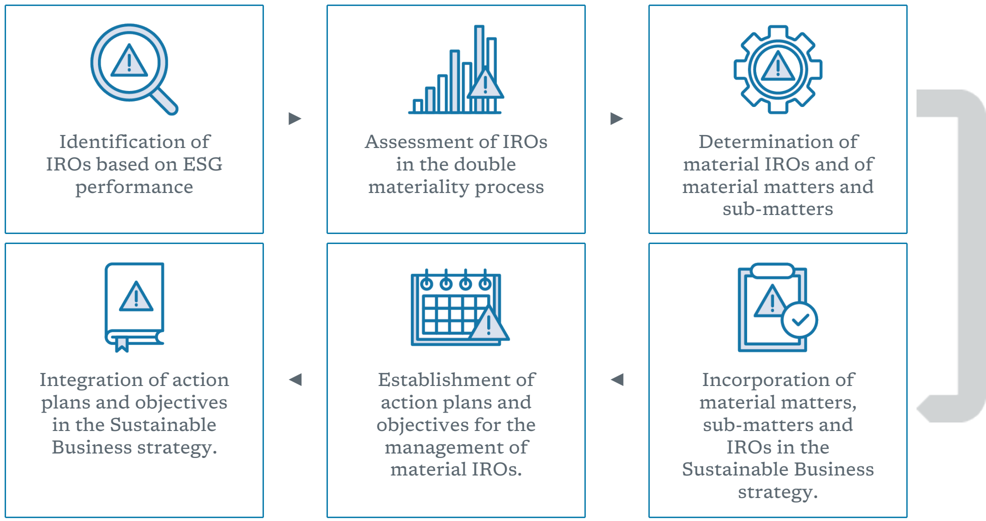
IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Double materiality analysis

This exercise enables us to embed sustainability as a determining element in MHE&A's strategy and, therefore, in decision making. The results of the analysis allow us to assess how and in what way the policies, action plans, metrics and goals are in line with the material matters identified. The double materiality analysis brings to light the material impacts, risks and opportunities that could generate actual and foreseeable effects on the Company. This lets the Company make decisions based on a unique and consistent analysis that encompasses all sustainability aspects that are material to the Company. This analysis has also served as the basis to determine the information that should be included in MHE&A's Consolidating Non-Financial and Sustainability Statement.

In a global context where demands and requirements in relation to sustainability are increasing all the time, market positioning through integrated management of sustainability and business in line with the expectations of regulators and stakeholders is a fundamental management element in Minor Hotels Europe & Americas. The Double Materiality Analysis is therefore an essential lever in the process of defining and managing the *Strategy of Minor Hotels Europe & Americas.*

It identifies the Impacts, Risks and Opportunities facing the Company and evaluates their relevance with regard to all stakeholders feedback. It also provides a view as to which are the most relevant matters to be tackled and, accordingly, define and establish actions plans and objectives that are integrated in the Company's strategy.



In 2024 the analysis was led by the Executive Sustainability Committee in collaboration with more than 12 corporate departments which, together with an independent consultant, have reviewed the material issues according to the provisions of the CSRD, *European Union Corporate Sustainability Reporting Directive (CSRD)* and was verified by an independent third party (for further details see: *Note 8: Independent Verification Report).*

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

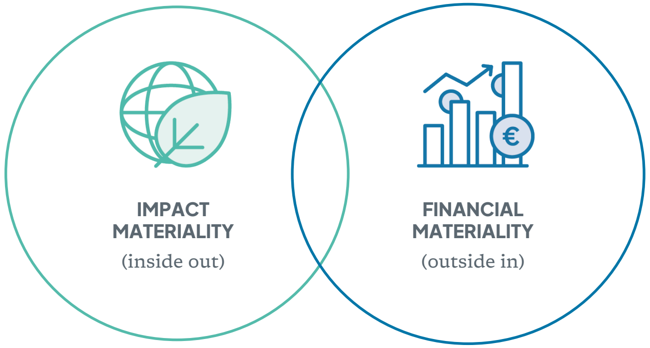
- Impact materiality: a matter is material from the perspective of impact if it generates significant impact(s) on people and/or the environment. These impacts can be:
  - Actual or potential impacts;
  - Short-term and/or medium-term and/or long-term impacts;
  - Direct or indirect impact deriving from the Company's activity.

  Consideration also has to be given to two aspects:
  - The likelihood of the impact: both impacts caused directly by the Company and impacts it has or may have throughout its value chain.
  - The severity of the impact: its scale, scope and irremediable character.
- Financial materiality: a matter is material from the financial perspective if the risks and opportunities identified have or could have significant financial effects on the Company (in terms of financial performance, financial position, cash flows and/or access to finance and cost of capital), and may therefore ultimately affect the Company's value in the short, medium or long term, impacting the Company's development, performance and/or positioning.

It is worth mentioning that the financial materiality analysis carried out in 2024 was conducted under criteria with an order of magnitude analogous to the financial scales used in the Company's risk map. In this line, it is expected to go into more depth in future exercises, assigning a monetary value to the set of ROIs of relative importance assigned to each of the material issues. It is important to emphasize that, financial materiality in ESG (Environmental, Social and Governance) terms differs from the materiality of the audit of MHE&A's financial statements

A matter would be considered material under this perspective if:

- It can affect the Company's capacity to rely on its necessary relationships in its business processes in acceptable terms.
- It can affect the Company's capacity to continue using or obtain the necessary resources in its business processes, as well as the quality and price of such resources.
- If omitting, misstating or obscuring it could reasonably be expected to influence decisions that stakeholders make on the basis of the Non-Financial and Sustainability Statement.



A matter would be considered relevant if it is material from the standpoint of impact materiality, financial materiality or both. Accordingly, the materiality of the matters is determined by the combination of the activity that Minor Hotels Europe & Americas carries out and the impacts the Company generates on its environment and the risks and opportunities deriving from operating in a global and common environment.

The Company must be aware of the sector in which it operates, considering the impacts, risks and opportunities it generates on its environment and vice versa.

MHE&A must adapt its strategy and management of identified IROs in the locations where it is present.

Stakeholders are responsible for identifying, assessing and prioritising the impacts, risks and opportunities arising around the Company, contributing to the Company's development and the wellbeing of society.

The hotel sector business model determines its relationship with the most relevant capital and how transformation processes work to create value.

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


Avani Frankfurt City Hotel
Frankfurt, Germany

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Based on this double approach, the Company has updated its double materiality analysis in 2024 based on the process and the results obtained in 2023, to comply with the provisions of ESRS 1. General Requirements, specifically section 3 "Double materiality as the basis for sustainability disclosures" as well as other complementary sections of that standard. The Company has also reviewed subsequent information published by EFRAG as the European financial reporting advisory group[8].

Compared to 2023, there have been on significant methodological variations: the topics analysed have been redefined and the impacts, risks and opportunities identified have been explored in more depth; however, there have been no variations in the thresholds associated to each of the factors analysed (scale, scope, likelihood, remediability and economic value). The Company will review the analysis in future years, with a analysis envisaged for 2025.

Considering the above points, the CSRD and its analysis emerge as a new regulatory development with a certain degree of uncertainty concerning application and interpretation. The ESRS does not prescribe a specific process or sequence of steps to be followed in conducting the materiality assessment, and therefore MHE&A has proceeded to provide the best interpretation of the ESRS, with the aim of reflecting the facts and circumstances of the company in relation to sustainability issues. The methodology used is set out below:

This overview of the process to identify, assess, prioritise and monitor the Company's impacts (positive, negative, actual and potential) on people and on the environment as well as the risks and opportunities related to the environment and people is linked to the Company's due diligence process, details of which can be found in the section: *GOV-4: Statement on due diligence*.

1. Context analysis.

The first step has been the identification of a broad universe of potentially material ESG issues for the Company. For this purpose, a broad range of information was analysed, from both external sources and internal sources relevance in relation to ESG:

- External information: information obtained from regulation, market trends, sector trends and leading sustainability prescribers;
- MHE&A's own information: obtained from an analysis of corporate documents, the business model and growth strategy, the value chain and stakeholders.

The analysis of an increasingly solid regulatory framework, especially in the EU where the Company operates more than 82% of its hotels is key in the double materiality analysis. In this context, the European Green Deal emerges as a plan with major climate ambitions for 2030 and 2050. In line with this, the Company identifies the main trends and good practice is the market, makes sure it is informed of the obligations and regulations it is exposed to, avoiding possible future sanctions as well as facilitating the identification of financial risks and opportunities that may arise from regulatory changes.

Voluntary reporting standards such as the Global Reporting Initiative - GRI; Task Force on Climate-Related Financial Disclosures - TCFD, Sustainability Accounting Standards Board - SASB and MSC have also been taken into consideration; as well as sustainability prescribers such as WEF, WBCSD or Global Compact. The analysis of these regulations and good practice have permitted a strategic vision in the evaluation of the double materiality analysis.

In addition to this, an analysis of trends in the sector was carried out. For this purpose, the Company analysed in depth the reports of institutions as reports and bulletins issued by experts in the tourist sector and on sustainability (Exceltur, the International Labour Organization (ILO), World Economic Forum (WEF), among others).

Furthermore, the Company has monitoring the six principal peers in the hotel sector that have allowed it to supplement the analysis assessing their sustainability strategies. As a result, best practice and areas for improvement have been identified, together with key issues for competitors.

[8] *EFRAG IG 1 - Materiality Assessment available at the following link (https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf).*

Complementary, the market analysis has been reinforced by an assessment of the leading trends and dynamics of ESG analysis in the sector *(Corporate Sustainability Assessment by S&P Global, Bloomberg, etc).*

Finally, the Company carried out an an self-analysis with the aim of identifying which its activities, commercial relationship, geographical zones and other factors to consider in the assessment of impacts, risks and opportunities.

Firstly, the Company has identified its *value chain:* Upstream - partners and lessees as well as meta search engines and intermediaries, travel agencies, tour operators and other business relationships such as suppliers, the most relevant in terms of purchase volumes being those grouped by (housekeeping staff, security staff, F&B suppliers, maintenance and construction, laundry service and amenities suppliers); own operations: including hotels and business divisions and the services offered; Downstream - Customers (B2B and B2C).

Secondly, an assessment of *stakeholders* was also carried out, considering affected stakeholders *(team members; customers; and suppliers),* and users of the Sustainability Statement *(media; regulatory bodies and; society as a whole)* and those who belong to both groups *(shareholders, investors and financial community; owners and partners).*

Thirdly, a review of MHE&A's *business model* was carried out by examining relevant corporate documents (risk catalogue, corporate policies, code of conduct, etc.) as well as significant reports such as Sustainable Business Reports and the publication of the Consolidated Annual Accounts.

Finally, to complement the above, the Company performed a review of it *sustainability strategy*, focusing on understanding priority lines of actions, by knowing the main value drivers and how they act with the business operations. In this regard, it has been observed Taft the Company currently integrates sustainability and related matters in its growth strategy in four of its five growth pillars.

As a result of the review of these documents, the Company has assessed its activity, showing that its main activity is the provision of accommodation and other services. This conclusion has been backed by results in terms of revenues in 2024, where the provision of rooms has represented 73% and revenue from MICE services 21%. Accordingly, in identifying the Company's IROs, all of these have been taken into consideration.

As far as its geographical presence is concerned, the Company is present in more than 30 countries, and its presence in Europe is especially important. However, its presence in Latin America is gradually increasing.

In determining and assessing the IROs, the company has taken into account this casuistry, as well as the various applicable regulations, economic factors that may affect payments, such as exchange rates, and cultural, social and environmental differences.

The analysis of the regulatory framework, good practice (analysis of trends, market and sector) and detailed information on the business model (value chain, stakeholders and relevant corporate documents) has provided for a global strategic view in the assessment carried out in the double materiality analysis and therefore has made it possible to carry out the double materiality analysis under a comprehensive approach, covering all the Company's geographies, assets and activities.

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

In the second phase of the project, attention focused on identifying potentially material topics, sub-topics and sub-sub-topics. In this regard, the Company has started by considering the material aspects identified in previous years and has then proceeded to review them, taking into consideration the provisions of the new European Sustainability Reporting Standards (ESRS) developed by European Financial Reporting Advisory Group (EFRAG), complemented by the results of the analysis carried out in the first phase.

Hence, in 2024 the main input has been the traceability of all the aspects mentioned in AR16 of ESRS 1 in the list of potential material matters. This appendix includes the sustainability matters that should be included in the materiality assessment.

The Company has reviewed which sustainability matters contemplated for each of MHE&A's topical ESRS included in the application legislation (CSRD) have been included in the Company's list of topics, sub-topics and sub-sub-topics.

In addition, and under the terms of AR16, the use of this list does not replace the process of identifying other material sustainability matters. This list therefore emerges as a tool to support the analysis.

Therefore, MHE&A has taken into account its own specific characteristics in identifying its material matters, considering ESG trend, market and sector analysis.

As a result, a total of 16 potential material topics were identified, broken down into a list of 47 sub-topics and 62 sub-sub-topics which make up each of the potential material matters.

The final element of this phase has defined a description of the topics with the aim of linking associated matters, concepts or areas and integrate them in the specific terms of the Minor Hotels Europe & Americas business approach and of the hotel sector.

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

After updating potentially material topics, sub-topics and sub-sub-topics for the Company, a process was carried out to identify the impacts, risks and opportunities facing the Company:

- Impacts: the effects the Company's processes, activities, products, services or relationships have on people and the environment over time. There are actual and potential impacts, and positive and negative impacts.
- Risks: uncertain events or conditions which, if they occur, could have a negative effect on the Company's business model, strategy, capacity to achieve its goals and create value. They may influence its commercial decisions and relationships. Risks may be actual or potential.
- Opportunities: uncertain events or conditions which, if they occur, could have a positive effect on the Company's business model, strategy, capacity to achieve its goals and create value. They may influence its commercial decisions and relationship. Opportunities may be actual or potential.

The perceptions and expectations of stakeholders were obtained using different tools and mechanisms, making it possible to compile IROs for each potentially material topic, sub-topic and sub-sub-topic.

In 2023, carious internal and external stakeholders were consulted, through interviews and working meetings, in order to identify IROs. This notably involved the participation of executives and heads of corporate areas (strategy/planning investor relations, guest experience and service quality, procurement, environment, people, financial, risks/compliance, works and engineering and information technologies), suppliers; owners and partners; and shareholders.

Based on these meetings, greater knowledge was obtained about the Company which not only made it possible to identify the impacts, risks and opportunities but also provided a preliminary indication of which aspects were most important. In terms of team participation and involvement in 2024 the main areas involved carried out a review of the list of IROs created in 2023, adapting them to the new topics, sub-topics and sub-sub-topics identified.

The Company identified more than 300 impacts, risks and opportunities. This identification showed the interconnection between impacts and risks and opportunities. Impacts emerged as the starting point, a correct or incorrect management of them could give rise to the materialisation of risks and opportunities. Furthermore, through the risk analysis, opportunities for improvement and innovation were identified. Similarly, taking advantage of the opportunities identified can help to generate forecast positive impacts.

As the final phase of the process, the Company carried out a review of corporate risks. The entire approved risk catalogue was reviewed and aspects that had not been previously been considered were integrated and adjusted.

4. Stakeholder involvement and consultation.

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

The process of consulting and listening to both internal and external stakeholders was carried out by sending questionnaires in which they were asked to evaluate each of the sub-topics. As a result of this phase, the Company obtained a numeric score for each of the sub-topics identified.

5. Assessment of IROs. Integration of results and prioritisation of matters.

After compiling the information contributed by the stakeholders in the course of the previous phases, the issues were then integrated and prioritised.

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

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

The assessment of topics and sub-topics is determined by the estimated valuations of each of the impacts, risks and opportunities assigned to them. In calculating them, the following assumptions and methodology have been used:

Impact materiality:

a) the magnitude and scope of the impact, in the case of actual impacts; and

b) the magnitude, scope and likelihood of the impact, in the case of potential impacts.

- Positive impact - actual: (magnitude + scope)
- Positive impact - potential: (magnitude + scope)* likelihood
- Negative impact - actual: magnitude + scope + capability of being remedied
- Negative impact - potential: (magnitude + scope + capability of being remedied)* likelihood

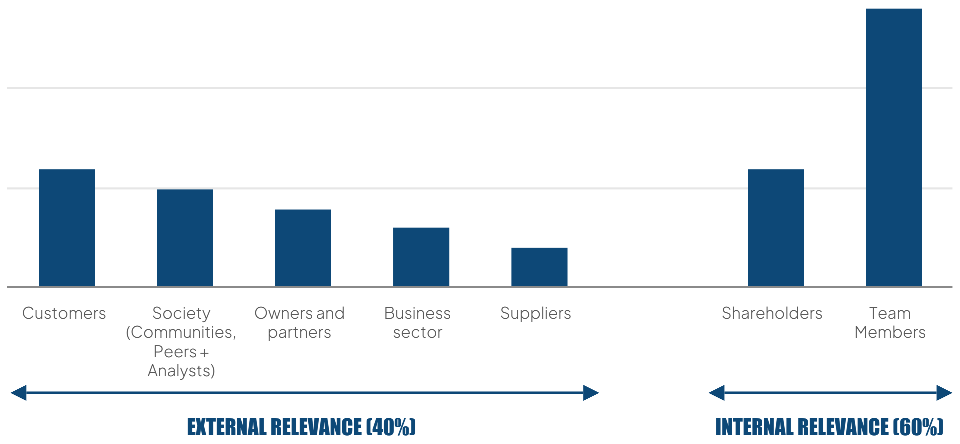
Accordingly, in terms of negative impacts, priority has been established according to severity (magnitude, scope and capability of being remedied) and relative likelihood and, in the case of positive impacts, according to their magnitude, (scope and relative likelihood).

In the case of impacts related to human rights, the Company prioritises the severity of the impact over its likelihood.

Financial materiality:

- Risk: (scale + economic valuation)* likelihood
- Opportunity: (scale + economic valuation)* likelihood

Scale represents the importance of the IRO for stakeholders. It is obtained from the mean value for the data obtained by sub-topic in the different stakeholder surveys (phase 3 of the process), with a final scoring scale of 1 to 5. In consolidating the data, the Company has applied a weighting to each stakeholder category based on the relevance of each of them in MHE&A and the quality of responses received.



To obtain the final scale value in each of the IROs identified, a multiplier has been included which is applied to each value obtained in the surveys by sub-topic as follows: 1 (very relevant), 0.75 (relevant), 0.5 (medium relevance), 0.25 (low relevance) and 0 (no relevance). In this way, the scale serves to evaluate the magnitude of the IRO, in other words, how beneficial or damaging the IRO is for people and the environment.

The scope represents the geographic distance of the impact as well as the number of stakeholders affected. This variable is measured according to three values (global, medium and limited) which are translated into a numerical value to be included in the calculation of the impact materiality.

- Global scope refers to impacts that have an extensive effect on several categories of stakeholders (affecting customers, team members, society as a whole, partners, owners and shareholders, among others) and geography (affecting all regions and countries where MHE&A is present).
- Medium scope refers to impacts that have an effect on a defined set of stakeholders (not affecting all categories of stakeholders, only some of them: customers, team members, society, partners, owners and shareholders, among others) and part of the geography (not affecting all the Company's regions and countries, but a specific group of them).
- Limited scope refers to a very specific sector, setting or topic in the general area involved, with defined margins in geographical teams (affecting a specific region or country) and category of stakeholders (team members, customers of a service, suppliers of certain materials/products, etc.).

The **remediable character** of the impact represents how complex it is to correct and repair the effects of the impact. It is structured on four levels:

- Very difficult: it requires action that will take more than 5 years, involving resources from several areas of the Company and periodic budgetary provision.
- Difficult: it requires action that will take between 2 and 5 years, involving resources from several areas of the Company and sporadic budgetary provision.
- With effort: it requires action that will take up to 2 years, with a specific dedication of resources from the area involved and sporadic budgetary provision.
- Easy: it requires action that will take less than 1 year and will not involve significant resources (either economic or human).

The Likelihood: represents the possibility that an impact, risk or opportunity will happen. This likelihood is expressed based on the following percentages of likely occurrence:

- Very likely: > 75% probability of occurring
- Likely: > 50% probability of occurring
- Unlikely: > 25% probability of occurring
- Very unlikely: < 25% probability of occurring

Economic valuation: magnitude of the consequence of the risk or opportunity in economic terms. This value is evaluated and estimated in qualitative terms with weighting of very significant (equivalent to a value of more than twenty million euros), significant (with an estimated value of between ten and twenty million euros), medium (estimated value of between two and five million euros) or low (estimated value below 2 million euros). For this evaluation, the Company has considered the financial effects that may arise in terms of: financial performance, financial position, cash flows, cost of capital and access to finance.

The Company has ensured the integrity and consistency of the corporate information and has therefore adapted the limits of the compliance metrics to the procedure followed in the assessment of *corporate risk map*.

The Board of Directors annually reviews and approves the *corporate risk map, which includes financial and non-financial risks.* This exercise is carried out under a comprehensive approach that ensures that all risks are treated with the same rigour, independently of whether or not they cover sustainability matters. This methodology ensures a robust and balanced management that strengthens the organisation's resilience and performance in the face of strategic and operational challenges.

Once the prioritisation metrics for each IRO have been included, and thanks to a measurement tool, the relevance results are generated for each of the impacts, risks and opportunities. The resulting valuation ranges in terms of impacts, risks and opportunities from 1 to 5.

Once the IROs have been evaluated, the Company proceeded to prioritise them. To do so the maximum value for each of the IROs at sub-sub-topic level was extracted, assigned a value of impact materiality and another value to financial materiality for each of the sub-sub-topics.

Based on this identification both in terms of impact materiality and financial materiality, the Company proceeded to establish the thresholds to identify impact and financial materiality.

- Impact materiality threshold: the threshold has been set at 75% of the value of the Impact with the highest score for Impact Materiality.
- Financial materiality threshold: the threshold has been set at 75% of the value of the Risk or Opportunity with the highest score for Financial Materiality.

Finally, the list of material topics, sub-topics and sub-sub-topics was obtained, each of them with associated material impacts, risks and opportunities.

All this has allowed us to identify the priorities for each topic and sub-topic per analysed perspective (impact materiality and financial materiality).

6. Oversight and validation of the double materiality process

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

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

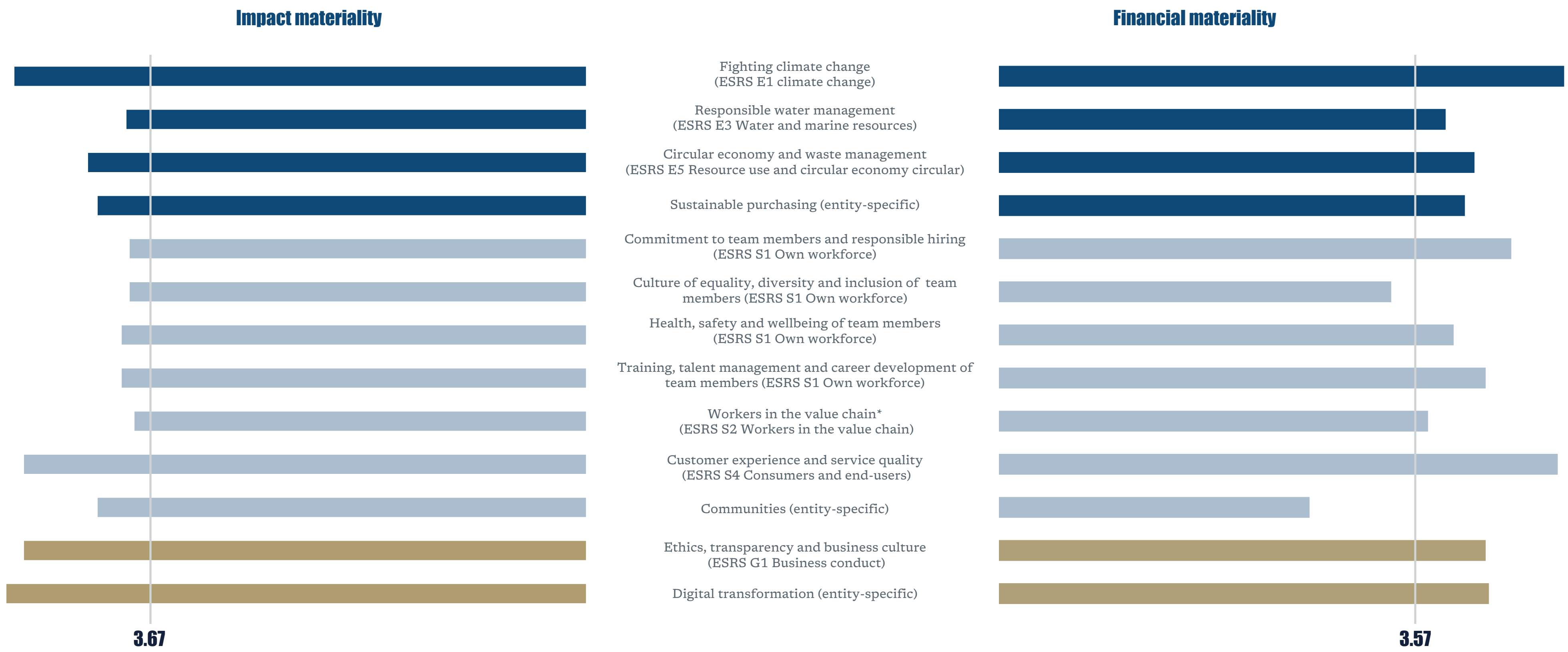
In this regard, each of the phases of the process has been reviewed by the chief officer of the area involved in the process, whose validation is a point and element of internal control for the correct conduct of the analysis, guaranteeing its quality and the consistency of the results obtained.

The combination of internal controls and collaboration with an independent external party has assured the quality, objectivity and reliability of the double materiality analysis.

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

Double Materiality Results

As a result of the analysis described above, the Company's Double Materiality has been obtained.



**In accordance with the definitions set out in Appendix of Commission Delegated Regulation (EU) 2023/2772, of 31 July 2023, and the provisions of the legislation referred to above, the Company has carried out a review of the terminology used to refer to its own workforce and workers in the value chain. Taking the latter into consideration, MHE&A has defined three major distinct types of workers in the value chain: 1) workers at hotels under management and franchise arrangements; 2) subcontracted services and ; 3) other suppliers. For further details see section: "Team Members in Minor Hotels Europe & Americas". Following the double materiality analysis, only the first category of workers in the value chain is material from the standpoint of "Training and skills development". In this regard, the Company has no direct influence on the other topics indicated by the applicable legislation.*

For those sustainability issues that ultimately did not prove to be material for the Company, either because they did not apply or because they were not material following the materiality assessment. For more details, see section: IRO 2- "Sustainability issues not material for MHE&A"

	ESRS	Topics	Sub-topics	Sub-sub-topics	Traceability ESRS 1. AR16	Description
GOVERNANCE	G1-1	Ethics, transparency and business culture	Ethics and compliance	Corporate culture Protection of whistleblowers Corruption and bribery	ESRS G1. BUSINESS CONDUCT: Corporate culture; Protection of whistleblowers; Political engagement; Corruption and bribery (Prevention and detection, including training; Cases) ESRS S1: OWN WORKFORCE [Other work-related rights/ Child labour; Other work-related rights/Forced labour;] ESRS S2: WORKERS IN THE VALUE CHAIN - [Other work-related rights/Child labour; Other work-related rights/Forced labour] ESRS S4:CONSUMERS AND END-USERS - [Information-related impacts for consumers and/or end-users-Privacy]	Fostering ethical business practice and compliance with legislation through principles and rules of conduct that the organisation's stakeholders have to follow in carrying out their duties and in their interaction with others. Includes the development of mechanisms to report, confidentially and safely, any improper, unethical or illegal behaviour or activities that may be occurring within the Company.
			Corporate governance			Implementation of structure and policies that promote transparency and responsibility of administrative, management and supervisory bodies in decision making.
	Entity-specific	Digital transformation	Digitalisation and innovation		ESRS S1. OWN WORKFORCE: [other work-related rights / privacy] ESRS S2.WORKERS IN THE VALUE CHAIN: [Other work-related rights / Privacy] ESRS S4: CONSUMERS AND END-USERS [Information-related impacts for consumers and/or end-users / Privacy]	Adoption of innovative technologies and processes to improve efficiency, connectivity and adaptability through digitalisation of applications and implemented systems
			Information security and data processing	Cybersecurity Privacy and data protection	Entity Specific	Protection of personal and confidential data and information of stakeholders and development of systems and measures to tackle cybersecurity risks
ENVIRONMENT	E-1	Fighting Climate Change	Climate change adaptation and mitigation	SBT Plan Development of more sustainable products and assets	ESRS E1. CLIMATE CHANGE: Climate change adaptation; Climate change mitigation; Energy	Strategies and practices to anticipate plan, mitigate and adapt to climate change and its consequences, minimising risks and taking advantage of opportunities to guarantee operational resilience (including aspects related to GHG emissions and initiatives and actions carried out to minimise them)
			Responsible energy management			Efficient use of energy and measures aimed at reducing it by considering and monitoring both the sue of renewable and non-renewable sources
	E-3	Responsible water management	Water	Water consumption Water extraction	ESRS E3. WATER AND MARINES RESOURCES: Water [Water consumption; Water extraction]	Sustainable use of water to guarantee future availability
	E-4	Circular economy and waste management	Responsible waste management		ESRS E5. CIRCULAR ECONOMY: Waste	Waste treatment, including measures to reduce, reuse and recycle waste in all production stages
	Entity-specific	Sustainable purchasing	Supplier management	Relationship with suppliers Payment practices	ESRS G1. Business conduct: Management of relationships with suppliers, including payment practices	Processes to identify and incorporate suppliers and strengthen relationships with them through good payment practices
			ESG criteria in supplier selection and assessment		Entity Specific	Adoption of ESG standards in supply chain selection

	ESRS	Topics	Sub-topics	Sub-sub-topics	Traceability ESRS 1. AR16	Description
SOCIAL	S-1	Commitment to team members and responsible hiring	Quality job creation Social dialogue and collective bargaining	Social dialogue and freedom of association Collective bargaining	ESRS S1. OWN WORKFORCE: Working conditions [Secure employment; Working time; Social dialogue; Freedom of association, the existence of works councils and the information, consultation and participation rights of workers; Collective bargaining, including rate of workers covered by collective agreements]	Promotion of decent employment with fair working conditions Promotion of social dialogue and collective bargaining to improve working conditions
	S-1	Culture of equality, diversity and inclusion	Diversity, integration and inclusion at the workplace Equal treatment and opportunities	Diversity and gender equality Inclusion of all vulnerable groups Equal pay for work of equal value Adequate wages	ESRS S1. OWN WORKFORCE. Equal treatment and opportunities for all [Gender equality and equal pay for work of equal value; Employment and inclusion of persons with disabilities; Measures against violence and harassment in the workplace; Diversity; Adequate wages]	Promotion of a working environment that drives equal opportunities at work, valuing and respecting diversity Practices designed to guarantee equal rights and benefits for all team members without discrimination, ensuring equitable and fair treatment
	S-1	Training, talent management and career development of team members	Attracting talent Promoting loyalty of team members Training of team members Talent management and professional development		ESRS S1. OWN WORKFORCE: Equal treatment and opportunities for all [Training and skills development]	Strategies to identify, attract and capture highly qualified talent Initiatives to retain talent by recognising skills and the use of incentives that promote their wellbeing and long-term continuity Developing skills to improve the professional and personal competencies of team members Strategies to optimise team members' potential and align it with the organisational goals
	S-1	Health, safety and wellbeing of team members	Health and safety of team members Wellbeing of team members: flexibility and work-life balance		ESRS S1. OWN WORKFORCE: Working conditions (Health and safety; Work-life balance]	Guarantee of safe and healthy working environments for team members Measures to ensure work-life balance, promoting the general welbeing of team members
	S-2	Workers in the value chain	Training, talent management and career development of workers in the value chain	Training of team members Attracting talent Promoting loyalty of team members Talent management and career development	ESRS S2. OWN WORKFORCE: Equal treatment and opportunities for all [Training and skills development]	Training and skills development to strengthen the competencies of workers in the value chain
	S-4	Customer experience and service quality	Unique and sustainable experiences for customers Service quality, satisfaction and wellbeing Health and safety of customers	Responsible commercial model Initiatives to improve the quality of the experience for individual customers Initiatives to improve the quality of the experience for business customers Impacts on visibility and Quality perception Information-related impacts Health and safety measures Accessibility	ESRS S4. CONSUMERS AND END-USERS: Information-related impacts for consumers and/or end-users [Privacy; Freedom of expression; Access to (quality) information); Personal safety of consumers and/or end-users [Health and safety]; Social inclusion of consumers and/or end-users [Nob-discrimination; Access to products and services; Responsible marketing practices]	Initiatives to offer innovative and responsible experiences for individual and business customers Strategies to guarantee exceptional experiences, and customer satisfaction and wellbeing Measures to guarantee customer protection, accessibility and health during their stay
	Entity-specific	Communities	Social action and corporate volunteering Sustainable alliances		ESRS G1. BUSINESS CONDUCT: Political engagement and lobbying activities	Social projects and volunteering actions that generate positive impact on local communities Collaboration with stakeholders to promote sustainable tourism

Management of material matters

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities	Affected stakeholders/ actors in the value chain	Governance FY24	Associated policies	Management of the material matter
E	Fighting climate change	**Climate change adaptation and mitigation**	SBT Plan Development of more sustainable products and assets	Impacts Risks Opportunities	■ Owners and partners ■ Shareholders, investors and financial community ■ Society ■ Team members ■ Customers ■ Suppliers ■ Regulatory bodies	■ Board of Directors ■ Board Committees: ACC and ARGCC ■ Management Committee ■ Executive Sustainability Committee ■ Key departments	■ Environment and Climate Change Policy ■ Sustainability Policy	■ *UP FOR PLANET > Sustainable products and assets > Climate change mitigation and adaptation*
		Responsible energy management		Impacts Risks Opportunities	■ Owners and partners ■ Shareholders, investors and financial community ■ Society ■ Team members ■ Customers ■ Suppliers ■ Regulatory bodies			■ *UP FOR PLANET > Products and operational standards > Responsible energy management*
	Responsible water management	**Water**	Water extraction Water consumption	Impacts Risks Opportunities	■ Owners and partners ■ Society ■ Team members ■ Customers ■ Regulatory bodies	■ Management Committee ■ Executive Sustainability Committee ■ Key departments	■ Environment and Climate Change Policy ■ Sustainability Policy	■ *UP FOR PLANET > Products and operational standards > Responsible water management*
	Circular economy and waste management	**Responsible waste management**		Impacts Risks Opportunities	■ Owners and partners ■ Society ■ Team members ■ Customers ■ Regulatory bodies ■ Suppliers	■ Management Committee ■ Executive Sustainability Committee ■ Key departments	■ Environment and Climate Change Policy ■ Sustainability Policy	■ *UP FOR PLANET > Products and operational standards > Waste management and circular economy*
		Progress towards more circular processes		Impacts Risks Opportunities	■ Owners and partners ■ Society ■ Team members ■ Customers ■ Regulatory bodies ■ Suppliers			■ *UP FOR PLANET > Products and operational standards > Progress towards more sustainable products*

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities	Affected stakeholders/ actors in the value chain	Governance FY24	Associated policies	Management of the material matter
E	Sustainable purchasing	**Supplier management**	Relationship with suppliers Payment practices	Impacts Risks Opportunities	Suppliers Owners and partners Shareholders, investors and financial community Regulatory bodies	Executive Sustainability Committee Key departments	Procurement Policy and Sustainable Purchasing Commitment Sustainability Policy Corporate Gift Policy Anti-Fraud and Corruption Policy MHE&A Code of Conduct Coperama Code of Conduct	*UP FOR PLANET > Supplier management*
		ESG criteria in supplier selection and assessment		Impacts Risks Opportunities	Suppliers Owners and partners Shareholders, investors and financial community Regulatory bodies			*UP FOR PLANET > Products and operational standards > ESG criteria in supplier selection and assessment*
S	Commitment to team members and responsible hiring	**Quality job creation**		Impacts Risks Opportunities	Team members	Board of Directors ARGCC Management Committee Specialist Committees: People Department	People Policy Sustainability Policy Human Rights Policy Code of Conduct	*UP FOR PEOPLE > Team Members > Quality job creation*
		Social dialogue and collective bargaining	Social dialogue and freedom of association Collective bargaining	Impacts Risks Opportunities	Team members			*UP FOR PEOPLE > Team Members > Social dialogue and Collective bargaining*
	Culture of equality, diversity and inclusion of team members	**Diversity, integration and inclusion at the workplace**	Diversity and gender equality Inclusion of all vulnerable groups	Impacts Risks Opportunities	Team members	Management Committee People Department	People Policy Sustainability Policy Human Rights Policy Code of Conduct	*UP FOR PEOPLE > Team Members > Diversity, integration and inclusion at the workplace*
		Equal treatment and opportunities	Equal pay for work of equal value Adequate wages	Impacts Risks Opportunities				*UP FOR PEOPLE > Team Members > Equal treatment and opportunities*

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities	Affected stakeholders/ actors in the value chain	Governance FY24	Associated policies	Management of the material matter
S	**Health and safety of team members**	**Health and safety of team members**		Impacts	Team members	Management Committee People Department	Health and Safety at Work Policy People Policy Sustainability Policy Code of Conduct	*UP FOR PEOPLE > Team Members > Health and safety of team members*
				Risks				
				Opportunities				
		Wellbeing of team members: flexibility and work-life balance		Impacts				
				Risks				
				Opportunities				
	Training, talent management and career development of team members	**Attracting talent**		Impacts	Team members	Management Committee People Department	People Policy Sustainability Policy Human Rights Policy Code of Conduct	*UP FOR PEOPLE > Team Members > Attracting talent and promoting loyalty of team members* *UP FOR PEOPLE > Team Members > Training of team member and talent management and career development*
				Risks				
				Opportunities				
		Promoting loyalty of team members		Impacts				
				Risks				
				Opportunities				
		Training of team members		Impacts				
				Risks				
				Opportunities				
		Talent management and career development		Impacts				
				Risks				
				Opportunities				
	Workers in the value chain	**Training-talent management and career development of workers in the value chain**	Training of team members	Impacts	Employees of hotels under management and franchise arrangements	Management Committee People Department	People Policy	*UP FOR PEOPLE > Workers in the value chain*
			Attracting talent	Risks				
			Promoting loyalty of team members					
			Talent management and career development	Opportunities				

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities	Affected stakeholders/ actors in the value chain	Governance FY24	Associated policies	Management of the material matter
S	Customer experience and service quality	**Service quality, satisfaction and wellbeing**	Visibility and quality perception Information-related impacts	Impacts Risks Opportunities	Customers Suppliers Team members Media	Executive Committee Customer Relationship & Experience Management Department, quality		*UP FOR PEOPLE > Customers > Service quality, satisfaction and wellbeing* *UP FOR PEOPLE > Customers > Unique and sustainable experiences for customers* *UP FOR PEOPLE > Customers > Health and safety of customers*
		Unique and sustainable experiences for customers	Responsible commercial model Initiatives to improve the quality of the experience for individual customers Initiatives to improve the quality of the experience for business customers	Impacts Risks Opportunities	Customers Suppliers			
		Health and safety of customers	Health and safety measures Accessibility	Impacts Risks Opportunities	Customers Suppliers			
	Communities	**Social action and corporate volunteering**		Impacts Risks Opportunities	Society Regulatory bodies Team members	Management Committee Corporate Sustainable Business Department	Sustainability Policy Anti-Fraud and Corruption Policy	*UP FOR PEOPLE > Communities > Social actions and corporate volunteering* *UP FOR PEOPLE > Communities > Sustainable alliances*
		Sustainable alliances		Impacts Risks Opportunities				

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities	Affected stakeholders/ actors in the value chain	Governance FY24	Associated policies	Management of the material matter
G	**Ethics, transparency and business culture**	**Corporate governance**		Impacts Risks Opportunities	■ Owners and partners ■ Team members ■ Regulatory bodies ■ Shareholders, investors and financial community ■ Suppliers	■ Board of Directors ■ Board Committees: ACC ■ Management Committee ■ Compliance Committee ■ Compliance, Legal and Tax Department	■ Code of conduct ■ Anti-Fraud and Anti-Corruption Policy ■ Human Rights Policy ■ Money Laundering and Terrorist Financing Prevention Policy ■ Corporate Gift Policy ■ Director Selection Policy ■ Grants Policy ■ Corporate Tax Policy	■ *BUSINESS CONDUCT> Corporate governance* ■ *BUSINESS CONDUCT > Business conduct policies and corporate culture*
		Ethics and compliance		Impacts Risks Opportunities	■ Regulatory bodies ■ Team members			
	Digital transformation	**Digitalisation and innovation**		Impacts Risks Opportunities	■ Suppliers ■ Owners and partners ■ Team members ■ Customers ■ Regulatory bodies	■ Board of Directors: ■ Board Committees: ACC (cybersecurity risks) ■ Management Committee ■ Specialist Committees: Information Security Committee ■ IT & Systems Department	■ Information Security Policy ■ Privacy Policy	■ *DIGITAL TRANSFORMATION > Digitalisation and innovation* ■ *DIGITAL TRANSFORMATION > Information security and data protection*
		Information security and data processing	Cybersecurity Privacy and data protection	Impacts Risks Opportunities	■ Suppliers ■ Owners and partners ■ Team members ■ Customers ■ Regulatory bodies			

IRO-2: Disclosure requirements established in ESRS covered by MHE&A's Sustainability Statement

ESRS Appendix

Subject	Disclosure requirements		Section of the Report
ESRS 2	**General Information**	BP-1: General basis for preparation of sustainability statements	BP-1 - General basis for preparation of sustainability statements
ESRS 2	**General Information**	BP-2: Disclosures in relation to specific circumstances	BP-2 – Disclosures in relation to specific circumstances
ESRS 2	**General Information**	GOV-: The role of the administrative, management and supervisory bodies (General Disclosures)	GOV-1 - The role of the administrative, management and supervisory bodies (General Disclosures)
ESRS 2	**General Information**	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
ESRS 2	**General Information**	GOV-3: Integration of sustainability-related performance in incentive schemes (General Disclosures)	GOV-3 - Integration of sustainability-related performance in incentive schemes (General Disclosures)
ESRS 2	**General Information**	GOV-4: Statement on due diligence	GOV-4 - Statement on due diligence
ESRS 2	**General Information**	GOV-5: Risk management and internal controls over sustainability reporting	GOV-5 - Risk management and internal controls over sustainability reporting
ESRS 2	**General Information**	SBM-1: Strategy, business model and value chain	SBM-1 - Strategy, business model and value chain
ESRS 2	**General Information**	SBM-2: Interests and views of stakeholders (General Disclosures)	SBM-2 - Interests and views of stakeholders (General Disclosures)
ESRS 2	**General Information**	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model (General Disclosures)	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model (General Disclosures)
ESRS 2	**General Information**	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities (General Disclosures)	IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities (General Disclosures)
ESRS 2	**General Information**	IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement	IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement
ESRS 2	**General Information**	MDR-P: Policies adopted to manage material sustainability matters	MDR-P – Policies adopted to manage material sustainability matters
ESRS 2	**General Information**	MDR-A: Actions and resources in relation to material sustainability matters	MDR-A – Actions and resources in relation to material sustainability matters
ESRS 2	**General Information**	MDR-M: Metrics in relation to material sustainability matters	MDR-M – Metrics in relation to material sustainability matters
ESRS E1	**Climate Change**	GOV-3: Integration of sustainability-related performance in incentive schemes (Climate Change)	ESRS E-1 GOV-3 - Integration of sustainability-related performance in incentive schemes (Climate Change)
ESRS E1	**Climate Change**	E1-1: Transition plan for climate change mitigation	E1-1 - Transition plan for climate change mitigation
ESRS E1	**Climate Change**	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model (Climate Change)	ESRS E-1 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model (Climate Change)
ESRS E1	**Climate Change**	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities (Climate Change)	ESRS E-1 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities (Climate Change)
ESRS E1	**Climate Change**	E1-2: Policies related to climate change mitigation and adaptation	E1-2 - Policies related to climate change mitigation and adaptation
ESRS E1	**Climate Change**	E1-3: Actions and resources in relation to climate change policies	E1-3 - Actions and resources in relation to climate change policies
ESRS E1	**Climate Change**	E1-4: Targets related to climate change mitigation and adaptation	E1-4 - Targets related to climate change mitigation and adaptation
ESRS E1	**Climate Change**	E1-5: Energy consumption and mix	E1-5 - Energy consumption and mix
ESRS E1	**Climate Change**	E1-6: Gross Scopes 1, 2, 3 and total GHG emissions	E1-6 - Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1	**Climate Change**	E1-7: GHG removals and GHG mitigation projects financed through carbon credits	E1-7 - GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1	**Climate Change**	E1-8: Internal carbon pricing	Not applicable
ESRS E1	**Climate Change**	E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The Company adheres to Appendix C: List of phased-in Disclosure Requirements of ESRS 2.
ESRS E2	**Pollution**	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities (Pollution)	ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities (Pollution).

Subject	Disclosure requirements		Section of the Report
ESRS E3	Water and Marine Resources	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities (Water and Marine Resources)	ESRS E-3 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities (Water and Marine Resources)
ESRS E3	Water and Marine Resources	E3-1: Policies related to water and marine resources	E3-1 - Policies related to water and marine resources
ESRS E3	Water and Marine Resources	E3-2: Actions and resources related to water and marine resources	E3-2 - Actions and resources related to water and marine resources
ESRS E3	Water and Marine Resources	E3-3: Targets related to water and marine resources	E3-3 Targets related to water and marine resources
ESRS E3	Water and Marine Resources	E3-4: Water consumption	E3-4 - Water consumption
ESRS E3	Water and Marine Resources	E3-5: Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	The Company adheres to Appendix C: List of phased-in Disclosure Requirements of ESRS 2
ESRS E4	Biodiversity and Ecosystems	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities (Biodiversity)	ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities (Pollution).
ESRS E5	Resource use and Circular Economy	IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
ESRS E5	Resource use and Circular Economy	E5-1: Policies related to resource use and circular economy	E5-1 – Policies related to resource use and circular economy
ESRS E5	Resource use and Circular Economy	E5-2: Actions and resources related to resource use and circular economy	E5-2 - Actions and resources related to resource use and circular economy
ESRS E5	Resource use and Circular Economy	E5-3: Targets related to resource use and circular economy	E5-3 Targets related to resource use and circular economy
ESRS E5	Resource use and Circular Economy	E5-4: Resource inflows	The Company does not consume raw materials (natural resources transformed into products or services). In MHE&A operations, these materials are not transformed to obtain goods and services. On the other hand, the Company consumes inputs, understood as final goods and services that are made available to clients in the hotels for the development of daily operations
ESRS E5	Resource use and Circular Economy	E5-5: Resource outflows	E5-5 - Resource outflows
ESRS E5	Resource use and Circular Economy	E5-6: Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	The Company adheres to Appendix C: List of phased-in Disclosure Requirements of ESRS 2
ESRS S1	Own Workforce	SBM-2: Interests and views of stakeholders (Own Workforce)	ESRS S1 SBM-2 - Interests and views of stakeholders
ESRS S1	Own Workforce	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1	Own Workforce	S1-1: Policies related to own workforce	S1-1: Policies related to own workforce
ESRS S1	Own Workforce	S1-2: Processes for engaging with own workforce and workers' representatives about impacts	S1-2: Processes for engaging with own workforce and workers' representatives about impacts
ESRS S1	Own Workforce	S1-3: Processes to remediate negative impacts and channels for own workforce to raise concern	S1-3: Processes to remediate negative impacts and channels for own workforce to raise concern
ESRS S1	Own Workforce	S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
ESRS S1	Own Workforce	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S1	Own Workforce	S1-6: Characteristics of the undertaking's employees	S1-6: Characteristics of the undertaking's employees
ESRS S1	Own Workforce	S1-7: Characteristics of non-employees in the undertaking's own workforce	The Company adheres to Appendix C: List of phased-in Disclosure Requirements of ESRS 2
ESRS S1	Own Workforce	S1-8: Collective bargaining coverage and social dialogue	S1-8: Collective bargaining coverage and social dialogue

Subject	Disclosure requirements		Section of the Report
ESRS S1	Own Workforce	S1-9: Diversity metrics	S1-9: Diversity metrics
ESRS S1	Own Workforce	S1-10: Adequate wages	S1-10: Adequate wages
ESRS S1	Own Workforce	S1-11: Social protection	The Company adheres to Appendix C: List of phased-in Disclosure Requirements of ESRS 2
ESRS S1	Own Workforce	S1-12: Persons with disabilities	S1-12: Persons with disabilities
ESRS S1	Own Workforce	S1-13: Training and skills developments metrics	S1-13: Training and skills developments metrics
ESRS S1	Own Workforce	S1-14: Health and safety metrics	S1-14: Health and safety metrics
ESRS S1	Own Workforce	S1-15: Work-life balance metrics	S1-15: Work-life balance metrics
ESRS S1	Own Workforce	S1-16: Remuneration metrics (pay gap and total remuneration)	S1-16: Remuneration metrics (pay gap and total remuneration)
ESRS S1	Own Workforce	S1-17: Incidents, complaints and severe human rights impacts	S1-17: Incidents, complaints and severe human rights impacts
ESRS S2	Workers in Value Chain	SBM-2: Interests and views of stakeholders	ESRS S2 SBM-2: Interests and views of stakeholders
ESRS S2	Workers in Value Chain	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S2	Workers in Value Chain	S2-1: Policies related to value chain workers	S2-1: Policies related to value chain workers
ESRS S2	Workers in Value Chain	S2-2: Processes for engaging with value chain workers about impacts	S2-2: Processes for engaging with value chain workers about impacts
ESRS S2	Workers in Value Chain	S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns
ESRS S2	Workers in Value Chain	S2-4: Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2-4: Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S2	Workers in Value Chain	S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S4	Consumers and End-Users	SBM-2: Interests and views of stakeholders	ESRS S4 SBM-2: Interests and views of stakeholders
ESRS S4	Consumers and End-Users	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S4 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S4	Consumers and End-Users	S4-1: Policies related to consumers and end-users	S4-1: Policies related to consumers and end-users
ESRS S4	Consumers and End-Users	S4-2: Processes for engaging with consumers and end-users about impacts	S4-2: Processes for engaging with consumers and end-users about impacts
ESRS S4	Consumers and End-Users	S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
ESRS S4	Consumers and End-Users	S4-4: Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S4-4: Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S4	Consumers and End-Users	S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1	Business Conduct	GOV-1: The role of the administrative, management and supervisory bodies (Business Conduct)	ESRS G1 GOV-1: The role of the administrative, management and supervisory bodies
ESRS G1	Business Conduct	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities (Business Conduct)	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities
ESRS G1	Business Conduct	G1-1: Business conduct policies and corporate culture	G1-1: Business conduct policies and corporate culture
ESRS G1	Business Conduct	G1-2: Management of relationships with suppliers	G1-2: Management of relationships with suppliers
ESRS G1	Business Conduct	G1-3: Prevention and detection of corruption and bribery	G1-3: Prevention and detection of corruption and bribery
ESRS G1	Business Conduct	G1-4: Incidents of corruption or bribery	G1-4: Incidents of corruption or bribery
ESRS G1	Business Conduct	G1-5: Political influence and lobbying activities	G1-5: Political influence and lobbying activities

Subject	Disclosure requirements		Section of the Report
ESRS G1	**Business Conduct**	G1-6: Payment practices	G1-6: Payment practices
ESRS G1	**Business Conduct**	Targets related to business conduct	Targets related to business conduct
Entity-specific	**Sustainable purchasing**	Description of the processes to identify and assess material sustainable purchasing related impacts, risks and opportunities	Description of the processes to identify and assess material sustainable purchasing related impacts, risks and opportunities
Entity-specific	**Sustainable purchasing**	Policies related to sustainable purchasing	Policies related to sustainable purchasing
Entity-specific	**Sustainable purchasing**	Actions and resources related to sustainable purchasing	Actions and resources related to sustainable purchasing
Entity-specific	**Sustainable purchasing**	Targets related to digital transformation	Targets related to digital transformation
Entity-specific	**Communities**	Interests and views of stakeholders	Interests and views of stakeholders
Entity-specific	**Communities**	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model
Entity-specific	**Communities**	Policies related to communities	Policies related to communities
Entity-specific	**Communities**	Processes for engaging with communities about impacts	Processes for engaging with communities about impacts
Entity-specific	**Communities**	Processes to remediate negative impacts and channels for communities to raise concerns	Processes to remediate negative impacts and channels for communities to raise concerns
Entity-specific	**Communities**	Adoption of measures relating to significant community incidents, approaches to managing significant risks and exploiting significant opportunities relating to communities, and the effectiveness of such measures	Adoption of measures relating to significant community incidents, approaches to managing significant risks and exploiting significant opportunities relating to communities, and the effectiveness of such measures
Entity-specific	**Communities**	Targets related to communities	Targets related to communities
Entity-specific	**Digital transformation**	Description of the processes to identify and assess material digital transformation related impacts, risks and opportunities	Description of the processes to identify and assess material digital transformation related impacts, risks and opportunities
Entity-specific	**Digital transformation**	Policies related to digital transformation	Policies related to digital transformation
Entity-specific	**Digital transformation**	Actions and resources related to digital transformation	Actions and resources related to digital transformation
Entity-specific	**Digital transformation**	Targets related to digital transformation	Targets related to digital transformation

List of data points included in cross-cutting standards and in thematic standards derived from other legislation of the EU

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Sección del Informe
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		GOV-1: El papel de los órganos de administración, dirección y supervisión
ESRS 2 GOV-1Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		GOV-1: El papel de los órganos de administración, dirección y supervisión
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				GOV-4: Declaración sobre la diligencia debida
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		SBM-1. Business Model, Value Chain and Strategy
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		SBM-1. Business Model, Value Chain and Strategy
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		SBM-1. Business Model, Value Chain and Strategy
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		SBM-1. Business Model, Value Chain and Strategy
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	E1-1 – Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		E1-1 – Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		E1-4 – Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38		Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			E1-5 – Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				E1-5 – Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				E1-5 – Energy consumption and mix

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Sección del Informe
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		The Company complies with Appendix C: List of information requirements introduced in stages in ESRS 2.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			The Company complies with Appendix C: List of information requirements introduced in stages in ESRS 2.
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			The Company complies with Appendix C: List of information requirements introduced in stages in ESRS 2.
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		The Company complies with Appendix C: List of information requirements introduced in stages in ESRS 2.
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				E3-1 – Policies related to water and marine resources
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				E3-1 – Policies related to water and marine resources
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				E3-1 – Policies related to water and marine resources
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				E3-4 – Water consumption
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph	Indicator number 6.1 Table #2 of Annex 1				E3-4 – Water consumption

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Sección del Informe
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				E5-5 – Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				E5-5 – Resource outflows
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				S1-1 – Policies related to own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		S1-1 – Policies related to own workforce
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				S1-1 – Policies related to own workforce
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				S1-1 – Policies related to own workforce
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-14: Health and safety metrics

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Sección del Informe
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				S1-14: Health and safety metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)			Delegated Regulation (EU) 2020/1816, Annex II		S1-16: Compensation metrics (pay gap and total compensation)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 12 Table #1 of Annex I				S1-16: Compensation metrics (pay gap and total compensation)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				S1-17: Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		S1-17: Incidents, complaints and severe human rights impacts
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				S2-1 – Policies related to value chain workers
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				S2-1 – Policies related to value chain workers
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		S1-1 – Policies related to own workforce
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		S2-1 – Policies related to value chain workers
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material. See the section IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				S4-1 – Policies related to consumers and end-users
ESRS S4-1Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		S4-1 – Policies related to consumers and end-users

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	Sección del Informe
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and endusers, and effectiveness of those actions
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				G1-1- Business conduct policies and corporate culture
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				G1-1- Business conduct policies and corporate culture
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		G1-4 – Incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				G1-4 – Incidents of corruption or bribery

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).
(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Sustainability matters that are not material for MHE&A

As a result of the materiality analysis (double materiality analysis), the Company has concluded that certain issues identified in the CSRD regulations (requirement AR 16 of ESRS 1) were either not applicable in the analysis or were not identified as material for MHE&A.

- Aspects which have been identified as **not applicable**:
  - Aspects related to pollution of the environment in terms of *"Pollution of living organisms and food resources":* due to the business operations this is not the case of a company engaged in supplying food products, although it is true that the Company offers restaurant services. In this regard, pollution of living organisms is approached in terms of customers' health, not of living organisms and food resources per se, but from the perspective of safety of consumers and end-users. The sub-topic *"Substances of very high concern"* has also been identified as not applicable.
  - Aspects related to biodiversity and ecosystems, specifically *"Direct impact drivers of biodiversity loss"* and *"Impacts and dependencies on ecosystem services"*; as well as the sub-sub-topic *"Species global extinction risk"* (associated to the sub-topic *"Impacts on the state of the species"*). In this regard, the Company carries out an annual analysis of its presence in zones located close to special protection areas with the aim of identifying possible impacts associated to proximity to such areas, distinguishing between urban and resort hotels). Proximity to such areas has been identified as low due to the high volume of urban hotels.

Minor Hotels Europe & Americas is a mainly urban hotel chain. However, 2.9% of the hotels in the portfolio are considered to be part of the more vacation-focused segment, the sphere of resorts. This segment is considered more extractive and intrinsically with a greater relationship with natural ecosystems.

Accordingly, through Protected Planet, the most exhaustive information source worldwide on protected areas, the Company has carried out an exhaustive analysis of the presence of its hotels in special protection areas. As a result of this analysis, the Company has determined that 3.2% of the hotels in the portfolio (excluding hotels under management and franchise arrangements) are directly located in a protected area.

However, MHE&A in its commitment to the environment, uses a more exhaustive criterion to calculate its presence in areas of special protection. Accordingly, the Company considers that a hotel is located in a special protection area if it is directly directly in a special protection area or close to such areas, less than 100 kilometres in the case of resort hotels. Under this criterion, the Company has obtained the following results.

Hotels located near specially protected areas

	2024		2023	
	No. of hotels	% of total (by region)	No. of hotels	% of total (by region)
Americas Region	1	2.2 %	0	– %
Northern Europe Region	2	1.9 %	3	2.7 %
Southern Europe Region	12	8.5 %	7	4.0 %
Total	**15**	**5.1 %**	**10**	**2.9%**

However, while certain aspects related to biodiversity and ecosystems were addressed during the double materiality process, all of them have finally proved to be not material as explained below.

- Aspects related to "Workers in the value chain". In accordance with the definitions provided in Appendix 2 of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, the Company has carried out a review of the terminology used to refer to both its own workforce and workers in the value chain . In relation to the latter, MHE&A has defined three major categories of workers in the value chain: 1) employees of hotels under management and franchise arrangements; 2) subcontracted services and; 3) other suppliers. For further details see section : *"Team Members in Minor Hotels Europe & Americas"*. In this respect, only training and skills development of the first category of workers in the value chain have been identified as possibly being material for MHE&A.

For outsourcing contracts, as with the rest of the workers in the value chain, the Company has no direct influence on the other topics indicated by the applicable legislation, and for this reason these topics have been identified as not applicable. Its influence is limited to selecting suppliers through the criteria established in the supplier approval process, which do not consider these factors, but rather are based on aspects not related solely to ESG matters.

- Aspects related to "affected communities". Under MHE&A's business model, the Company's activities does not affect the communities that live close to its operations. It should be noted that these communities are considered indigenous peoples. The Company has carried out an analysis in this regard, based on the *Native Land* database. As a result of the analysis, the Company has determined which aspects related to affected communities do not apply in MHE&A's double materiality analysis. However, due to MHE&A's business model, it does consider that the main group affected by its activities are the consumers and end-users who enjoy its services. This is addressed from the perspective of the requirements of S4 of the applicable ESRS. The Company also has a second level of affected groups (neighbours and surrounding area close to the hotel location), the IROs of which are addressed from the perspective of *"Communities"*.

- Aspects evaluated throughout the double materiality process but **concluded as non-material**: throughout the double materiality process, various issues were analysed in accordance with the thresholds established 1) for impact materiality, the threshold was established by selecting 75% of the Impact value with the highest score for impacts identified by issue and; 2) for financial materiality, the threshold was set by selecting the 75% of the highest scoring risks and opportunities for risks and opportunities identified by issue. As a result, the impacts, risks and opportunities associated with these issues did not exceed the thresholds established after the evaluation of all stakeholders. These issues are listed below:

- Environmental issues:
    - In its evaluation of issues and sub-issues related to air, water and soil pollution, the Company has examined the locations of its sites and its business activities in order to determine the actual and potential IROs. On those IROs identified taking into consideration the aforementioned, it has been concluded that those IROs identified have not ultimately been of material importance;
    - Aspects relating to water discharges and marine resources (for details of this analysis, see section *ESRS 2 IRO-1: Description of the processes for determining and evaluating the incidents, risks and opportunities of relative importance related to water and marine resources;*
    - Based on its analysis of its presence in protected areas and its proximity to them, the Company has concluded that the point-to-point review of the information in ESRS 2 IRO-1: Description of the processes for determining and evaluating the impacts, risks, dependencies and opportunities of relative importance related to biodiversity and ecosystems, was not considered in the analysis of relative importance. In relation to the sub-themes of impacts on the extent and state of ecosystems (land degradation, desertification and soil sealing) and specifically referring to the specific contents of IRO-1: Description of the processes for determining and evaluating the impacts, risks, dependencies and opportunities of relative importance related to biodiversity and ecosystems, were not taken into account when carrying out the Double Materiality Analysis given the business model of MHE&A whose presence is in more than 95% urban presence, the Company not having the capacity to significantly affect ecosystems and their biodiversity. However, the Company is concerned about the conservation and protection of natural habitats in the destinations where it is present, especially in those holiday establishments close to specially protected areas.
- Social issues: aspects related to adequate housing for own staff; aspects related to the safety of consumers and end users in terms of personal safety or child protection.
- Governance issues: aspects related to animal welfare and the *political commitment.*

SBM-3: MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Company has integrated the material impacts, risks and opportunities (IROs) resulting from the Double Material analysis in its strategy and business model.

All of them are associated with a ESRS indicator or, failing that, with their own issue. This link and its integration into the five strategic corporate pillars is shown below:

Strategy for IRO management of the material matter "Fighting climate change" - ESRS E1. CLIMATE CHANGE

Topic	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities
FIGHTING CLIMATE CHANGE	Climate change adaptation and mitigation	**SBT Plan**	Generation of negative environmental impacts derived from GHG emissions along the value chain, essentially from the use of non-renewable energy sources. Therefore, reducing GHG emission levels (Scopes 1, 2 and 3) and contributing to the achievement of the targets set in the Paris Agreement through access to financing (opportunity) and support for the transition to a decarbonised economy through a Transition Plan that allows these targets to be met emerges as an opportunity for the Company to reduce these negative impacts. In this regard, it is essential to have science-based decarbonisation targets validated by a third party. Failure to achieve the commitments and goals acquired, as well as the lack of ambition in the fight against climate change, can lead to a risk of reputational and economic loss. Furthermore, in line with the results of the TCFD analysis, the Company has identified a potential interruption to the operation of some infrastructure(s) due to damages that could occur in the event of materialisation of a climatic risk (physical or transitional) that could ultimately lead to a potential economic loss. In addition, an improvement in reputational perception could lead to an increase in revenue by having a more sustainable business model offering more environmentally friendly services.
		Development of more sustainable products and assets	The development of innovative initiatives allows the Company to offer more sustainable products and services, representing a key opportunity to improve its performance and environmental impact, thus contributing to climate change mitigation and adaptation. However, these actions also involve an increase in costs due to the necessary investments in the design, construction and/or refurbishment of facilities, which is an economic challenge that must be strategically managed to balance the positive impact on sustainability with the financial viability (cost-benefit analysis) of the operations.
	Responsible energy management		The intensive energy consumption derived from the operation and maintenance of hotels, especially when it comes from non-renewable sources with high emission factors, generates a significant negative impact on the Company's environmental and economic performance. To mitigate these effects, energy-saving measures can be implemented, such as replacing equipment with more efficient models that reduce consumption, as well as increasing the value of assets through the renovation of facilities and the extension of the useful life of the equipment, also improving their comfort for customers. However, there are associated risks, such as the increase in energy prices and the loss of business opportunities due to inadequate monitoring of energy consumption, all of which underline the need to adopt comprehensive strategies for efficient and sustainable energy management.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities.

The analysis of impacts, risks and opportunities shows that climate change generates challenges and opportunities for the Company in different areas: emission, energy consumption or physical assets (among others).

These challenges and opportunities derive from MHE&A's activity and its interaction with the environment and therefore MHE&A works to prevent and anticipate any possible environmental impacts of external origin, and to minimise the impacts generated by the activity on climate change by improving efficiency in the consumption of resources and developing more sustainable services. This is accompanied by reducing the Company's environmental footprint through responsible consumption of natural resources.

As indicated in the above table, the **main negative impacts** are those caused by greenhouse gas emissions on arising (in turn as an impact) from non-renewable energy consumption in the hotels and intensive energy consumption deriving from maintenance and operations in the hotels. In addition, deriving from interaction with suppliers throughout the value chain, scope 3 emissions are included as a negative impact on climate change. However, positive impacts have also been identified deriving from the reduction in GHG emissions as a result of Company's decarbonisation plan; the reduction in energy consumption through the savings measures implemented; the development of innovative initiatives to develop more sustainable products and services and the increase in the value of assets as a result of the improvements that have been implemented and the extension of their useful life.

The **main risks** identified are those associated to failure to comply with the commitments acquired in relation to emissions and the consequent reputational impact, linked both to initiatives in the business model and in the actions in the value chain; the increase in costs due to initiatives to improve facilities for climate change adaptation and mitigation; and the increase in energy prices in unfavourable scenarios together with the loss of business opportunities due to incorrect monitoring of energy consumption. The latter is considered from a twofold approach: on one hand, because incorrect monitoring will give rise to not have a vision as to where to apply energy efficiency CapEx and on the other hand because the lack of correct monitoring could lead to breach of the financial requisites established by financial entities.

In addition, MHE&A has identified **opportunities** related to access to financing deriving from its position as a Company that supports and makes efforts for a transition towards a low-carbon economy and through the implementation of low-emission technologies.

The actual and potential effects are detailed below:

Actual effects

- Impact on operating costs; the increase in costs deriving from the necessary investment to adapt and mitigate the effects of climate change, such as refits of installations, represents an important financial burden which could impact the Company's cash flows in the short term. On the other hand, the increase in energy prices exposes the Company to significant fluctuations in its operating costs, impacting profit margins and limiting its capacity for reinvestment in strategic projects.
- Operational efficiency: incorrect monitoring of energy consumption data can generate inefficiency in the use of resources, loss of business opportunities and the impossibility of complying with the requisites established by financial entities in order to access sustainable financing. On the other hand, the implementation of energy efficiency measures and the CapEx investment in more efficient technologies not only generate significant savings in operating costs, but also contribute to compliance with the climate commitments established in the SBT 2030 Plan. This plan, which has been validated by the Science Based Targets initiative (SBTi), positions the Company as a committed actor in climate change mitigation, improving its appeal for customers and strategic partners.
- Access to financing: an advantage deriving from MHE&A's positioning with emissions reduction and energy efficiency is the access to financing.

Potential effects

- Operational efficiency focus: reducing energy demand will make it possible to reduce energy consumption, generating synergies between environmental sustainability goals and operational savings.
- Reduction in operating costs: the implementation of energy efficiency measures can generate long-term savings, improving the profitability of the business.
- New sources of financing: the focus on sustainability could open up opportunities to capture specific funds, such as green bonds, or attract strategic partners interested in responsible business models.
- Reputational risk: failing to comply with the acquired commitments to reduce greenhouse gas (GHG) emissions not only entails regulatory risks and sanctions but also endangers the Company's reputation. This can lead to a loss of confidence by customers and strategic partners, affecting hotel occupancy and access to financing and, consequently, revenues and liabilities.

Both the impacts and the risks and opportunities related to climate change are incorporated in MHE&A's strategy through the UP FOR PLANET pillar integrated in the Sustainable Business strategy. This pillar in turn has three major lines of work: 1) sustainable products and assets; 2) processes and operational standards; 3) Sustainable purchasing. The first two are where the Company articulates the fight against climate change and where it modules the strategy to integrate impacts, risks and opportunities in the business model.

- *Sustainable products and assets:* strategic line aimed at fighting climate change and advancing towards decarbonisation, by minimising the carbon footprint derived from the activity. The Company, aware of the negative impacts caused (GHG emissions, intensity of energy consumption) and the associated risks (deriving from the increase in the price of energy, the increase in maintenance costs or the reputation risks associated to breach of decarbonisation commitments), has established a strategy to reduce the impact on costs and improve corporate performance. In this context, the *SBT 2030 Plan* is of note, an environmental certification programme that boosts MHE&A's efforts in its climate commitment or the progressive renovation of facilities with new equipment that improves performance and reduces overall consumption in buildings, consequently improving GHG emissions.
- *Processes and operational standards:* strategic line focused on efficient management and responsible consumption of resources. MHE&A is aware of the negative impacts derived from its activity (high energy and resource consumption, etc.). To mitigate these impacts, the Company carries out different actions, notable among which is responsible energy management, which allows it to have exhaustive control over energy consumption and emissions (among others) and management CapEx more efficiently and reduce the impact on costs.

This Sustainable Business strategy is in turn included in one of the strategic pillars of the corporate strategy. Details of it can be consulted in *"Being a benchmark in Sustainability"*

The Sustainable Business department is responsible for the implementation of the Sustainable Business strategy and of the Environmental and Climate Change Policy and the commitment to continuous improvement in environmental performance at all internal levels of the organisation. Together with other key departments such as the Procurement department (Coperama), Commercial or Corporate Assets department, it conveys the commitments acquired to external stakeholders with the aim of raising awareness of sustainability among all stakeholders and even encouraging them to accept the Company's commitments as their own and be aware of the environmental impacts associated to the activity.

With the commitment acquired in the Environment and Climate Change Policy, applicable both to sustainable products and services and to services (operational management processes), the Company seeks to involve team members, customers, public administration and other stakeholders.

IRO management strategy for the material matter "Responsible water management" - ESRS E3. WATER AND MARINE RESOURCES

Topic	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities
RESPONSBILE WATER MANAGEMENT	Water	**Water extraction**	The exhaustion of natural water resources, caused by intensive extraction that exceeds the regeneration capacity, represents a significant impact, especially in areas of high water stress, where the operation of facilities may be compromised. However, the implementation of measures to reduce the demand for domestic hot water not only reduces energy consumption, but also mitigates this impact by optimising water use. Furthermore, incorrect monitoring of data relating to the extraction of water resources can generate a reputation risk, affecting stakeholders' perception of and confidence in the organisation.
		Water consumption	The absence of operational control over water consumption throughout the value chain can lead to negative impacts on the environment deriving from water consumption by suppliers with intensive consumption of these resources.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: *Note 2. Material impacts, risks and opportunities*

The exhaustion of natural water resources and the associated risks pose significant challenges, but also generate opportunities that can have a profound influence on the Company's business model and strategy.

The actual and potential effects are detailed below:

Actual effects

- Impact on operation: in areas with high and very high water stress, the limited availability of water can affect the capacity to operate efficiently, increases the costs associated to management of the resource or, in extreme cases, causing interruption in the service.
- Adoption of new technology and digitalisation: improving water resource monitoring and management will lead to a growing investment in technological platforms that optimise consumption, reduce losses and facilitate transparent and comparable reporting.
- Greater regulatory pressure: local regulations can become stricter in relation to water use, requiring the Company to implement immediate solutions to guarantee compliance.
- Reputational risk: a negative perception of water resource management can reduce the confidence of customers, investors and other stakeholders, affecting the Company's competitiveness.

Potential effects

Redesign of installations and processes: sustainable designs will be prioritised, such as water recycling systems or low-consumption technologies in critical areas such as showers, pools and heating and air-conditioning systems.

- Focus on water efficiency: reducing the demand for domestic hot water will also make it possible to reduce energy consumption, generating synergies between environmental sustainability goals and operational savings.
- Reduction in operating costs: the implementation of water efficiency measures can generate long-term savings, improving the profitability of the business.
- New sources of financing: the focus on sustainability could open up opportunities to capture specific funds, such as green bonds, or attract strategic partners interested in responsible business models.
- Raising awareness in customers: implementation of campaign in hotels to encourage rational water use by guests, such as reusing towels and bed linen.

In response to the effects described above and hand in hand with the implementation of the line of work on "processes and operational standards", in 2024 the Company has carried out actions and measures briefly listed below. Further details on them can be found in the following section of the Statement *E3-2: Actions and resources related to water and marine resources*.

- Assessment of local impact: the Company carries out an annual analysis to identify the presence of its assets in areas of high or very high water stress.
- Installation of measurement systems: the Company has begun the installation of a single platform for monitoring and analysing the volume of water extracted.
- Reduction in consumption: installation of new shower heads with a lower flow to minimise the volume of water extracted without compromising the guest experience.
- Programmes of recognized environmental certifications such as GreenKey or LEED that endorse good practices in water management.

Looking ahead to future financial years, the Company is working on deepening and improving the actions already undertaken, as well as searching for new measures that address not only environmental impact, but also strengthen the Company's financial sustainability, reputation and operational resilience, especially in areas of greatest water stress.

MHE&A is therefore aware of the actual and potential effects of its activity on the environment and works according to prevent and anticipate possible environmental contingencies, and to minimise its impact on the environment. This approach is channelled through the UP FOR PLANET pillar integrated in the Sustainable Business strategy which in turn has three major lines of work: 1) sustainable products and assets; 2) processes and operational standards; 3) Sustainable purchasing.

The second line of work *(processes and operational standards)* is where the Company handles the management of the impacts, risks and opportunities associated to responsible water management.

The exhaustion of water resources is therefore an issue that is addressed from MHE&A's strategy and business model, which has to be aligned with sustainable and technological strategies that not only mitigate operational and reputational risks, but also take advantage of opportunities to strengthen its market position.

IRO management strategy on the material matter "Circular economy and waste management".

Topic	Sub-topics	Impacts, risks and opportunities
CIRCULAR ECONOMY AND WASTE MANAGEMENT	Responsible waste management	The capacity to separate at source the waste generated in hotels by type (EWC) assures the proper treatment of each type of waste, which promotes responsible management with a direct impact on the environment. To this end, authorised managers for the treatment of hazardous and non-hazardous waste are necessary, because failure to use them could involve a risk of breach of the applicable regulations, as well as the need for training in hotels on correct separation. This risk may entail economic sanctions imposed by the competent authorities in relation to the management and treatment of each type of waste generated (guaranteeing compliance and assuring adequate documentation), especially as derived from extended producer responsibility.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities

The Company is aware of the effects of its activity on the environment and therefore works to prevent and anticipate possible environmental contingencies. Waste management is an essential process to assure regulatory compliance. This involves separation of waste at source according to the EWC, contracting authorised managers for waste treatment and correct disposal in fractions. All of this has to be integrated in a tracking and documentation system that provides evidence of compliance with the law and ensures adequate valorisation or elimination, minimising risks and economic sanctions and strengthening the Company's operational commitments regarding sustainability. The impacts and risks described above affect the Company by generating the actual and potential effects listed below:

Actual effects

- Adoption of new technology and digitalisation: improving waste monitoring and management. This involves a growing investment in technological platforms that optimise waste collection and treatment by managers and also facilitate transparent and comparable reporting.

- Greater regulatory pressure: regional legislation (especially in the EU) and other national and local regulations may become stricter in relation to waste treatment, requiring MHE&A to implement measures in this regard.

Potential effects

- Redesign of installations and processes: sustainable designs will be prioritised, through circular economy measures that increase the useful life of products. To this end, MHE&A will need to have adapted technology that permits and facilitates the achievement of circular measures.

- Reduction in operating costs: correct separation at source reduces the costs associated to the transport of waste and its disposal at treatment plants. Furthermore, by implementing the use of products that facilitate valorisation, priority is given to fractions that involve less management.

- New sources of revenues: taking advantage of valuable resources through correct separation at source makes it possible to maximise the potential valorisation of waste, transforming it into resources (internal and external). These resources can be sold to third parties, generating additional revenue and simultaneously reducing the costs associated to the final disposal of waste that cannot be valorised.

In response to the effects described above and hand in hand with the implementation of the line of work "processes and operational standards", in 2024 the Company has carried out actions and measures to address them.

- Implementation of the first phase of the corporate project aimed at proper waste management. During the 2024 financial year, areas in southern and northern Europe have been prioritized with the aim of adapting to all the legal requirements and good practices that the Company has acquired in its commitments to sustainability.

- Development of a measurement program: the Company has developed a corporate platform in collaboration with a third party to establish a platform where the monitoring and analysis of the volume of waste generated and removed is recorded.

Details can be found in the following section of the Statement *E5-2: Actions and resources related to resource use and circular economy*.

Looking ahead to future financial years, the Company is working on deepening and improving the actions already undertaken, with the aim of executing the second phase of the waste project and expanding the regions in which it has been implemented, as well as in the search for new actions that not only address environmental impact, but also strengthen the Company's financial sustainability, reputation and operational resilience from the perspective of proper waste management through actions that, in turn, promote the circularity of the business from the source (in the handling and negotiation of products with MHE&A suppliers until their release as waste and/or resource).

The Company is therefore aware of the IROs described above and the actual and potential effects they have on the Company, and integrates this approach in its growth strategy, channelled through the *UP FOR PLANET* pillar, specifically under "Processes and operational standards".

The Company tackles responsible waste management from the second line of work:

- *Processes and operational standards:* strategic line focused on efficient management and responsible consumption of resources, prioritising the 4R rule: Reduce, Reuse, Recycle and Replace, favouring the transition towards a more circular economic model, the development of more sustainable products and the involvement of the most relevant actions in the evolution process.

In this regard, it should be noted that this Sustainable Business strategy falls under one of the strategic pillars of the corporate strategy. Details can be found in: *Being a benchmark in Sustainability*.

IRO management strategy in relation to the material matter "Sustainable purchasing"- ENTITY SPECIFIC

Topic	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities
SUSTAINABLE PURCHASING	Relationship with suppliers	**Relationship with suppliers**	The implementation of mechanisms to manage relationships with suppliers allows the Company to maximise the efficiency of business units in the procurement process, guaranteeing optimised management. This correct identification and categorisation of suppliers, especially critical suppliers, is fundamental to ensure an efficient and controlled relationship. However, inadequate processing of the information, such as disclosure of confidential data, can generate significant risks, including financial losses and reputational damages. It is therefore essential to have robust and security processes that protect information, while maintaining efficient and precise management of suppliers.
		Payment practices	The implementation of a good supplier payment system is crucial to guarantee business operations. A well-structured payment system not only ensures that MHE&A complies with contractual requirements but also promote a solid relationship based on mutual trust and respect. Opting for payment practices that are superior to what is required by law or improving those offered by other peers can help gain the most competitive suppliers, ensuring a more solid strategic position.
	ESG criteria in supplier selection and assessment		The increase in and assurance of good ESG practice by suppliers is achieved through the strictest approval processes. Considering ESG criteria in supplier approval means that the Company uses products and services with a greater positive impact on the environment. In addition, the establishment of alliances with these suppliers emerges as an opportunity for the detection of possible short, medium and long-term ESG risks in the supply chain. However, these new supplier control processes can generate an increase in costs related to monitoring tools, and the exclusion of more competitive suppliers in price terms and therefore an increase in cost. Accordingly, it is fundamental to analyse opportunities correctly in each of the product categories purchased and support suppliers in their transition to a more sustainable model.

The Company is aware that purchasing decisions not only have an impact on daily operations, but also significantly influence the global supply chain and the communities where it operates. For this reason, supplier management has become a strategic pillar within the commitment to sustainability.

The sustainable purchasing commitment defines the selection and assessment of suppliers based on ESG criteria. This approach allows the Company to identify partners who share the same values and work actively to reduce their environmental impact, respect human rights and guarantee ethical business practices.

The inclusion of ESG criteria in selection processes (RFI) not only strengthens the corporate responsibility of MHE&A, but also mitigates risks and assures the creation of long-term value. Through close collaboration with suppliers, the Company seeks to promote a circular economy, reduce its carbon footprint and contribute to sustainable development in all the regions where it operates.

Actual effects

- Application of ESG criteria: more solid and collaborative relationship with suppliers, alignment of the Company with partners that share its values and sustainability commitments, which improves mutual trust and long-term stability.
- Efficient supplier management mechanisms: this generates a significant impact on the Company's operations and competitiveness, helping to optimise costs, mitigates risks and guarantees the quality of the goods and services acquired. It also promotes more collaborative and transparent relationships.

Potential effects

- Having a robust payment system and guaranteeing fair and timely payment practices can contribute to the satisfaction and continuity of suppliers, who depend on regular cash flows in order to maintain their operations.
- Increased security and data protection with third parties: incorrect handling of information can have significant adverse effects associated with data recovery and protection, eroding the trust of customers, business partners or suppliers, which could result in a decrease in strategic alliances with suppliers.
- Increase in costs due to investment in the implementation of circular strategies and sustainable purchasing. Potentially, as investments are involved, a long-term return is expected both in the Company's image and in the reduction of costs associated to waste management.
- Regulation of the procurement and marketing of sustainable products in Europe (CBAM, EUDR, SUPD, etc.): increase in costs and bureaucracy to ensure the appropriate origin and sustainability of the products purchased.

This approach is channelled through the UP FOR PLANET pillar integrated in the Sustainable Business strategy. This pillar in turn has three major lines of work: 1) sustainable products and assets; 2) processes and operational standards; 3) Sustainable purchasing.

The third of these lines of work is where the Company articulates sustainable purchasing. It should also be noted that supplier management in terms of payment is articulated from the corporate financial department.

IRO management strategy for the material matters "Commitment to team members and responsible hiring"; "Culture of equality, diversity and inclusion of team members"; "Health, safety and wellbeing of team members"; "Training, talent management and career development of own workforce" and "Workers in the value chain"[9] - ESRS S1. OWN WORKFORCE and ESRS S2. WORKERS IN THE VALUE CHAIN

Topic	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities
COMMITMENT TO TEAM MEMBERS AND RESPONSIBLE HIRING	Quality job creation		Quality job creation is essential for the Company for several reasons, notably career and contractual stability for the wellbeing of team members.
	Social	Social dialogue and freedom of association	Social dialogue and freedom of association emerge as an essential element to promote and traction proper relationships between team members and the Company, promoting, among other factors, social justice, inclusive economic growth, improvement in wages and working conditions, with a positive impact on both parties. In this regard, social dialogue fosters the elimination and mitigation of potential labour conflicts between the Company and its employees, establishing relationships of collaboration among all parties.
		Collective bargaining	Collective agreements emerge as a fundamental tool to guarantee job stability and security for MHE&A's employees, ensuring respect for human rights and fostering labour relations based on justice and transparency. This contributes to establishing a fluid dialogue and equitable working conditions as well as the necessary procedures in the event of potentially conflictive situations. Such agreements are reviewed and updated periodically by the competent authorities. Their application, in terms of wage adjustments, is reflected in an increase in the cost of the accounting items relating to staff costs.
	Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities		

Topic	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities
CULTURE OF DIVERSITY, EQUALITY AND INCLUSION	Diversity, integration and labor inclusion	Diversity and gender equality	The integration of equal treatment and promotion of diversity has a positive impact, contributing tangible benefits both for team members and for the Company, such as an improvement in productivity and creativity and the advance in their career development leading to an increase in team members' satisfaction.
		Inclusion of all vulnerable groups	The integration of vulnerable groups in a company generates mote inclusive and accessible working environments, contributes to guaranteeing adapted working conditions and a working environment and promotes equal treatment and opportunities.
	Equal treatment and opportunities	Equal pay for work of equal value	Equal pay for work of equal value by promoting decent and fair wages has a positive impact, facilitating work-life balance for team members. Also, fosters an inclusive working environment.
		Adequate wages	Promoting competitive, decent and fair wages generates a positive impact on team members and the Company by giving rise to an increase in productivity and commitment of team members.
	Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities		

The responsible hiring process and the promotion of working environments based on quality and inclusion generate positive impacts for MHE&A's team members and for the Company. These impacts give rise to effects that influence the Company's business model and strategy in relation to team members. These effects emerge both as actual and potential impacts:

- Job stability and wellbeing of team members: The creation of quality employment guarantees job and contractual stability, which contributes to a motivated, productive and committed team. This improves the customer experience and bolsters the Company's reputation.
- Increase in productivity and creativity: more global and diverse teams contribute a wide range of perspectives and experiences, which fosters innovation and creativity in problem solving, offering customers experiences with a more professional and organised treatment, which improves customer satisfaction.
- Increase in team member satisfaction and retention (greater engagement): a team that feels valued for its work and performance generates more engagement, which reduces staff turnover. In this regard, equal pay and inclusive hiring contribute to creating a more inclusive and equitable working environment, where all team members feel valued and respected.
- Management of staff costs: the periodic updating of collective agreements involves wage adjustments, which increases the staff costs. Although this represents a financial challenge,

[9] *Material from the perspective of training, talent management and career development*

it also enhances the perception of the Company as an attractive place to work, helping to retain talent.

- Career development and leadership: Equality of opportunities allows all employees, independently of their gender, race, ideology and other factors to develop their skills and advance in their careers, which strengthens leadership within the Company and talent attraction.

In response to the previously described effects and in line with the implementation of the lines of work set out, the Company has continued with the measures undertaken to date in 2024. As a new development in the 2024 financial year, MHE&A has carried out a living wage analysis in accordance with the Company's commitment to adequate wages for its team members. In addition, throughout the year the Company has carried out a review of the updated regulations on collective bargaining agreements. Details of the measures can be found in the following section of the report, which explains the actions related to *engagement and responsible hiring* and *the culture of diversity, equality and inclusion*.

For all these reasons, the Company is aware of the current and anticipated effects of its activity in the creation of diverse and inclusive work environments where equal treatment and opportunities prevail, as well as the creation of labour relations based on stability. This approach is channelled through the corporate pillar *"Developing the value proposition for team members"*, specifically from the perspective of the value Proposition for team members.

Topic	Sub-topics	Impacts, risks and opportunities
HEALTH, SAFETY AND WELLBEING OF TEAM MEMBERS	Health and safety of team members	Development of a corporate health and safety system, generating safe and healthy working environments that have a positive impact on the number and rate of accidents at work and occupational diseases. This directly reduces absenteeism which could lead to a reduction in efficiency. A health and safety system also has a positive impact on improving the general wellbeing of team members.
	Wellbeing of team members: flexibility and work-life balance	The absence of a corporate health and safety system that integrates programmes and measures aimed at fostering a healthy work-life balance can have a negative impact on the wellbeing of team members. This impact is especially relevant in a sector such as the tourist-hotel sector, where certain positions present greater difficulty in reconciling working hours.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities

The development of a corporate health and safety system has a direct impact on the quality of the working environment and the operational sustainability of the hotel chain. Although it involves initial investment, the long-term benefits – in terms of well-being, productivity, regulatory compliance and reputation – outweigh the costs. Focused on the well-being and care of its team, MHE&A's approach to occupational health, safety and well-being emerges as an essential element to protect the well-being of team members, generating impacts, risks and opportunities for both team members and the Company itself. These IROs have effects both in the current context and in the future:

Actual effects

- Reduction in the number and rate of accidents at work and occupational diseases: a health and safety system reduces occupational incidents.

- Reduction of absenteeism and increase in efficiency: by minimising occupational risks and the incidents deriving from these risks, absenteeism rates are reduced significantly. This has a positive impact on operational continuity and on the general productive of teams.

- Improving the well-being of team members: a safe and healthy work environment promotes staff satisfaction, favouring their motivation and commitment to the Company. This translates into better individual and collective performance, improving the quality of service offered to customers.

Potential effects

- Greater capacity to retain and attract talent: a Company that prioritises the health and safety of its workers is seen as a responsible and desirable employer, especially in the tourist-hotel sector, where the working hours and the intensity of the job can be challenging. This makes it easier to attract and retain qualified talent.

- Facilitating work-life balance: by integrating programmes that foster work-life balance, the impact of the long working hours and the demands of the hotel sector are mitigated. This contributes to the psychological wellbeing of team members, reducing stress and improving their quality of life.

In response to the previously described effects, in 2024 the Company has started a corporate project with the ultimate goal of establishing a global health and safety system. Details of these can be found in the following section: *occupational health and safety.*

MHE&A, aware of the current and anticipated effects of the correct management of the health, safety and welfare of team members, integrates the management of occupational health and safety into its corporate growth strategy through its pillar *"Developing the value proposition for team members"*.

Topic	Sub-topics	Impacts, risks and opportunities
TRAINING, TALENT MANAGEMENT AND CAREER DEVELOPMENT OF TEAM MEMBERS and WORKERS IN THE VALUE CHAIN[10]	Training of team members	The absence of effective training and development programmes can generate skill gaps in the performance of activities deriving from the evolution of the business. This has an impact on the organisation's capacity to adapt to market demands and to maintain brand standards. This could represent a risk for the Company's performance as it could affect the quality of the service and have an impact on the Company's market share compared to its peers. This risk would ultimately be reflected in the Company's overall profitability.
	Talent management and career development	The implementation of effective talent management strategies and performance evaluations, talent calibration programmes or work climate surveys has an impact on the wellbeing of MHE&A's team members, both in owned and leased hotels. In addition, the use of efficient communication mechanisms such as surveys or other channels reinforces the connects between employers and workers, and therefore has a positive impact on both team members and the Company.
	Attracting talent	The demand for specific and specialist profiles for different areas of the hotel emerges as a challenge for the Company deriving from the difficulty in finding staff as a result of the volatility of the job market, particularly in the hotel sector, with high turnover rates and competition for specialised talent.
	Promoting loyalty of team members	In the hotel industry, job dissatisfaction among staff can have a significant impact by resulting in a high turnover rate. This phenomenon not only affects the stability and cohesion of teams, but also increases the challenges associated with the search, hiring and training of new talent. As a result, high turnover rates pose a risk to hotels, as they lead to a considerable increase in operating costs. These high turnover rates can also hinder the ability to offer consistent and quality service to customers.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities

Training, management, attracting and retaining talent are fundamental pillars for the proper functioning of the Company. Although there are impacts and risks associated with the lack of effective programs, strategic management that combines continuous training, development programs and attention to workplace well-being can transform these challenges into opportunities. This strengthens the competitive position, optimizes resources and offers a consistent and quality experience to customers, while ensuring a safe and healthy work environment.

Actual effects

- Increase in operating costs due to turnover: high staff turnover, common in the hotel sector, increases the costs associated to the search for, hiring and training of staff, affecting operational stability and the profitability of the hotel chain.
- Difficulties in finding profiles in the labour market: the volatility of the labour market and the shortage of specialised profiles make it difficult to cover key roles, which can cause impacts on operations.

Potential effects

- Skills gap and service quality: the lack of training and development programmes can have a negative impact on the ability of team members to perform their daily activities in the most efficient way, especially in a sector where business evolution and customer demands are constant. This can compromise brand standards and decrease customer satisfaction.
- Reducing the risk of turnover with effective programmes: implementing effective talent management strategies such as performance evaluations, talent calibration programmes, and work environment surveys strengthens employee engagement, reducing turnover and ensuring cohesive and efficient teams. An absence of these could generate disconnection and demotivation among team members, affecting both their performance and the general work climate.
- Increase in job satisfaction and quality of service: A programme that fosters development opportunities improves the wellbeing of team members. This produces greater job satisfaction, motivated teams, and a more consistent and quality service.

Minor Hotels Europe & Americas takes care of its team members and seeks their engagement with the Company's sustainable business, so that it is integrated into its daily activities. The Company considers its team members to be its main asset, and understands that, in order to build a solid corporate culture, it is essential to manage its team members by promoting their motivation and pride in belonging to Minor Hotels Europe & Americas.
In response to the effects described above and hand in hand with the implementation of the lines of work indicated below, in 2024 the Company has carried out the following actions:

[10] In accordance with the definitions set out in Appendix of Commission Delegated Regulation (EU) 2023/2772, of 31 July 2023, and the provisions of the legislation referred to above, the Company has carried out a review of the terminology used to refer to its own workforce and workers in the value chain. In relation to the latter, MHE&A has defined three major categories of workers in the value chain : 1) employees of hotels under management and franchise arrangement; 2) subcontracted services and ; 3) other suppliers. For further details, see section: "Team members of Minor Hotels Europe & Americas". In this regard, only training and skills development of the first category of workers in the value chain has been identified as possibly being material for MHE&A

- In accordance with its commitment to work on the engagement of its team members, the company has reinforced its strategy of continuous listening, not only with the biennial climate survey (2024 Team Member Engagement Survey) but also by launching two new surveys associated with the employee life cycle, called Onboarding and Offboarding Touchpoints, which aim to measure and gather feedback from team members at key moments such as their first 90 days or when they decide to leave the company voluntarily.

- Updating key corporate training programs such as those related to brands or onboarding new MHE&A team members.

- Configuration of the new vacancy management and publication module accessible to all team members that will make it possible to consult all vacancies in the Europe & Americas region in one place, as well as applying with a single click to the vacancies that most interest them, all through the Talent platform, the same platform where they carry out performance evaluations, online training or answer surveys, reinforcing this platform as a single solution for all team members in everything related to the different People processes.

- Development of long-term relationships with schools and universities, especially those related to hotel management.

Details of these can be found in the following section: *S1-4: Actions and resources related to own personnel - safety, health and well-being of team members.*

MHE&A, aware of the current and anticipated effects of proper management of training, professional development and, as a whole, adequate talent management, integrates the management of training and talent of its personnel into its corporate strategy through the corporate pillar: *"Developing the value proposition for team members"*.

The Company has no identified operations or geographical areas with a significant risk of cases of forced or compulsory labour or child labour among its team members.

It should also be noted that the IROs defined for this material matter are to be complemented with the IROs identified in relation to *digital transformation,* specifically aspects related to information security and data privacy.

IRO management strategy for the material matter "Customer experience and service quality"- ESRS S4. CONSUMERS AND END-USERS

Topic	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities
CUSTOMER EXPERIENCE AND SERVICE QUALITY	Unique and sustainable experiences for customers	Responsible commercial model	Having a strong business model in place is fundamental in order to assure service quality and optimise the customer experience. The absence of a clear model can lead to loss of customers caused by a failure to meet customer expectations.
		Initiative to improve the quality of the experience for individual customers	Implementing initiatives that improve the quality, satisfaction and experience of individual customers, which is key to exceeding their expectations and fostering their loyalty and trust. A lack of these can lead to lower retention and affect the hotel's reputation. In addition, these actions, combined with the use of digital platforms, allow us to offer a more efficient and personalised service.
		Initiatives to improve the quality of the experience for business customers	Implementing innovative initiatives and tools to improve the experience of business customers. Through these tools, quality can be improved, which is key to exceeding their expectations and promoting their loyalty and trust.
	Service quality, satisfaction and wellbeing	Visibility and Quality perception	Having systems in place that manage quality and customer satisfaction is essential to ensure optimal service and build guest loyalty. A low level of service makes it difficult to retain customers, affecting both the Company's revenue and reputation. The use of digital platforms also allows us to monitor opinions, optimise processes, and provide a more personalised and efficient experience.
		Information-related impacts	An effective and correct customer service is crucial to handle the requests for information received, guaranteeing a quick and effective response. This not only improves the guest experience but also enhances the Company's reputation. Providing better customer service due to incident management through the Single Customer Service Centre prevents the loss of customer and improves customer loyalty by promoting continuous improvement of customer care management systems.
	Health and safety of customers	Health and safety measures	The implementation and reinforcement of measures and actions on health and safety in customers is key to preventing risks and protecting their wellbeing. At the operational level, the implementation of new health and safety measures for customers leads to an increase in operating costs but at the same time minimises the number of incidents, which strengthens confidence in the Company's service and reputation.
		Accessibility	Accessibility in hotels favours the inclusion of people with disabilities, generating tolerant and diverse environments by guaranteeing equality for all guests. This enriches cultural interaction, promotes respect and enhances the inclusive tourism experience.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: *Note 2. Material impacts, risks and opportunities*

The analysis of the impacts, risks and opportunities shows that end-users and consumers generate challenges and opportunities for the Company in different areas: perception of the Company, market share, that have a resulting effect on MHE&A's income statement. These challenges and opportunities derive from MHE&A's activity and its interaction with customers, which is why MHE&A works to prevent and anticipate the possible impacts that its actions may have on the quality of service through the continuous improvement of the services offered as well as the attention to possible information-related impacts involving customer service, and providing safe places for guests to stay.

Minor Hotels Europe & Americas is committed to improving the customer experience and taking care of them, as the Company's principal mission. MHE&A is aware of the relevance of its customers as an essential element for the operation of the business, so it understands that taking care of the experience, their safety and offering unique experiences emerges as an essential element in its growth strategy. Based on the impacts, risks and opportunities derived from customers, a series of actual and potential effects on the business emerge:

Actual effects

- Building customer loyalty and brand reputation: A positive experience and high-quality service increase customer loyalty. Such loyalty strengthens the relationship with customers, creating a competitive advantage and increasing the stability of the business in an increasingly competitive market.

- Operational optimisation: The implementation of digital systems and platforms improves management, streamlining processes and allowing data analysis for decision making. In this regard, integrating quality and customer satisfaction data with operational information can improve the efficiency and personalisation of services. From check-in to check-out, our digital tools, such as mobile apps and IoT devices, streamline interactions, provide personalised recommendations, and improve convenience. Not only does this improve guest satisfaction, it also optimises operational efficiency.

- Increased revenue: customer and end-user satisfaction favours recommendations and higher occupancy rates, positively impacting the Company's revenues.

Potential effects

- Increased expectations: customers increasingly seek services of better quality, so their expectations are growing all the time. Innovation in services will be key in order to maintain a competitive position in a market with diverse operators.

- Greater personalisation of the service: digital platforms allow data to be analysed more quickly and effectively, which makes it easier to offer more personalised experiences tailored to customer preferences. By using data to adapt communications and services, highly personalised experiences can be created for customers around the world. This is reflected in actions such as assigning rooms based on customer preferences or recommending local activities and dining options that match their interests. In addition, consistent communication across multiple channels is ensured, allowing us to collect valuable guest feedback, drive sales opportunities and maximise both benefits for customers and the hotels' revenues.

- Learning from mistakes: continuous monitoring of customer comments and reviews and an adapted model allow us to personalise services, maximise revenue, boost competitiveness in the market by improving guest satisfaction and let us identify errors or failings as well as areas for improvement that maintain high quality standards.

- Building customer loyalty: this plays a fundamental role in the growth of the business. By belonging to the Global Hotel Alliance, our reach has been significantly expanded, offering customers advantages in more destinations, unique brand experiences and lower prices. This alliance also allows the Company to access new markets and attract customers thanks to greater visibility within the network. As MHE&A continues to refine its value proposition, the programme will continue to evolve, supporting ambitious growth plans for the future.

Accordingly, and in response to the effects described above and hand in hand with the implementation of the lines of work set out above, in 2024 the Company will continue to promote its commitment to operational excellence and technological innovation as fundamental pillars to strengthen the customer experience and guarantee sustainable growth in a competitive market. Brand loyalty and reputation will be worked on, prioritising personalised high-quality services that consolidate the trust of current customers and attract new segments. Internal operations will continue to be optimised through digitalisation and automation, reducing times and improving efficiency to offer seamless experiences from check-in to check-out, such as FASTPass. Personalisation will be promoted through advanced data analysis, ensuring that each guest receives a service aligned with their preferences and needs, generating a key competitive advantage and artificial intelligence and machine learning tools will continue to be incorporated to perfect revenue management processes, to guarantee a dynamic offering and optimise revenue forecasts. The Company works continuously to prepare for future customer expectations, continuously developing new services and adapting its value proposition to the growing demands for personalisation and sustainability.

Details can be found in the following section: *S4-4: Adoption of measures related to material impacts on consumers and end-users finales*

MHE&A is aware of the actual and potential effects of proper management of the customer experience and service quality. As a result, this approach is integrated in the corporate strategy through the pillar *"The best value proposition for our customers"*. In addition, points that can have an impact on aspects related to sustainability and customers are handled jointly with the customers are integrated in UP for PEOPLE in respect of the corporate pillar *"Being a benchmark in sustainability"*

It should also be noted that the IROs defined for this material matter should be complemented with the IROs identified in relation to *digital transformation*, specifically aspects related to information security and data privacy.

IRO management strategy for the material matter "Communities" - Company - ENTITY SPECIFIC

Topic	Sub-topics	Impacts, risks and opportunities
COMMUNITIES	Social actions and corporate volunteering	The Company's impact on communities through the sustainability projects carried out contributes to positive local development. The communities in the places where the Company operates are key to our social strategy, carrying out local initiatives related to the hotel business.
	Sustainable alliances	Thanks to alliances with different associations that share the Company's vision and values, the public image is improved and the creation of alliances in the markets where MHE&A operates is facilitated.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities

Local communities are the immediate environment in which the company operates and, in a sector such as hospitality, they are often important allies because of their ability to influence the perception of the company and to ensure the integration of hotels into the environment. By adopting this strategic approach, the company not only minimises potential conflicts, but also strengthens its reputation and promotes social and economic development by encouraging the creation of an environment favourable to MHE&A operations in the long term. This proactive vision allows for the identification of opportunities for mutual cooperation and ensures that MHE&A's growth is aligned with the well-being of the community.

The integration of the management of impacts, risks and opportunities related to communities is therefore fundamental for the sustainable success of MHE&A. Aware of the impact that it can generate on the environment, the Company integrates IRO management through the "Communities" line of work, which forms part of the *"UP FOR PEOPLE"* Sustainable Business pillar.

Actual effects

- Contribute to local development wherever it operates: positive impact on local development by transferring knowledge, skills and resources to key community projects. This strengthens the relationship between the Company and the communities, fostering a shared sense of purpose and commitment to sustainable development.
- Contribution to sustainable tourism: MHE&A's collaboration and alliance with organizations, associations and other agents that promote sustainable tourism has positive effects by increasing reputation and credibility by reinforcing its commitment to responsible practices.

Potential effects

- Local development in the places where it operates through alliances with associations can contribute to improving the positive perception of us as a Company committed to social and environmental wellbeing. This approach not only strengthens the trust of local communities, but also attracts customers, investors and strategic partners who value sustainability and seek alliances with brands aligned with the Company's ethical principles.

The Sustainable Business strategy, integrated in the global growth pillar of *"Being a benchmark in sustainability"* includes among its main objectives maintaining active relationships with the communities where it operates, contributing to local development and attending to the specific needs of each destination in which it is present. This ambition arose naturally on identifying the Company's ability to create value in the way it works. As part of this commitment, MHE&A seeks to build responsible and successful alliances with supportive partners through the development of local projects.

MHE&A is also aware of the capacity of tourism to transform destinations as well as the high impact on the development of cities. The hotel sector must contribute to ensure that this growth is carried out in a sustainable and planned manner, respecting the local character. This involves adopting practices that minimise the environmental footprint, boost local economies, and protect the cultural identity of each destination. The need to develop sustainable tourism not only responds to the growing demand of conscious travellers, but also to the commitment to contribute to global wellbeing, promoting a balance between economic, social and environmental development.

Accordingly, MHE&A promotes strategic alliances and collaborations in sustainability, recognising the importance of interinstituional collaboration to meet the 2030 Agenda and the Sustainable Development Goals (SDG). Consequently, it establishes alliances based on common principles, values and objectives with different organisation in the public and private sphere at world, regional, national and local level, contributing in this way to the positive transformation of the destinations where it operates.

IRO management strategy for the material matter "Ethics, transparency and business culture". ESRS G1. GOVERNANCE

Topic	Sub-topics	Impacts, risks and opportunities
ETHICS, TRANSPARENCY AND BUSINESS CULTURE	Ethics and compliance	Knowledge and application of internal regulations through training in ethics and business culture helps to ensure that business practices are aligned with the Company's values. Defining effective controls on criminal and corruption and bribery risks helps to reduce future risks thanks to the correct management of the complaints received and confirmed by the whistleblowing channel.
	Corporate governance	The absence of clear and effective strategies can increase reputational risks, weaken stakeholder trust, and compromise the company's ability to respond to ethical or social incidents. Implementing robust action plans will not only mitigate these risks, but also make it possible to correct errors, strengthen processes and demonstrate the organisation's commitment to responsibility and transparency.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: Note 2. Material impacts, risks and opportunities.

Ethics, compliance and corporate governance is a cross-cutting pillar in the Company's strategy.

Actual effects

- The development of good governance policies linked to an ESG culture in management bodies generates long-term value by establishing an ethical and transparent framework that guides strategic decision making.
- Clear and transparent governance: this improves the perception of the Company among different stakeholders such as investors, customers and communities, bolstering its reputation and market position.
- Fostering an ESG culture can lead to a better working environment and greater commitment from team members. In addition, the adoption of shared values and a clear vision strengthens corporate identity, which translates into greater motivation and productivity. This culture also encourages innovation and adaptation to change, key elements in a dynamic business environment. Externally, a well-defined culture improves the company's reputation and strengthens relationships with stakeholders such as customers and suppliers, which has a positive impact on the sustainability and competitiveness of the business.
- Linking variable remuneration to ESG criteria: this can strengthen internal commitment to sustainability by highlighting its strategic importance for the Company's success and fulfilment of stakeholders' expectations.

Potential effects

- The development of good governance policies linked to an ESG culture in management bodies generates long-term value by establishing an ethical and transparent framework that guides strategic decision-making. This improves the perception of the company among different stakeholders such as investors, customers and communities, strengthening its reputation and market position. Any impact related to ESG breaches in governing bodies could undermine stakeholder trust and damage the Company’s reputation. Therefore, this strategic opportunity requires a continuous and proactive approach to ensure consistency between ESG values and business governance practices.

The Company continues to implement measures to promote and value the culture of compliance and the importance of consolidating an ethical business culture, promoting awareness among all team members about the relevance not only of complying with applicable regulations but also of acting ethically and in accordance with the Company's principles and values. The aim is for all team members to be aware that it is not only what is done that matters, but also how things are done, and a range of measures and tools to work on this mission have been implemented. Any impact related to ESG breaches by governing bodies could undermine stakeholder trust and damage the Company’s reputation. Therefore, this strategic opportunity requires a continuous and proactive approach to ensure consistency between ESG values and business governance practices.

IRO management strategy for the material matter "Digital transformation". - COMPANY - ENTITY SPECIFIC

Topic	Sub-topics	Subs-sub-topics	Impacts, risks and opportunities
DIGITAL TRANSFORMATION	Digitalisation and innovation		The implementation of new technologies and innovative solutions will help optimize information management, building customer loyalty thanks to the possibility of offering a more personalized service.
	Information security and data processing	Privacy and data protection	The implementation of security and control mechanisms in line with the rules and regulations in force in the locations where the Company operates is crucial for the protection of information. The lack of such mechanisms can pose a significant risk such as data loss, which can have a direct impact on the Company's reputation and operational continuity and its relationships with stakeholders. It is therefore essential to have effective governance frameworks that guarantee the proper use, storage and management of information Furthermore, new applicable regulations pose a challenge for the Company, not only with regard to GDPR or NIS2 but also other guidelines of the European Data Protection Board regarding the use of cookies or the need to have the customer's acceptance in order to send commercial information..
		Cybersecurity	Implementing action plans to reduce or eliminate identified threats, along with effective third-party risk assessment and management procedures, is essential to protect the business from cyber threats. While this may involve an increase in costs due to investment in control tools and mechanisms, such efforts are necessary to mitigate critical risks such as cyberattacks, which could lead to business disruptions, financial losses, compromised confidential information, and a negative financial and reputational impact. A proactive and strategic approach to managing these risks guarantees operational continuity and reinforces trust in the organisation.

Details of the impacts, risks and opportunities can be consulted in the following sustainability note: *Note 2. Material impacts, risks and opportunities*

Actual effects

- Increase in process automation: implementation of more advanced technologies to optimise repetitive tasks will reduce costs in the future and speed up tasks by making them more effective and productive, allowing some positions to dedicate more time to customer service and experience, as well as a higher quality response with greater agility.
- Increased control measures: GDPR compliance has increased significantly, which has led to the need to adapt MHE&A's systems to comply with it. This adaptation leads to an increase in customer confidence and minimises operational disruptions derived from security breaches.
- Response to cyber threats: as a result of a highly digital environment, the Company has to deal with cyberattacks where the effectiveness of controls is materialised, with no information leakage or loss of sensitive data by the Company having been generated in this regard.
- Stricter regulations: the Company is exposed to stricter GDPR regulations and has adapted its systems and processes accordingly. Compliance with NIS2 is also required, with a clear commitment to security not only within the Company but also by monitoring the entire value chain, including our suppliers, and with clearer sanctions for those who do not comply.
- Increased costs: regulatory compliance in terms of data security and protection entails investing in resources that allow systems to be adapted, including technology and system controls to guarantee data protection.
- Transformation in organisational culture and in operations: adoption of a more robust approach to information security governance, focusing on cybersecurity as a critical factor in the digital innovation process.
- Customer experience: digitalisation of services and greater connectivity with the customer through the Company's app and website.
- Improving the experience of MHE&A team members and other workers, with the digitalisation of their tasks and by providing mobility tools (housekeeping, waiters, maintenance,...) that, in addition to improving their work, help to eliminate paper and, therefore, support environmental goals.

Potential effects

Improved productivity and operational efficiency: access to new markets and capacity to anticipate customers' needs, offering innovative solutions that strengthen the long-term relationship.

- Impact on costs: in the medium/long term, the Company estimates that there will be an effect on the reduction of operating expenses associated to the elimination/minimisation of repetitive and manual tasks. This will also allow for the scalability of operations and processes. However, maintaining the "digital transformation" both in terms of innovation and in terms of information security entails associated maintenance costs that can sometimes be high.
- Increased consistency and quality: digitalisation and the use of systems in business operations allows processes to be automated and recorded, ensuring that information is traceable, consistent and of quality.

- Increased dependence on IoT systems: greater digitalisation leads to greater dependence on these technologies that are sometimes controlled by third parties, so the degree of autonomy decreases. As a result, there is also a greater exposure of sensitive data when connected to networks. This transformation brings challenges when it comes to training MHE&A team members.

Accordingly, in response to the effects described above and hand in hand with the implementation of the lines of work indicated, in 2024 the Company has carried out:

- Implementation of a tool to make more efficient the mobility in housekeeping and F&B tasks.
- Improvements in and implementation of the digital registration form in more hotels.
- Implementation of new services on the website: online upselling, reservation of venues for events with rooms, opening of online check in and choose your room to customers that have not booked on the Company's website.
- Pilot use of Alexa in some hotels to request services.
- Implementation of a new suppliers portal that permit more automation in accounting for invoices.
- Implementation of SD-WAN as new communications technology to better secure the Company.
- Implementation of a new SIEM tool with better functions.

Details can be found in the following section: *Actions and resources related to digital transformation.*

In future y ears, the Company expects to go further with these actions and incorporate new measures to help the Company grow through technology and cybersecurity.

In this regard, the Company is aware of the actual and potential effects of digital transformation on MHE&A. As a result, this approach is integrated in the corporate strategy through the cross-cutting pillar *"Digital transformation"* and its different lines of action based on both introducing advanced systems that offer greater operational efficiency and the protection and proper processing of customers and other stakeholders' data from the perspective of privacy and information security.

MHE&A's strategy and business model are designed to be resilient in a constantly changing environment, through an approach that combines the pursuit of financial stability, active risk management and a commitment to sustainability. This integrated analysis is conducted with both a current and long-term perspective, as needed, and is integrated into the Company's own growth strategy.

The Company's risk management encompasses both strategic risks and operational and emerging risks, with the aim of being able to adapt quickly to regulatory and market changes, in addition to establishing measures to mitigate any material impact that may affect the achievement of its activities. For this purpose the Company establishes measures and actions aimed at mitigating any risk associated to the impact. This process is linked and interrelated with the Double Materiality exercise and the identification of impacts, risks and opportunities related to sustainability.

The Company’s geographical diversification, the range and diversity of brands offered as well as the different types of contracts that the Company has established in the operation of the assets that make up the Company are aimed at strengthening its capacity to generate sustainable value in the long term, while guaranteeing the protection of our customers, partners, team members and other stakeholders.

As a result, no relevant financial effects have been recorded in 2024 deriving from the risks identified. Furthermore, during the process of identifying and assessing impacts, risks and opportunities, no of them has been detected that contains a material risk that could lead to a significant adjustment in the next reporting period to the carrying amount of the assets and liabilities recorded in MHE&A's financial statements.

MDR-P: Policies adopted to manage material sustainability matters

Policies for managing the "Fight against climate change"

As a sign of MHE&A's commitment to fighting climate change and towards achieving decarbonisation, in 2023 the Executive Sustainable Business Committee approved the Environmental and Climate Change Policy. In that same year, the Board of Directors of Minor Hotels Europe & Americas approved the Corporate Sustainability Policy.

Both policies apply to all companies within the Company, including subsidiaries and associated companies, in all the geographical areas in which it operates. MHE&A also promotes the adoption of these principles in companies in which it has a shareholding, even if it does not exercise control over their management and does not have a majority shareholding. It also promotes its application among its stakeholders (suppliers, customers and other stakeholders).

Environmental and Climate Change Policy

The management of impacts, risks and opportunities (IROs) deriving from climate change mitigation and adaptation is included in the Environment and Climate Change Policy, which establishes as a priority objective to promote the transition to a low-carbon business model by reducing or mitigating the adverse effects that the Company may have on climate change.

The Policy includes general and specific commitments related to climate change mitigation and adaptation, energy efficiency, promotion of renewable energies as well as other commitments related to the environment such as the circular economy, the protection of biodiversity and compliance with the law and any voluntary commitment made by MHE&A by incorporating them into strategic decision-making. In line with this, the policy has been established taking into consideration different international frameworks, such as the Paris Agreement, the Sustainable Development Goals (SDG) and the recommendations of the TCFD as well as the interests of stakeholders.

In this regard, the policy is designed to minimise the Company's environmental impact and contribute actively to the fight against climate change. It also regulates MHE&A's environmental management in the face of climate change, promoting the following principles and commitments:

- Take the necessary measures to advance towards the decarbonisation of the Company and achieve climate neutrality by 2050. This articulates climate change mitigation, by committing to reduce emissions through a decarbonisation plan and the promotion of renewable energies, and to offset emissions as an alternative solution.
- Promote the use of green energy, considering both the installation of renewable energy for own consumption and the purchase of certified green electricity.
- Carry out an exhaustive control of energy consumption, improving data capture and analysis, both on the activities of the hotels and their suppliers, considering all the actions that can improve efficiency in energy consumption in the hotel by prioritising technologies that reduce consumption in hotel operations.
- Commitment to offset emissions as an alternative measure when reduction is not possible.
- Incorporate environmental issues into the Company's decision-making process, including the assessment of environmental risks that may affect the activity of Minor Hotels Europe & Americas in the short, medium and long term, which contribute to climate change adaptation.

In this sense, the Environmental and Climate Change Policy addresses aspects related to climate change mitigation, climate change adaptation, energy efficiency, as well as the need to promote the use of renewable energy both in terms of self-production and through guarantees of origin. Thus, the ultimate objective of the same is the carbon footprint, optimizing the use of resources that will contribute to the resilience and competitiveness of MHE&A in a context where environmental regulation is increasingly demanding and the effects of climate change represent growing risks for businesses.

Sustainability Policy

Complementing the Environment and Climate change policy is the *Sustainability Policy* of Minor Hotels Europe & Americas, S.A. This policy has been established taking into consideration different international frameworks such as the Sustainable Development Goals (SDG) and stakeholders' interests.

Through this policy, MHE&A seeks to contribute a positive impact for the planet and the communities where it is present and one of its main objectives is placing the fight against climate change as one its pillars in the hotel business model.

The observance and effectiveness of the policies described above is monitored through the Executive Sustainability Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies*

Both policies are publicly available and accessible to all stakeholders through the following links:

- ***Environmental and Climate Change Policy***
- ***Sustainability Policy***

Policies for "Responsible water management"

As a sign of MHE&A's commitment to responsible water management, the Executive Committee of Sustainable Business approved the Environmental and Climate Change Policy in 2023, with the latter being responsible for its implementation and monitoring. In the same year, the Board of Directors of Minor Hotels Europe & Americas approved the Corporate Sustainability Policy, an umbrella policy that supports and complements the Environmental and Climate Change Policy.

Both policies apply to all companies within MHE&A, including subsidiaries and dependent companies, in all geographical areas in which it operates. Likewise, MHE&A promotes the adoption of these principles in companies in which it has a stake, even if it does not exercise control over their management or hold a majority stake. It also promotes their application among the stakeholders of groups involved in it (suppliers, customers and other stakeholders).

Environmental and Climate Change Policy

The management of the impacts, risks and opportunities (IROs) derived from the extraction and use of water is included in the Environment and Climate Change Policy, which establishes the management of natural resources, including water, as one of its priority objectives. Established taking into consideration different international frameworks such as the Paris Agreement, the Sustainable Development Goals (SDGs) and the recommendations of the TCFD, the Environmental and Climate Change Policy regulates the Company's water management by promoting the following principles and commitments:

- Have the least impact on water resources and work to preserve them, by preventing, minimising and controlling any pollution that hotel activity could cause. Carry out an exhaustive control of water consumption in order to make efficient use of it by incorporating new technologies and paying special attention to places with high water risk to implement innovative efficiency solutions.

In the context of the commitment made for 2024, MHE&A has implemented a series of actions focused on sustainable water management. One of the main initiatives has been the installation of a new system for collecting consumption data in 20% of the Company's hotels, within the consolidated reporting perimeter. This system has allowed for more accurate tracking and monitoring of the volume of water extracted in the facilities. The aim is to be able to continue deploying this technology in all hotels and thus achieve full data coverage through technology and digitalisation, one of MHE&A's key priorities.

Thanks to this advance, greater harmonisation, visibility and traceability of data has been achieved. It is expected that, once implemented in all locations, the Company will be able to carry out greater automated analysis, optimisation and forecasting, and therefore contribute to reducing its water footprint.

In addition, consolidating all data into a single platform will provide a solid starting point for developing measures aimed at reducing water extraction, which in turn improves environmental performance through greater efficiency in the use of resources.

Another notable measure has been the implementation of advanced technologies to reduce water extraction, focusing especially on hotels located in areas with greater water stress. These technologies have made it possible to reduce water intensity indexes, optimising water consumption.

The details of these measures can be consulted in the following points: 1) resource measurement system - tools to collect and analyse water consumption data and; 2) New shower heads – equipment designed to minimise water extraction without compromising the user experience.

- Comply with legal environmental requisites and any voluntary commitments made by Minor Hotels Europe & Americas.
- Incorporate environmental issues into the Company's decision-making process, including the assessment of environmental risks that may affect the activity of Minor Hotels Europe & Americas in the short, medium and long term.

Sustainability Policy

Complementing the Environment and Climate change policy is the *Sustainability Policy* of Minor Hotels Europe & Americas, S.A. This policy has been established taking into consideration different international frameworks such as the Sustainable Development Goals (SDG) and stakeholders' interests.

Through this policy, MHE&A establishes its framework to contribute a positive impact for the planet and the communities where it is present and one of its main objectives is to develop innovative sustainability initiatives and educate and provide training internally on the Company's sustainability strategy.

The observance and effectiveness of the policies described above is monitored through the Executive Sustainability Committee. To find our more details on the monitoring of this policy in 2024, please see the following section: *Governance of material matters*

Both policies are publicly available and accessible to all stakeholders through the following links:

- ***Environmental and Climate Change Policy:***
- ***Sustainability Policy:***

Policies for the "Circular economy and waste management"

As a sign of MHE&A's commitment to the circular economy and waste management, the Executive Committee of Sustainable Business approved the Environmental and Climate Change Policy in 2023, with the latter being responsible for its implementation and monitoring. That same year, the Board of Directors of Minor Hotels Europe & Americas approved the Corporate Sustainability Policy, an umbrella policy that supports and complements the Environmental and Climate Change Policy.

Both policies apply to all companies within the Company, including subsidiaries and associated companies, in all the geographical areas in which it operates. MHE&A also promotes the adoption of these principles in companies in which it has a shareholding, even if it does not exercise control over their management and does not have a majority shareholding. It also promotes its application among its stakeholders (suppliers, customers and other stakeholders).

Environmental and Climate Change Policy

The management of impacts, risks and opportunities (IROs) deriving from waste management and advancing towards a circular business model is included in the Environment and Climate Change Policy, which establishes among its objectives the promotion of the circular economy. The policy is based on different international frameworks, such as the Paris Agreement, the Sustainable Development Goals (SDG) and the recommendations of the TCFD and establishes a series of principles and commitments that address, among others, the management of waste from generation through the value chain until treatment through the establishment of alliances with third parties:

- Reduce the generation of waste and improvement management to facilitate and promote the circular economy throughout the hotel's lifecycle, from refurbishment to operation, implementation responsible and sustainable resource consumption policies by prioritising the "4R" rule: Reduce, Reuse, Recycle and Replace.

- Implement measures to gauge and reduce food waste in operations, promoting projects to identify new processes for optimisation and valorisation of food waste.

  In the context of the commitment made for 2024, MHE&A has implemented a project in Spain and Portugal aimed at complying with ruling European and national legislation on waste management. In the framework of this project, an ad hoc platform has been set up to monitor precisely the volume of waste generated and processed. The aim is to be able to continue deploying this technology in hotels in countries in the European Union and thus achieve full data coverage through technology and digitalisation, one of MHE&A's key priorities.

  Thanks to this advance, greater harmonisation, visibility and traceability of data has been achieved, and measures have been implemented to train teams in order to improve the separation of all waste fractions, guaranteeing compliance with ruling legislation. It is expected that, once implemented in the hotels within the scope of the project, the Company will be able to carry out a more in-depth analysis of the volume of waste generated and analyse the opportunities for optimisation that arise as a result.

  In addition, consolidating all data into a single platform will provide a solid starting point for developing measures aimed at reducing waste production, especially in the organic fractions deriving from the Company's intensive activity in the restaurant sector, which in turn improves environmental performance through greater efficiency in the use of resources

- Comply with legal environmental requisites and any voluntary commitments made by Minor Hotels Europe & Americas.

- Incorporate environmental issues into the Company's decision-making process, including the assessment of environmental risks that may affect the activity of Minor Hotels Europe & Americas in the short, medium and long term.

Sustainability Policy

Complementing the Environment and Climate change policy is the *Sustainability Policy* of Minor Hotels Europe & Americas, S.A. This policy has been established taking into consideration different international frameworks such as the Sustainable Development Goals (SDG) and stakeholders' interests.

Through this policy, MHE&A establishes its framework to contribute a positive impact for the planet and the communities where it is present and one of its main objectives is to develop innovative sustainability initiatives and educate and provide training internally on the Company's sustainability strategy.

The observance and effectiveness of the policies described above is monitored through the Executive Sustainability Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies.*

Both policies are publicly available and accessible to all stakeholders through the following links:

- ***Environmental and Climate Change Policy:***
- ***Sustainability Policy:***

Policies for "Sustainable purchasing"

As a sign of MHE&A's commitment to procurement and specifically to sustainable purchasing, MHE&A has a Procurement Policy in place that was approved in 2014 by the Board of Directors and a Sustainable Purchasing Commitment, approved by the Executive Sustainability Committee in 2023.

Purchasing Policy

It regulates the procedure for contracting goods and services on behalf of Minor Hotels Europe & Americas and establishes the guidelines to be followed by the different departments, whether corporate or from the different regions, in situations that affect or may affect the Company's external contracting. In establishing it, the Company has taken into account the interests and expectations of the parties involved in the purchasing processes.

The document is applicable to all departments of the organization that are involved in contracting or in external procurement on a recurring or one-off basis. It also applies to all goods and services contracted by the Company that fall within the Contracting Perimeter:

- Capital Expenditure (CapEx): All these expenses fall outside the scope of procurement.
- Operating expenses (OpEx): for food and beverages (F&B) as well as room and restaurant supplies; Other supplies: intercompany supplies, cleaning supplies, office supplies and printing materials, household goods, decoration and spa products; laundry and associated expenses; maintenance and cleaning and other external expenses such as transportation and shuttles, travel expenses, vehicle leasing, rental of machinery and facilities, etc.; external and outsourced personnel expenses; IT; professional services; marketing and merchandising (except for those agreements to be formalized with suppliers who have a dominant position in the market); energy and insurance.

The Purchasing Policy helps to reinforce:

- The commitment to guarantee transparency, honesty and ethics in the purchasing function.
- The need to carry out professional recruitment processes to optimize results.
- The need to align with internal control guidelines, as well as to update and communicate in a timely manner to all team members of the Company.

In this way, this policy regulates the processes of evaluation and selection of suppliers in order to avoid any type of business relationship with individuals or legal entities that could be involved in unethical or dishonest conduct, and especially in activities related to prostitution and corruption of minors, fraud and public and private corruption, money laundering and the financing of criminal or terrorist organizations.

It also sets out the main responsibilities of Coperama as the company's purchasing centre (legally constituted as a wholly-owned subsidiary of Minor Hotels Europe & Americas). Coperama is in charge of carrying out tendering processes and outsourcing goods and services within the categories of the Purchasing Perimeter. As stated in the Purchasing Policy of Minor Hotels Europe & Americas, all services or products included in categories that can be tendered by Coperama are part of the Purchasing Perimeter.

Likewise, it is defined that the pricing policies will be defined and closed individually in the contracts signed by the different Coperama(s) and Minor Hotels Europe & Americas in the different regions. It also has the power to report or bring to the attention of the Management Committee of Minor Hotels Europe & Americas any contracting or purchase that does not respect the Purchasing Policy.

In terms of payment to suppliers, the Contract must include the payment conditions established for each category by the Company's Finance department. Any exception to the general payment conditions must be expressly approved by the Corporate Finance or Business Unit department, depending on the nature of the delegated entity.

The follow-up and effectiveness of the aforementioned policies is monitored by the Management Committee. For details of the follow-up carried out in 2024, please see the following section: *Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them*

Available on the intranet portal for Team Members, and accessible to all members of MHE&A.

Sustainable Purchasing Commitment

Minor Hotels Europe & Americas seeks to assure a fair, transparent and ethical value chain, and involve its suppliers from the first contact with MHE&A, adopting at all times a proactive attitude to their needs and supporting them in the development of new capabilities. This Commitment has been developed in the framework of the Company's Purchasing Policy and is an appendix to it.

The Procurement Policy establishes the overall framework for the control and management of the (market, credit, business, regulatory, operational and reputational cybersecurity and criminal) risks deriving from purchasing equipment and material, and contracting goods and services throughout the Company, with special emphasis on compliance with ethical commitments by the Company's professionals and its suppliers.

The products, services and activities of MHE&A suppliers can have an impact on the Company's reputation, affecting the level of trust of other stakeholders. Suppliers must comply with the Minor Hotels Europe & Americas Purchasing Policy and the standards set out in that document, applicable laws and regulations, and request their supply chain, including third-party labour agencies, to do the same. In this sense, this commitment establishes the principles of the sustainable supply chain under fourteen fundamental pillars related to the fulfilment of human rights including labour rights and environmental aspects such as carbon and emissions management or the reduction of hazardous materials and restricted substances.

Minor Hotels Europe & Americas is not the co-owner or co-employer of any of its suppliers, each of which is the sole employer of its employees and, therefore, fully responsible for any of its employment-related decisions and for compliance with all laws, rules and regulations in the operation of its business. Failure by Minor Hotels Europe & Americas suppliers to comply with the Code of Conduct may result in termination of the contract as an MHE&A Supplier.

Environmental and Climate Change Policy

As mentioned in the preceding sections, the Environment and Climate Change Policy was approved in 2023 by the Executive Sustainable Business Committee. Through this policy, the Company has acquired the following commitments in relation to procurement:

- Promote responsible supply, by including an evaluation of suppliers' environmental sustainability in procurement decisions and by working with them to increase the positive impact of the value chain, prioritising local, seasonal, certified, recycled and recyclable elements, and suppliers that promote animal welfare, sustainable fishing and free-range eggs, among others.

- Eliminate any single-use plastic element in hotels, replacing them with biodegradable, reusable, recyclables and/or recycled alternatives.

As an example of the commitments acquired through the commitment to sustainable purchasing as well as the Environmental and Climate Change Policy, in the 2024 financial year MHE&A has implemented the following actions:

- CSDDD compliance process: Monitoring, detection and mitigation of supplier-related risks. A series of processes have been defined to comply with the Corporate Sustainability Due Diligence Directive.

- Search for products certified as sustainable by recognized organizations. MHE&A is working to increase the purchase of products certified with a sustainable standard such as "ecolabel", which is already implemented in most cleaning products.

The follow-up and effectiveness of the aforementioned policies (Commitment to Sustainable Purchasing and the Environmental and Climate Change Policy) is monitored by the Sustainable Business Executive Committee. For details of the follow-up carried out in 2024, please see the following section:*GOV-2: Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them.*

Other policies

Complementing the Procurement Policy, the Sustainable Purchasing Commitment and the Environmental and Climate Change Policy, there are other corporate documents that prevent, mitigate and remedy the actual and potential impacts and address the risks and opportunities arising in relation to sustainable purchasing.

Corporate Gift Policy

In terms of risks, the Gifts Policy approved in 2018 in consideration of all the interests of stakeholders emerges with a double objective. On the one hand, to regulate the gifts received and delivered by team members in workplaces that operate under Minor Hotels Europe & Americas brands, when they are acting on behalf of the Company and; on the other hand, to prevent and detect situations that may lead to breach of ruling legal regulations or have a negative reputational impact on the Company. Accordingly, it regulates the maximum limit of the monetary value for acceptance of a gift provided that:

- It does not influence a business decision;

- It is a cash or equivalent gift;

- It is organized as a leisure product or services considered illegal or that may negatively affect the image, public reputation or interests of MHE&A;

- Any gift is there is an open contracting or competitive bidding process.

More restrictive limits were established for the team members in the Purchasing, Projects and Engineering departments, as they are more exposed to the risk.

Accordingly, the delivery or acceptance of gifts under this policy may not influence or give the appearance of influencing decision making and should never be construed as or be a bribe or undue payment.

The compliance office keeps a record of communications in this regard sent to the corporate e-mail address giftcompliance@minor-hotels.com; and, as the case may be, submits the matter for approval by the Compliance Committee in the case of gifts valued at more than 1000 euros.

In addition, the Compliance Office periodically reports to the Compliance Committee all situations in which the reported gifts have been higher than the limit established in the policy (200 euros), with the agreement of the appropriate Management Committee member or hotel manager.

Corporate Code of Conduct

Applicable to all MHE&A's suppliers, the purpose of the Code of Conduct is to establish the principles, values and rules that may be applicable to them, taking into account at all times the extent to which MHE&A has powers to enforce them.

Through this Code of Conduct, the commitment is established to comply with internationally recognized human rights and to avoid any form of fraud or abuse of these rights in the development of its commercial operations.

Supplier must maintain a preventive approach focused on the challenge of environmental protection, adopting methods that promote greater environmental responsibility and favour the development and dissemination of environmentally friendly technologies.

Furthermore, every supplier must avoid participating in any kind of corruption, extortion or bribery that could affect the principles of fair trade or lead to public scandals in which Minor Hotels Europe & Americas could be affected.

Coperama Code of Conduct

In addition to the provisions of the Corporate Code of Conduct, there is also the Coperama Code of Conduct which is applicable to all suppliers that have signed an Approval Supplier Agreement with Coperama and are involved in the processes of selling, manufacturing, marketing, distributing and delivering products and services for Minor Hotels Europe & Americas.

It was approved in 2006 for the purpose of determining, the values, principles and rules that are to govern ethical and responsible behaviour and the action of each of the suppliers and manufacturers referred to above.

- It regulates respect for and promotion of Human Rights, including the prohibition of child labour, any kind of forced labour or done under coercion;
- It also establishes that no type of fraud, bribery or corruption is tolerated and
- It regulates the protection of confidential and privileged information.

These policies (except for the procurement policy and the gifts policy) are publicly available and accessible to all stakeholders through the following links:

- ***Sustainable purchasing commitment***
- ***Environmental and Climate Change Policy:***
- ***Sustainability Policy***
- ***Corporate Code of Conduct***
- ***Coperama Code of Conduct***

Policies for the "Commitment to team members and responsible hiring"; the "Culture of equality, diversity and inclusion of team members"; "Health, safety and wellbeing of team members"; "Training, talent management and career development of team members" and "Workers in the value chain".

As a sign of MHE&A's commitment to the staff who operate the hotels under the MHE&A brands, the Management Committee approved the People Policy in 2024, with this body being responsible for its implementation. A year earlier, the Executive Committee of Sustainable Business approved the Occupational Health and Safety policy. It should be noted that, as an umbrella policy for all of them, the Board of Directors of Minor Hotels Europe & Americas approved the Corporate Sustainability Policy.

These policies apply to all companies within MHE&A, including subsidiaries and associated companies, in all the geographical areas in which it operates. MHE&A also promotes the adoption of these principles in companies in which it has a shareholding, even if it does not exercise control over their management and does not have a majority shareholding. It also promotes their application among its stakeholders involved in the matter (suppliers and other stakeholders).

People Policy

The management of impacts, risks and opportunities of relative importance derived from issues related to our own personnel as well as to workers in the value chain (staff of managed and franchised hotels) is included in the People Policy. In establishing this, the Company has taken into account the interests and expectations of the parties involved.

It applies to all companies within MHE&A, including subsidiaries and associated companies, in all the geographical areas in which it operates. MHE&A also promotes the adoption of these principles in companies in which it has a shareholding, even if it does not exercise control over their management and does not have a majority shareholding.

Guided by eight governing principles, the policy is designed to contribute to sustainable value creation in the long term:

- Equal treatment and opportunities: promotion of discrimination-free environments and objective practices in selection and promotion, as well as ensuring equity for all through fair and impartial treatment. This ensures a respectful and equitable environment, aligned with human rights.
- Career development and training: development of continuous skills development programmes to boost the Company's ability to adapt to new challenges. In addition, guaranteeing a performance-linked remuneration system based on the contribution of professionals makes it possible to take advantage of their skills and experiences, strengthening organisational cohesion and market knowledge.

- Promotion of diversity: building inclusive work environments with the aim of guaranteeing full participation, contribution and inclusion regardless of the physical and personal characteristics of the team.

- Responsible hiring and adequate wages: guarantee a responsible selection and hiring system that reflects and promotes the Company's values as well as fair and equitable working conditions at MHE&A.

- Social dialogue and collective bargaining: promotion of and respect for freedom of collective bargaining and association as well as compliance with the provisions of the applicable collective agreements.

- Work-life balance and social benefits: implementation of measures such as flexible working hours, leave and digital disconnection to reduce work stress and improve work-life balance.

- Health and safety: guaranteeing safe working environments by promoting a health and safety management system based on prevention at source as well as by developing mechanisms for the detection, control and mitigation of identified risks (reflected in the Occupational Health and Safety Policy of Minor Hotels Europe & Americas).

- Other rights inherent to work: ensure the respect, protection and non-violation of Human and Labour Rights (reflected in the Human Rights Policy of Minor Hotels Europe & Americas).

Accordingly, the Company understands and promotes diversity as a key competitive advantage, together with equity, inclusion, respectful treatment and equal opportunities as priority responsibilities in its management model. Through this policy, the Company also materialises its commitment to developing, attracting and building the loyalty of talent, as well as respect for the human and labour rights of people, health and safety in the work environment, wellbeing and work-life balance of all its team members.

In this regard, and as an example of the commitments made in the Policy, the Company has carried out the engagement survey, works on different channels that encourage active listening to team members and is going to implement a corporate health and safety management system, among other actions.

The observance and effectiveness of the policies described above is monitored through the Management Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies.*

Occupational Health and Safety Policy

It establishes the general framework for MHE&A's actions in the field of Occupational Health and Safety, focusing on guaranteeing a safe and healthy working environment. It includes the general principles and commitments that ensure a model of occupational health and safety management, as well as occupational well-being in the daily actions of all MHE&A team members. In establishing the policy, the company has taken into account the interests and expectations of stakeholders and the following commitments stand out:

- Reinforcing the integration of occupational risk prevention into the Company's general management system through the continuous monitoring and evaluation of risks and hazards related to occupational health and safety throughout the Company's activities.

- Maintaining safe and healthy working conditions that prevent harm to and deterioration of team members' physical, mental and cognitive health in order to ensure healthy ageing within the context of MHE&A risks and opportunities.

- Developing training and skill development activities necessary to foster a culture of prevention.

- Conducting more in-depth study of the cause-origin of the damage to occupational health that has occurred in order to develop the relevant preventive and corrective measures.

- Establishing and maintaining close collaborative relationships with the different competent Public and Private Administrations in the field of occupational health and safety, with the aim of developing best practice wherever the Company carries out its activity.

- Assuring compliance with applicable legal requirements, as well as other existing standards and recommendations on this matter.

It also seeks compliance with applicable laws as well as greater integration of health and safety through a model based on prevention at source, with an occupational risk prevention plan being essential. In this regard, and as a sign of the commitments made in the Policy, the Company is carrying out a project that aims to establish a corporate health and safety system, which it hopes to be able to implement in all the geographies in which it operates (consolidated perimeter scope) in the medium term.

The observance and effectiveness of the policy described above is monitored through the Executive Sustainability Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information provided to and sustainability matter address by the Company's administrative, management and supervisory bodies.*

These policies are publicly available and accessible to all stakeholders through the following links:

- ***People Policy***
- ***Occupational Health and Safety Policy***

It should also be noted that these policies are supported by both the *Human Rights Policies*, and the corporate *Code of Conduct* which address aspects related to the material IROs identified in relation to team members, such as diversity, equality and respect as well as aspects related to human rights.

"Communities" Policies

As a sign of MHE&A's commitment to a positive contribution in the places where it operates, in 2023 the Board of Directors approved the Sustainability Policy.

This policy applies to all companies within MHE&A, including subsidiaries and associated companies, in all the geographical areas in which it operates. MHE&A promotes the adoption of these principles in companies in which it has a shareholding, even if it does not exercise control over their management and does not have a majority shareholding. It also promotes their application among its stakeholders involved in the matter (suppliers, customers and other stakeholders).

Additionally, the Company also has the Anti-Fraud and Corruption Policy, approved in 2019 and updated in 2023 (update concerning the whistleblowing channel), which sets out, in accordance with the terms of the Code of Conduct, its commitment to zero tolerance of bribery and corruption.

With a global scope, the policy covers all the activities, decisions and commercial processes related to the Company, including but not limited to contracting, competitive tenders, transactions and relations with public and private entities.

In the section dedicated to defining regulated practices this policy addresses donations and sponsorship in its commitment to service the communities where it operates. MHE&A can sponsor events or make contributions to charitable organisations for educational, social, humanitarian and other legitimate commercial purpose provided that they do not give rise, in any circumstances, to any benefit or reward in return.

The anti-corruption policy does not prohibit contributions to organisations and other non-profit entities in the form of donations and lawful sponsorship. However, they do have the obligation to guarantee that the funds in question are used for the intended purpose, do not deviate from it and reach suitable recipients.

The Social Responsibility Department will be responsible for managing the requests for donations and sponsorships that arrive and determining whether or not these are accepted, as well as ensuring that they are effectively made in a legitimate and responsible manner.

It also regulates user rights. Customers have the right of access, rectification, deletion, erasure, limitation of processing and data portability. In addition, the possibility of managing preferences in the use of data for commercial communications is guaranteed.

The observance and effectiveness of the policy described above is monitored through the Executive Sustainable Business Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies.*

These policies are publicly available and accessible to all stakeholders through the following links:

- ***Sustainability Policy***
- ***Anti-Fraud and Corruption Policy***

"Customer experience and service quality" Policies

Privacy Policy

Updated in June 2024 to consider the interests of stakeholders, the privacy policy describes how the Company collects, uses, discloses, and protects personal data when interacting with websites, applications, and services provided within the Company.

It should be noted that as part of MHE&A's integration into Minor Group, a new global privacy policy has been jointly developed. This policy applies to all MHE&A properties, regardless of brand or operating region (Europe and the Americas, Asia and the Middle East, or Australia and New Zealand). It also applies to personal information collected through online services.

This Privacy Policy applies to personal information collected through: 1) Online services: websites owned or controlled by Minor Group, web and mobile applications, social media pages, HTML-formatted email messages, Wi-Fi connectivity, and other digital channels; and 2) Offline interactions: when you visit or stay as a guest at one of our properties, attend events and activities hosted by us, communicate with our call centre, or through other offline interactions.

This policy addresses various points such as who are the data controllers, the need to obtain user consent, which data are collected, how and for what purpose and the conservation of such data. It also includes aspects related to the exchange of personal data and, in the event of a data transfer (as a result of the integration with Minor Group), how it is carried out.

With regard to the purpose of the use of the data, it is collected and processes are in place to manage bookings, provide services and send commercial communications (if the user authorises it). In the case of payments, the bank details are stored temporarily to ensure the settlement of possible charges at check-out.

It also regulates the rights of users. Customers have the right of access, rectification, deletion, objection, limitation of processing and data portability. In addition, the possibility of managing preferences in the use of data for commercial communications is guaranteed.

As far as data security is concerned, the policy undertakes to guarantee it through security measures. In this regard, adequate security measures have been implemented to prevent accidental loss, unauthorised use of or access to or modification or disclosure of personal data. Access to personal data is also limited to team members, representatives, contractors and other third parties that have a commercial need to know such data.

Procedures are also in place to address any suspected breach of personal data protection and the Company will notify users and any competent regulatory authority of such breach when legally required to do so.

The observance and effectiveness of the policies described above is monitored through the Compliance Committee in collaboration with MHE&A's Audit and Control Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies.*

This policy is publicly available and accessible to all stakeholders through the following links:

Privacy Policy

It is important to point out that, although there is no specific public policy aimed at customers, Minor Hotels Europe & Americas has a solid structure of internal documents designed to guarantee consistency and excellence in all its hotels. These documents cover key aspects such as brand and incident management, quality standards and guidelines that ensure uniformity in processes, services and customer experiences. This approach makes it possible to offer a consistent, high-quality experience in all establishments, reflecting the Company's values and principles in every interaction with customers, regardless of the destination.

"Ethics, transparency and business culture" Policy

With regard to ethics and compliance, the Company has corporate documents that support the development of an ethical and transparent business culture. The instrument that unites them is the *Code of Conduct.*

Anti-Fraud and Corruption Policy

Approved in 2019 and updated in 2023 (update concerning the whistleblowing channel), this policy sets out, in accordance with the terms of the Code of Conduct, the Company's commitment to zero tolerance of bribery and corruption, in both the public and the private sector, with the aim of maintaining ethical and transparent working environments.

With a global scope, MHE&A's Anti-Fraud and Corruption Policy covers all the activities, decisions and commercial processes related to the Company, including but not limited to contracting, competitive tenders, transactions and relations with public and private entities.

Established in line with the main international standards on corporate responsibility and corruption, such as the recommendations of the OECD, the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act or the reforms of criminal legislation in Spain and other countries, as well as the interests and views of stakeholders.

It establishes guidelines to prevent, detect and respond to cases of fraud, which is considered to be any intentional action aimed at obtaining an undue benefit, including the misappropriation of assets. The policy details the procedures on how suspected fraud should be reported, the responsibility of team members and senior management in implementing preventive measures, and the applicable sanctions in the event of non-compliance.

The policy establishes the general principles on which it is based, such as zero tolerance for conduct contrary to it, compliance with the law, transparency, integrity and accuracy in financial information and the importance of internal control, among others, as well as stating the main prohibited practices (such as contributions linked to political purposes). practices that are strictly regulated (such as hospitality offered, the management of donations or sponsorship , and grants) and other practices that are acceptable.

- Bribery: bribery is strictly forbidden. Team members and associated third parties are completely prohibited from offering or accepting services on behalf of MHE&A.
- Facilitation payments, defined as small payments to speed up administrative processes, are also prohibited.
- Anti-competitive practices: the principles and measures against activities that may affect fair competition in the market are addressed. In this regard, the policy refers to any behaviour that distorts or limits competition in the market, including agreements, conduct, or other strategies that restrict free competition, both explicitly and implicitly.
- Political contributions: it does not permit the use of funds, properties or other resources of the Company to make contributions or offer anything of value to political candidates, political parties or party members.

It should be noted that this year the criminal offence prevention model has been updated, with the aim of strengthening internal control mechanisms and guaranteeing regulatory compliance in line with current legal requirements. This review has made it possible to incorporate improvements in the procedures for the identification, assessment and mitigation of criminal risks, as well as to adapt internal policies to legislative changes and international best practice. In addition, training and awareness-raising measures have been implemented for team members, with the aim of promoting an ethical and compliance culture throughout the Company.

Money-laundering and Terrorist Financing Prevention Policy

Approved in 2019 and updated in 2023, this policy reflects MHE&A's commitment to the prevention of money laundering and terrorist financing. It establishes general guidelines to help in the prevention and early detection of situations that may entail a risk for Minor Hotels Europe & Americas in relation to the prevention of money laundering and terrorist financing. In this regard, the prevention and detection of situations is the responsibility of all those people, regardless of their position and function, who work in centres that operate under the MHE&A brands. Accordingly, the scope of application of the policies covers all MHE&A personnel regardless of the type of contract that determines the employment relationship, the position they occupy or the geographical area in which they carry out their work.

The Company, through its policy, defines the concepts of money laundering and terrorist financing, all of which are without prejudice to the provisions contained in the regulations of each country, which are also applicable. In drawing it up, the Company has taken into consideration the interests of the parties concerned and has done so in accordance with Directive 2005/60/EC of the European Parliament on the prevention of the use of the financial system for money laundering and terrorist financing.

This Policy extends mainly to the limitation on receiving cash payments in accordance with the provisions of the local regulations and MHE&A's operational system MHE&A by countries and the identification of partners in charge of the Expansion Department as responsible for carrying out due diligence measures in accordance with the process and the check list established in the Corporate Expansion, Opportunities and Projects Procedure.

In addition, other obligations are established in relation to payments, essential in relation to cash payments (such as: not accepting amounts that exceed the country limits on the total amount of the service; making the payment in instalments in order to circumvent the maximum threshold allowed for cash payments; cash payments that are unusual in view of the nature of the operation) and, a series of other non-permitted conducts (such as: accepting payment by cheque made out to the bearer or other instruments that do not state the recipient's name, payment by international transfer that does not contain the identity of the payer or the number of the account of origin of the transfer, among others).

These are not applicable in the case of payments and/or transactions derived from operations in the ordinary course of business and/or MHE&A's own activity, for which there must be supporting documentation.

As indicated above, in 2024 the criminal offence prevention model was updated, with the aim of strengthening internal control mechanisms and ensuring regulatory compliance in line with current legal requirements. This review has led to improvements in criminal risk identification, assessment and mitigation procedures that address issues related to the prevention of money laundering and the financing of terrorism.

Human Rights Policy

In 2020, the Board of Directors approved the Human Rights Policy of Minor Hotels Europe & Americas, a document which sets out all the principles and commitments undertaken by the Company in this regard, the scope of which encompasses not only team members but also customers, suppliers, partners and other stakeholders and is reinforced by and applied to complement the corporate *Human Rights Due Diligence Procedure* throughout the Company.

The Policy establishes the commitment to comply with Human and Labour Rights in accordance with the highest international standards, highlighting the United Nations Guiding Principles on Business and Human Rights, as well as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, as well as the International Covenant on Economic, Social and Cultural Rights, the OECD Guidelines for Multinational Enterprises 2011 or the ILO Declaration on Fundamental Principles and Rights at Work. works to protect, respect and remedy (prevent and manage) the risks associated with non-compliance with these rights.

The guiding principles on which the policy is based are as follows:

- Health and Safety for all
- Protection of team members' rights
- Freedom of association and collective bargaining
- Promotion of equality and inclusion
- Child rights and child labour
- Right to freedom of opinion, information and expression
- Respect for local communities and their environment
- Slavery and forced labour
- Corruption
- Intellectual property
- Privacy

The policy reinforces a sound and responsible governance model, that fosters transparent and responsible management on the basis of a single corporate document with global scope that, among other aspects, will make it possible not only to manage better the risks wherever Minor Hotels Europe & Americas is present, but also ensure knowledge and integration of the policy in the value chain. Through this Policy, the Company undertakes to play an active role in the promotion of Human Rights and to work proactively to this end. The Policy reflects the commitments already undertaken in this regard and guarantees respect for the labour rights of all team members, customers, suppliers and partners, in all the countries where the Company is present, in accordance with ruling law in each country.

Relations with all stakeholders the Policy applies to should always be based on respect for human dignity and non-discrimination. The Company rejects all conduct, behaviour or action likely to foster, promote or incite, directly or indirectly, hatred, hostility, discrimination or violence against a group for racist reasons or other reasons referring to the ideology, religion or beliefs, family situation, membership of an ethnicity, race or nation, national origin, gender, sexual orientation or identity, or due to illness or disability.

Minor Hotels Europe & Americas emphatically prohibits any kind of hostile or humiliating actions against people, the abuse of authority and any type of harassment, whether physical or psychological, as well as any other conduct that could generate an intimidating, offensive or hostile working environment. Furthermore, no child labour, forced labour or human trafficking is tolerated.

The Company also recognizes that the principle of equality of treatment and opportunities for addressees of the Code of Conduct is a principle that inspires its Human Resources policies and is applicable both to the hiring of team members and to training, career opportunities or salary levels, as well as all other aspects of labour relations with team members.

The Code of Conduct also prohibits the imposition on team members of health and safety conditions at work that damage, suppress or restrict their rights as recognised by legal provisions, collective agreements or individual contracts. No form of illegal traffic of labour or fraudulent emigration is permitted, and applicable legislation will be respected at all times with regard to the entry and transit of foreign nationals.

The Code also explicitly states that the exercise of the rights of protest, association, organisation and collective bargaining in the framework of the rules regulating each of these fundamental rights and in accordance with international law and practice will not be unduly limited.

Minor Hotels Europe & Americas establishes its commitments to assure compliance with human rights in its Human Rights Policy. These commitments are developed in line with the UN International Charter of Human Rights, the declaration of the International Labour Organization (ILO) as well as the fundamental charters (freedom of association and trade union freedom, the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour; and the elimination of discrimination in work and occupation) and conventions on indigenous and tribal peoples, the OECD Guidelines for Multinational Enterprises and the European Convention on Human Rights.

The observance and effectiveness of the policies described above is monitored through the Compliance Committee in collaboration with MHE&A's Audit and Control Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information on sustainability matters provided to other bodies*

From the perspective of the governing bodies, integrated into the sub-topic that is the subject of the report, the Company has a selection policy for Candidates to the Board. It establishes a general framework for the selection of candidates to the Board of Directors in compliance with the highest standards of corporate governance.

Selection Policy for Directorship Candidates

On 22 December 2020, following a favourable report issued by the Appointment, Remuneration and Corporate Governance Committee, the Board of Directors approved modifications to the Director Selection Policy in line with the Good Governance Code, which ensures that proposed appointments of directors of the Company are based on a prior analysis of the Board's needs. To evaluate the candidates who participate in the selection process, the procedure takes into account the skills, experience, professionalism, suitability, gender, independence, knowledge, qualities, capacities and availability of members of the Board of Directors from time to time. The Appointment, Remuneration and Corporate Governance Committee plays a relevant role in this process.

This Policy seeks to avoid discrimination and ensure that merit is the prevailing selection principle in finding the best candidates for the Company.

Conditions that candidates must fulfil

Candidates for the post of Director of the Company must meet requisites of qualification and professional and personal honourability. In particular, they must be suitable and prestigious individuals, of recognised professional capability, competence and experience, with sufficient qualifications, training and availability for the position. Candidates must show a commitment to their role, with a personal and professional history of respect for the law and commercial good practice, and they must comply with the obligations always established by law to be part of the Board of Directors. Furthermore, they must be professionals of integrity, whose conduct and career are aligned with the ethical principles and duties established in the Company's internal regulations, and they must share the Company's vision and values.

Promotion of Diversity

Minor Hotels Europe & Americas is convinced that diversity, in all its facets and at all levels of its professional team, is an essential factor to ensure the Company's competitiveness and a key element of its corporate governance strategy. In the candidate selection process, discrimination is avoided, and merit is the principal selection criterion, in the corporate interest, and the process is designed to seek the most qualified candidates.

However, and notwithstanding the above, every time a vacancy arises on the Board of Directors, and the corresponding selection process starts, at least one woman must participate as a candidate. As far as is compatible with the composition of the shareholders and the management body, the Company maintains the intention to comply with the 15th Recommendation of the Good Governance Code.

To reach this target, the Appointment, Remuneration and Corporate Governance Committee will ensure that the selection process does not suffer from any implicit bias that impedes the selection of female Directors and that the potential candidates include women who match the required professional profile.

These policies are publicly available and accessible to all stakeholders through the following links:

- ***Anti-fraud and corruption policy***
- ***Prevention of Money Laundering and Terrorist Financing Policy***
- ***Human Rights Policy***
- ***Director Candidate Selection Policy***

"Digital Transformation" Policies

Security is integrated across all areas of the Company, covering profiles from different areas of the operation to guarantee effective risk management, taking into account the sensitivity and criticality of each environment. As a sign of MHE&A's commitment to conscious and regulated digital transformation, the Company has two policies in place for information security and data privacy. It is through them that the regulatory framework and internal commitments for the management of impacts, risks and opportunities derived from digital transformation are established.

Information Security Policy

The rise of new technologies and the role that businesses play in developing them make information security a fundamental part of their responsibility, and a determining factor for competitiveness. Accordingly, in 2023, the Management Committee of Minor Hotels Europe & Americas approved an update to the Information Security Policy, which establishes the guidelines to guarantee the confidentiality, integrity and availability of the information processed within the scope of the business. The objective of this policy is to define the lines of action that make up the corporate strategy in relation to information security, developing clear and concise guidelines for the management, protection and proper use of the Company's information assets.

In developing the policy, the legal requirements established in the laws and regulations of the regions in which the Company operates, such as the GDPR and national laws on intellectual property (IP) have been used as a reference. The information security legislation and standards included in the scope of the policy have been detailed in the Information Security Framework. The recommendations contained in the Code of Good Governance of Cybersecurity of the National Cybersecurity Forum have also been taken into consideration, as well as the recommendations of stakeholders in relation to Information Security.

The Company's team members and Management, as well as associates and third parties who provide their services in the course of the business activities of Minor Hotels Europe & Americas, are subject to the obligations deriving from this policy. In this regard, it includes both information and communications systems, computer services and technologies that support MHE&A's processes, services and functions, regardless of the locations of operations. The policy will also be extended to any other natural and/or legal person linked to the Company in order to comply with its provisions, whenever it is applicable.

MHE&A s committed to compliance with the Information Security Policy, following good practice and internationally recognised standards.

The senior governing body that approves matters related to information security and the risk map, which includes cyberthreats, is the Board of Directors. In turn, the Management Committee is the body that guarantees the viability of the business. There is also an Executive Committee for Information Security, which monitors the cybersecurity strategy. This Committee is led by the Chief Operations Officer & Global Transformation Leader.

In addition, the direct involvement of all members of the organisation is promoted, fostering a proactive, critical and constructive attitude in the constant quest for improvement and quality in the processing, evolution, security and safeguarding of information. Throughout the year, training capsules are carried out to increase awareness of information security. Fake phishing campaigns are also carried out to measure the level of awareness in this regard.

In this regard, personal data protection and the security of the information of all Minor Hotels Europe & Americas' stakeholders is of the utmost importance to the Company, as can be seen in the results obtained in the materiality analysis. That is why, to assure correct and effective management, the Company has structures, as well as the necessary security plans and control mechanisms in line with the legislation and regulations in force in each location where it operates.

In this way, any incident and/or request for additional information about the policy can be communicated to Information Security at the e-mail address infosec@minor-hotels.com.

The observance and effectiveness of the policies described above is monitored through the Compliance Committee and the Information Security Committee, in collaboration with MHE&A's Audit and Control Committee. To find out more details on the monitoring of this policy in 2024, please see the following section: *GOV-2: Information on sustainability matters provided to other bodies*

This policy is publicly available and accessible to all stakeholders through the following links: ***Information Security Policy***

The Company also has a Privacy Policy that explains how the Company collects, uses, discloses and protects personal data on its websites, applications and services, the details of which can be found in the following section privacy policy

In addition, to ensure compliance with the European NIS2 Directive, aimed at strengthening cybersecurity and the resilience of critical infrastructures, the Company has adapted its procedures to it. This includes implementing advanced cybersecurity measures, such as incident detection and response systems, cyber risk management, and sensitive data protection, across all its operations within the European Union. Efforts will also be made to report relevant security incidents to the competent authorities within the stipulated deadlines, thus ensuring a rapid and coordinated response. The integration of these standards strengthens user trust and ensures alignment with European regulatory requirements on digital security.

MDR-A: Actions and resources in relation to material sustainability matters

The actions reported for each of the sustainability topics are ongoing and aim to manage the impacts, risks and opportunities of relative importance identified for each topic.

The scope and coverage of these actions is explicitly stated where they are not of a corporate nature.

Similarly, where information is available on the monetary item incurred (CapEx - OpEx), this is specified in each corresponding action.

Finally, the development of these actions is not conditioned or exposed to sustainable financing instruments such as green bonds, social bonds or green loans.

Metrics MDR-M – Metrics in relation to material sustainability matters

Throughout the thematic sections, MHE&A reports the parameters (KPIs) associated with the management of each of its material issues. These parameters have been verified by PricewaterhouseCoopers Auditores (PwC), the provider of the verification of the report itself, and have not been validated by any other additional independent body.

NH Brussels EU Berlaymont
Brussels, Belgium

GOVERNANCE

GOV-1: The role of the administrative, management and supervisory bodies

The operation of the administrative, management and supervisory bodies and the decision-making process are described in detail in the Annual Corporate Governance Report (ACGR), highlighting the functions of the General Shareholders' Meeting and the Board of Directors as the Company's supreme governance bodies. These bodies work in direct collaboration with the Audit and Control Committee and the Appointment, Remuneration and Corporate Governance Committee which are entrusted with examining and monitoring areas of special relevance for good governance of the Company. It should be noted that these bodies are supported by the Management Committee of Minor Hotels Europe & Americas.

It should be noted that only the Board of Directors and its delegated committees are part of the administrative, management and supervisory bodies according to the terms of applicable CSRD legislation and its ESRS requirements.

The structure, composition and operation of these bodies is detailed below:

Board of Directors of Minor Hotels Europe & Americas

The Board of Directors is the highest management and representation body of the Company. It is empowered to carry out, within the scope of the corporate object set out in the Articles of Association, any legal acts or transactions of administration and disposal, under any legal base, except those reserved by the Companies Act or by the Articles of Association as the exclusive competence of the General Shareholders' Meeting. Consequently, the Board of Directors is basically set up as a supervisory and control body, while the ordinary management of the Company's business is entrusted to the executive bodies and the management team.

The functions of the Board of Directors and its Committees (Audit and Control Committee and Appointment, Remuneration and Corporate Governance Committee) are expressly set out in articles 33, 47 and 48 of the Articles of Association and in articles 5, 25 and 26 of the Board Regulations, among others. At the General Shareholders' Meeting of Minor Hotels Europe & Americas held on 30 June 2021, and at the meeting of the Board of Directors of Minor Hotels Europe & Americas held on 28 July 2021, the Company approved the amendment of several articles of the Articles of Association and of the Board Regulations in order to bring their content into line with Act 5/2021, of 22 April, amending Royal Legislative Decree 1/2010, of 2 July, approving the Companies Act (Consolidating Act), in relation to the functions and competences of the Board of Directors and its Committees.

The Board of Directors discharges its functions in accordance with the corporate interest, which is understood to be the Company's interest; and in this regard it acts to guarantee the Company's long-term viability and maximize its value, while also considering the many legitimate public or private interests that converge on the performance of any business activity.

For further information, please consult the Regulation of the [Board of Directors of Minor Hotels Europe & Americas] available on the corporate website:

Composition of the Board of Directors*
At 31 December 2024

Name	Post on the Board	Category
Mr Dillip Rajakarier	Chairman	Proprietary
Mr Ramón Aragonés Marín	Vice Chairman and CEO	Executive
Mr Kosin Chantikul	Director	Proprietary
Mr Stphen Andrew Chojnacki	Director	Proprietary
Mr William Ellwood Heinecke	Director	Proprietary
Ms Miriam González-Amézqueta López	Director	Independent
Ms Laia Lahoz Malpartipa	Director	Executive
Mr Tomás López Fernebrand	Director	Independent
Mr Rufino Pérez Fernández	Director	Executive
Ms María Segimón de Manzanos	Director	Independent
Mr Carlos Ulecia Palacios	Secretary	Non-director

**A complete profile of all the members of the Board of Minor Hotels Europe & Americas and of its Committees is public and can be consulted in NOTE 1: PROFILES OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES and in section C.13 of the Corporate Governance Report filed with the CNMV.*

At the year end, the Board of Directors of Minor Hotels Europe & Americas was made up of 10 members, with women representing 30% (3 female directors) and 30% independent members (3 independent members). The Board's composition also reflects a diverse range of nationalities, with its members representing a total of 5 different nationalities, as a sign of the commitment to diversity in the governance bodies.
Similarly, during the year, the MHE&A Board consisted of 3 Executive Directors and 7 Non-Executive Directors.

The composition is the result of the re-elections approved by resolutions of the Ordinary General Shareholders' Meeting held on 19 April 2024. That meeting approved the re-election of the Directors Mr Stephen Andrew Chojnacki, Mr William Ellwood Heinecke and Mr Emmanuel Jude Dillipraj Rajakarier classified as "Proprietary" directors; the re-election of the director Mr Rufino Pérez Fernández classified as an "Executive" director and the ratification of the appointment by co-optation of the directors Ms Miriam González-Amézqueta López, Mr Tomás López Fernebrand and Ms María Segimón de Manzanos classified as "Independent" directors.

During the year the Board of Directors of Minor Hotels Europe & Americas met on 10 occasions.

It should be noted that, between 31 December 2024 and the date of drawing up this Report, the following changes have taken place:

- Ramon Aragones retired from his executive duties on January 1, 2025, ending his position as CEO. As of the date of issue of this report, he is reclassified in the category of Other External

As a result of this, the composition of the Board of Directors on the date of publication of this report is structured as follows:

Composition of the Board of Directors*

At 13 February 2025

Name	Post on the Board	Category
Mr Dillip Rajakarier	Chairman	Proprietary
Mr Ramón Aragonés Marín	Vice Chairman	Other External
Mr Kosin Chantikul	Director	Proprietary
Mr Stephen Andrew Chojnacki	Director	Proprietary
Ms Miriam González-Amézqueta López	Director	Independent
Mr William Ellwood Heinecke	Director	Proprietary
Ms Laia Lahoz Malpartipa	Director	Executive
Mr Tomás López Fernebrand	Director	Independent
Mr Rufino Pérez Fernández	Director	Executive
MsMaría Segimón de Manzanos	Director	Independent
Mr Carlos Ulecia Palacios	Secretary	Non-director

**A complete profile of all the members of the Board of Minor Hotels Europe & Americas and of its Committees is public and can be consulted in NOTE 1: PROFILES OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES in section C.13 of the Corporate Governance Report filed with the CNMV.*

The appointment of Mr Aguilar as CEO will be formalized at the next Ordinary General Shareholders' meeting which will take place by 30 June 2025.

The General Shareholders' Meeting approved, with 99.76% votes in favour the Annual Remuneration Report for the previous year. A majority support that the Company achieved year after year. This high percentage ratifies the backing from shareholders and investors to the Board Remuneration Policy of Minor Hotels Europe & Americas.

More information on the Board of Directors Remuneration Polices can be found in the Annual Report on remuneration of directors of listed companies 2024. Specifically, in section *"C. DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH MEMBER OF THE BOARD OF DIRECTORS"*

Committees of the Board

Audit and Control Committee

This Committee focuses mainly, among other matters, on supervising the effectiveness of the Company's internal control, and of the process of drawing up and filing regulated financial and non-financial information, assuring the independence and effectiveness of the internal audit function and of the external auditor.

Composition of the Audit and Control Committee

At 31 December 2024

Name	Post	Category
Ms Miriam González-Amézqueta López	Chair	Independent
Mr Stephen Andrew Chojnacki	Member	Proprietary
Mr Tomás López Fernebrand	Member	Independent
Mr Carlos Ulecia Palacios	Secretary	Non-director

The Audit and Control Committee met 6 times during the year. It is made up of three members, none of whom are executive directors, in accordance with Act 31/2014 of 3 December, which amends the Companies Act to improve corporate governance.

Appointment, Remuneration and Corporate Governance Committee

This Committee is mainly focused on proposing the appointment of Independent Directors or reporting on the skills of the other directors to be appointed, as well as analysing and evaluating everything concerned with remuneration, both of directors and of Senior Management, drawing up the corresponding policies. It is also responsible for supervising and controlling compliance with corporate governance rules and environmental, social and financial, non-financial and corporate reporting policies, proposing the necessary Reports to the Board.

Composition of the Appointment, Remuneration and Corporate Governance Committee

At 31 December 2024

Name	Post	Category
Ms Maria Segimón de Manzanos	Chair	Independent
Mr Stephen Andrew Chojnacki	Member	Proprietary
Mr Tomás López Fernebrand	Member	Independent
Mr Carlos Ulecia Palacios	Secretary	Non-director

During the year the Appointment, Remuneration and Corporate Governance Committee met on 6 occasions. Composed of three members, none of whom are executive directors, in accordance with Act 31/2014 of 3 December, which amends the Companies Act to improve corporate governance.

It should also be noted that the Company does not have any representatives of MHE&A employees on its administrative, management and supervisory bodies. These representatives are selected in accordance with national and EU legislation on workers' representation on administrative, management and supervisory bodies, in other words, they are elected directly by the workers or designated by worker representation bodies, such as trade unions, works committees or European works committees.

To find out more details of the profiles that make up the governance bodies of Minor Hotels Europe & Americas and specialist knowledge on sustainability matters from the three ESG perspectives, please see: *NOTE 1: PROFILES OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES*. Their expertise allows for correct implementation, supervision and development of the Minor Hotels Europe & Americas strategy and its pillars associated to sustainability matters.

Management Committee

The Management Committee (not considered per se an administrative, management and supervisory body according to the provisions of the CSRD) of Minor Hotels Europe & Americas is set up as the body that guarantees the viability of the business, seeking growth and establishing the Company's strategic framework, developing talent and leadership.

The Management Committee (Senior Management in accordance with the terms of internal regulations) meets on a weekly basis and is made up of the Chief Officers of the different areas:

Composition of the Management Committee*

At 31 December 2024

Name	Post
Mr Ramón Aragonés Marín	*Chief Executive Officer (up to 31 December 2024)*
Mr Gonzalo Aguilar	*Chief Executive Officer (from 1 January 2025)*
Mr Alonso Escrivá de Romaní Arsuaga	Chief Strategy Officer
Ms Laia Lahoz Malpartida	Chief Assets & Development Officer
Mr Isidoro Martínez de la Escalera Álvarez	Chief Marketing & Communication Officer
Ms Ana Muñoz Sánchez	Chief Financial Officer
Ms Marta Perez-Leirós Fernández	Chief People & Sustainable Business Officer
Mr Rufino Pérez Fernández	Chief Operations Officer & Global Transformation Leader
Mr Carlos Ulecia Palacios	General Counsel & Chief Legal and Compliance Officer
Mr Fernando Vives Soler	Chief Commercial Officer

**A complete profile of all the members of the Management Committee can be consulted in the Management Team section of the Company's corporate website.*

At 31 December 2024, Senior Management formed by the Management Committee under the provisions of the Internal Regulation is made up of 7 men (70.0%) and 3 women (30.0%).

It should be noted that on 31 December Ramón Aragonés retired from his post and with effect from 1 January 1 2025, Gonzalo Aguilar takes over the post of CEO of Minor Hotels Europe & Americas.

Composition of the Management Committee*

At 13 February 2025

Name	Post
Mr Gonzalo Aguilar	Chief Executive Officer
Mr Alonso Escrivá de Romaní Arsuaga	Chief Strategy Officer
Ms Laia Lahoz Malpartida	Chief Assets & Development Officer
Mr Isidoro Martínez de la Escalera Álvarez	Chief Marketing & Communication Officer
Ms Ana Muñoz Sánchez	Chief Financial Officer
Ms Marta Perez-Leirós Fernández	Chief People & Sustainable Business Officer
Mr Rufino Pérez Fernández	Chief Operations Officer & Global Transformation Leader
Mr. Carlos Ulecia Palacios	General Counsel & Chief Legal and Compliance Officer
Mr Fernando Vives Soler	Chief Commercial Officer

**A complete profile of all the members of the Management Committee can be consulted in the Management Team section of the Company's corporate website.*

Remuneration of Senior Management and of the Board

The average remuneration of Senior Management in 2024 is 451,231 euros which includes: fixed salary, short-term variable salary accrued in 2024, vehicle, medical insurance, life insurance and accident insurance.

At 31 December 2024, Senior Management (corresponds to the Management Committee without the Executive Directors) is made up of 7 members, 5 men (71%) and 2 women (29%). Excluding the Executive Directors, it is made up of 5 men and 2 women. The result of the gender pay gap in Senior Management is 30.9%.

In accordance with the Board Remuneration Policy, the chairman of the Board of Directors has a fixed annual salary of 200,000 euros, and the chairs of the Audit and Control Committee and the Appointment, Remuneration and Corporate Governance Committee have a fixed annual salary of 90,000 euros. The fixed salary for a Board member is 50,000 euros.

Executive Directors do not receive any fixed annual salary or expenses for attending Board or Committee meetings.

At 31 December 2024, three are the Executive Directors, 2 men and 1 woman. The average annual remuneration of Executive Directors for their task as Senior Management in 2024 is 909,604 euros which includes: fixed salary, short-term variable salary accrued in 2024, vehicle, medical insurance, life insurance and accident insurance. In terms of the breakdown by gender, the average annual remuneration of male executive directors was 1,063,543 euros and the average annual remuneration of the female executive director was 601,727 euros.

The General Shareholders' Meeting approved the previous year's Annual Remuneration Report with 99.8% of votes in favour. A majority support which the Company achieved year after year.

This high percentage ratifies the backing of its shareholders and investors for the Board Remuneration Policy of Minor Hotels Europe & Americas.

More information on the Board of Directors Remuneration Policies can be found in the Annual Report on remuneration of directors of listed companies 2024.

Specifically in section *"C1. Individualized remuneration of each of the Board members (including remuneration for carrying out executive functions) accrued during the year".*

Other Committees

There are also other Committees (not considered per se to be administrative, management and supervisory bodies) that provide a governance structure to assure responsible and efficient management aligned with best practice on the market, allowing the Company to make informed decisions, align its operations with sound corporate values and deal proactively with market challenges.

This not only strengthens the competitiveness and reputation of Minor Hotels Europe & Americas, but also creates a more structured and secure working environment, generating long-term value for all our stakeholders.

- **Executive Compliance Committee:** this committee is responsible for guaranteeing that the Company's operations conform to legal and ethical standards, including data protection, equal opportunities, and measures to combat corruption and fraud.
- **Executive Risk Committee:** this committee assesses and manages the different risks, creating mitigation strategies to protect the assets of the business and guarantee its continuity. It also ensures that the Company has robust contingency plans to adapt to unexpected changes in the business environment.
- **Executive Sustainable Business Committee:** this committee validates and applies the Sustainable Business strategy and monitors progress in the attainment of related objectives and goals. It also validates the Company's ESG risk map and the action plan defined to minimize ESG risk. It presents the progress made in the application of the agreed action plans to the Audit and Control Committee. It also presents advances of the strategy to the Appointment, Remuneration and Corporate Governance Committee.
- **Executive Assets Committee:** this committee manages the Company's assets, assessing the performance and value of each property, and analysing opportunities for improvement or expansion. It also ensures that each asset generates the maximum return and contributes to the Company's long-term growth.
- **Executive CapEx Committee:** this committee plans, assesses and approves long-term investments in assets, including hotel refurbishments, improvements in infrastructures, technological investments, etc.
- **Executive Direct Digital Sale Committee:** monitoring of sales by channel and update of the status and review of projects related to strategic initiatives that aim to improve the performance of direct sale and digital channels.

Management plays a crucial role in governance processes, controls and procedures, assuring an effective management of the impacts, risks and opportunities identified in the Company's Double Materiality process. These impacts, risks and opportunities are channelled, managed, monitored and assessed through the corporate value creation strategy.

The administrative, management and supervisory bodies (Board of Directors and its two principal Committees), together with senior executive management (Management Committee) and its associated committees supervise the establishment of goals related to these aspects and monitor progress towards achieving them. This governance structure guarantees an effective response aligned with MHE&A's strategic goals.

Sustainable Business Governance

The governance bodies of Minor Hotels Europe & Americas play a crucial role in defining and overseeing the Sustainable Business strategy, guaranteeing that it is aligned with the commitments and objectives acquired by the Company and with best practice in the sector.

Governance on sustainability aspects cuts across the diverse areas of the company, always in direct collaboration with the Sustainable Business department of Minor Hotels Europe & Americas, guaranteeing comprehensive management of sustainability issues in the Company. In this context, the Executive Sustainability Committee, as a specialized body, is closely linked to other committees of the Company such as the Executive CapEx Committee, the Executive Assets Committee, the Executive Compliance Committee or the Executive Risk Committee. This interrelations assures a consistent and coordinated vision in critical issues as the mitigation of climate risks, transparency in operations and corporate responsibility, strengthening MHE&A's commitments to its sustainability goals.
Sustainable Business Governance, on account of its cross-cutting nature and its relevance in the management of ESG aspects as set out in the *Company's Sustainability Policy* (approved by the Board of Directors) is detailed below.

- The *Board of Directors* of Minor Hotels Europe & Americas is responsible for overseeing the *Sustainable Business Strategy*, defined as one of the pillars of the Company's strategy. This task of oversight and control is articulated through the two Committees of the Board of Directors:

- On one hand, the *Appointment, Remuneration and Corporate Governance Committee* is responsible for overseeing and controlling compliance with the Sustainable Business Strategy, proposing the necessary Reports to the Board, and assuring that the corporate culture is aligned with its mission and values.

- On the other hand, the *Audit and Control Committee* is responsible for assessing any matter related to Risks, including climate risks.

The Chief People & Sustainable Business Officer and the Chief Operations Officer are responsible for overseeing environmental and climate aspects in the Management Committee, and validate the Company's climate strategy set out in the Sustainable Business model. Along these lines, the *Management Committee* as a whole is the body responsible for approving the Company's Sustainable Business strategy.

The role of this coordinated function has received a further boost since 2 October 2020, when the Chief Operations Officer was appointed as an executive member of the Board of Directors.

NH Berlin Alexanderplatz
Berlin, Germany

Executive Sustainable Business Committee

It should be noted that, on 12 May 2022, the Appointment, Remuneration and Corporate Governance Committee approved the creation of the Executive Sustainable Business Committee ("Sustainability Committee"), as a result of its awareness of the great importance of sustainability and its role as a key factor in the market. As evidence of the Company's commitment to Environmental, Social and Governance (ESG) metrics, this Committee is driven to promote all the actions and initiatives carried out in that field and to make the principal decisions related to it.

For this reason, the Executive Committee has the function of supporting the Board in its duty to supervise the Sustainable Business Strategy, providing the necessary resources to achieve the objectives and goals in this area. To ensure that the long-term objective is met, the Company monitors compliance and the actions taken throughout the year by the Executive Sustainability Committee. In this sense, it is the body in charge of validating the Sustainability Strategy, monitoring progress and the achievement of the objectives and goals of Sustainable Business, including those related to the climate.

It is also the body that has to report advances in the Sustainable Business strategy to the Appointment, Remuneration and Corporate Governance Committee.

In addition, and in coordination with the Executive Risk Committee, it has to validate the process of identification and assessment of the ESG risk maps, including climate-related risks and opportunities.

It is also responsible for validating the action plan defined to minimize the Risks identified and maximize the value of opportunities. Finally, it is the body responsible for presenting the execution status of the agreed action plans to the Audit and Control Committee.

The Executive Sustainability Committee is co-chaired by the Chief People and Sustainable Business Officer and the Chief Assets Officer, and is made up of members of the Company from different key areas with a direct impact on the strategy of Minor Hotels Europe & Americas, but also represent the Group as a whole.

This Committee will meet regularly and as often as considered appropriate or necessary, establishing at least four meetings per year. In 2024, the Executive Sustainability Committee met three times. Throughout these sessions, they have followed up on the Sustainable Business Strategy which encompasses the monitoring of IROs related to Sustainability issues: due to the relevance for MHE&A to operate in a decarbonised world, environmental aspects have been addressed in particular detail throughout these sessions. The details can be found in the following section: Sustainable Business Executive Committee

As regards management of the environmental strategy, MHE&A has a Corporate Sustainable Business Department which reports to the Chief People & Sustainable Business Officer. In addition, with the aim of preventing and reducing environmental risks and impacts and of implementing the Company's commitments in this regard, work is coordinated between teams from different areas, both at corporate level and by region and hotels.

The Company is aware that to meet its sustainable commitments it is crucial to involve the entire Company and materialize this through a Sustainable Mindset. To this end, key tasks that should be worked on jointly have been identified, to combine efforts in order to live up to its ambition of being prepared to operate in a decarbonized world.

The responsibilities of each body and person in relation to impacts, risks and opportunities are reflected in the sustainability policy and other associated policies that govern and guide the management of material matters. Management plays a crucial role in governance processes, controls and procedures, assuring effective management of the incidents, risks and opportunities identified in the Company's Double Materiality process. These impacts, risks and opportunities are channelled, managed, monitored and assessed through the Sustainable Business strategy.

Furthermore, the administrative, management and supervisory bodies (Board of Directors and its two principal Committees), together with senior executive management (Management Committee and Executive Sustainability Committee), oversee the establishment of goals related to these aspects and monitor progress towards their attainment. This governance structure guarantees an effective response aligned with MHE&A's strategic goals.

GOVERNANCE OF MATERIAL MATTERS

Governance of "Fight against climate change"

Minor Hotels Europe & Americas presents a governance framework for sustainability issues which include fighting Climate Change. This governance is responsible for managing risks and opportunities and also the impacts generated throughout the value chain, especially in the Company's own operations deriving from the fight against climate change.

The highest supervisory body in the Company is the Board of Directors, responsible for overseeing the Company's Sustainable Business strategy (including the fight against climate change), ESG policies and results, through its two Committees: the Audit and Control Committee (supervisory body for analyses of risks and opportunities (TCFD); and the Appointment, Remuneration and Corporate Governance Committee.

The Audit and Control Committee oversees and assesses the preparation process and the integrity of financial and non-financial information, and the control and management systems applied to the financial and non-financial risks relating to the Company and, as the case may be, the Company – including risks, technological, legal, social, environmental, political and reputational or corruption-related risks– reviewing compliance with regulatory requisites, the appropriate definition of the consolidation perimeter and correct application of accounting principles and policies. For its part, the Appointment, Remuneration and Corporate Governance Committee is responsible for the assessment and regular review of the corporate governance system and of the Company's Environmental and Social policy, so that they fulfil their mission of promoting the corporate interest while taking into account the legitimate interests of other stakeholders. They also provide oversight to ensure that the Company's environmental and social practices conform to the established strategy and policies.

Along these lines, the Management Committee as a whole is the body responsible for approving the Company's Sustainable Business strategy. The Chief People & Sustainable Business Officer and the Chief Operations Officer are responsible for environmental and climate aspects in the Management Committee, and validate the Company's climate strategy set out in the Sustainable Business model.

At the same time, the Executive Sustainable Business Committee has the job of supporting the Board in its duty of overseeing the Sustainable Business strategy, providing the necessary resources to achieve the objectives and goals in this area. To that end, a quarterly follow-up of the SBT 2030 Plan is carried out, with data on emissions, energy and water in both absolute terms and in occupancy ratios. The monitoring of environmental information in the systems (Deepki and BI) is also examined, and the CapEx items of equipment that is expected to improve energy consumption are reviewed.

As far as environmental strategy management is concerned, MHE&A has a Corporate Sustainable Business Department which reports to the Chief People & Sustainable Business Officer. This department handles the coordination of ESG matters in collaboration with other corporate departments (Works and Engineering, Assets and Commercial) with the aim of preventing and reducing environmental risks and impacts, and of implementing the Company's commitments in this area. All of them convey the commitments undertaken in relation to responsible water management to internal and external stakeholders with the aim of raising awareness and implementing the measures among all interested parties.

The responsibilities of each body and person in relation to impacts, risks and opportunities are reflected in the Sustainability Policy and The Environment and Climate Change Policy that govern and guide the management of material matters.

Through its governance, MHE&A proactively seeks opportunities that arise from the global need to evolve towards more sustainable models, transitioning towards more innovative and climate-aware practices. This approach not only contributes to decarbonization, but also opens up new pathways of innovation, financing, growth and increase in competitiveness.

Governance of "Responsible water management"

Governance of responsible water management is carried out through the Management Committee, which is the highest oversight body for this material matter. As indicated above, the Management Committee is responsible for approving the Company's Sustainable Business strategy and material matters related to water.

The parties responsible for environmental aspects, including water, within the Management Committee are the Chief People & Sustainable Business Officer and the Chief Operations Officer, who in turn are responsible for validating the Company's strategy to be followed for efficient water management set out in the Sustainable Business strategy, through the "Operational Processes" line of action.

At the same time, the Company has an Executive Sustainable Business Committee, the job of which is to support the Management Committee, in this case by providing the necessary resources to attain the goals related to water management.

It should be noted that in 2024 the Management Committee received a detailed report on the hotels in the portfolio located in areas of high water stress, submitted by the Chief People & Sustainable Business Officer and with the prior approval of the Executive Sustainable Business Committee. This analysis, based on international criteria and local data, was designed to highlight the risks associated to limited access to water in these regions and the opportunities to implement more effective mitigation measures, considering possible investment in water-saving technologies to ensure resilient operation aligned with the long-term Sustainable Business strategy.

Furthermore, the responsibilities for carrying out such management lie with different teams within the Company, such as the operations departments at both corporate and regional level, as well as hotel maintenance staff. All of them manage the implementation of these measures in the hotels, aligned with compliance with local policies and regulations.

Governance of "Circular economy and waste management"

Governance of the circular economy and waste management is carried out through the Management Committee, which is the highest oversight body for this material matter. As indicated above, the Management Committee is responsible for approving the Company's Sustainable Business strategy and material matters related to waste, in a very similar way to what is described above in relation to water.

The parties responsible for environmental aspects, which include waste management, within the Management Committee are the Chief People & Sustainable Business Officer and the Chief Operations Officer, who also validate the strategy to be followed for efficient waste management in the Company as set out in the Sustainable Business model, through the "Operational Processes" line of action.

At the same time, the Company has an Executive Sustainable Business Committee, which has the role of supporting the Management Committee, in this case by providing the necessary resources to attain the goals related to waste management.

It should be noted that in FY24, the Company has continued with the process of automating the management of the waste generated in all the hotels in Spain, Portugal and Italy, in order to advance in the reduction, reuse, recycle and valuation of waste. This will subsequently be implemented in all the hotels in the portfolio.

The Management Committee received periodic detailed reports on the hotels in the portfolio that were advancing with this project, submitted by the Chief People & Sustainable Business Officer and with the prior approval of the Executive Sustainable Business Committee.

Governance of "Sustainable purchasing"

Governance of the Company's procurement lies with Coperama, which is a company wholly owned by Minor Hotels Europe & Americas. The Management Committee and, specifically, the CEO of Coperama Holding and the Chief Financial Officer, are responsible for procurement governance, based on the management, coordination and supervision of suppliers, as well as oversight of the procurement policy, a document which guarantees transparency, honesty and ethics in the management carried out by the Company.

In addition, there is also a Procurement Awards Committee, which is made up of permanent members such as the CEO of Coperama Holding and the Chief Financial Officer of Minor Hotels Europe & Americas and non-permanent members with decision-making power such as the Chief Operations Officer, the SVP of the corresponding department and MDs of the Business Unit, as appropriate. In general, the Procurement Awards Committee meets twice a month to evaluate bids pending approval and make a decision on them.

The Executive Sustainability Committee also collaborates in supervising ESG management of suppliers, with the aim of reducing environmental, social and governance risks and improving performance in relation to this matter.

To this end, it has a specific workspace that integrates members of the procurement team and of the Sustainable Business team, providing service for matters related to the sustainability of suppliers.

Governance of the "Commitment to team members and responsible hiring "

The Company has an organizational structure that is responsible for implementing, reviewing and overseeing compliance with the People policy and, therefore, all matters related to hiring, collective agreements and social dialogue in the Company. In this regard, the Management Committee, in collaboration with the applicable corporate departments, will provide a regular follow-up of the matters indicated above, depending on their relative importance in each part of the year.

Ultimate governance responsibility for the matters mentioned above lies with the Management Committee, which is the body responsible for approving the Company's People strategy and, specifically, with the Chief People & Sustainable Business Officer. In addition, the People departments lead the definition and development of the strategy to be followed and monitor and implement it. The Regional Management Directors, People Directors of the regions and hotel GMs are responsible for adapting the strategy to the context of the Business Unit.

The Company is aware that People management is an ongoing process that requires constant dedication and effort, and therefore it periodically reviews its internal processes, as well as mechanisms of responsibility and monitoring of progress.

Governance of "Culture of equality, diversity and inclusiveness of team members"

The Company has an organizational structure that is responsible for implementing, reviewing and overseeing compliance with the People policy and, therefore, matters relating to diversity, inclusion and equality of treatment and opportunities.

In this regard, the Executive Sustainability Committee, and the Management Committee, in collaboration with the applicable corporate departments, will provide regular monitoring of matters related to team members and their wellbeing at work.

The highest level of governance responsibility for matters related to team members lies with the Management Committee, the body responsible for approving the Company's People strategy, and in particular the Chief People & Sustainable Business Officer. In addition, the People department lead the definition and development of the strategy to be followed and monitor and implement it.

The Regional Managing Directors, People Directors of the regions and hotel GMs are responsible for adapting the strategy to the context of the Business Unit.

The Company is aware that People management is an ongoing process that requires constant dedication and effort, and therefore it periodically reviews its internal processes, as well as mechanisms of responsibility and monitoring of the progress made.

Governance of "Health, safety and wellbeing of Team Members"

Governing of this material matter currently lies with People management, at local level, and is monitored annually by the Management Committee to oversee figures for accidents at work and occupational diseases that are reported annually in the report. Specifically, governance in the Committee lies with the Chief People & Sustainable Business Officer.

Governance of "Training, talent management and professional development of Team Members"

The Company has an organizational structure that is responsible for implementing, reviewing and overseeing compliance with the People policy and, therefore, matters relating to training. In this regard, the Management Committee, in collaboration with the applicable corporate departments, will provide regular monitoring of matters related to team members and their wellbeing at work.

The highest level of governance responsibility for matters related to training of team members lies with the Management Committee, the body responsible for approving the Company's People strategy, and in particular the Chief People & Sustainable Business Officer. In addition, the People department lead the definition and development of the strategy to be followed and monitor and implement it. Furthermore, the Regional Managing Directors, People Directors of the regions and hotel GMs are responsible for adapting the strategy to the context of the Business Unit.

The Company is aware that People management is an ongoing process that requires constant dedication and effort, and therefore it periodically reviews its internal processes, as well as mechanisms of responsibility and monitoring of the progress made.

Governance of "Workers in the value chain"

The Company has an organizational structure that is responsible for implementing, reviewing and supervising compliance with the People policy and the Code of Conduct, policies that apply to the staff of managed and franchised hotels (also referred to "workers in the value chain", according to the definition of ESRS S2).

In this regard, the Management Committee, in collaboration with the applicable corporate departments, provides regular monitoring of training, talent management and career development of workers in the value chain and concern for their wellbeing at work, in the same way as for the Company's team members.

Governance of this group, for the part related to talent management and professional development, lies with the Management Committee, the body responsible for approving the Company's People strategy, and especially with the Chief People & Sustainable Business Officer.

In addition, the People departments lead the definition and development of the strategy and monitor and implement it, covering this type of workers (staff of hotels under management and franchise). Furthermore, the Regional Managing Directors, People Directors of the regions and hotel GMs are responsible for adapting the strategy to the context of the Business Unit.

The Company is aware that management of these matters relating to workers in the value chain is an ongoing process that requires constant dedication and effort, and therefore it periodically reviews its internal processes, as well as mechanisms of responsibility and monitoring of the progress made.

Governance of "Customer experience and service quality"

Customer and service quality governance is an essential component of the Company's management and is structured to ensure an exceptional customer experience.

On a monthly basis, we report on the evolution of the perceived quality of our services by our customers at each and every one of our hotels. These reports are aggregated and reviewed quarterly by the Management Committee. Customer ratings are one of the reference elements in the variable remuneration of hotel staff.

Governance of "Communities"

Governance of the material matter "Communities" lies with the Management Committee, the body responsible for approving the Company's Sustainable Business strategy and, in particular, with the Chief People & Sustainable Business Officer.

At least annually the Company's social action related to cash donations to non-profit entities is presented to the Committee, as well as the main figures obtained through the social initiatives promoted by the Company in all the areas of the world where it is present.

Exceptionally, if a catastrophe occurs and the Company has to collaborate urgently with a particular social measure (for example, the flooding catastrophe in Valencia (Spain)), the Management Committee provides weekly monitoring of the actions carried out by the Company and their impact on the business.

Governance of "Ethics, transparency and business culture"

The Company is governed by a Code of Conduct that establishes the fundamental principles of business ethics, integrity and regulatory compliance. This Code applies to all team members, to the staff of hotels under management and franchise, to Executives of Minor Hotels Europe & Americas, independently of the type of contract determining their employment or business relationship, the post they hold or geographical area where they work, members of the management bodies of the companies and other entities that make up the Group, guests, suppliers, shareholders and any other stakeholders that, although not specifically mentioned in the Code of Conduct, have a direct relationship with the centres or operations of Minor Hotels Europe & Americas, promoting transparent and responsible practices in all operations.

The highest supervisory structure is the Board of Directors, which oversees implementation of policies related to business conduct and regulatory compliance. This body ensures that the governance of the Company is aligned with its values and with international standards. Furthermore, the Audit and Control Committee, which reports to the Board, ensures that the Policies and systems established in relation to internal control are applied effectively in practice. In addition, it oversees compliance and the internal codes of conduct, as well as corporate governance rules. On the other hand, the Appointment, Remuneration and Corporate Governance Committee ensures that the corporate culture is aligned with the Company's mission and values.

Another of the governance bodies is the Compliance Committee. This body is made up of members of the Management Committee with sufficient expertise in the Company's activities and who also have the necessary authority, autonomy and independence to guarantee the credibility and binding nature of the decisions made. This body oversees the activity carried out by the Compliance Office and monitors all the internal processes and policies implemented in the Company, and observance and compliance with them. It also has the power to propose disciplinary measures on team members with regard to matters within its scope of competence. Furthermore, it oversees compliance with key areas of the Compliance System: the Internal Rules of Conduct on Securities Markets, the Procedure for Conflicts of Interest, the Code of Conduct and the Group's Criminal Risk Prevention Model, among other functions, and regularly assesses the risks related to business conduct.

The Internal Audit department is responsible for ensuring that the Company operates with integrity and ethics in accordance with established policies.

Governance of "Digital transformation"

The Company integrates digital transformation as a strategic pillar to improve the guest experience, optimize operational processes and guarantee long-term sustainability. This approach is aligned with sustainability, assuring a balance between technological innovation and ethical compliance. Governance of this material matter lies with the Company's Board of Directors, which oversees the adoption of innovative technologies and their impact on operations, ensuring alignment with best practice and regulatory standards.

In addition, there is a Technology Committee, of which the Chief Operations Officer & Global Transformation Leader is a member, that leads the evaluation of digital opportunities and fosters the implementation of technological solutions that drive business efficiency.

The Company also has an Executive Information Security Committee, which is responsible for promoting and supporting the establishment of technical, organizational and control measures that assure the integrity, availability and confidentiality of information, within a general framework of cybersecurity, information security and privacy risk management.

This Committee is made up of the Chief Operations Officer & Global Transformation Leader, the SVP of IT & Systems and the Chief Information Security Officer, who is the person responsible for cybersecurity in the Company and assures that information technologies and assets are protected against possible cyberattacks and/or data leaks. The Committee is also responsible for establishing and monitoring the Company's cybersecurity strategy.

Attention should be drawn to the IT & Systems departments, which coordinate all matters related to cyber security and implement solutions that combine security, sustainability and efficiency.

GOV-2: Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies

The Company has carried out the following activities throughout the year with the aim of informing the different administrative and management bodies about the sustainability matters identified in the Minor Hotels Europe & Americas strategy, the contents of which are aligned with the main results obtained in the double materiality analysis.

- **BOARD OF DIRECTORS**
  - Review of the annual reports for 2023, including the Non-Financial Information Statement 2023 - Sustainable Business Report.
  - Approval of the Long-term Incentive Plan for the third cycle 2024-2026.
  - Approval and review of the CEO, COO and CADO's remuneration (proposed settlement agreement for MBO 2023 and proposed objectives 2024).
  - Approval of the update to the criminal risk prevention model.
  - Review and approval of the corporate risk map 2025.
  - Follow-up, monitoring and review of the Company's growth strategy and its different lines of action.
- **AUDIT AND CONTROL COMMITTEE**
  - Review of the annual reports for 2023, including the Non-Financial Information Statement 2023 - Sustainable Business Report.
  - Review and follow-up of two of the risks identified in the corporate risk map 2024. These risks receive a material score for sustainability matters: review of the labour legislation applicable to the Company in terms of collective agreements and review of the risks and the Company's positioning in relation to cyberattacks.
  - Review of matters reported through the whistleblowing channel.
  - Review of the corporate information control system.
  - Review and approval of the corporate risk map 2025.

APPOINTMENT, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

- Review of the annual reports for 2023, including the Non-Financial Information Statement 2023 - Sustainable Business Report.
- Approval of the Long-term Incentive Plan for the third cycle 2024-2026.
- Approval and review of the CEO, COO and CADO's remuneration (proposed settlement agreement for MBO 2023 and proposed objectives 2024);
- Review and approval of the annual evaluation process on the functioning of the Board of Directors and its Committees.

In addition, other key bodies of MHE&A have carried out monitoring and review of sustainability matters:

Executive Sustainable Business Committee

In 2024, the Executive Sustainable Business Committee met 3 times. Among the matters discussed, the Company has followed up on the strategic initiatives of "Being a benchmark in sustainability", the presentation of the results for 2023, initiatives in 2024 and evolution of results and initiatives during the year. In terms of management of material matters, the main points addressed cover:

- Environmental aspects: 1) Follow-up of the SBT Plan associated to approval of the SBTi goal in 2024 (total GHG emissions, green energy, data monitoring tool, CapEx related to energy efficiency); 2) Waste management project, calendar for implementation in the short and medium term. Implementation status in Spain and Portugal; 3) Sustainable certifications in 2024 in the hotel portfolio; 4) Presentation of ECoperama platform.
- Social aspects: 1) Launch of project for a corporate occupational health and safety management system; 2) Launch of the Engagement Survey.
- Governance aspects: 1) Presentation of the results of the Non-Financial Information Statement after verifying the report by an independent third party and reviewing the applicable regulations (CSRD focus); 2) Launch of sustainability reporting control system; 3) Review of external communication plan; 4) Approval of results of the materiality analysis on sustainability matters (double materiality analysis).

Executive Compliance Committee

In 2024 the Executive Compliance Committee met on 2 occasions. At the meetings held during the year, materials aspects for the Company have been reviewed, such as: the approval of the revised Criminal Offence Prevention Model; follow-up of the activity of the whistleblowing channel and status of the matters reported; review of internal training related to compliance and migration to a support tool for control over the criminal risk matrix, aligned with the Company's internal control department.

Management Committee :

In addition to its weekly meetings, in 2024 the Management Committee has held two meetings to carry out an exhaustive analysis of the progress of the strategic lines defined in the Minor Hotels Europe & Americas growth strategy.

In relation to climate change, consumption and energy efficiency, the Company's new GHG emission reduction targets for 2030, validated by SBTi, have been monitored. In addition, the implementation of a new consumption monitoring tool has been reviewed, which has made it possible to obtain more accurate and real-time data on energy and water consumption. In this context, the Committee has monitored energy consumption every fourth months, both to oversee the correct functioning of the tool and in relation to the renovations associated to sustainability CapEx.

In relation to water, water consumption per customer has been monitored. As an exceptional matter, and due to the drought in some parts of Spain and Portugal, the measures carried out in the Company's hotels located in those areas were followed up with the specific measures adopted, such as the optimisation of irrigation and the use of efficient technologies in the consumption of water in daily operations. In addition, the Committee has been informed of hotels located in areas of high water stress.

In relation to waste, the progress of the monitoring project to efficiently manage hazardous and non-hazardous waste throughout the Company was presented. This centralised system optimises traceability and encourages a more sustainable approach. Furthermore, in relation to procurement, the Committee was informed of the start of Ecoperama, which promotes responsible procurement practices.

In relation to the more purely social area, the salary agreements for Team Members were monitored, and the need to implement a corporate occupational health and safety management system, planned for the short to medium term, was communicated. In addition, key indicators on the professional development of team members were analysed, highlighting the efforts in continuous training and its alignment with the Company's objectives.

Likewise, in response to the DANA that occurred in Valencia, a follow-up was given to the free accommodation provided through social associations, reaffirming the Company's commitment to the affected communities. Additionally, on the occasion of corporate volunteering, key indicators were presented as team members who participated or beneficiaries.

Furthermore, in relation to quality and customers, data was presented on the reservations made, evaluating the progress towards the established objectives. There was also a discussion on developments in the areas of Food & Beverage (F&B) and the “Basics”, which are the basic services that a room has with the expected quality standards, with proposals to improve the customer experience.

On the occasion of the change of name of the company, we monitored the related developments and implications, as well as updating the company's website, updating internal and external policies and other corporate documents - still in progress - and the image to the market, among others.

All this monitoring by the Management Committee is based on a prior review process carried out by the corresponding specific committees, *referred to above*, in which the Chief Officer o each strategic area participate, as appropriate to the topics discussed. In this way, each Chief Officer contributes his or her expertise and leads the analysis in that area of responsibility, assuring that the assessment and proposals presented are aligned with the Company's commitments and strategic objectives.

These weekly meetings allow the Management Committee to have detailed and up-to-date information in order to make strategic decisions based on data. This approach ensures that the Company upholds its commitment to sustainability, innovation and social wellbeing, promoting responsible growth in every area of the operation.

GOV-3: Integrating sustainability performance into incentive systems

As part of the Company's commitment to sustainability and the evolution towards a model in which sustainable criteria are integrated in its daily operations, the members of the administrative, management and supervisory bodies[11] who receive variable remuneration have such remuneration linked to ESG criteria, as is the case with the Management Committee (senior management of MHE&A). These objectives are linked to the achievement of the Company's strategy, and specifically ESG matters, and are set and reviewed annually, for the purpose of complying with the Company's sustainability commitments.

As indicated in section GOV-1 of this report, all the members of the Specialist Committees are members of the Company's Board of Directors. The Executive Directors are the only members of the Board of Directors entitled to receive variable remuneration. The variable compensation of the Executive Directors is set up as additional and complementary to their fixed remuneration and comprises of a short-term, annual variable, and a long-term variable. This remuneration is non-vested and contingent. The remuneration system for Non-Executive Directors[12] for their supervisory and collegiate decision-making functions consists of a fixed annual allowance and expenses for attending meetings of the Board of Directors and its committees.

With regard to the third point of the Board Remuneration Policy - "Remuneration policy for executive directors" -which can be accessed through the following *link*, the remuneration of members is made up of fixed elements (fixed remuneration and benefits in kind) and a short-term and long-term variable remuneration.

As far as short-term variable remuneration is concerned, the Appointment, Remuneration and Corporate Governance Committee (ARCGC) is responsible for proposing the objectives at the beginning of each financial year, and proposing the evaluation of attainment of these objectives once the year has ended. This evaluation is carried out on the basis of the audited results, as well as the degree of achievement of the objectives. After this analysis, the ARCGC establishes a bonus proposal that is submitted to the Board for approval in accordance with the provisions of Article 27 of the Articles of Association. Subsequently, on an annual basis, it is approved at the Ordinary General Shareholders' Meeting.

The functioning of annual variable remuneration for Executive Directors of Minor Hotels Europe & Americas is the same as for the rest of the Company's team members. Part of this remuneration is established on the basis of the "Management By Objectives (MBO)" programme which aims to:

- Reward performance in line with the achievement of the Company's quantitative objectives.
- Link the achievement of the annual objectives set by the Company to its medium and long-term strategy.
- Align individual objectives with the Company's objectives.

The ARCGC approved the following objectives for Executive Directors with the corresponding weighting in 2024:

- 50% Corporate Objectives:
  - 25% Company's recurring EBITDA.
  - 25% Company's Recurring Net Profit.
- 10% performance evaluation (Time For You - TFY).
- 40% of strategic indicators associated with the post

[11] *As indicated in GOV-1, administrative, management and supervisory bodies are considered to be the Board of Directors of MHE&A and its delegated Committees (ACC and ARCGC)..*
[12] *The Proprietary Directors who represent the shareholder Minor International PLC have waived the remuneration related to attendance and committee meetings and the related expenses.*

In this sense, and considering the above, the variable remuneration linked to ESG criteria is integrated into the strategic indicators associated with the job.

These indicators are evaluated annually according to the following structure, in relation to sustainability issues in the administrative, management and supervisory bodies:

Member of the administrative, management and supervisory body	Variable remuneration linked to ESG criteria in administrative, management and supervisory bodies
Vice Chairman and Chief Executive Officer (CEO)	■ 10% of his variable remuneration is linked to achievement of annual net emissions targets (measures in net tonnes of CO_2) defined in the framework of the "SBT 2030 Plan", and to the results of S&P Global 2024 assessment. For 2024, the emissions reduction target (scope 1 and 2) was set at 4%. ■ 25% of the remuneration for developing the main initiatives and implementation of MHE&A Key 2024 objectives defined in the Strategic Plan, including the promotion of team members engagement.
Executive Director – Chief Operations Officer & Global Transformation Leader (COO)	■ 5% of his variable remuneration is linked to achievement of annual net emissions targets (measures in net tonnes of CO_2) defined in the framework of the "SBT 2030 Plan", and to the results of S&P Global 2024 assessment. For 2024, the emissions reduction target (scope 1 and 2) was set at 4%. ■ 10% of the variable remuneration is linked to achievement of the global corporate quality objective. ■ 10% of the variable remuneration is linked to execution of the CapEx Plan within budget limits.
Executive Director – Chief Assets & Development Officer (CADO)	■ 5% of his variable remuneration is linked to achievement of annual net emissions targets (measures in net tonnes of CO_2) defined in the framework of the "SBT 2030 Plan", and to the results of S&P Global 2024 assessment. For 2024, the emissions reduction target (scope 1 and 2) was set at 4%.

For more details, please see section A 1.6 of the Annual Report on Remuneration of Directors of Listed Companies, included in this Consolidated Management Report.

GOV-4: Statement on due diligence

The Company, committed to contributing to sustainable development and to the transition towards a more sustainable socio-economic model, carries out a due diligence process based on the Double Materiality Analysis.

Due diligence is an ongoing management process that lets the Company identify, prevent, minimize, eliminate, mitigate and repair the Company's real or potential adverse effects and risks for both society and the environment.

Furthermore, these effects and risks go beyond the Company's own operations, and also encompass the Group's entire value chain.

As is the case with the management of corporate risks, due diligence in relation to sustainability allows Minor Hotels Europe & Americas to understand the scope and effects that such risks may have in its environment.

Essential elements of due diligence	Section of the "Consolidated Non-Financial Information and Sustainability Information Statement"
Embedding due diligence in governance, strategy and the business model	■ Sustainable Business Governance ■ Sustainable Business Strategy ■ Double Materiality Analysis (stage; supervision and validation of the double materiality process)
Engaging with affected stakeholders in all key steps of due diligence	■ Double Materiality Analysis (stage: Supervision and validation of the double materiality process) ■ Dialogue with our stakeholders
Identifying and assessing adverse impacts	■ Double Materiality Analysis (stages: identification of ESG Impacts, Risks and Opportunities (IROs) and; evaluation of IROs.
Taking actions to address those adverse impacts	■ Chapters dealing with material matters ■ Climate change ■ Responsible water management ■ Circular economy and waste management ■ Sustainable purchasing ■ Commitment to Team Members and responsible hiring; Culture of equality, diversity and inclusion of Team Members; Health, safety and wellbeing of Team Members; Training, talent management and career development of Team Members
Tracking the effectiveness of these efforts and communicating	Chapters on material matters

GOV-5: Risk management and internal controls over sustainability reporting

Throughout 2024 the Company has been implementing an internal control system for sustainability reporting (ICSR), the purpose of which is to provide Senior Management, the Audit and Control Committee and the Board of Directors with a framework that assures the reliability of the Company's sustainability reporting, thus complying with ruling regulatory obligations.

To achieve correct implementation of ICSR, work is being done to identify the controls and risks that applied in relation to financial reporting and compliance, and which may in turn impact sustainability indicators.

Additionally, work is being done to define the Company's governance model up to final assessment of the system. This includes risk identification, the materiality analysis and the application of control systems on reporting to ensure the quality and security of the information.

Anantara New York Palace
Budapest, Hungary

5.1

UP FOR PLANET

ENVIRONMENTAL INFORMATION

MINOR HOTELS
EUROPE & AMERICAS

UP FOR PLANET

In its commitment to the Planet, Minor Hotels Europe & Americas works to minimise its impact on climate change, increase the efficiency of resources and develop more sustainable services. All this, reducing the Company's environmental footprint with responsible consumption of natural resources.

This approach is based on three pillars:

UP FOR PLANET

SUSTAINABLE PRODUCTS AND ASSETS	PROCESSES AND OPERATIONAL STANDARDS	SUSTAINABLE PURCHASING
Fighting climate change and advancing towards decarbonisation by minimising the carbon footprint deriving from our activity by refitting hotels to make them more sustainable.	Efficient management and responsible consumption of resources, prioritising the "4R" rule: Reduce, Reuse, Recycle and Replace, while we offset residual emissions, and favouring the evolution towards a circular economy and the development of more sustainable products, by also involving employees, suppliers and customers as key actors in achieving these goals.	Strengthening our sustainable value chain, prioritising key alliances, increasing consumption from local suppliers and responsible organisations
ESRS E1. CLIMATE CHANGE	ESRS E3. WATER AND MARINE RESOURCES ESRS E5. CIRCULAR ECONOMY AND WASTE	entity-specific

Minor Hotels Europe & Americas is a company committed to the wellbeing of its guests and to efficient management of the available resources in the environment where the hotels in its portfolio are located.

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

These commitments, applicable to all Minor Hotels Europe & Americas operations and to the Company's decision-making process, are formalised in the Environment and Climate Change Policy. It includes both the supply chain and distribution, the inclusion of new partners and the addition of hotels to the portfolio and the operation of hotels under ownership, lease, management and franchise to assure compliance with this policy, with voluntary commitments adopted by Minor Hotels Europe & Americas, or with applicable environmental laws and regulations.

MHE&A has considered the effect of the commitments made on the estimated useful life of the assets, the closure costs and the analysis of the impairment of non-financial assets. Although these estimates were made based on the best information available at 31 December 2024 on the analysed facts, it is possible that events that may take place in the future may make it necessary to modify them (upwards or downwards) in future years, which would be done prospectively, in accordance with IAS 8. For more information, see *Note 29 of the Consolidated Annual Accounts Report'.*

Provisions relating to likely or certain liabilities, ongoing litigation and ongoing damage compensation or obligations relating to the environment, the amount of which has not been determined, not covered by the Company's insurance policies, are recorded at the start of the liability or obligation that determines a possible compensation or payment. It should be noted that Minor Hotels Europe & Americas did not receive any significant fines for environmental non-compliance from the competent authorities in any of the regions in which it operates.

For information on energy and water consumption and on the carbon footprint, figures are reported based on the consolidated perimeter excluding figures for central services and headquarters.

The Company's environmental strategy is channelled through UP FOR Planet, which defines the roadmap to fulfil the commitments undertaken to fight climate change and progress towards decarbonisation, the efficient management and the responsible, circular consumption of resources and the development of more sustainable products through responsible procurement.

Environmental Awareness Training

In relation to this commitment and to foster this culture in all team members, the mandatory online environmental awareness course has been added to the catalogue of the corporate training tool, University. The course sets out the guidelines that all team members must follow to comply with the principles set out in the Environment and Energy Policy.

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

In 2024 and future years, this training will continue to be given to all team members who join the Company and must be completed within 30 days.

"6,055 hours of environmental training received by 7,440 team members[13]"

Tivoli Mofarrej Sao Paulo Hotel
Saõ-Paulo, Brazil

[13] *Includes owned, leased, managed and franchised hotel employees.*

NH Collection Eurobuilding
Madrid, Spain

UP FOR PLANET

EUROPEAN UNION TAXONOMY OF SUSTAINABLE ACTIVITIES

MINOR HOTELS
EUROPE & AMERICAS

EUROPEAN UNION TAXONOMY OF SUSTAINABLE ACTIVITIES

Introduction

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

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

What is the Taxonomy? [14]

- A single classification system to help businesses and investors identify and determine which economic activities are environmentally sustainable.[15]
- A single classification system that promotes the transition to a sustainable economy in order to achieve the EU's climate and environmental objectives.
- A consistent classification system that promotes homogenisation and transparency in the reporting of information on environmentally sustainable activities.
- A single classification system that acts as a tool to support companies in their transition towards climate neutrality and prevention of environmental degradation.

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

REGULATORY CONTEXT

The legal framework for the EU Taxonomy was established by the aforementioned EU Regulation 2020/852[16].

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

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

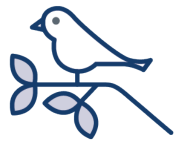
Climate change mitigation

Climate change adaptation

Sustainable use and protection of water and marine resources

Transition to a circular economy

Prevention and control of pollution



Protection and restoration of ecosystems and biodiversity

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

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

[16] *On establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.*

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

- Firstly, Delegated Regulation 2021/2139 of 4 June 2021 (or "Climate Law")[17], which establishes the list of economic activities that contribute substantially to the objectives of climate change mitigation and adaptation and that do not cause significant harm to the other environmental objectives.

- Secondly, Delegated Regulation 2021/2178 of 6 July 2021 (or "Delegated Act on Disclosure of Information"[18]) describes the specifications for the content and presentation of the information to be reported by companies on environmentally sustainable activities, including the key indicators to be reported and their calculation methodology.

- Thirdly, Delegated Regulation 2023/2486 of 27 June 2023 established the list of economic activities that contribute substantially to the environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, protection and restoration of ecosystems and biodiversity, and do not cause significant harm damage to the other environmental objectives.

Accordingly, in 2024 the new regulations adopted by the EU have made it possible to know the complete catalogue of sustainable activities covering the six environmental objectives.

OBJECTIVE AND SCOPE

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

- **Eligible activities:** an economic activity is considered eligible as long as the Company complies with the description set out for each of the activities listed in Annexes I and II of Delegated Regulation 2021/2139 of 4 June 2021 (and amendments) and in Annexes, I, II, III and IV of Commission Delegated Regulation 2023/2486 of 27 June 2023. In this sense, eligibility is of a "potential" nature, i.e. an eligible activity is one that could become "sustainable" according to the European Taxonomy.

- **Aligned activities:** the alignment of an activity goes a step further by confirming not only the potential but the actual sustainable nature. Measured through compliance with the technical criteria defined for each activity, they are assessed through three stages:

  - First of all, by substantial contribution to at least one of the defined environmental objectives;

  - Secondly, by complying with the principle of doing no significant harm to the other environmental objectives (known as DNSH) and;

  - Finally, by achieving Minimum Social Safeguards.

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

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

ELIGIBILITY

1

Identification of activities

Does the activity carried out by Minor Hotels Europe & Americas meet the description of sustainable activities set out in the Supplementary Delegated Regulations of the European Taxonomy?

▶ **NO**. The accounting item is not eligible (and therefore not aligned).

▼ **YES**. The accounting item is eligible.

ALIGNMENT

2

Substantial contribution to an environmental objective

Does the activity meet the substantial contribution criteria defined for one of the environmental objectives?

▶ **NO.** The accounting item is eligible (but not aligned).

▼ **YES**. The accounting item is eligible and potentially aligned.

3

Do not cause significant harm to the other environmental objectives (DNSH)

Does the activity cause harm to any of the other 5 environmental objectives according to the defining criteria?

▶ **YES.** The accounting item is eligible (but not aligned).

▼ **NO**. The accounting item is eligible and potentially aligned.

4

Compliance with Minimum Social Safeguards

Are the minimum Safeguards met? (At company level, compliance with Human Rights, Corruption and Bribery, Tax and Fair Competition requirements is assessed)

▶ **NO.** The accounting item is eligible (but not aligned).

▼ **YES**. The accounting item is ELIGIBLE and ALIGNED.

5

Calculation of key reference indicators (Turnover, CapEx and OpEx)

In this line, for the 2021 report, the obligation to disclose the key reference indicators in terms of eligibility was established. In 2022, the report went into greater depth, requiring the disclosure of these indicators in terms not just of eligibility but also of alignment. For the previous financial year (2023), the report contained European Taxonomy disclosure in terms of eligibility for the six environmental objectives and in terms of alignment for the objectives of climate change mitigation and adaptation.

For the current year 2024, given the regulatory advances that have taken place, European Taxonomy disclosure is required in terms of eligibility and alignment for all six environmental objectives.

It should also be noted that the European Taxonomy is still a regulation under development, and there is a certain degree of uncertainty in relation to the application and interpretation of certain aspects of the legislation. Participating companies are exposed to making judgement decisions in relation to the classification of the activities included in the Taxonomy. For this reason, in 2024 Minor Hotels Europe & Americas proceeded to review the previous year's eligibility exercise, going deeper in the analysis carried out in 2023 by taking into account new updates, legislative changes and FAQs and therefore eligible activities in the current year conform to a more precise and homogeneous criterion, and no new taxonomic activities potentially eligible for MHE&A were identified.

The alignment exercise has also been carried out for the third time, performing an analysis of compliance with the criteria of substantial contribution, respect for the *"Do No Significant Harm"* principle and compliance with Minimum Social Safeguards for all six EU environmental objectives.

Furthermore, in accordance with best practice in the sector and in light of the regulatory developments and clarifications issued by the European Union, this may be reviewed in future years with the intention of ensuring that the expectations of the regulator and other stakeholders are met. In this regard, the analysis will be deepened in future years, taking into account best practice and making use of the most advanced technology, allowing continuous improvement in assessing and reporting on alignment for all the environmental objectives described in the European Taxonomy.

In view of this, and in accordance with the provisions of the Delegated Regulations, the following key performance indicators (KPIs) must be provided for the reporting period:

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

In applying and calculating these KPIs, the activity of Minor Hotels Europe & Americas, S.A. and subsidiaries according to the perimeter included in the Consolidated Annual Accounts.

CONTEXTUAL INFORMATION OF THE PROCEDURE: criteria for analysis.

To understand the activities considered eligible for the Company it is necessary to know Minor Hotels Europe & Americas' business model based mainly on operating urban hotel establishments the purpose of which is to provide services to customers, the principal service being short-term accommodation (please see chapter *"BUSINESS MODEL OF MINOR HOTELS EUROPE & AMERICAS"* of this Non-Financial and Sustainability Statement).

For this purpose, applying conservative criteria, Minor Hotels Europe & Americas has analysed all the activities listed in the Taxonomy, among which those that are linked to the Company's business have been identified:

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

The sustainable activities of Minor Hotels Europe & Americas, in accordance with the latest update of Art. 8 of the Taxonomy Regulation, are managed from the corporate Construction, Engineering and Maintenance department for activities 7.3, 7.5 and 7.6 and from the corporate Sustainable Business department for activity 2.1.

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

Environmental Objective	Economic activity according to the Taxonomy	Description of activity
Climate change mitigation	7.3. Installation, maintenance and repair of energy efficiency equipment	The Company is committed to energy efficiency in its facilities and, with the aim of reducing its emissions by 46.20% by 2030 for its Scope 1 and 2 emissions, and in 2024 it has equipped itself to meet this commitment. To this end, it has carried out the installation, maintenance and renovation of building elements (doors and windows) and lighting (LED), HVAC systems (boilers and cooling and ventilation equipment), piping, cooking equipment (ovens), batteries and other electrical appliances (washing machines, refrigerators, dryers...) that are more energy efficient.
Climate change mitigation	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings	In its commitment to reduce emissions, Minor Hotels Europe & Americas has continued in 2024 with the installation and maintenance of devices and instruments to monitor its energy consumption. To this end it has implemented the review, repair or replacement of the monitoring and control systems in the assets in the hotel portfolio: sensors, meters, thermostats, automation and control systems or presence detectors, among others.
Climate change mitigation	7.6. Installation, maintenance and repair of renewable energy technologies	Committed to the growing and greater use of renewable energy technologies, the Company has carried out the installation of solar panels, photovoltaic panels and vacuum tubes in 8 of its hotels. This has contributed to the introduction of this activity in Minor Hotel Europe & Americas' catalogue of eligible taxonomic activities for the second consecutive year.
Protection and restoration of ecosystems and biodiversity	2.1 Hotels, holiday complexes, camping grounds and similar accommodation	In line with its principal activity, Minor Hotels Europe & Americas provides short-term tourist accommodation in urban hotels (98%) of its hotel portfolio (consolidated scope). Therefore, not all of the Minor Hotels Europe & Americas portfolio has the potential to contribute substantially to the protection and restoration of ecosystems and biodiversity*. In this regard, according to the database generated by Protected Planet (mapping protected natural spaces and associated data with worldwide cover)., only 9 of the Minor Hotels Europe & Americas hotels in the consolidated perimeter (scope of the taxonomic metrics) are located directly in special protection areas. In addition, Minor Hotels Europe & Americas, in its commitment to the protection of biodiversity, applies conservative criteria considering that due to the type of activity carried out in the resorts they have the potential to contribute substantially to the protection and restoration of ecosystems and biodiversity despite not being located in protected areas. In this regard, the Company has ten resorts in the portfolio (6 of them in the consolidated perimeter and therefore included in calculating the taxonomic metrics). As a result of combining these criteria, a total of 15 hotels are included in the "turnover" indicator, 6 of them because they are resort hotels in the consolidated perimeter and the other 9 hotels because they are directly located in special protection areas.

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

In conducting its eligibility review (made in 2023 and 2024), the Company has considered other activities listed by the taxonomy and has concluded from an analysis of them that none of them is eligible for MHE&A:

- Activity 7.1: *"Construction of new buildings.* In line with its growth strategy and business model, the Company does not carry out the development of projects for the construction of new buildings.
- Activity 7.2: *'Renovation of existing buildings'.* Renovations executed by MHE&A are not considered as major (integral) renovations as described in Annex I of the Delgado Regulation of 4 June 2021.
- Activity7.4 *"Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)":* the Company offers electric charging services. Through collaboration agreements with suppliers such as Wenea and Vattenfall, the Company assigns its spaces for the installation of such charging stations, which are not the Company's property. For further details see: *Sustainable mobility*.
- Activity 7.7 *"Acquisition and ownership of buildings":* MHE&A does not carry out real estate development activities. Therefore, the purchase and sale of real estate assets is not a recurring business activity but arises in the context of asset rotation as part of the strategy of the hotel activity.

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

Following the process of identifying eligible activities, Minor Hotels Europe & Americas has carried out the alignment analysis by assessing compliance with:

- The CRITERIA OF SUBSTANTIAL CONTRIBUTION to the objective of climate change mitigation as set out in Annex I of Commission Delegated Regulation (EU) 2021/2139 and subsequent amendments issued for activities 7.3, 7.5 and 7.6.
  - For activity *"7.3. Installation, maintenance and repair of energy efficiency equipment",* it has been reviewed that eligible CapEx and OpEx comply both with the applicable minimum requisites set out in the domestic transposition of Directive 2010/31/UE and with the classification in the two highest energy efficiency classes in accordance with Regulation (EU) 2017/1369 where applicable. It should be noted that for those products for which the technology analysed does not have normative requirements for energy labelling, other performance parameters or certifications have been evaluated to confirm the contribution of the selected product to energy efficiency. It has also been determined that these items comply with at least one of the individual measures set out in the legislation[19].
  - For activity *"7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings"* it has been determined that CapEx and OpEX comply with at least one of the individual measures set out in the applicable legislation[20].
  - For activity *"7.6. Installation, maintenance and repair of renewable energy technologies"* it has been determined that each item of CapEx and OpEx complies with at least one of the individual measures set out in the applicable legislation[21].
- DO NO SIGNIFICANT HARM TO THE REMAINING ENVIRONMENTAL OBJECTIVES (DNSH) in compliance of the applicable appendices required for activities 7.3, 7.5 and 7.6. In this regard, it should be noted that the Company complies with the requirements of Appendix A with an analysis of physical climate risks and an adaptation plan for the risks that have been identified as material.

  A material risk is considered to by any risk that, on account of its likelihood of occurrence or the consequences for the business or the combination of the two, has the potential to have a significant effect on the operations or financial statements of Minor Hotels Europe & Americas in the assessed timeframes and scenarios.

  In this regard, it should be noted that the Company has carried out an analysis of physical and transition climate risks on its main assets, evaluating its exposure to climate risk factors on asset scale, considering actual, short, medium and long-term timeframes, analysing scenario SSP1-RCP-2.6 taking into consideration all the risks set out in Appendix A of the Taxonomy. For more details on the methodology followed and the results obtained, see the chapter: *"ESRS 2 IRO-1: Description of processes to identify and assess material climate-related impacts, risks and opportunities"* and *"NOTE 6: Recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD)".* Furthermore, in accordance with the above for activity 7.3, MHE&A has reviewed that it does not trade with any of the substances mentioned in Appendix C of the implementing regulations.

- MINIMUM SOCIAL SAFEGUARDS. These are assessed at corporate level and emerge as a safeguard to ensure that revenue/CapEx/OpEx is not considered sustainable if it is generating a negative effect in social terms. In other words, for revenue, CapEx and Opex, as well as complying with a range of technical criteria for each of the taxonomic activities (which in global terms measure environmental performance), alignment depends on compliance at corporate level with a range of minimum social safeguards set out in art. 18 of Delegated Regulation 2020/852[22] in which four major thematic areas are identified:

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[19] *For more details, see pages 128-129 of the following document Taxonomic activities for climate change mitigation (section: Substantial contribution to climate change mitigation for activity 7.3).*
[20] *For more details, see page 130 of the following document Taxonomic activities for climate change mitigation (section: Substantial contribution to climate change mitigation for activity 7.5).*
[21] *For more details, see page 131 of the following document Taxonomic activities for climate change mitigations (section: Substantial contribution to climate change mitigation for activity 7.6).*
[22] *This ensures that all relevant activities are conducted in accordance with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions referred to in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights..*

- **Human Rights**: Minor Hotels Europe & Americas is committed to ensuring the non-violation and, consequently, the promotion of Human Rights. For years the Company has been working to prevent and manage the risks associated to violation of these rights and to that end has several measures, tools and mechanisms such as the corporate Human Rights policy, and a due diligence procedure sequenced in different phases and materialised through the Protocol and the Implementation guide. For more details see the chapter *"Protection of Human Rights".*

- **Corruption and bribery:** the Company remains committed to zero tolerance of corruption and therefore has various internal controls in place to comply with the Anti-Fraud and Corruption Policy, the Policy for the Prevention of Money Laundering and Terrorist Financing or the Gift Policy. For more details, see *"Zero tolerance of corruption".*

- **Taxation:** Minor Hotels Europe & Americas ensures compliance with its tax obligations, as well as the application of best tax practice. Accordingly, among other measures, MHE&A is signed up to the Code of Good Tax Practice and has a Tax Policy that was updated in 2022. For more details see the chapter *"Tax Transparency: profits and taxes".*

- **Fair competition:** Minor Hotels Europe & Americas is committed to long-term sustainable growth through fair competition, as set out in its Code of Conduct. In this regard, the Company carries out its activity in a manner that is consistent with all the applicable competition laws and regulations in all the jurisdictions where it does business. Accordingly, it seek to ensure that its activity is conducted in a free market environment. To this end, the Company fosters a corporate culture based on free competition, providing its team members with assistance to prevent, detect and remedy any breach in this regard. For more details see the chapter *"Code of Conduct".* Furthermore, section three of the *Anti-Fraud and Corruption Policy* addresses anti-competition practices.

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

Content and methodology of key performance indicators

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

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

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

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

Turnover

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

In compliance with section 1.1.1 of Annex I of Delegated Regulation 2021/2178 of 6 July 2021, the numerator is defined as part of the net turnover derived from products or services, including intangibles, associated to Taxonomy-aligned activities, and the denominator is made up of revenues recognized pursuant to IAS 1, paragraph 82 a)[23].

[23] *Adopted by Commission Regulation (EC) 1126/2008 .*

To calculate the denominator, in accordance with the preceding paragraph, Note 23.1 of the Consolidated Annual Accounts has been taken into consideration, referring to MHE&A's ordinary revenues.

To calculate the numerator, the same statement of results used in calculating the denominator is used, taking into consideration only the items that comply with the description of of an eligible taxonomic activity for the Company (this year this corresponds to activity 2.1 "Hotels, holiday, camping grounds and similar accommodation).In this regard, in accordance with the Taxonomy criteria and considering the new objective of Protection and restoration of ecosystems and biodiversity, only 5.1% of the revenues generated by the Company come from that activity (a total of 123.55 million euros).

The following criteria were applied in the calculation methodology: see *Activity 2.1*. In this regard, an in-depth analysis has been carried out of the presence of hotels (based on the consolidated perimeter) in areas where their activity could have a significant impact on ecosystems and biodiversity.

CapEx

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

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

In this calculation, investment items associated to Taxonomy-aligned activities[24] –eligible with regard to activities 7.3, 7.5 and 7.6 – were selected. With this selection, each item was then labelled by product type (lighting, HVAC, fancoil, coolers, thermostats and control systems among others) in order to discern the CapEx per taxonomic activity.

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

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

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

For activity 2.1, the entire CapEx associated to the 15 hotels that have the potential to contribute to the objective of Protection and restoration of biodiversity and ecosystems has been taken. In this regard, to ensure that no double counting occurs, the CapEx associated to activities 7.3, 7.5 and 7.6 for these hotels has been excluded.

For the denominator, additions to property, plant and equipment and intangible assets have been included, before amortisation and depreciation and possible revaluations and impairment, including the results of revaluations and impairment corresponding to 2024, excluding changes in fair value. Additions to property, plant and equipment and intangible assets resulting from business combinations, if any, were also included, covering costs recorded in accordance with IAS 16 Property, plant and equipment and IFRS 16 Leasing.

According to the consolidated financial statements of Minor Hotels Europe & Americas, the total CapEx (denominator) is indicated in Note 7, Note 8 and Note 10 of the Consolidated Annual Accounts for 2024.

OpEx

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

In compliance with section 1.1.3 of Annex I of Delegated Regulation 2021/2178 of 6 July 2021, the denominator is defined as and reduced to the total of direct non-capitalised costs that relate to research and development[25], building renovation measures[26], short-term leases[27], maintenance and repairs, and any other direct expenditure related to the day-to-day servicing of assets of property, plant and equipments by Minor Hotels Europe & Americas or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

In the case of Minor Hotels Europe & Americas, the denominator is calculated on the basis of the consolidated income statement. Therefore, the denominator of the OpEx taxonomic indicator is made up of the sum of the following accounts in line with the previously defined criteria:

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[24] The numerator includes the part of CapEx included in the denominator of the indicator in accordance with the provisions of section 1.1.2.2 of Annex I of the Delegated Regulation of 6 July.
[25]In light of the Company's activity it does not incur research and development expenses beyond those considered for the development of apps. In this regard, it should be noted that all this is capitalised and therefore ultimately not treated as OpEx. Furthermore, based on section 1.1.13.1 of Annex I of the Delegated Regulation of 6 July, only non-capitalised direct expenses should be included.
[26] In light of the Company's activity, it does not incur non-capitalised direct costs related to building renovation measures. In this regard, the amounts applied to "renovation" of buildings are capitalised and. accordingly, for accounting purposes are incurred in the Company's CapEx.
[27] With regard to the information reported in the consolidated annual accounts, no short-term lease item appears in the notes to the accounts. The leases referred to in note 25.2 are all leases not subject to IFRS 16 but this mainly includes variable leases (not included in the item to be considered short-term lease), and short-term leases are not material compared to variable leases.

- Maintenance and repairs of property plant and equipment: Note 25.2 of the consolidated annual accounts.

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

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

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

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

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

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

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

NH Brugge
Brugge, Belgium

Performance of key indicators: Turnover, CapEx and OpEx

Turnover

In accordance with the above, the Company has classified its turnover in accordance with the criteria established in the most recent version of the European Taxonomy.

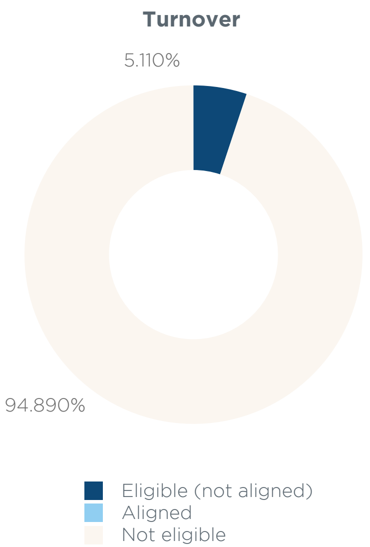
In relation to turnover, Minor Hotels Europe & Americas records 5.1% that meets the requisites established in terms of eligibility in relation to the objective of Protection and restoration of ecosystems and biodiversity.

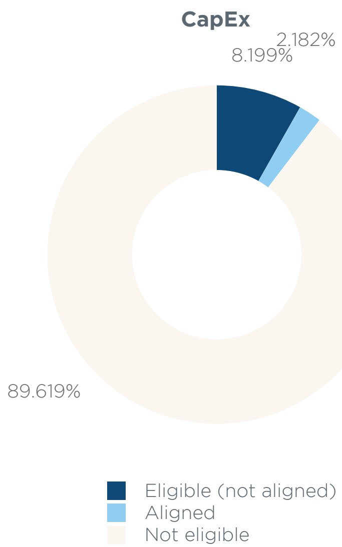
CapEx

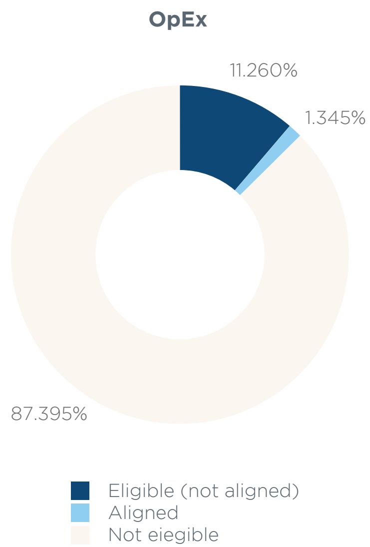
In relation to CapEx, Minor Hotels Europe & Americas records 8.2% that meets the requisites established in terms of (non-aligned) eligibility in relation to the objective of Protection and restoration of ecosystems and biodiversity. In terms of alignment, the percentage is 2.2% of the Company's total CapEx.

OpEx

Finally, in relation to OpEx and in terms of eligibility (non-aligned), 11.3% meets the requisites established in relation to the climate objectives mentioned above. In terms of alignment, the percentage recorded is 1.3% .







For more details see: *NOTE 5: EUROPEAN TAXONOMY*

Tivoli Sintra Hotel
Sintra, Portugal

5.1.1

UP FOR PLANET

SUSTAINABLE PRODUCTS AND ASSETS

ESRS E1. CLIMATE CHANGE

MINOR HOTELS
EUROPE & AMERICAS

ESRS E1. CLIMATE CHANGE

ESG DIMENSION	Relevant topics 2024	Sub-topics	Sub-sub-topics	Description
ENVIRONMENT	Fighting climate change	**Climate change adaptation and mitigation**	SBT Plan Development of more sustainable products and assets	Strategies and practices to anticipate plan, mitigate and adapt to climate change and its consequences, minimising risks and taking advantage of opportunities to guarantee operational resilience (including aspects related to GHG emissions and initiatives and actions carried out to minimise them)
		Responsible water management		Efficient use of energy and measures aimed at reducing it by considering and monitoring both the sue of renewable and non-renewable sources

ESG	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Target	Impact, Risk and Opportunity Management
M	Climate change adaptation and mitigation	**SBT Plan**	Generation of negative environmental impacts derived from GHG emissions along the value chain, essentially from the use of non-renewable energy sources. Therefore, reducing GHG emission levels (Scopes 1, 2 and 3) and contributing to the achievement of the targets set in the Paris Agreement through access to financing (opportunity) and support for the transition to a decarbonised economy through a Transition Plan that allows these targets to be met emerges as an opportunity for the Company to reduce these negative impacts. In this regard, it is essential to have science-based decarbonisation targets validated by a third party. Failure to achieve the commitments and goals acquired, as well as the lack of ambition in the fight against climate change, can lead to a risk of reputational and economic loss. Furthermore, in line with the results of the TCFD analysis, the Company has identified a potential interruption to the operation of some infrastructure(s) due to damages that could occur in the event of materialisation of a climatic risk (physical or transitional) that could ultimately lead to a potential economic loss. In addition, an improvement in reputational perception could lead to an increase in revenue by having a more sustainable business model offering more environmentally friendly services.	■ Emissions ratio (kg eq CO2/RN) ■ Emissions not generated deriving from use of guarantees of origin	▲ ▲	■ 46.2 % reduction in scope 1 and 2 GHG emissions by 2030 (base year 2019). ■ 27.50 % reduction in scope 3 GHG emissions by 2030 (base year 2019). ■ Net zero 2050	*E1-1 Transition plan for climate change mitigation* *E1-6: Gross scope 1, 2 and 3 GHG emissions and total GHG emissions* *E1-3: Actions and resources in relation to climate change policies*
		Development of more sustainable products and assets	The development of innovative initiatives allows the Company to offer more sustainable products and services, representing a key opportunity to improve its performance and environmental impact, thus contributing to climate change mitigation and adaptation. However, these actions also involve an increase in costs due to the necessary investments in the design, construction and/or refurbishment of facilities, which is an economic challenge that must be strategically managed to balance the positive impact on sustainability with the financial viability (cost-benefit analysis) of the operations.	■ No. of sustainable certifications ■ % of hotels with individual environmental certification	▲ ▲		*E1-3: Actions and resources in relation to climate change policies*
	Responsible energy management		The intensive energy consumption derived from the operation and maintenance of hotels, especially when it comes from non-renewable sources with high emission factors, generates a significant negative impact on the Company's environmental and economic performance. To mitigate these effects, energy-saving measures can be implemented, such as replacing equipment with more efficient models that reduce consumption, as well as increasing the value of assets through the renovation of facilities and the extension of the useful life of the equipment, also improving their comfort for customers. However, there are associated risks, such as the increase in energy prices and the loss of business opportunities due to inadequate monitoring of energy consumption, all of which underline the need to adopt comprehensive strategies for efficient and sustainable energy management.	■ % renewable electricity ■ Energy consumption ratio (kWh/RN)	▲ ▼		*E1-5: Energy consumption and mix* *E1-3: Actions and resources in relation to climate change policies*

GOVERNANCE

ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes

As part of the Company's commitment to sustainability and the evolution towards a model in which sustainable criteria are integrated into its daily operations, the variable remuneration of the administrative, management and supervisory bodies (members of the Board of Directors and Delegated Committees) as well as key positions in meeting the Company's sustainability commitments, is linked to ESG goals.

The Executive Directors of MHE&A as well as the other members of the Company's Management Committee have 5% of their variable remuneration linked to meeting annual net emissions targets defined in the framework of the *"SBT 2030 Plan"*, and to the result of the S&P Global 2024 evaluation. For 2024, the emissions reduction target (scope 1 and 2) was 4%. To find out more details, see: *GOV-3: Integration of sustainability-related performance in incentive schemes.*

The Company has also identified all the key functions responsible for activating the levers of the *SBT Plan*, to achieve decarbonisation of the Company by 2050. For this purpose, they have objectives tied to their variable remuneration, defined under the following structure:

- Managing Directors (MDs) of the different regions have a percentage of their variable remuneration defined as tied to achievement of annual net emission targets under the "SBT 2030 Plan" for their region
- In the operations area, from Regional General Managers to managers/heads of department, a percentage of their variable remuneration is tied to the target for reduction of the energy consumption ratio per RN (kWh/RN) which is under their control (hotel or region).
- Other key functions responsible for activating any of the levers defined in the "SBT 2030 Plan" have ad hoc objectives defined in line with their functions.

STRATEGY

E1-1: Transition plan for climate change mitigation

The efforts of Minor Hotels Europe & Americas in fighting climate change are made in the framework of the “SBT 2030 Plan”, integrated in the strategic pillar *UP FOR PLANET*. This Plan sets out the levers of action to reach the goal, updated in 2024, of reducing its absolute scope 1 and 2 greenhouse gas emission by 46.2% by the year 2030, with respect to 2019. This new reduction target established by the Company extends the previous commitment, set in 2018, of a reduction of at least 20% in its total greenhouse gas emissions by 2030. Both the strategy which provides the framework of the UP FOR PLANET pillar and the SBT Plan have been approved by the Company's Management Committee, and the Board of Directors is also aware of them.

The Company has also committed to reducing absolute scope 1, 2 and 3 GHG emissions by 90% compared to 2019 by 2050. These targets are aligned with the ambition to not exceed an increase of 1.5º C in the planet's temperature. The Science Based Target initiative, SBTi, has verified both the reduction targets by 2030 and the goal of zero net emissions by 2050.

In addition, and in accordance with Article 12 of the Regulation on EU Paris-aligned benchmarks, the Company is not excluded in accordance with the exclusion criteria established for Paris-aligned benchmarks, as it does not engage in activities related to controversial weapons, tobacco, fossil fuels or electricity generation with GHG intensities greater than 100 g CO2 e/kWh.

To ensure compliance with the long-term goals and objectives, the Company establishes annual intermediate objectives, compliance with which and actions to achieve them is monitored by the Executive Sustainability Committee.

In addition, the transition plan to a sustainable business model is fully integrated in and harmonised with MHE&A's overall strategy and financial planning. This commitment is reflected in the corporate motto: “*Minor Hotels Europe & Americas carries out its hotel activity with the ambition of leading responsible behaviour, creating shared value at economic, social and environmental level wherever it is present*”.

In this regard, the electrification of the Company, the decarbonisation initiatives through sustainable hotels and the climate strategy based on the recommendations of the TCFD, reinforce its value proposition for customers and position the Company as a benchmark in sustainability. Alongside this, every year the Company approves a CapEx item earmarked for energy efficiency, the aim of which is to develop the *sustainable assets and investments* programme. Development focused on measuring financial metrics and on the strategic assignment of resources assures clear alignment between climate objectives and financial planning, consolidating a solid base for the Company's sustainable strategy.

The four levers of action on which efforts to reach the goal are primarily applied are:

- Control and monitoring – the lever on which is work is being done to improve data capture and analysis, both from the activities of the hotels and of their suppliers, and to seek an alignment of commitments to reduce emissions in the value chain.
- Energy efficiency - considers all actions that can improve efficiency in the hotel's energy consumption. For more details see the *section on Sustainable hotels.*
- Green energy considering both the installation of renewable energy for self-consumption and the purchase of green electricity.
- Emission offset strategy, for the purpose of giving visibility to the Company's climate commitment by involving customers in it.

Details of the actions carried out in each of the decarbonisation levers, the investments to support the transition plan and the CapEx plan are provided in section E1-3: Actions and resources in relation to climate change policies.

Details of the actions carried out in each of the decarbonisation levers, the investments to support the transition plan and the CapEx plan are provided in section E1-3: Actions and resources in relation to climate change policies.

A detailed analysis is also provided of the direct and indirect emissions (scope 1 and 2) linked to energy consumption, as well as the necessary resources, in terms of both CapEx and OpEx, to meet the SBTi-aligned decarbonisation targets. The strategy combines the contracting of electricity certified as guarantee of renewable origin with the implementation of energy efficiency measures.

With respect to the calculation of locked-in emissions, the Company does not have the calculation at the end of the reporting period. However, the analysis will be carried out and that data point calculated in future years.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

A breakdown of material impacts, risks and opportunities related to climate change and their interaction with strategy and business model can be consulted in the following section: *IRO management strategy for the material matter "Fighting climate change"- ESRS E1. CLIMATE CHANGE*

In the framework of the TCFD, in 2022 the Company carried out an analysis of the physical and transition risks derived from climate change which has been taken into consideration in identifying IROs under the CSRD and which is broken down in detail in *ESRS 2 IRO-1: Description of processes to identify and assess material climate-related impacts, risks and opportunities* . It should be noted that the TCFD analysis was carried out on countries in which the Company's presence is most relevant in terms of volume of owned or leased hotels, their contribution to the Company's results and their strategic relevance[28]: Argentina, Austria, Chile, Colombia, France, Germany, Italy, Mexico, Netherlands, Portugal, Spain and USA. In this regard, the analysis covers 272 owned and lease hotels.

The results of the TCFD analysis are as follows:

MAIN PHYSICAL CLIMATE RISKS IDENTIFIED

- Reduction in the availability of water resources due to the increase in the frequency, duration and intensity of droughts, as well as the exhaustion and contamination of underground water resources by saline intrusion due to the increase in the sea level and the infiltration of saltwater into the subsoil.
- Increase in extreme coastal phenomena linked to wave swell, both in frequency and intensity.
- Pluvial and fluvial floods due to changes in precipitation patters, both in terms of frequency and intensity.
- Rise in the sea level due to melting of subterranean and continental polar ice, and to the expansion of oceans that could impact destinations or hotels located near coastal areas or beaches. The rise in sea level is expected to be between 0.25 metres and 0.30 metres by 2050.
- Increase in the frequency and intensity of extreme weather phenomena such as cyclones, hurricanes, typhoons or tornadoes.
- Increase in the frequency and intensity of extreme precipitation (torrential rain, hailstorms, snowfall, etc.) associated to weather phenomena such as cut-off lows, tropical storms, electrical storms, the ENSO phenomenon - El Niño, La Niña, etc... 7% for each degree Celsius the global average temperature increases.

[28] The following regions were not analysed: Brazil, Czech Republic, Denmark, Ecuador, Hungary, Ireland, Luxembourg, Romania, Switzerland and Uruguay. For assets located in Belgium (a relevant country in terms of volume of hotels and its contribution to the Company's results), it was considered that the climate conditions of the nearby countries analysed (Netherlands) can be extrapolated for that country. It should also be noted that between the date of completion of the TCFD analysis and the date of this report, the opening of Company hotels has not taken place in any countries that were not considered in the analysis, except Finland. As this is the only hotel that was opened in 2024, it does not meet the premises indicated above (relevant in terms of volume of owner or leased hotels, its contribution to results).

MAIN TRANSITION CLIMATE RISKS AND OPPORTUNITIES IDENTIFIED

- Costs associated to the transition to low-emission technologies due to the purchase of new equipment or replacement of technologies.
- Obtaining financing.
- Direct incentives from the administration related to the fight against climate change, energy efficiency and resource consumption.
- Changes in customer behaviour / preferences
- Changes in customer perception.

The physical and transition risks and the opportunities derived from the TCFD have been integrated in the double materiality exercise under CSRD, taking into consideration the financial materiality analysis carried out in 2023-2024 to evaluate IROs. The results of the CSRD in the climate change pillar, including TCFD risks and opportunities, are as follows:

Material risks (double materiality analysis)	TCFD
Reputational and economic loss associated to failure to comply with commitments related to GHG emissions reduction or lack of ambition in fighting climate change.	Transition risk Reputation
Increase in costs due to investment in design, construction or refit of installations for climate change adaptation/mitigation.	Technology transition risk
Increase in energy prices.	Market transition risk
Loss of business opportunities due to incorrect monitoring of energy consumption data.	Technology transition risk
Economic losses derived from interruption in the operation of some infrastructure(s) due to damage caused by the materialisation of a climate risk (physical or transition).	Physical/transition risk
Access to/increase of sources of financing due to support for the energy transition and low carbon-emission technologies.	Market opportunity
Improvement in reputation perception, leading to an increase in revenues for having a sustainable business model that offers more environmentally friendly services.	Reputational and market opportunity

In the context of this identification, MHE&A conducted an operational resilience analysis in relation to climate change that will be used as a starting point for a more comprehensive resilience analysis in future years. This initial analysis was carried out in geographies where the Company had significant assets for all stages of the value chain, identifying the economic impacts derived from climate change in an SSP1 - RCP 2.6 emissions scenario. This scenario foresees a future in which society will gradually but broadly shift towards a more sustainable model than the current one, achieving a more inclusive development that respects perceived environmental limits where it is possible to limit the increase in temperature to below 2ºC by the end of the century. All the material physical and transition risks from an economic point of view that could be caused under this low-emission scenario were taken into account.

The operational resilience analysis has been carried out taking into account that in the SSP1 - RCP2.6 scenario, the development of new technologies and the transition to a mainly renewable energy consumption will facilitate the reduction of emissions and the deployment of carbon capture technologies to support the transition to a decarbonised economy.

The actions and resources allocated for climate change mitigation are broken down in greater detail in section E1-3: Actions and resources in relation to climate change policies.

For the analysis of risks and opportunities, the following time horizons were used[29] taking into account the type of assets (mostly hotels with a considerable useful life) and MHE&A's operations (deriving from the hotel activity) and the estimated impact of climate change on these operations and assets:

- Present (0 - 2 years)
- Short term (3 - 8 years)
- Medium term (9 - 28 years)
- Long term (>29 years)

This analysis has served as a starting point to understand how the Company's operations are dealing with the effects of climate change and integrating it into decision making. Minor Hotels Europe & Americas' strategy is leveraged on five pillars: improving the value proposition for customers, growing to scale up, developing the value proposition for team members, being a benchmark in sustainability and digital transformation.

Thanks to this quantification exercise, progress has been made in analysing the Company's operational resilience. In future years, the Company will carry out an analysis of the resilience of the strategy and business model in different climate scenarios together with the areas of uncertainty and the Company's ability to adapt and adjust the strategy to the effects derived from climate change in the different scenarios and time horizons.

[29] *It should be noted that the analysis was carried out in 2022. In this regard, the time horizon covered the period (2022- 2024), while this year 2024 is the present year in accordance with the provisions of ESRS 2. Time horizons. For the remaining time horizons, the scale used in the TCFD analysis is not the same as the time horizons used in this reporting in line with ESRS requirements.*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

ESRS 2 IRO-1: Description of processes to identify and assess material climate-related impacts, risks and opportunities

A detailed description of the processes to identify and assess material impacts, risks and opportunities can be consulted in the following section: *ESRS 2 IRO-1: Description of processes to identify and assess material impacts, risks and opportunities*

Minor Hotels Europe & Americas has identified climate-related Impacts, Risks and Opportunities (IROs) following the guidelines established by the CSRD, integrating the previous work developed under the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This approach has made it possible to address climate risks, both physical and transition, through a detailed analysis of climate and socio-economic scenarios, in line with the guidelines of the IPCC (The Intergovernmental Panel on Climate Change) and the objectives of the Paris Agreement.

The main source of GHG emissions-related impacts are those arising from the use of non-renewable energy and from the Company's value chain (especially emissions derived from category 1 "Purchased goods and services" of scope 3). This is due to the business model, where the main asset is real estate, with high energy consumption and a high dependence on suppliers.

The assessment of GHG emission-related impacts has been carried out taking into account the Company's strategic plan, the decarbonisation and electrification plans for its assets. Through the creation of the "SBT 2030" working group, it was possible to implement a comprehensive approach to examine activities and plans with the aim of identifying future sources of actual and potential greenhouse gas (GHG) emissions, as well as other climate-related impacts in its operations and along the value chain. Through the "SBT 2030 Plan", the Company drives its emission reduction targets through the four levers of action that can be seen in detail in E1-1: Transition Plan for Climate Change Mitigation. In this regard, it estimates reducing its scope 1 and 2 greenhouse gas (GHG) emissions by 46.2% compared to 2019 levels by 2030, and its scope 3 emissions by 27.50% , avoiding more than 185,000 metric tonnes of CO_2 in absolute terms for scopes 1,2 and 3.

Regarding how actual and potential greenhouse gas (GHG) emissions are assessed, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard is followed, applying the operational control approach and using the Corporate Value Chain (Scope 3) Standard supplement for the accounting of emissions throughout its value chain.

With regard to climate risks and opportunities, in 2022 the Company conducted an analysis of the physical and transition risks derived from climate change in the framework of the TCFD, which has served as the basis for identifying physical and transition risks under ESRS E1 and incorporated into the double materiality analysis mentioned in section *IRO-1: Description of processes to identify and assess material impacts, risks and opportunities*.

In the process of analysing IROs under the CSRD framework, MHE&A conducted an integration of the risks and opportunities identified under the TCFD framework and with those identified under the CSRD, so that the physical and transition risks in the TCFD have been included in the double materiality analysis process, taking into consideration the value chain and reassessing the time horizons to consolidate the IRO analysis under the CSRD and TCFD.

It should be noted that the TCFD analysis was carried out on countries in which the Company's presence is most relevant in terms of volume of owned or leased hotels, their contribution to the Company's results and their strategic relevance: Argentina, Austria, Chile, Colombia, France, Germany, Italy, Mexico, Netherlands, Portugal, Spain and USA. In this regard, the analysis covers 272 owned and leased hotels.

The analysis of the risks and opportunities under the TCFD framework was based on the climate threats established by the European Environment Agency (EEA) and in Appendix A of Annexe I and II of Commission Delegated Regulation (EU) 2921/2139. These were linked to the Company's assets, taking into account all the Company's activities, considering the assets exposed to these hazards and their vulnerability, obtaining a catalogue of physical and transition risks *(TCFD Report)*.

The definition of the universe of risks included in the analysis took into account the IPCC with regard to climate risk drivers: "Principal climate impact drivers" and "Secondary climate impact drivers". The types of climate risks defined by the TCFD have also been taken into consideration: physical risks (acute and chronic) and transition risks (political and legal, technological, market and reputational).

As a result, the risks analysed were classified, following the TCFD inventory, according to their nature in two categories:

- Physical risks, analysing the impacts of both acute and chronic risks on MHE&A's activities throughout the entire value chain.
- Transitory risks, assessing the political, legal, market, technological and reputational impacts they could have on MHE&A's activities and/or its value chain.

For each of the climate threats, physical risks were identified based on an initial catalogue.

Risk universe analysed

Physical	Chronic	■ Increase in air temperature [SC; I; S]. ■ Rise in sea level [I; S]. ■ Reduction in availability of water resources [SC; I].
Physical	Acute	■ Extreme weather phenomena: Cyclones, hurricanes, typhoons, tornadoes, etc. [SC; I; S]. ■ Extreme precipitation: Torrential rain hailstorms, snowstorms, etc. [SC; I; S]. ■ Pluvial and fluvial floods [SC; I; S]. ■ Extreme coastal phenomena [SC; I; S]. ■ Wildfires [SC; I; S]. ■ Alteration and imbalance of living organisms in marine ecosystems [SC; I; S]. ■ Insect plagues [SC; I; S].
Transition	Politics and regulation	■ Taxes linked to GHG emissions [SC; I; S]. ■ New climate reporting requirements [SC; I]. ■ New legal requirements concerning energy efficiency [SC; I; S]. ■ New legal requirements related to the reduction of GHG emissions and climate risk management [SC; I; S]. ■ New legal requirements related to infrastructure safety [I]. ■ New legal requirements on protection of the environment [I; S]. ■ Greater exposure to environmental litigation/breaches [I]. ■ Restrictions on vehicle mobility [SC; I].
Transition	Market	■ Changes in customer behaviour/preferences [SC; I; S]. ■ Variation in availability of resources [SC; S]. ■ Geopolitical and social instability [SC; I; S]. ■ Change in insurance conditions [I]. ■ Inadequate insurance coverage [I]. ■ Difficulties in access to financing [SC]. ■ Loss in value of assets [I].
Transition	Technology	■ Transition to low-emission technologies [SC; I]. ■ Increase in operational difficulties for equipment and facilities [I].
Transition	Reputation	■ Failure to achieve climate goals [SC; I; S]. ■ Changes in customers' perception of the Company [SC; I; S]. ■ Degradation of the image of the tourist industry [SC; I; S].

To assess the likelihood and impact of each of the risks identified, the scenarios used by the IPCC, the International Energy Agency and the NGFS were taken into account. Out of the scenarios considered, SSP1-RCP2.6 was selected over the other alternatives (SSP5-RCP8.5, SSP3-RCP7.0 or SSP2-RCP4.5) as it was regarded as the scenario that fulfilled all the attributes required by the TCFD: plausible, distinctive, consistent, relevant and challenging. This scenario was also selected for its consistency with the Company's commitments to the target of net zero emissions by 2050.

The analysis of the likelihood (on a scale of 1 to 4, with 1 being "remote" and 4 being "almost certain") and impact (on a scale of 1 to 4 where 1 is "low" and 4 is "very significant") was carried out taking into consideration the time horizons of present (2022[30]-2024), short-term (2025 - 2030), medium-term (2031 - 2050) and long-term (>2050) and taking into consideration the useful life of the Company's assets (mainly real estate). This assessment was conducted through geolocation programmes for the Company's physical assets using ArcGIS with a WGS 84 EPSG:4326 coordinate system.

Based on the results, the physical risks with the greatest impact were selected and an analysis of the financial impact generated in the Company in the SSP1-RCP2.6 scenario was carried out and stressed to evaluate greater impacts. In future years, work will be done on more climate scenarios to assess the impact on the Company.

The Company also carried out an analysis of the transition risks and opportunities, applying the same scenario as for physical risks, SSP1-2.6. For this purpose, the transition risks and opportunities were identified in the categories established in its recommendations (politics and regulation, technology, market and reputation) and related to the hotel sector and with changes in macro-trends in a low-emissions scenario.

When carrying out the analysis, the Company's type of assets and business activities were taken into consideration to assess whether they were incompatible with the transition to a decarbonised economy, taking into account socioeconomic factors such as the political and social, technological and regulatory context of each country. With regard to locked-in emissions, as indicated in relation to E1-1, these have not been quantified yet. This will done in future years. Each of these transition risks and opportunities identified was assessed in the same stages of the value chain as for physical risks (supply chain, infrastructure and services) and using the same variables for likelihood (on a scale from 1 to 4, where 1 is "remote" and 4 is "almost certain") and impact (on a scale form 1 to f, where 1 is "low" and 4 is "very significant") . The result of this risk assessment is set out in the following document (*MHE&A TCFD Report*).

In the same way as for physical risks, out of the results of this assessment. the transition risks and opportunities with the greatest impact were selected and an analysis of the financial impact generated in the Company in scenario SSP1-RCP2.6 and in a stress scenario was carried out.

A breakdown of these IROs can be found in *Note 2. Impacts, risks and opportunities of relative importance.*

[30] *Analysis carried out in 2022.*

For subsequent years, the Company will deepen the evaluation of the exposure and sensitivity of assets derived from physical risks in high emission scenarios (specifically, SSP5-8.5).

The climate scenarios used are compatible with the basic climate-related assumptions used in the financial statements (see *Note 2.7 Responsibility for the information, estimates made and sources of uncertainty)*

E1-2: Policies related to climate change mitigation and adaptation

Details of Minor Hotels Europe & Americas' policies related to fighting climate change can be consulted in the following section: *Policies for managing the "fight against climate change"*

Tivoli Alvor Algarve Resort
Alvor, Portugal

E1-3: Actions and resources in relation to climate change policies

CLIMATE CHANGE ADAPTATION AND MITIGATION AND RESPONSIBLE ENERGY MANAGEMENT

MHE&A's response to climate-related risks and opportunities based on the Task Force on Climate-related Financial Disclosure (TCFD)

To understand how sustainable CapEx investment affects the financial statements, the following financial variables have been identified which will be affected by the most relevant risks and opportunities. A breakdown of the monetary amounts required to execute these actions is set out in the table at the end of the chapter:

Financial variables	Example of potential impact for Minor Hotels Europe & Americas
Revenues	Investments in sustainability, such as the incorporation of renewable energy production facilities and the improvement in energy efficiency through renovations of facades and envelopes, strengthen the Company's position in the face of growing demands from environmentally conscious customers. This approach not only responds to consumer preferences for sustainable services, but also improves competitiveness in markets where ESG (environmental, social and governance) criteria influence demand. This protects and increases revenue generation, even in an environment of changing customer preferences or exposure to physical climate risks..
Costs	The replacement of conventional combustion equipment with electric equipment aimed at decarbonisation and the incorporation of efficient systems (pumps, chillers, kitchen equipment) reduce long-term operating costs by reducing energy consumption and dependence on fossil fuels. In addition, these investments mitigate the impact of future increases in energy prices and reduce the likelihood of incurring penalties related to environmental regulations, such as requirements for the decarbonisation of buildings.
Assets and liabilities	Energy efficiency actions and improvements in thermal insulation reinforce the value of assets by aligning them with sustainability regulations, such as building decarbonisation requirements. In addition, these investments protect the market value of assets against depreciation risks arising from extreme weather events, particularly in coastal areas. Furthermore, the incorporation of photovoltaic energy installations improves the profile of the assets by generating energy savings and reducing the carbon footprint, thus increasing their attractiveness in the market.
Access to capital	The commitment to sustainability, demonstrated through these investments in sustainable CapEx, improves the Company's ESG profile, facilitating access to capital under more favourable conditions. In the current context, where the hotel sector is highly exposed to physical and transition climate risks, these actions reduce the risk perceived by investors and financial institutions, promoting more accessible and competitive financing.

The main climate risks identified are detailed below, together with the adaptation measures implemented or planned to mitigate their impact on those assets where a higher probability of the climate risk materialising has been identified. Information on the identification and assessment of these risks is provided in the relevant section of the report: *ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities.*

Main climate risks and related adaptation measures

Reduction in the availability of water resources

Physical risk | Short term

The increase in the frequency, duration and intensity of droughts, as well as the exhaustion and contamination of underground water resources by saline intrusion due to the rise in the sea level and the infiltration of saltwater in the subsoil may lead to a reduction in the availability of water resources.

The overexploitation of water sources, water pollution and the alteration of climate patterns contribute to the risk concerning the availability of water resources.

When the demand for water exceeds the available supply, various problems may be generated, such as the scarcity of water for human consumption, irrigation in farming and industrial activities.

Adaptation measures

- Sustainable water management, conservation of aquatic ecosystems and the implementation of efficient practices in water use are fundamental in order to mitigate this risk and guarantee long-term water availability.
- Incorporation of the results of water stress analysis in the decision-making process.
- Raising awareness on the importance of responsible water use and promoting practices that reduce demand.
- Investment in technologies that improve efficiency in water management and use.

Risks of pluvial and fluvial floods and extreme precipitation

Physical risks | Medium term

In most of the countries where the Company operates, it is exposed to the risk of extreme natural events, the frequency and/or severity of which may be amplified by climate change. Both the pluvial flood risk and the extreme precipitation risk are due to changes in precipitation patterns, both in frequency and intensity, that take the form of abundant rain and saturation due to an excess of water in the soil or overflowing river courses, flooding the surrounding land.

Among these extreme natural events, both risks are notable for the increase in their potential residual impact on the Company’s business, taking into account the estimate of a likely increase in daily extreme precipitation of 7% for each degree Celsius that the global temperature rises. This results in a progressive intensification of the likelihood of floods in specific regions of the world, aggravated both by the rise in sea level and by the increase in intense precipitation.

With the rising sea level and the increase in intense precipitation and the consequent changes in the intensity of precipitation, the likelihood of floods has increased in some places and will continue to increase. Among the countries most exposed to these risks are countries in northern Europe such as Germany and the Netherlands and in southern Europe such as Spain, France and Italy, where these adverse weather phenomena are becoming more and more intense due to the “tropicalisation” of the Mediterranean Sea, which represents a significant percentage of the portfolio.

The occurrence of such events could have a direct or indirect impact on guests and team members, but also on the Company's business and assets, affecting its activity negatively and compromising its financial situation. Protecting guests and team members is a priority for Minor Hotels Europe & Americas, so the Company is responding to these changes, analysing the current situation of its hotels and future assets. According to the IPCC, in Spain alone the cost of the floods caused by extreme precipitation phenomena has been on average 800 million euros a year

Adaptation measures

- Design of contingency plans and action protocols in the event of floods in potentially exposed hotels, which will establish preventive and corrective actions, and investments in infrastructure and equipment (containment dykes, drainage, bilge pumps, cleaning of drains and sewers, correct channelling of bodies of water etc.).
- Installation of watertight closing systems in the main doors and windows that could be affected by a sudden rise in water level (garages, street level...).
- Installation of high-resistance windows (tempered glass) to protect from potential impacts caused by hailstones

Risks of increase in air temperature

Physical risk | Medium term

In recent decades there has been an increase in the frequency and intensity of extreme heat events which are expected to continue increasing independently of the greenhouse gas emission scenario, with increases in average temperatures of between 1.3ºC and 2.2ºC between 2041 and 2060.

Independently of the greenhouse gas emission scenario, the frequency and intensity of extreme heat events have increased in recent decades and are forecast to continue to increase. The risk of such an increase in temperature is seen in the increase of stress caused to materials due to temperature, an increase in daily temperature variability, a rise in the number of hot nights per year or the increase in in the frequency and intensity of heatwaves.

This risk has a high probability of occurrence in all the countries in MHE&A's portfolio, but it presents a higher residual potential risk in countries in southern Europe. Spain is among the potentially most affected countries, where greater impact of the increase in maximum temperature is observed with heatwaves in the central and southern areas of Spain. Assets located in these regions will be most affected by these variables in 2050 under climate scenario SSP1 -RCP2.6.

Adaptation measures

- Development of energy efficiency studies in hotels to identify actions that will improve energy efficiency: change of windows, installation of facade coverings, replacement of climate control technologies, change of lighting elements, application of demotics, etc.

Risks of extreme weather phenomena

(Cyclones, hurricanes, typhoons, tornadoes)

Physical risk | Medium term

By 2050, both the average temperature of the earth's surface and the sea temperature will experience significant increases, especially in the basins that flow into the Adriatic Sea, causing an increase in the frequency and intensity of extreme weather phenomena such as cyclones, hurricanes, typhoons or tornadoes.

To study the likelihood and impact of this risk, the variations in average temperature, in relative humidity, sea temperature and wind speed and, finally, the number of consecutive dry days have been taken into account. As a result of these variations, there is a greater likelihood of occurrence in regions such as the USA and Mexico. However, considering that most of the Company's assets are located in Europe, the residual potential impact could be greater in this geographical area.

Adaptation measures

- Design of contingency plans and action protocols for extreme weather phenomena in potentially exposed hotels, that establish preventive and corrective actions, and investments in infrastructure and equipment (protection systems for equipment and infrastructure, containment dykes, bilge pumps, etc.).

Sustainable hotels

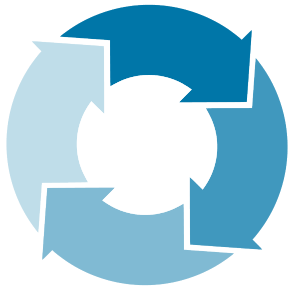
Aware of the importance of operating in a decarbonised world, the Company has identified a line of work in its Sustainable Business strategy to adapt its real estate assets to best practice in the sector on environmental sustainability.

Aware of the negative impacts caused by its activity (GHG gas emissions, energy consumption intensity) and the associated risks (derived from the increase in energy prices, the increase in maintenance costs or the reputational risks arising from non-compliance with decarbonisation), MHE&A has established a strategy to reduce the impact on costs and improve corporate performance.

In 2024, the Company has taken a step further on this matter. As the owner and manager of real estate assets through its different types of contracts, MHE&A has gone further in the inclusion of sustainable criteria both in signing deals on new hotels and in the refurbishment and improvement of hotels that are already included in the Company's portfolio.

Drive
A model of more efficient and sustainable hotels, applying best practice with the aim of minimising the negative environmental impact and maximising the positive impact, preserving the environment and generating value in the destinations where it operates.

Maximise
The quality of the portfolio in all its value aspects, including ESG.



Ensure
Efficiency of investments, assuring diversification of the portfolio and differentiation of the hotel products and services.

Improver
the efficiency of building, reducing energy and water consumption through appropriate and effective management of resources.

For MHE&A, 2023 saw the start of automation and use of IoT in monitoring energy and utilities consumption data, establishing agreements with new partners that will shape this new structure focused on optimising not just the aspect pertaining to reporting, but also with regard to the energy management of its buildings.

The following paragraphs describe the actions intended to mitigate climate change through the decarbonisation level, as defined in *"E1-1 – Transition plan for climate change mitigation"*.

Additionally, new tools have been developed internally that make it possible to manage these large volumes of data and capture them in such a way that they can be interpreted and traceable in a simple way. New models that predict consumption have also been tested, to estimate and compare new data, supported on historical occupancy and climate variables.

In its Energy Efficiency programme, Minor Hotels Europe & Americas continues along the lines followed in recent years, carrying out the gradual refurbishment of facilities with new equipment that improves performance and reduces overall consumption in its buildings.

In this regard, attention should be drawn to the investment of 10,2M€ made in 2024 through works and renewal of equipment with energy efficiency criteria, and other measures to improve the Company's impact on the environment.

The Company conducts an annual assessment of the best business opportunities and of the needs expressed by stakeholders, as a result of which different initiatives are implemented. The initiatives carried out in 2024 include the following:

- Replacement of installations based on fossil fuels (conventional combustion boilers) with other equipment based on electricity aimed at decarbonization. Of particular note is the change in technologies in the Amsterdam Zuid, NH Collection Palacio de Aranjuez, NH Montevideo Columbia, NH Ciutat de Reus y NH Collection Genova Marina.

- Progressive renovation of installations with new equipment that improves performance and reduces overall consumption of buildings, therefore improving GHG emissions and energy consumption and intensity and reducing negative impacts on the environment. The projects executed in the Anantara Palazzo Naiadi and the NH Berlin Alexanderplatz, NH Fiera and NH Collection Grand Sablon are especially worthy of mention in this regard.

- Increase in the number of hotels with a centralised building management system (BMS) and extension/improvement of some existing systems. The projects executed in the NH Collection Gran Hotel Calderón, Avani Frankfurt City, NH Collection Nürnberg City, NH Leipzig Messe, NH Collection Nürnberg City, and Anantara Grand Hotel Krasnapolsky are noteworthy in this respect.

- Incorporation of renewable energy producing installations in hotels such as the NH Pontevecchio, NH Collection Aránzazu and the NH Collection Constanza In 2024, 19 hotels have photovoltaic energy and 25 have thermal solar energy.

- Replacement of lighting systems in buildings with LED technology of lower consumption through the entire hotel portfolio, especially the projects executed in the NH Conference Centre Koningshof, NH Conference Centre Leeuwenhorst and the NH Collection Prague Carlo IV.

These actions have been carried out during the year under report and have a spirit of continuity, so they will be developed in the following years taking into account technological innovations or other events that may enhance the actions to improve the reduction of emissions.

The Company will continue to deepen these actions over the coming years, with the aim of driving compliance with the MHE&A's decarbonisation objectives. These actions will be carried out taking into account the availability of the Company's resources to allocate the necessary volume of CapEx.

Despite the fact that the Company does not have a CapEx plan strictly aligned with the requirements established by Commission Delegated Regulation (EU) 2021/2178, the Management Committee, in collaboration with the Executive CapEx Committee and the Executive Sustainable Business Executive Committee, annually approves CapEx investments related to energy efficiency and other sustainability aspects at a global level. Therefore, in 2025 MHE&A will continue to make progress in optimising consumption in its hotels by applying the sustainable criteria set out internally in its design and renovation guides. The amounts presented below are included and consolidated in the corresponding notes to MHE&A's Financial Statements, and this breakdown is not expressed ad hoc. In terms of CapEx, the information is consolidated in Notes 7, 8 and 10 and, in terms of OpEx in Note 25.2 to the aforementioned Financial Statements.

ENVIRONMENTAL IMPACT	CapEx			OpEx		SBTi (ACTION LEVER)
	Initiative		Investment (€)	Initiative	Investment (€)	
Energy and emissions	**Energy efficiency**	Insulation, enclosures and facades	€6,650.00			Action lever L2
		Cold water production equipment	€1,896,252.46			
		Fancoils	€1,714,225.55			
		Pumping installations	€2,673,102.25			
		Boils	€621,100.04			
		Domestic hot water production installations	€234,441.21			
		Lighting	€351,780.07			
		Ventilation and extraction	€241,458.06			
		Heat pumps	€598,871.62			
	Energy monitoring	Building management systems - BMS	€1,473,729.09			Action lever L1
	Green energy	Photovoltaic panels and solar thermal	€163,845.26	**Guarantees of origin**	1.319.415€	Action lever L3
Water	**Water efficiency**		€216,551.96			
				Smart water meters	€35,108.00	
Waste and circular economy	**Waste management (treatment and reduction)**	Presses and composters		**Zero waste project**	€431,041.28	Scope 3
		Containers and monitoring devices				

Currently, the Company does not have a detailed analysis for each inactive project that quantifies the expected results in terms of both achieved and expected GHG reductions. However, it is working on this. To this end, strategic projects have been selected during the reporting period that will allow the performance of the measures to be evaluated in reality and their achievement to be assessed in terms of emission reductions in the future period. This will allow the company to analyse the data obtained and extrapolate it to the rest of the hotels in the portfolio.

Environmental certification programme

The Company wants to help hotels reduce their energy consumption and be more efficient, mitigating the impact on the environment, and to that end it has established an environmental certification programme that endorses their performance. This environmental certification programme also mitigates the risks identified because it allows progress to be made towards compliance with emissions targets and better control of emissions and consumption in the facilities so that CapEx can be prioritised where it is most needed, reducing costs and seeking the best return on investment.

Accordingly, Minor Hotels Europe & Americas's hotels are certified under the ISO 14001 environmental management system and ISO 50001 energy efficiency system for accommodation services, restaurants, meetings and events. At the end of 2024, 65% of the hotels in Europe have ISO 14001 certification -a total of 125 hotels- and/or ISO 50001 certification -35 hotels-.

In addition to the ISO certification, some of the Company's hotels also have other environmental certifications such as: BREEAM, LEED, Green Key, Hoteles Más Verdes, Biosphere, DGNB, WELL H&S and Green Growth. The goal is to have an increasingly significant volume of hotels with globally recognised environmental certification, specific to the tourist sector, and approved by leading bodies in the industry.

In 2024, 49 hotels obtained some for of sustainability recognition for the first time, giving a total of 218 certified hotels out of the 293 hotels owned and leased in the portfolio.

“Minor Hotels Europe & Americas has individual certification for 74% of the hotels in the portfolio”

Environmental certifications

Region	Certification	2024	2023
Americas Region	Hoteles Más Verdes	12	6
	LEED	1	1
	GreenKey	30	14
Northern Europe Region	ISO 14.001	53	27
	ISO 50.001	1	1
	BREEAM	4	4
	GreenKey	36	37
	DGNB	1	1
	WELL H&S	0	0
	EARTH CHECK	1	
Southern Europe	ISO 14.001	72	70
	ISO 50.001	34	32
	BREEAM	16	12
	GreenKey	5	3
	Biosphere	10	9
	WELL H&S	3	3
Total number of certifications		**279**	**218**

Recognitions and alliances to favour Environmental Management

As a sign of the Company's environmental commitment, 278 hotels have obtained the HRS GreenStay distinction and 291 hotels have are recognized as part of the *GHA Green Collection*.

In addition, in March 2024, 99% of the Company's consolidated portfolio obtained Bioscore rating.

Bioscore certification is based on the independent assessment of a hotel for its level of sustainability through a rating based on ESG (environmental, social and corporate governance) criteria and aligning the most relevant metrics of the main internationally recognised ecolabels to offer a global and standardised view of the efforts made by the hotels in relation to sustainability.

The establishment is classified at sustainability level	The establishment is classified at sustainability level	The establishment is classified at sustainability level	The establishment is classified at sustainability level
SUPERIOR +80%	ADVANCED 70%-80%	INTERMEDIATE 60%-70%	COMMITMENT 50%-60%
5% OF THE HOTELS IN THE PORTFOLIO	31% OF THE HOTELS IN THE PORTFOLIO	52% OF THE HOTELS IN THE PORTFOLIO	11% OF THE HOTELS IN THE PORTFOLIO

Therefore, through the environmental certification programme and recognition of performance, the Company has environmental distinctions that guarantee compliance with sustainability in the hotels, mitigating the impacts generated on the environment through the implementation of more sustainable consumption models that reaffirms its commitment to sustainability, mitigating possible risks deriving from failure to meet its emissions targets.

Sustainable mobility

During guests' stays and sightseeing trips, the Company offers mobility services such as car sharing or bicycle hire. Currently there are more than 102 hotels that offer bicycle hire services, as well as charging points for electric cars installed in 57 hotels.

Alliance with Vattenfall

Minor Hotels Europe & Americas has signed an agreement with Vattenfall to include charging points for electric cars in its hotels in Germany. In December 2022, the Management Committee approved the initiative with an initial target of creating 175 charging points. The commitment has been extended in 2024 up to 242 charging points for 2025.

Sustainable mobility project

Minor Hotels Europe & Americas has joined a Project for the promotion of electric mobility. In the context of this initiative,during 2024 in the Americas Region a total of 6 chargers for electric vehicles have been installed. Thanks to this initiative, there are now 10 electric charging stations available: NH Collection Plaza Santiago (2), NH Antofagasta (2), NH Columbia Montevideo (4), NH Collection Santa Fé (1) and NH Queretaro (1). In 2025, the intention is to continue working to increase the number of charging points available.

Agreement with Wenea for electric charging points

In July 2022, Minor Hotels Europe & Americas formalized a framework agreement with Wenea, a company providing services for electric vehicle customers that offers smart charging solutions, to install charging points in all the hotels in Spain and Portugal that have parking facilities.

The agreement establishes that more than 250 charging points will be installed in more than 100 hotels throughout the territory. Guests who download the Wenea app will be able to see the Minor Hotels Europe & Americas charging points on the map, which will let them locate new stations where they can plan their stops during their trips or use the route planner, which will show them when they have to stop to charge. In 2024, 34 hotels in Spain and Portugal already have them, representing 41% of the hotels in the two countries.

Green mobility carpooling programme

These hotels located in the Algarve region of Portugal have implemented an innovative project that promotes a greener form of transport. This project is based on the idea of car sharing among employees, which not only contributes to reducing the carbon footprint, but also offers a number of benefits to participants.

METRICS AND TARGETS

E1-4: Targets related to climate change mitigation and adaptation

Minor Hotels Europe & Americas has set itself the target of reaching zero net emissions throughout the value chain by 2050

Minor Hotels Europe & Americas has reached an important milestone with the validation by the Science-Based Targets Initiative (SBTi) of its target of net zero emissions by 2050 and its new and more ambitious[31] emission reduction target for 2030

- Minor Hotels Europe & Americas has committed to reducing its scope 1 and 2 greenhouse gas emissions by 46.2%, with respect to 2019, by 2030, and its scope 3 greenhouse gas emissions originating from purchased goods and services, capital goods, activities related to fuel and energy, waste generated in operation, assets under management and franchise by 27.50 % in the same timeframe. In this regard, through its global electrification and decarbonisation measures for 2030, it is committed to reduce its total emission of greenhouse gases into the atmosphere by more than 185,000 equivalent tonnes of carbon dioxide.

- For 2050, the Company has committed to a reduction in absolute scope 1, 2 and 3 GHG emissions of 90.00% compared to 2019, the year selected as the base year as it was when the goals defined by the SBTi were adopted for the first time, assuring an aligned starting point, in addition to the fact that, as it is the year prior to the pandemic, it makes it possible to standardise turnover and avoid distortions deriving from the alterations caused by COVID-19. This commitment is directly related to the objectives established in its Environment and Climate Change Policy, in particular with commitment 5.1.1, which drives the adoption of the necessary measures to advance towards the decarbonisation of the Company and reach net zero emissions by 2050.

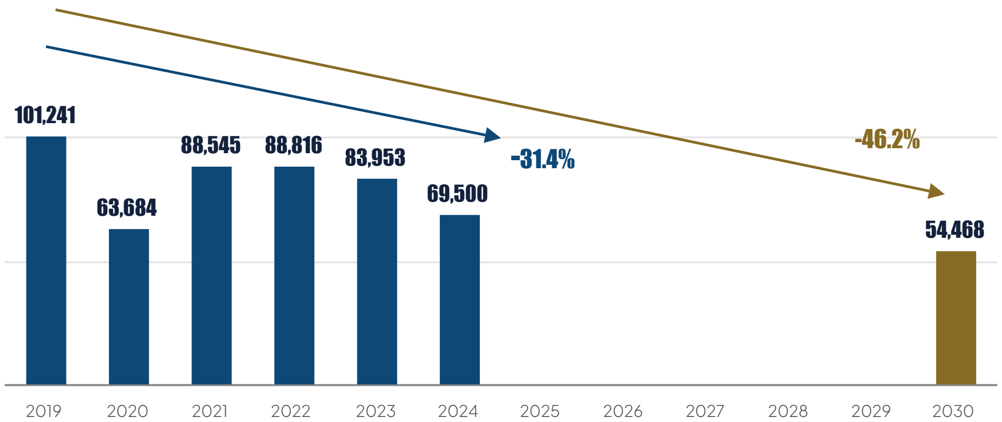
Targets related to the fight against climate change

Reduction trajectory based on 2019 as base year	2019 (actual data)	2030 (target)		2050 (target)	
	Total (tCO_2 eq)	Total (tCO_2 eq)	% (vs 2019)	Total (tCO_2 eq)	%
Scope 1 and 2 GHG emissions	101,241.00	54,468	46.2 %	10,124.10	90 %
Scope 3 GHG emissions	361,658.38	217,361.80	27.5 %	36,165.84	90 %
Total	**462,899.38**	**271,829.80**		**46,289.94**	

These targets have been set taking into account customers, investors and owners, as well as the social and economic needs for the reduction of emissions and compliance with the EU's goals.

In setting the target, the same perimeter has been used as for the calculation of GHG emissions. MHE&A is aware that technological or business growth changes may have an impact on the decarbonisation targets, and therefore if relevant events occur that could affect the targets, a review will be carried out to align them with such changes.

GHG emission and targets (Scope 1 y 2)



The emissions calculation has been carried out with a market-based approach, as is the case with the calculation of the reduction in emissions. In relation to the percentage emission reduction to meet the target, it is combined for scope 1 and 2. Depending on the achievement of the targets, the need to activate the reduction levers to a greater or lesser extent will be assessed.

The assumptions used to define the emission reduction targets of Minor Hotels Europe & Americas for 2030 and 2050 are based on international guidelines. The target for 2030 corresponds to the frameworks established in the 2030 Agenda for sustainable development, reflecting the Company's commitment to the Sustainable Development Goals (SDG). In turn, the target for 2050 is aligned with the goals set by the European Union for climate neutrality, in line with global trends and international initiatives such as the Science-Based Targets initiative (SBTi). The Company has received scientific validation and approval of both commitments by the global SBTi initiative, the leading world forum of environmental associations to reverse climate change.

With the additional commitments established for 2030, MHE&A complies with the scientific scales recommended to businesses in the Paris Agreement to limit the increase in global temperature to 1.5 degrees Celsius compared to pre-industrial levels. The approval of these

[31] *The more ambitious reduction target for 2030 extends the Company's previous commitment, established in 2018, to reduce total GHG emissions by at least 20%,*

two objectives underlines the Company's commitment to firm climate actions aligned with the global sustainability goals of Minor Hotels.

To achieve these targets, the Company has a created a special cross-cutting working group, SBT 2030, co-ordinated by the Company's Sustainable Business Department and involving all key areas with the aim of achieving end-to-end decarbonisation. The efforts made by Minor Hotels Europe & Americas in fighting climate change are carried out in the framework of the "SBT 2030 Plan", which sets out the four levers of action to meet the GHG emission reduction targets (throughout the Company's value chain, as can be seen in *E1-1: Transition plan for climate change mitigation.*

One of the decarbonisation levers to achieve GHG emission reduction targets is the electrification strategy for hotels. It is currently analysing the hotels where the heat pumps will be installed and considering their economic impact, as well as the benefits in terms of energy efficiency, energy savings and fuel substitution. These elements are being studied to determine their overall contribution to the objectives set. Currently, a 31.4% reduction in emissions has been achieved compared to 2019.

A 31.4% reduction in Scope 1 and 2 emissions has now been achieved compared to 2019.

E1-5: Energy consumption and mix

In order to carry out an exhaustive and rigorous control of energy consumption, carbon footprint and water consumption measurements, Minor Hotels Europe & Americas monitors energy consumption and cost indicators on a monthly basis through an online system to which all the Company's hotels have access and which allows reporting, control, monitoring and traceability of the indicators. Through this system, the Company extracts the monthly consumption data by asset and energy source, having obtained the following information for 2024:

Energy consumption by source (MWh)

	2024	2023	Variation (%)
Natural Gas	213,243,511	204,980.55	4.0
Diesel	2,955,523	2,233.05	32.4
LPG	7,087,158	4,329.14	63.7
Propane	2,133,336	1,095.02	94.8
Biomass	288,400	280.90	2.7
Electricity*	299,810,087	279,374.61	7.3
District Heating	54,725,838	50,328.27	8.7
District cooling	7,370,544	3,468.52	112.5
Total	**587,614,396**	**546,090.06**	**7.6**

** In 2024, of the total electricity (299,810.09 MWh) 85% comes from renewable sources: 254,580.94 MWh by guarantees of origin and 1,097.10MWh in self-generated renewable electricity (estimated data point).*

Energy consumption by grouped sources (MWh)*

	2024	2023	Variation (%)
Fuel consumption from coal and coal products			-
Fuel consumption from crude oil and petroleum products	12,176.02	7,657.21	59.01 %
Fuel consumption from natural gas	213,243.51	204,980.55	4.03 %
Fuel consumption from other fossil sources			-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	84,812.49	100,045.63	(15.23)%
Total fossil energy consumption	**310,232.02**	**312,683.39**	**-0.78 %**
Share of fossil sources in total energy consumption (%)	**52.80 %**	**57.26 %**	**-7.80 %**
			-
Consumption from nuclear sources	**3,247**	**5,395**	**-39.82 %**
Share of consumption from nuclear sources in total energy consumption (%)	**0.55 %**	**0.99 %**	**-44.07 %**
			-
Fuel consumption from renewable source	288.40	280.90	2.67 %
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	272,750.16	227,730.58	19.77 %
Consumption of self-generated non-fuel renewable energy	1,097.10		-
Total renewable energy consumption	**274,135.66**	**228,011.48**	**20.23 %**
Share of renewable sources in total energy consumption (%)	**46.65 %**	**41.75 %**	**11.73 %**
Total	**100 %**	**100 %**	**– %**

Note that the value for this row includes electricity from large hydro as well as the electricity generation mix of each country. For the year 2023, information on self-generated renewable energy was not available.

***Estimated.*

Energy consumption

	Energy consumption (MWh)		
	2024	2023	Variation (%)
Americas Region	64,718.41	58,558.46	10.52
Northern Europe Region	268,771.66	257,155.08	4.52
Southern Europe Region	254,124.33	230,376.51	10.31
Total	**587,614.40**	**546,090.06**	**7.60**

Energy consumption

	Energy ratio (MWh/thousand euros of total revenue)			Energy ratio (MWh/RN)		
	2024	2023	Variation (%)	2024	2023	Variation (%)
Americas Region	0.364	0.46	-20.5	0.05	0.05	6.0
Northern Europe Region	0.273	0.28	-3.1	0.05	0.05	1.3
Southern Europe Region	0.215	0.22	-2.7	0.05	0.05	4.1
Total	**0.251**	**0.26**	**-4.4**	**0.05**	**0.05**	**2.9**

**In order for the information to be more faithful to the reality of MHE&A's business, it uses in the denominator the revenue figure relating to those hotels owned and rented (2,342,859 thousand of euros). This is because the numerator only includes data relating to those hotels.*

The increase in energy consumption, both in absolute and relative terms, was driven by the general rise in temperatures in many of the countries in which the company operates.

MHE&A's strategy is to expand the opening of hotels in the luxury, upscale and resort segments, which are more demanding in terms of energy and water consumption, as was the case with the new hotels added to the portfolio during the year, such as Anantara Palais Hansen Vienna (Austria), NH Collection Helsinki Grand Hansa (Finland), Tivoli Ecoresort Praia do Forte (Brazil) and Tivoli Mofarrej Sao Paulo (Brazil).

The same applies to openings during 2023 that will be partially consolidated in 2024, such as Tivoli Alvor (Portugal), Tivoli Portopiccolo (Italy), NH Collection Spin Tower Frankfurt (Germany) and NH Collection Frankfurt (Germany).

E1-6: Gross scope 1, 2 and 3 and Total GHG emissions

Minor Hotels Europe & Americas' emissions (carbon footprint) are calculated according to the *Greenhouse Gas (GHG) Protocol "A Corporate Accounting and Reporting Standard (Revised Edition)"*, using the operational control approach, *Protocol Scope 2 Guidance,* and the supplement *Corporate Value Chai*n (Scope 3) *Standard*. This protocol was selected due to its wide international acceptance as a standard for measuring and managing greenhouse gas emissions. It provides a comprehensive and detailed framework that allows businesses to address both direct and indirect emissions, assuring consistency, transparency and comparability with other organisations in the sector.

Minor Hotels Europe & Americas' consolidation criteria encompass all the Company's hotels with ownership and lease agreements.

- Scope 1: Direct GHG emissions come from stationary sources owned by the Company or under its control (natural gas, LPG, propane, diesel and biomass). It does not include carbon credits or removals.
- Scope 2: Indirect emissions from the generation of electricity, district heating and district cooling consumed by hotels. Carbon credits are not taken into account.
  - Location-based: the International Energy Agency's emissions factors per country are used.
  - Market-based: the emissions factors of the supply companies for hotels that have guarantees of origin, while for the rest the country emissions factor indicated by the International Energy Agency is used.
- Scope 3: Indirect emissions which are a consequence of the Company's activities but come from sources that are not owned by the Company or under its control.
  - Upstream: purchase of goods and services, capital goods, indirect fuel and energy consumption, prior transport and distribution, waste generated, business travel and commuting by team members.
  - Downstream: scope 1 and 2 of managed and franchised hotels.

In calculating scope 3, there have been no significant changes in scope compared to the previous year. The assumptions followed in the calculation of the estimated Scope 3 emissions, the Company applies the following criteria:

- Category 1 (Purchased goods and services): Indirect emissions related to products and services acquired by MHE&A have been calculated through an economic analysis that assesses the impact of purchases from suppliers in different sectors (secondary data), based on the annual corporate volume of purchases for each supplier type (value chain upstream source primary data upstream). It includes FLAG (Forest, Land and Agriculture) emissions calculated according to the EF provided by the GHG protocol land use tools (secondary data). It should be noted that in origin the annual volume of purchases by supplier type is used.

- Category 2 (Capital goods): Indirect emissions related to capital goods acquired by MHE&A are calculated on the basis of the annual purchase volume per supplier type (value chain upstream source primary data), on which emissions are estimated through an economic analysis that assesses the impact of purchases from suppliers in different sectors (secondary data).

- Category 3 (Fuel- and energy-related activities.): The calculation makes use of the energy activity data that MHE&A compiles and reports as well as the EF (DEFRA) corresponding to each energy source. Following the GHG Protocol guidelines, the emissions in this category have been separated into the following activities: "Well-to-Tank" fossil fuel and purchased electricity emissions (primary data) and emissions due to the generation, transmission and distribution of purchased electricity (primary data).

- Category 4 (Upstream transport and distribution): This category includes emissions originated as a result of the transport and distribution of goods and services over which MHE&A has financial control, and transport between facilities. The calculation has used economic data obtained from the annual purchase volume (primary data) categorised as transport and postal services and has then applied the corresponding NACE emission factor (secondary data).

- Category 5 (Waste generated in operations): Emissions derived from disposal and treatment of waste generated in MHE&A's operations in the year. It is calculated by applying the corresponding DEFRA EFs to the total waste generated for each type based on the annual estimate (secondary data) (for more information, see *E5-5: Resource outflows*.)

- Category 6 (Business travel): Emissions derived from business travel by team members in vehicles owned by third parties or operated by third parties, such as planes, trains, buses, etc. They are calculated by applying the corresponding DEFRA EFs (secondary data) to the annual kilometres travelled using the different modes of transport (primary data provided by the Travel Agency).

- Category 7 (Employee commuting): Emissions due to team members commuting from home to work. They are calculated using primary data of the number of team members in each country and applying the corresponding well-to-wheel EFs to the estimated use of public and private transport by team members (secondary data).

- Category 8 (Upstream leased assets): This category includes the use of assets under management arrangements by MHE&A. The calculation takes into account both primary data of assets (88%) and secondary data for the remaining 12% of assets.

- Category 14 (Franchises): Emissions from the operation of franchised hotels (secondary data estimated on the basis of the ratio of scope 1 and scope 2 emissions per surface area of the hotels included in the scope of operational control, extrapolated on the basis of the estimated surface area occupied by franchised hotels).

It should be noted that the Company does not generate Scope 3 GHG emissions for categories 9, 10, 11, 12, 13 and 15. This is due to MHE&A's business model as a hotel chain.

- Category 9 (Downstream transport and distribution), Category 10 (Processing of sold products), Category 11 (Use of sold products) and Category 12 (End-of-life treatment of sold products): the Company does not offer tangible products, and therefore this category is not relevant.

- Category 13 (Downstream leased assets): the Company does not have owned assets that have been leased to other entities in the year.

- Category 15 (Investments): The Company does not have shareholdings of less than 50%, and therefore this category is not relevant for the Company.

The purchase of goods and services is the Company's greatest scope 3 impact. In the last two years, the suppliers with the largest carbon footprint have been identified, so that we can work with them on improving information channels and advancing the compilation of primary data to calculate the emissions corresponding to these categories.

There are no regulated emissions.

Carbon footprint - Total emissions (t eq CO_2)

	Retrospective			Milestones and target years			
	2024	2023	Variation (%)	2025	2030	2050	Annual % target / base year
Scope 1 GHG emissions 1*							
Americas Region	5,199	4,753	9.4				
Northern Europe Region	20,186	20,345	-0.8				
Southern Europe Region	20,765	18,228	13.9				
Total	**46,150**	**43,326**	**6.5**	**	***		**-8.30**
Scope 2 GHG emissions (located-based)							
Americas Region	11,290	10,909	3.5				
Northern Europe Region	37,631	39,574	-4.9				
Southern Europe Region	27,110	33,706	-19.6				
Total	**76,031**	**84,189**	**-9.7**				
Scope 2 GHG emissions (market-based)							
Americas Region	11,119	10,909	1.9				
Northern Europe Region	10,556	28,139	-62.5				
Southern Europe Region	1,675	1,579	6.1				
Total	**23,350**	**40,627**	**-42.5**	**	***		**-54.20**
Scope 3 GHG emissions							
Category 1. Purchased goods and services	221,462		-				
Category 2. Capital goods	89,577		-				
Category 3. Fuel- and energy-related activities (not included in scope 1 or 2)	11,554		-				
Category 4. Transport and distribution in previous phases	1,299		-				
Category 5. Waste generated in operations	707		-				
Category 6. Business travel	7,733		-				
Category 7. Employee commuting	9,212		-				
Category 8. Leased assets in previous phases	13,893		-				
Category 14. Franchises	1,164		-				
Category 15. Investors			-				
Total	**356601.4**				**27,5%**	**90 %**	**-1,30%**

Carbon footprint - Total emissions (t eq CO_2)

	Retrospective			Milestones and target years			
	2024	2023	Variation (%)	2025	2030	2050	Annual % target / base year
Total GHG Emissions							
Total GHG emissions (location-based) (tCO2eq)	**478,782**						
Total GHG emissions (market-based) (tCO2eq)	**426,101**						

**Scope 1 emissions include emissions derived from stationary combustion of all the hotels in the portfolio (consolidated perimeter). The Company does not systematically monitor fugitive emissions of cooling gases in all the hotels in the portfolio. However, based on a random sample of monitored hotels, an estimate of the magnitude that these emissions could represent with respect to the total Scope 1 emissions. This estimate has been based on similar characteristics of hotels to extrapolate to the rest of the portfolio. It may be concluded from this analysis that fugitive emissions are not significant with respect to Scope 1 in 2024, although they could vary significantly from one year to another due to the actual need for refills of cooling equipment. MHE&A will work in forthcoming years to systematise the gathering of this information and be able to consolidate it.*

The company does not publish biogenic emissions due to the requirement of AR 43 of the ESRS E1 standard, which states that: 'Biogenic emissions should be reported separately and include a breakdown of CH_4 (methane) and N_2O (nitrous oxide) emissions from biogenic sources'. This is because only one hotel uses biomass as an energy source and, after calculation, these do not meet the minimum unit of measurement used in the table (342 kg and 4.5 kg respectively). Emissions in tonnes CO2e corresponding to biomass combustion are included in Scope 1 GHG emissions.

*** Target of 4% reduction for Scopes 1 and 2 by 2025.*

**** The Company is committed to reducing its Scope 1 and 2 emissions by 46.2% by 2030 (base year 2019) and by 90% by 2050. For more details, see* *E1-4 – Targets related to climate change mitigation and adaptation*

It should be noted that of the total market-based Scope 2 emissions, 58% have an emission factor of 0 as they come from electricity with guarantees of origin. Of the remaining 42%, 90% is concentrated in the Americas region where there is no EF for each energy supplier.

The Company avoids any possible double counting by discerning precisely the assets in its portfolio on which it has operational control (owned and leased hotels), the emissions of which are counted under Scope 1 and 2. On the other hand, assets over which the Company does not have operational control (hotels under management and franchises) are included in Scope 3 of the Carbon Footprint.

Carbon footprint intensity - Emissions ratio (t eq CO_2/total net revenues in thousand euros*)

	2024	2023	Variation (%)
Scope 1 GHG emissions			
Americas Region	0.029	0.037	-21.32
Northern Europe Region	0.021	0.022	-7.98
Southern Europe Region	0.018	0.017	0.50
Total	**0.020**	**0.021**	**-5.32**
Scope 2 GHG emissions (location-based)			
Americas Region	0.063	0.085	-25.56
Northern Europe Region	0.038	0.043	-11.81
Southern Europe Region	0.023	0.032	-29.04
Total	**0.032**	**0.040**	**-19.73**
Scope 2 GHG emissions (market-based)			
Americas Region	0.062	0.085	-26.68
Northern Europe Region	0.011	0.031	-65.21
Southern Europe Region	0.001	0.002	-6.41
Total	**0.010**	**0.020**	**-48.91**
Scope 3 GHG emissions			
Total	**0.1475**		
Total GHG emissions (location-based)			
Total	**0.1980**		**-**
Total GHG emissions (market-based)			
Total	**0.1762**		**-**

** In order to provide information that is more faithful to the reality of MHE&A's business, for the Scope 1 and 2 ratios MHE&A uses in the denominator the revenue figure relating to those hotels owned and rented (2,342,859 thousand of euros). This is because the numerator only includes data relating to those hotels. For the Scope 3 ratio,the denominator correspond to the item of ordinary incomes in Note 25.1 of MHE&A's Financial Statements.*

Carbon footprint intensity -Emissions ratio (kg CO_2eq/RN)

	2024	2023	Variation (%)
Scope 1 GHG emissions			
Americas Region	3.935	3.749	5.0
Northern Europe Region	3.736	3.886	-3.9
Southern Europe Region	3.831	3.565	7.5
Total	**3.800**	**3.730**	**1.9**
Scope 2 GHG emissions (location-based)			
Americas Region	8.545	8.605	-0.7
Northern Europe Region	6.965	7.559	-7.9
Southern Europe Region	5.001	6.592	-24.1
Total	**6.260**	**7.248**	**-13.6**
Scope 2 GHG emissions (market-based)			
Americas Region	8.416	8.605	-2.2
Northern Europe Region	1.954	5.375	-63.7
Southern Europe Region	0.309	0.309	0.1
Total	**1.923**	**3.497**	**-45.0**
Scope 3 GHG emissions			
Total	**29.362**		**-**
Total GHG emissions (location-based)			
Total	**39.422**		**-**
Total GHG emissions (market-based)			
Total	**35.084**		**-**

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

Sustainable Meeting & Events - Carbon Neutral

In its commitment to fight climate change, Minor Hotels Europe & Americas uses the offset of emissions to give visibility to the Company's climate commitment by involving customers in it.

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

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

In 2024 the carbon footprint of 554 large events was offset, which represented the neutralisation of 3,934 tonnes of carbon emitted into the atmosphere. For more details on this initiative, see the following *link*. In addition, 559.00 tonnes of CO2 eq. have been offset.

The following table also presents the breakdown of greenhouse gas (GHG) emissions in CO2 equivalent tonnes. In the case of MHEA, no emissions have been removed during the reporting period. However, the offsets of emissions have been made both through internal projects and through the acquisition of carbon credits. These carbon credits are offset as part of the company's commitment to mitigate residual emissions that cannot be reduced directly, by financing external projects such as "Uberlândia landfills I and II".

On the other hand, avoided emissions come from the purchase of green energy and the production of own renewable energy, which reflects MHE&A's strategic choice for decarbonisation of its operating model and the integration of sustainable solutions in its value chain.

			2024	2023	Variación (%)
GHG emissions (tCO_2eq)	REMOVED	N/A			
	OFFSET	Through internal projects			
		Through carbon credits	559.00	482.00	16.0%
	AVOIDED	Purchase of green energy	52,681.00	43,561.53	20.9%
		Production of green energy	192.15		-

52,681
EMISSIONS NOT GENERATED DUE TO PURCHASING GREEN ELECTRICITY (t EQ CO_2)

192.15
EMISSIONS NOT GENERATED DUE TO SELF-PRODUCTION OF GREEN ELECTRICITY (t EQ CO_2)

4,493
EMISSIONS OFFSET THROUGH OFFSET PROJECTS (t EQ CO_2)

The Forest Project

Since 2022, Minor Hotels Europe & Americas has worked on identifying possible emission offset projects that will contribute to the conservation of nature in the surroundings where it operates.

This action materialized with the signing of a collaboration contract with a third party to reforest the area known as the "Valley of the Dreams" in the Sierra Norte de Madrid, classed as a Biosphere Reserve since 2005. This valley, located in a highly depopulated area that has suffered serious soil degradation, had an exceptional forest ecosystem.

The priority goal of the creation the Forest Project is to contribute to the revitalisation of the area, recover the ecosystem, and to develop the local area by creating rural jobs and reforestation as protection against climate change. As for the methodology and the calculation framework used, it has been carried out through the promoter Retree and Space Solutions, following the calculation methodology detailed in the document of the Ministry for the Ecological Transition and the Demographic Challenge (MITECO) entitled "Guide for the estimation of carbon dioxide removals", taking into consideration the calculation formula defined in the "Guidelines on Good Practice in the Change of Land Use and Forestry Sector" of 2003 of the IPCC to ensure rigour and alignment with international standards in the measurement of GHG removals. Minor Hotels Europe & Americas is currently in the process of creating new alliances with local suppliers, with the aim of creating a network of forests located in the areas where it operates.

RESULTS SINCE THE START OF THE PROJECT

4,013
native trees planted

30,100 m²
of forest area generated

1,043 t eq CO_2
forecast to be removed throughout the term of the project

1,203
hours of rural employment

This year, MHE&A has acquired 4000 tonnes of carbon credits that come from two certified international projects:

- "Uberlândia landfills I and II" in Brazil, a biogenic project, with Standard for the Global Goals certification.
- "Collecting and Destroying Potent Greenhouse Gases" in Thailand, a technological project certified by the American Carbon Registry.

However, the Company does not plan to use these credits to cancel emissions in 2024 due to the possibility of using the stock of credits purchased in 2023. The exact number of tonnes offset during the reporting period will be determined on the annual emissions report closing date. With regard to emissions that are expected to be offset in the future, this will be determined on a year-by-year basis in line with the accumulated stock of carbon credits and any future purchases that may be made to cover specific needs.

MHE&A has currently not defined the scope, methodologies or specific frameworks for the neutralisation of residual GHG emissions, as these measures will be addressed once the intermediate targets set for 2030 have been reached, as the net zero emissions target is set for 2050.

NH Collection Buenos Aires Crillón
Buenos Aires, Argentina

Tivoli La CaletaTenerife Resort
Tenerife, Spain

5.1.2

UP FOR PLANET

PROCESSES AND OPERATIONAL STANDARDS

ESRS E3. WATER AND MARINE RESOURCES
ESRS E5. RESOURCE USE AND CIRCULAR ECONOMY

MINOR HOTELS
EUROPE & AMERICAS

ESRS E3. WATER AND MARINE RESOURCES

ESG DIMENSION	Relevant topics 2024	Sub-topics	Sub-sub-topics	Description
ENVIRONMENT	Responsible water management	Water	Water extraction Water consumption	Sustainable use of water to guarantee future availability

ESG	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Impact, Risk and Opportunity Management
	Water	**Water extraction**	The exhaustion of natural water resources, caused by intensive extraction that exceeds the regeneration capacity, represents a significant impact, especially in areas of high water stress, where the operation of facilities may be compromised. However, the implementation of measures to reduce the demand for domestic hot water not only reduces energy consumption, but also mitigates this impact by optimising water use. Furthermore, incorrect monitoring of data relating to the extraction of water resources can generate a reputation risk, affecting stakeholders' perception of and confidence in the organisation.	■ Ratio of water consumed (m^3/ guest)	▲	*E3-2: Actions and resources related to water and marine resources*
		Water consumption	The absence of operational control over water consumption throughout the value chain can lead to negative impacts on the environment deriving from water consumption by suppliers with intensive consumption of these resources.	■ % of hotels in water stress areas	▼	

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

ESRS 2 IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

A description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources can be consulted in the following section: *ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities*

It should not be noted that, to identify material impacts, risks and opportunities related to water and marine resources, the Company has examined its assets and activities in the different regions, taking into account both its presence in areas of high water stress and the consumption at the Company's different locations using the *Aqueduct* tool as will be described below.

In determining these IROs, the Company has also identified the supplier types that extract most water, where suppliers of laundry services stand out.

As a result of the double materiality analysis, it has been concluded that aspects related to m marine resources are not material. MHE&A's consumption of marine resources derives from the use of such resources for restaurant services, the management of which is encompassed within sustainable purchasing. .

However, as MHE&A is committed to this aspect, it has a line of action in place based on *"Sustainable fishing"*. Although the Company does not carry out its activity within any protected natural area. it has a number of different measures and initiatives in place to preserve and restore biodiversity in the surroundings where it operates.

Sustainable fishing is encouraged in the Company's hotels through legal compliance in relation to consumption of species and responsible procurement of these products.

Tivoli Carvoeiro Algarve Resort
Carvoeiro, Portugal

E3-1: Policies related to water and marine resources

Details of the Minor Hotels Europe & Americas' policies related to water and marine resources can be consulted in the following section: *Policies for "Responsible water management"*

E3-2: Actions and resources related to water and marine resources

Minor Hotels Europe & Americas is committed to responsible management of water as a limited resource. Aware that water use and consumption should be managed responsibly, it has developed a series of measures and plans aimed at reducing the impact the Company's operations have on the total volume of water extraction in the destinations where it operates.

Based on the results of the double materiality analysis and the resulting material IROs in relation to the material matter "Responsible water management", the actions undertaken by the Company focus on aspects related to the volume of water extraction and the availability of water resources. Accordingly, the measures adopted by MHE&A are focused on reducing the volume of water extraction and adequate monitoring of such extractions. A good quality of data will allow the Company to go progressively further in the initiatives already in place.

Since the first Sustainability Plan was defined in 2007, water consumption saving measures have been implemented, such as the installation of aerators and consumption reduction devices in cisterns, the installation of novel water recovery and reutilization systems, the efficient procurement of devices such as dishwasher equipment in kitchens, as well as training and awareness raising in team members and the redesign of operational guidelines and actions in kitchen and housekeeping.

In addition, in 2014, progressive implantation started of showers that reduce the volume of water used by 40% thanks to their savings technology. In 2023, that commitment was extended through the approval of new shower heads, which were installed in 2024 for all hotels where shower fittings are being replaced. These shower heads significantly reduce the water flow, generating a reduction in the volume of water extracted per guest.

Furthermore, aware of the importance of monitoring the volume of water extraction more precisely, in 2024 the Company has installed water monitoring technology in 20% of its hotels (the OpEx associated to this initiative in 2024 is €35,108.00. This new technology features advanced software that provides for automated reporting. Using sophisticated algorithms, it analyses the information and offers users periodic reports and automatic leak alerts.

Thanks to this technology, significant benefits are expected both for operational management of the hotels and in terms of the impact this generates on the environment by helping to preserve local water resources, reduce operating costs, ensure compliance with regulations, improve the Company's image and permit early problem detection.

In forthcoming years the Company will continue to install the platform with the aim of having a single corporate tool for the control, analysis and interpretation of the volume of water extractions, leak detections and visualist ion of network data. All of this will help to reduce risks in water management and expand the range of opportunities that efficient water management generates.

The implementation of these measures is prioritised in settings where the availability of water resources is lower. Accordingly, once again MHE&A has worked with the Aqueduct tool provided by the World Resources Institute (WRI), which allows us to identify the areas with the highest water-stress risk at world level and to monitor the portfolio located in these areas, so that we can take preventive measures if necessary. The result of the analysis is that 47% of the hotels in the Minor Hotels Europe & Americas portfolio (consolidated perimeter) are located in areas with a high water-stress level (areas of very high risk and high risk).

Hotels located in water stress areas

	2024		2023		Variation (en %)	
	No. of hotels	% of total (per region)	No. of hotels	% of total (per region)	No. of hotels	% of total (per region)
Americas Region	10	22.22 %	10	23.26 %	– %	(4.4)%
Northern Europe Region	41	38.68 %	41	36.61 %	– %	5.7 %
Southern Europe Region	88	62.41 %	82	57.75 %	7.3 %	8.1 %
Total	**139**	**47.44 %**	**133**	**44.63 %**	**4.5 %**	**6.3 %**

Water stress areas are considered to be those areas under the categories of "very high" and "high"

Hotels located in water stress areas by stress level

2024	Very high (>80%)	High (40-80%)	Medium – High (20-40%)	Low – Medium (10-20%)	Low (<10%)	Arid
Americas Region	9	1	3	2	28	2
Northern Europe Region	12	29	4	6	63	0
Southern Europe Region	74	14	27	15	15	0
Total	**95**	**44**	**34**	**23**	**106**	**2**

2023	Very high (>80%)	High (40-80%)	Medium – High (20-40%)	Low – Medium (10-20%)	Low (<10%)	Arid
Americas Region	9	1	2	1	28	2
Northern Europe Region	12	29	4	5	62	0
Southern Europe Region	66	16	28	16	13	0
Total	**87**	**46**	**34**	**22**	**103**	**2**

Variation (%)	Very high (>80%)	High (40-80%)	Medium – High (20-40%)	Low – Medium (10-20%)	Low (<10%)	Arid
Americas Region	–%	–%	50.0%	100.0%	–%	–%
Northern Europe Region	–%	–%	–%	20.0%	1.6%	-
Southern Europe Region	12.1%	-12.5%	-3.6%	-6.3%	15.4%	-
Total	**9.20%**	**-4.35%**	**–%**	**4.55%**	**2.91%**	**–%**

Includes the total number of hotels that have been part of the hotel portfolio throughout 2024

The Company is carrying out actions and measures aimed at the reutilization and recycling of wastewater that will permit an efficient use of resources, reducing MHE&A's environmental impact without compromising the quality of the services offered to guests. Some of the most notable actions are:

- For the NH Campo de Gibraltar and NH Malaga (both hotels located in areas of very high water stress), water reutilization for use in WC cisterns is being carried out;
- Treatment of grey water for use in irrigation systems in hotels located in the Americas region such as the NH Iquique Costa.

Furthermore, four of the Company's hotels currently have a wastewater treatment system, all of them located in Italy and three of them in the city of Venice where water pollution represents a challenge for the city. Three hotels, located in Milan, Antwerp and Bogota, also have exceptional rainwater storage systems.

METRICS AND TARGETS

E3-3: Targets related to water and marine resources

The Company is committed to sustainable management of water resources, recognising the importance of acting in areas of high water stress. Work is currently underway on monitoring and evaluation capabilities to ensure efficient and responsible water management in operations. Once the Company has robust information, targets associated to this matter will be set.

The Company's approach is aimed at identifying and prioritising opportunities for improvement, actively working to define clear goals that contribute to the wellbeing of communities and the care of the environment in terms of water extraction. The Company expects to be able to define public targets in the short-medium term.

The Executive Sustainable Business Committee follows up and monitors the commitments made by MHE&A in its Environment and Climate Change Policy, which includes aspects related to water management. At its annual meetings, it reviews the actions undertaken and the associated KPIs in terms of water, such as the total volume of water extracted by region, the water intensity ratio, as well as the presence of hotels in areas of water stress in the reporting year compared to the previous year. Other specific circumstances of the daily operations of hotels are also addressed, such as water restrictions derived from droughts, which must be properly managed to comply with municipal ordinances and, at the same time, guarantee a quality service to customers.

E3-4: Water consumption

The "water footprint" calculation identifies water extraction based on the original source. For Minor Hotels Europe & Americas, water mainly originates from either public or private water suppliers.

To keep exhaustive and rigorous control over the extracted water volume, MHE&A conducts monthly monitoring of indicators through a corporate system for reporting, control and monitoring. Thanks to this system, the following data was obtained for 2024:

Water extraction (m3)

	2024	2023	Variation (%)
Americas Region	567,354	520,288	9.0
Northern Europe Region	1,548,283	1,417,989	9.2
Southern Europe Region	2,011,407	1,845,396	9.0
Total	**4,127,044**	**3,783,672**	**9.1**

It should be noted 99% of the water comes from supply sources. The remaining 1% comes from trucks and tans that provide five hotels located in the Americas region. The volume of water from this secondary source is 48,229 cubic metres.

Water footprint intensity

	Water ratio (m³/milion EUR in revenue)			Water ratio (m³/guest)		
	2024	2023	Variation (%)	2024	2023	Variation (%)
Americas Region	3,188.619	4,065.112	-21.6	0.306	0.267	14.6
Northern Europe Region	1,574.080	1,554.344	1.3	0.191	0.183	4.5
Southern Europe Region	1,702.682	1,770.675	-3.8	0.241	0.238	1.4
Total	**1,761.541**	**1,816.922**	**-3.0**	**0.225**	**0.216**	**4.1**

**In order for the information to be more faithful to the reality of MHE&A's business, it uses in the denominator the revenue figure relating to those hotels owned and rented (2,342,859 thousand of euros). This is because the numerator only includes data relating to those hotels.*

Water consumption and water intensity ratio increased in 2024 compared to 2023 due to increased activity and changes in the hotel portfolio.

Water extraction in areas of high water stress (m3)*

	Water extraction (m³)		
	2024	2023	Variation (%)
Americas Region	125,744	120,565	4.3
Northern Europe Region	521,453	472,675	10.3
Southern Europe Region	1,248,737	1,107,811	12.7
Total	**1,895,934**	**1,701,051**	**11.5**

**Areas classified as 'very high' and 'high' water stress are considered as water stress zones.*

Water extraction by stress level (m3)

	2024						
	Very high (>80%)	High (40-80%)	Medium – High (20-40%)	Low – medium (10-20%)	Low (<10%)	Arid	TOTAL
Americas Region	118,116	7,628	37,146	61,717	308,716	34,031	567,354
Northern Europe Region	158,876	362,578	20,185	99,938	906,707	0	1,548,283
Southern Europe Region	1,128,710	120,027	327,382	282,750	152,538	0	2,011,407
Total	**1,405,702**	**490,233**	**384,713**	**444,405**	**1,367,960**	**34,031**	**4,127,044**

	2023						
	Very high (>80%)	High (40-80%)	Medium – High (20-40%)	Low – medium (10-20%)	Low (<10%)	Arid	TOTAL
Americas Region	112,596	7,969	30,205	28,264	304,883	36,371	520,288
Northern Europe Region	133,132	339,543	22,595	83,549	839,170	0	1,417,989
Southern Europe Region	973,581	134,230	330,187	277,858	129,540	0	1,845,396
Total	**1,219,309**	**481,742**	**382,987**	**389,671**	**1,273,593**	**36,371**	**3,783,672**

The company does not currently have the total volume of water recycled/reused as a result of the recycling/reuse initiatives implemented in four hotels. The company does not currently have robust data on the volume of rainwater stored. Five hotels in the portfolio have tanks for storage.

Similarly, in terms of treated water, the company has treated 31,975.5 m3 in its hotels in Venice before discharging it into the public sewerage network.

NH Collection Gran Hotel Calderón
Barcelona, Spain

ESRS E5. RESOURCE USE AND CIRCULAR ECONOMY

ESG DIMENSION	Relevant topics 2024	Sub-topic	Sub-sub-topic	Description
ENVIRONMENT	Circular economy and waste management	Responsible waste management		Waste treatment, including measures to reduce, reuse and recycle waste in all production stages

ESG	Sub-topic	Sub-topics	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Target	Impact, Risk and Opportunity Management
E	Responsible waste management		The capacity to separate at source the waste generated in hotels by type (EWC) assures the proper treatment of each type of waste, which promotes responsible management with a direct impact on the environment. To this end, authorised managers for the treatment of hazardous and non-hazardous waste are necessary, because failure to use them could involve a risk of breach of the applicable regulations, as well as the need for training in hotels on correct separation. This risk may entail economic sanctions imposed by the competent authorities in relation to the management and treatment of each type of waste generated (guaranteeing compliance and assuring adequate documentation), especially as derived from extended producer responsibility.	■ No. of hotels with waste management tool implemented	▲	The Company is working on establishing targets and goals for future years.	*E5-2: Actions and resources related to resource use and circular economy*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

A description of the processes to identify and assess material impacts, risks and opportunities related to resource use and circular economy can be consulted in the following section: *ESRS 2 IRO-1: Description of the processes to identify and assess material impact, risks and opportunities*

To assess material impacts, risks and opportunities related to resource use and circular economy, the Company has carried out an exhaustive analysis of ruling legislation on waste management in the different regions. This analysis includes identifying the local, national and international regulations that affect operations.

For the assessment and identification of some of them, the different types of waste generated in the business operations have also been taken into account, considering both common waste and the specific waste of MHE&A's activity as a hotel chain.

In this regard, a detailed assessment of resource inflows and outflows, and of the generation and management of waste in the assets of the portfolio, was carried out. This has enabled us to identify and classify the main associated risks, such as regulatory compliance and the environmental impact, as well as opportunities for improvement, including the implementation of reduction, reuse and recycling practices. In this way, the Company seeks to guarantee that the type of waste generated is managed in a uniform and efficient manner in all the Company's assets, promoting a sustainable circular economy.

E5-1: Policies related to resource use and circular economy

Details of Minor Hotels Europe & Americas' policies related to resource use and circular economy can be consulted in the following section: *"Policies for "waste management and circular economy"*

E5-2: Actions and resources related to resource use and circular economy

As a result of its double materiality analysis, MHE&A has identified material IROs associated to the circular economy, specifically with regard to waste management.

For MHE&A, adequate waste management is not just an act of environmental responsibility and regulatory compliance, but also plays a crucial role in the Company's long-term sustainability and operational efficiency. The sector is facing the challenge of reducing its environmental footprint and contributing positively to the environment and part of this reduction lies in efficient waste management and minimising the production of waste.

Implementing effective waste management practices not only reduces the negative impact on nature, but also improves the hotel's image to its customers, who are increasingly aware of the importance of caring for the environment.

Adequate waste management can also generate economic benefits, as the reduction, reuse and recycling of materials can lead to a reduction in operating costs and the generation of new opportunities (transformation of such waste into raw materials). Furthermore, by complying with local and international regulations on waste, the hotel avoids possible sanctions and improves its reputation.

Responsible waste management throughout the entire value chain is important in this regard: focused on the type of products that MH&A acquires to carry out its business (managed from the procurement standpoint) until waste separation at origin in the hotels for adequate treatment. The effectiveness of correct treatment is based on engaging waste managers specialised in the different types of waste, both hazardous and on-hazardous.

Therefore, throughout 2024, MHE&A has implemented and developed initiatives aimed at boosting the positive impacts described above and minimising the negative impacts, as well as avoiding associated risks and taking advantage of the opportunities identified.

All the measures described below are aimed at contributing to the achievement of the Company's commitments set out in its Environmental and Climate Change Policy.

Responsible waste management

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

In 2024, the implementation phase of the project was carried out in the hotels in Spain and Portugal included in the consolidated scope. The purpose of the project is to guarantee compliance with ruling legislation and monitor production on a daily basis. The project has two phases:

- Compiling information and on-site training*:* All the information related to waste management in the hotels was gathered at the start of the project to check that the documentation and management each hotel worked with complied with ruling national and local legislation. The hotels were visited to find out the specific workings of each hotels in order to check any legal and/or operational risks the hotels could be incurring and determine what opportunities or improvements could be developed in each hotel. Finally, after the exhaustive analysis carried out, specific training was given in each hotel to all areas about correct waste separation.

- Digitalisation of information: A tailored app has been created for hotels so that they can digitalise all the pertinent information, to ensure that the hotels have all the legal documentation related to waste managers and necessary information for subsequent waste digitalisation. Waste monitoring is carried out through QR codes on a daily basis for each waste removal carried out in the hotel. In this way, information on operations and waste generation in the hotel is extracted for subsequent analysis and possible optimisation.

In 2024, the project was implemented in the hotels in the consolidated perimeter in Spain and Portugal. In 2025 and subsequently the goal is to continue implementing this project in hotels in European countries. At the end of the financial year, the OpEx expenditure for this initiative was €431,041.

As part of its commitment to mitigating impacts on the environment, Minor Hotels Europe & Americas also studies the different ways in which the Company's inflows, activities and products affect the environment and sustainable business development.

Commitment to reduce single-use plastics: Sustainable amenities

As part of Minor Hotels Europe & Americas' commitment to improving the impact of its activity on the environment, and offer guests the best experience, a new line of amenities was introduced that allowed us to eliminate all single-use plastics in room setup.

The packaging is 100% recycled and recyclable PET, complemented with a new line of bathroom accessories made using biodegradable materials (wheat straw) presented in 100% recycled paper packaging (eliminating chemical dyes or varnishes used in packaging).

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

All hotels of the NH Hotels, Collection and nhow brands also use pens made with compostable material (Wheat Straw) and resin.

F&B commitments at Minor Hotels Europe & Americas

As an integral part of its sustainability strategy, the F&B department is implementing different lines of action by Company region:

Zero plastic policy

We are actively working to reduce the use of plastics in all areas:

- Single-use straws have been replaced with biodegradable alternatives, in accordance with current legislation.
- In the minibars in the rooms, plastic bottles have been replaced by returnable glass alternatives.
- Plastic-free packaging, regardless of whether it is recycled and recyclable, is encouraged in Takeaway and Delivery services, in favour of models made of biodegradable materials.

Packaging (cardboard/plastic) and containers (glass)

Several of the Company's hotels have initiated a process to optimise and manage more efficiently the waste from the packaging and containers of their purchases, working directly with suppliers on their correct separation, removal and reuse.

Actions to combat food waste

Minor Hotels Europe & Americas is aware that food waste does not only occur in the amount of food that is not consumed, but also throughout the entire process associated with its production, preparation and processing in each of the F&B services, including its transportation.

In order to minimise the impact of this waste and guarantee the best quality of service, the Company has manufacturing standards and technical data sheets that apply to the entire production process chain, from the forecasting of needs (orders) and manufacturing, to the conservation and rotation of all products guaranteed.

Food waste pilot

Throughout 2024, the Company has carried out an analysis to evaluate automated solutions to improve the Company's food consumption optimisation and food waste reduction strategies. Throughout the year, a pilot project has been in place in a hotel in Spain, in which, through technological innovation, data on the daily operations of the kitchen and food that is not being used and ends up in the bin is captured in an agile and simple way. As a result of these months of testing, the quantities of the main food groups studies have fallen by 42% in grammes per portion. Furthermore, the amount of organic waste generated in the kitchen decreased by 10tons thanks to the efficiencies achieved with the implementation of the project. In 2025, work on the lines of action identified will continue, in order to continue improving this figure.

Partnership with Too Good To Go

The Company continues its alliance with To Good To Go to combat food waste in its hotels in Spain, Portugal, Holland, Austria and Germany. In this way, the Company continues to demonstrate its commitment to sustainability with the implementation of practices that contribute in this case to the use of food, waste reduction and environmental conservation.

With Too Good To Go, the Company offers surprise packs every day through the app with those products not consumed from its morning buffet that platform users can buy at a reduced price to avoid waste.

During this year, 41,830 food packs have been saved, which translates into more than 41,830 kg of food that has not been wasted and the equivalent of having saved the emission of more than 1,129.41 t of CO_2eq.

Relevant projects in F&B

CORK2CORK project

This project was created with the aim of promoting the circular economy and encouraging recycling, reuse and other forms of recovery. This project is a pioneering sustainable initiative in the European hotel sector, which MHE&A has developed together with the leading cork coating and production company Amorim. The initiative aims to recover and recycle corks from bottles uncorked in their hotels to give them a new use, converting them into cladding and insulation material to be used as raw material in the Company's rooms. This insulating material reduces noise pollution and the need for artificial air-conditioning in the rooms, thus improving their energy efficiency. In addition, since 2023 the Avani brand has made available to customers a cork die with printed QR codes as a sustainable alternative to the paper information that customers find in the room. This die, made in collaboration with Amorim, has a QR code on each side to provide guests with all the information they need during their stay.

Waste cooking oil for biodiesel

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

Certified sustainable fishing and Urban vegetable gardens

Two lines of action are prioritised, focused both on the purchase of certified fish with sustainable guaranteed seals and the installation of urban vegetable gardens in some of the establishments. This project is favours the reduction of CO2 emissions, and the use of local products, Km0 and the conservation of marine and terrestrial biodiversity.

Bottled water

We are currently committed to reducing bottled water consumption. To this end, several of the Company's hotels have installed water fountains to offer customers in meeting rooms, reception areas and at our points of sale, allowing us to significantly reduce the consumption of bottled water, whether glass or plastic.

Notable local projects

Americas Region

Bottle cap collection for social projects

The hotels belonging to the Americas Region have carried out a project to reduce plastic waste and generate resources that are converted into health. This initiative involves collecting plastic bottle caps for recycling so as to fund treatments and care for children and young people with cancer. The collection is carried out through containers installed in the hotels and both guests and team members are encouraged to participate. This has been possible thanks to the collaboration with respected foundations such as *Banco de Tapitas, Fundación Sanar Niños con Cáncer, Fundación Garrahan* and *Damas de Café*. In 2024, 3.6 tonnes of caps were collected.

Green Planet By NH initiative

Continuing with the task of raising awareness among team members, in 2022 the Americas Region created the “Green Planet by NH” campaign. This campaign focused on raising awareness and training team members. In 2024 the campaign has focused on obtaining Green Key certification for hotels and executing energy CapEx.

Northern Europe Region:

Drip Drop umbrella

This initiative consists of a collaboration with Drip Drop Umbrella. Umbrellas made using recycled material are offered to hotel guests for rainy days, with a small charge of the customer. Through this charge, customers who choose this option will be supporting the panting of trees, as each umbrella contributes to planting a tree. In 2024, 11,000 trees were planted, contributing in this way to the fight against climate change and supporting a tropical rainforest project in Mozambique. There are currently 30 hotels in northern Europe participating in this initiative.

METRICS AND TARGETS

E5-3: Targets related to resource use and circular economy

The Company is committed to circular management and the reduction of waste generation. A project is currently in progress for the correct management and monitoring of waste. The Company's approach is aimed at identifying and prioritising opportunities for improvement, actively working to define clear goals that contribute to the wellbeing of communities and care of the environment. Once the Company has robust information, goals associated to this matter will be set. In this regard, the Company expects to be able to define public goals in the short-medium term once it has the first results of the waste project.

The Executive Sustainable Business Committee follows up and monitors the commitments made by MHE&A in its Environment and Climate Change Policy, which includes aspects related to waste management. At its annual meetings, it reviews the actions undertaken and the associated KPIs. Following approval of the zero waste project in 2023, the level of implementation of this project in Spain and Portugal has been monitored in 2024, assessing its degree of success.

E5-5: Resource outflows

WASTE MANAGEMENT AND CIRCULARITY PILOT PROJECT

n 2023, a pilot project was carried out in all the hotels in Madrid involving the automation of the entire waste management process with the aim of advancing in the reduction, reuse, recycling and valuation of the waste generated. As a result of this project, a number of actions for improvement have been identified to maximise prevention and marketing and to contribute to the promotion of the circular economy. Thanks to this pilot project, it has been possible to categorise both the type of waste generated in each of the hotels and the quantity of waste generated in each case.

To estimate the waste generated in 2024, the generation data of the hotels in Madrid or in some cases the available information in hotels in Spain in the second half of the year have been used. To achieve a more consistent estimate, factors that potentially affect waste generation in the hotels, such as the number of stars and the volume of restaurant services and events. Taking these considerations into account, waste ratios per room night are calculated for each group. These ratios are applied to all the hotels, to estimate the total weight of waste generated during the year.

This year the Company has estimated the following information:

Volume of hazardous and non-hazardous waste (t)

	2024	2023	Variation (%)
Hazardous waste (t)	153.80	200.40	-23.3 %
Non-hazardous waste (t)	36,149.30	20,349.00	77.6 %
Total	**36,303**	**20,549**	**76.66 %**

**88 % of non-hazardous waste was recycled (31,745.69 t). All hazardous waste was treated through other valorisation processes.*

*** Including radioactive waste according to Council Directive 2011/70/Euratom*

With regard to the management of this waste, Minor Hotels Europe & Americas is subject to the specific circumstances of each country. Therefore, in some locations a third party is used to collect and dispose of this waste, while in others it is managed by municipal collection services.

Non-hazardous waste includes waste similar to municipal waste, such as organic waste, packaging, residual waste, paper and cardboard, glass, etc. The increase in the generation of this waste is mainly due to two factors: the increase in hotel activity compared to the previous year and the implementation of a waste management monitoring system, which has made it possible to adjust the generation data to actual quantities.

Hazardous waste was significantly reduced thanks to improved waste segregation as a result of training provided to the teams. It should be noted that in the last quarter of the year, cleaning products containing hazardous substances were replaced by non-hazardous ones, which will contribute to a significant reduction in the generation of hazardous packaging in the coming years.

Management of hazardous and non-hazardous waste by type of treatment

		2024	
		Hazardous waste (t)	Non-hazardous waste (t)
Waste disposal	Incineration		
	Landfill		
	Landfill		
	Other disposal operations		
	Total		
Waste valorisation	Reuse		
	Recycling		**31,745.69**
	Other valorisation operations	**153.82**	**4,403.61**
	Total	**153.82**	**36,149.30**

Management of hazardous and non-hazardous waste by waste type and treatment

		2024	
		Disposed of (t)	Valorised (t)
Hazardous	Fluorescents and lights		0.28
	Electrical and electronic appliances		106.75
	Paint, varnish and solvents		7.21
	Contaminated packaging		28.17
	Batteries and accumulators		11.42
	Total		**153.83**
Non-hazardous	Alkaline batteries		12.23
	Organic		5,287.33
	Other waste		4,122.70
	Light packaging		15,878.96
	Paper and cardboard		3,792.92
	Electrical and electronic appliances		118.56
	Glass		6,786.48
	Vegetable oil		141.72
	LED lights		8.40
	Other		
	Total		**36,149.30**


Tivoli Doelen Amsterdam
Amsterdam, The Netherlands

nhow Amsterdam Rai
Amsterdam, The Netherlands

5.1.3

UP FOR PLANET

SUSTAINABLE PURCHASING

MINOR HOTELS
EUROPE & AMERICAS

SUSTAINABLE PURCHASING

ESG DIMENSION	Relevant topics 2024	Sub-topics	Sub-sub-topic	Description
ENVIRONMENT	Sustainable purchasing	Supplier management	Relationships with suppliers Payment practices	Processes to identify and incorporate suppliers and strengthen relationships with them through good payment practices
		ESG criteria in supplier selection and evaluation		Adoption of ESG standards in supply chain selection

ESG	Sub-topic	Sub-sub-topic	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Impact, Risk and Opportunity Management
M	Supplier management	Relationship with suppliers	The implementation of mechanisms to manage relationships with suppliers allows the Company to maximise the efficiency of business units in the procurement process, guaranteeing optimised management. This correct identification and categorisation of suppliers, especially critical suppliers, is fundamental to ensure an efficient and controlled relationship. However, inadequate processing of the information, such as disclosure of confidential data, can generate significant risks, including financial losses and reputational damages. It is therefore essential to have robust and security processes that protect information, while maintaining efficient and precise management of suppliers.	% sustainable purchasing % approved procurement	=	*Actions and resources related to sustainable purchasing > Supplier management*
M	Supplier management	Payment practices	The implementation of a good supplier payment system is crucial to guarantee business operations. A well-structured payment system not only ensures that MHE&A complies with contractual requirements but also promote a solid relationship based on mutual trust and respect. Opting for payment practices that are superior to what is required by law or improving those offered by other peers can help gain the most competitive suppliers, ensuring a more solid strategic position.	% purchases from local suppliers	▼	*Actions and resources related to sustainable purchasing > Supplier management*
M	ESG criteria in supplier selection and evaluation		The increase in and assurance of good ESG practice by suppliers is achieved through the strictest approval processes. Considering ESG criteria in supplier approval means that the Company uses products and services with a greater positive impact on the environment. In addition, the establishment of alliances with these suppliers emerges as an opportunity for the detection of possible short, medium and long-term ESG risks in the supply chain. However, these new supplier control processes can generate an increase in costs related to monitoring tools, and the exclusion of more competitive suppliers in price terms and therefore an increase in cost. Accordingly, it is fundamental to analyse opportunities correctly in each of the product categories purchased and support suppliers in their transition to a more sustainable model.	% of suppliers analysed % of suppliers with carbon assessment	= =	*Actions and resources related to sustainable purchasing > ESG criteria in supplier selection and evaluation*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the processes to identify and assess material sustainable purchasing -related impacts, risks and opportunities.

Details of the description of the processes for identifying and assessing material impacts, risks and opportunities related to water and marine resources can be found in the following section: *ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities*

Policies relating to sustainable purchasing

Details of Minor Hotels Europe & Americas' resource and recycling policies can be found in the section below: *"Policies relating to sustainable purchasing"*

Actions and resources relating to sustainable purchasing

As a result of its double materiality analysis, the Company has identified material IROs related to sustainable purchasing, specifically in relation to the responsible management of suppliers and the average payment period to suppliers.

For the company, the proper management of suppliers is not only an act of environmental responsibility and regulatory compliance, but also plays a critical role in the Company's long-term sustainability and operational efficiency.

One of the key impacts is the implementation of supplier relationship management mechanisms that maximise the efficiency of purchasing processes and provide accurate data. This not only improves operational and strategic capacity, but is also directly linked to the correct identification and categorisation of suppliers, which is essential for effective management, particularly of critical suppliers.

This accurate identification reduces supply chain risks, such as operational disruption, non-compliance or poor quality, while creating opportunities to build stronger and more strategic relationships with key suppliers.

Improving and securing good ESG practices from suppliers through the approval process not only helps to mitigate short- and long-term risks associated with environmental, social and governance (ESG) non-compliance, but also enhances the Company's reputation. This helps the Company to be perceived as a leader in sustainability, creating a competitive advantage in the marketplace. In addition, standardisation can attract suppliers with more sustainable practices, align with global sustainability trends and provide an opportunity to strengthen strategic alliances that drive innovation and resilience in the supply chain.

This is why MHE&A has launched and deepened these initiatives throughout the financial year, with the aim of enhancing the positive impacts described above and minimising the negative ones, as well as avoiding the associated risks and exploiting the opportunities identified.

NH Collection Gent
Gent, Belgium

Supplier management

Relationship with suppliers

Through this pillar, MHE&A strengthens its sustainable value chain, prioritising key partnerships, increasing consumption from local suppliers and responsible organisations.

The Company's relationship with its suppliers is based on communication and transparency to promote the development of innovative and sustainable solutions.

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

Initiatives in 2024 to advance towards a sustainable purchasing model

Buyer training

The profile of buyers is a key element in transforming the Company's supply chain. Therefore, as part of the ESG development programme in MHE&A's supply chain, MHE&A continues with trainings provided to the procurement team on the European taxonomy of sustainable activities and on sustainability in general. This training is focused directly on their tasks as buyers and the processes in which they are involved.

Switch to more environmentally friendly products

- Ecolabel certified cleaning products in some hotels. This certification allows us to know whether a product or service has been created following sustainable production standards.
- Change in cleaning products in hotels to products with "non-hazardous" waste. This change makes waste collection and treatment more efficient and improves safety in waste treatment by teams.
- Purchase of green energy for hotels in Germany.
- Single-use bags made with 100% starch in Colombia.
- Organic eggs in the hotels in Buenos Aires.

Ecoperama

As part of the sustainable improvement in MHE&A's supply chain, the Ecoperama project has been in development since 2023. This is a project that has been developed in parallel with a marketplace through which the hotels' purchases will be made.
Ecoperama is currently focused on controlling and monitoring suppliers and their compliance in terms of sustainability, although in the near future this project is expected to give visibility to the most sustainable suppliers and offer support to suppliers in implementing more sustainable strategies.

Volume of purchases by Region (CapEx + OpEx) * (in million euros)

	2024	2023	Variation (%)
Americas Region	49.2	37.1	32.8%
Northern Europe Region	298.0	283.9	4.9%
Southern Europe Region	462.6	416.5	11.1%
Total	**809.8**	**737.5**	**9.8%**

**Excluding lease expenses paid, commissions and volume discounts on sales and supplies, among others.*

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

14,438
TOTAL SUPPLIERS*

13,724
LOCAL SUPPLIERS**

**Counting suppliers with invoicing in 2024.*

***At Minor Hotels Europe & Americas a local supplier is defined as a supplier with headquarters in the same country as its fiscal headquarters, and as international when it is in a different country.*

89 %
OF PURCHASES IN 2024 CORRESPOND TO LOCAL SUPPLIERS

94%
OF PURCHASES IS CONCENTRATED IN THE EUROPEAN BUSINESS UNITS

Number of suppliers by Region

	2024	2023	Variation (%)
Americas Region	2,369	2,154	10.0%
Northern Europe Region	5,598	5,521	1.4%
Southern Europe Region	6,691	6,392	4.7%
Total	**14,438**	**13,875**	**4.1%**

**The sum of the number of suppliers differs from the number shown as total suppliers, as the same supplier can serve more than one region.*

Critical Supplier Analysis

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

In order to carry out the management, the Company has identified its critical suppliers as those that may affect the Company at a reputational level (or generate an operational and/or legal risk) or because they have a significant volume of turnover or because they have products specially designed for the Company. In accordance with the above definition, the critical categories for MHE&A from a business point of view would be the subcontracting of cleaning services, security services, laundry, amenities and textiles, the latter belonging to Tier 2.

24%

PURCHASES FROM CRITICAL SUPPLIERS

391

CRITICAL SUPPLIERS IDENTIFIED

The selection of these suppliers has to be carried out using the highest quality standards, which will be established by the RFP document, with technical questions. For this initial assessment, specific documentation has to be submitted providing evidence of the veracity of the information provided. This preliminary assessment is complemented with a subsequent screening that is intrinsic to the contract award process, based on compliance with the technical requisites included in it.

The SLA is also applied. Suppliers' services are controlled by the hotels or departments that are the end users of such services. In the event of a complaint, Coperama is notified and, depending on the severity of the error, it demands immediate correction or directly rescinds the contract with the supplier. In 2024, no such case has arisen in any of the regions where the Company operates.

PAYMENT PRACTICES

The framework for payment terms to suppliers is established in the Corporate Purchasing Policy and materialised in each of the contracts that MHE&A establishes with its suppliers.

Payment terms are set by country and defined by the CFO of each region (MHE&A business unit). However, any terms below the standard established in each country must be approved prior to the creation of the supplier account by the CFO of the relevant region. The Company does not distinguish between types of suppliers in terms of the size of the workforce or their turnover.

With this in mind, in 2024, the average payment payment to suppliers in all the companies that consolidate in the Company was 43.20 days. Although it does not have a specific policy to prevent delays in payment, the Company has measures in place to avoid delays in paying its suppliers. At its regular meetings, the Financial Committee reviews the Company's cash flow, covering transactions made in payments to suppliers, among other aspects.

Average supplier payment period

Region	Type of supplier	Standard payment terms	Volume of purchases in DPO
Americas Region	CaPex	30 to 45 days depending on country	2.85 %
	OpEx	30 to 45 days depending on country	
	Rent	Based on contract	
Northern Europe Region	CaPex	60 days	43.11 %
	OpEx	15 to 45 days depending on country	
	Rent	Based on contract	
Southern Europe Region	CaPex	30 to 120 days depending on country	54.04 %
	OpEx	15 to 90 days depending on country	
	Rent	Based on contract	
Average supplier payment period (days)	**43.20**		

It should be noted that the Americas region has a higher number of rent payments, and therefore its DPO is lower compared to the other regions. Furthermore, the Company does not have a breakdown of figures between Capex and Opex, so aggregate data for both is shown.

In this regard, at the year end the Company has no outstanding lawsuit in relation to delays in paying suppliers.

ESG criteria in supplier selection and evaluation

Supplier approval

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

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

1. Invitation to tender

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

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

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

- *RFP (Request For Proposal):* specifications
- *RFI (Request For Information):* request for technical information and elimination phase.
- *RFQ (Request For Quotation):* request a financial quote

The Company uses its Electronic Negotiation Platform for the management of tenders. Through its RFI, this tool lets the Company evaluate and analyse the legal, financial, environmental, operational and the social and labour situation of those suppliers that apply for tenders. In this way, the possible risks that suppliers may generate in future operations with the Company are reduced. In this part of the tender, suppliers must accept both the Group's Code of Conduct and Coperama's Supplier Code of Conduct, which includes environmental and labour commitments.

In order to ensure a responsible operation and achieve long-term relationships with suppliers, Coperama includes ESG criteria in its RFI, thus increasing the weight of the score in the Sustainability questions and prioritising suppliers with sustainable criteria. This questionnaire is part of the overall assessment for the validation process.

There are some criteria in the RFI that, if not accepted or implemented by suppliers, would result in their automatic disqualification from the tender. One of these criteria is the signature of both the Group's Code of Conduct and the Coperama Supplier Code of Conduct, by which Minor Hotels Europe & Americas is governed.

Throughout the entire process, a special focus is placed on sustainability, in order to try to mitigate possible negative impacts on the environment, while mitigating the risks inherent in the operation of the supply chain.

Although Minor Hotels Europe & Americas does not currently conduct social and environmental audits of its suppliers, works continuously to align ESG criteria with sustainable supply chain management. To ensure responsible sourcing, the Company has developed a series of procedures to help reinforce this commitment.

2. Contract

The winning supplier will sign the Coperama Approval Contract, which contains, among other documents, the Coperama Supplier Code of Conduct and the Minor Hotels Europe & Americas Code of Conduct. The signature of this contract grants the supplier the status of Approved Supplier. Clauses referring to the sustainability of the supplier have already been included in this contract, in order to provide contractual validity to the sustainable aspects of the services or products provided by the supplier.

In addition, and as part of the Approval Contract, the SLA (Service Level Agreement) is applied, which establishes the parameters for the level of service and penalises any deviation in the service offered by the supplier.

Failure by the supplier to comply with any of the clauses of the Approval Contract, as well as any of its terms or annexes (e.g. Minor Hotels Europe & Americas Code of Conduct or the Coperama Supplier Code of Conduct) will lead to automatic termination of the contract, giving rise to the possibility of taking legal action against the supplier.

In 2024, a total of 175 new suppliers worldwide signed the Minor Hotels Europe & Americas and Coperama Codes of Conduct. This brings the total number of active suppliers with signed codes to 1,954 in 2024.

Minor Hotels Europe & America focuses its efforts on achieving sustainable management throughout the supply chain. The supplier management model aims to have the best suppliers through business procedures that guarantee transparency and equal conditions for the different bidders. The Company offers a model with a win-win approach for all parties, with a commitment to a long-term relationship.

In this line, the Company promotes approved purchasing in most of its hotels, identifying the need for necessary products from the hotel itself. Coperama is therefore responsible for approving and standardising potential suppliers. In conjunction with the responsible purchasing objectives, we will continue to identify high quality products that are environmentally friendly and socially responsible. These efforts will contribute to the development of responsible products in all geographical areas where the company is present and will be present in the future.

The consolidated hotels have different monitoring indicators to control purchases from approved suppliers within the purchasing perimeter. By 2024 it has increased by 7% across the whole of MHE&A.

1,954
APPROVED SUPPLIERS WITH SIGNED CODE OF CONDUCT CURRENTLY IN FORCE

175
NEW SUPPLIERS WITH CODE OF CONDUCT SIGNED IN 2024

61%
PROCUREMENT FROM APPROVED SUPPLIERS (OpEx+ CapEx)

Directive on Corporate Due Diligence for Sustainability (CSDDD)

Following the publication of the draft CSDDD, the Company has started to work on the due diligence process in its supply chain. This process involves a number of stages in which work is carried out to integrate the criteria of the Directive into internal processes and supplier relationships. For this reason, the ESG Supplier Programme has been developed, adapted to comply with the draft CSDDD and taking into account the practices recommended by best industry standards such as the OECD Due Diligence Guidance for Responsible Business Conduct.

ESG Supplier Programme

In 2024, the ESG supplier analysis process continued. This process has been enhanced by adopting the best industry standards and practices in order to identify current and potential sustainability risks in the supply chain and to find solutions or mitigate them. Through this process, MHE&A ensures the best possible compliance with its Code of Conduct in its various aspects: environmental, governance and social. This continuous monitoring process is carried out on an annual basis.

To this end, a series of steps have been defined, including: supply chain screening, supplier self-assessment and training, analysis of responses, risk identification, followed by an improvement or corrective plan and a comparative report for the supplier.

In addition, buyers play a fundamental role in this programme as they are the direct contact with the different suppliers. For this reason, specific sustainability training is provided for buyers in their role in relation to purchasing and suppliers.

Recognising that the supply chain is a fundamental part of MHE&A's sustainability, this programme will be carried out annually with the aim of developing the supply chain towards a more sustainable model. The process itself will be analysed annually and improvements proposed.

This ESG supplier development process is carried out by the Sustainability Department together with the Procurement Department, with the involvement of other departments as appropriate.

1. Screening

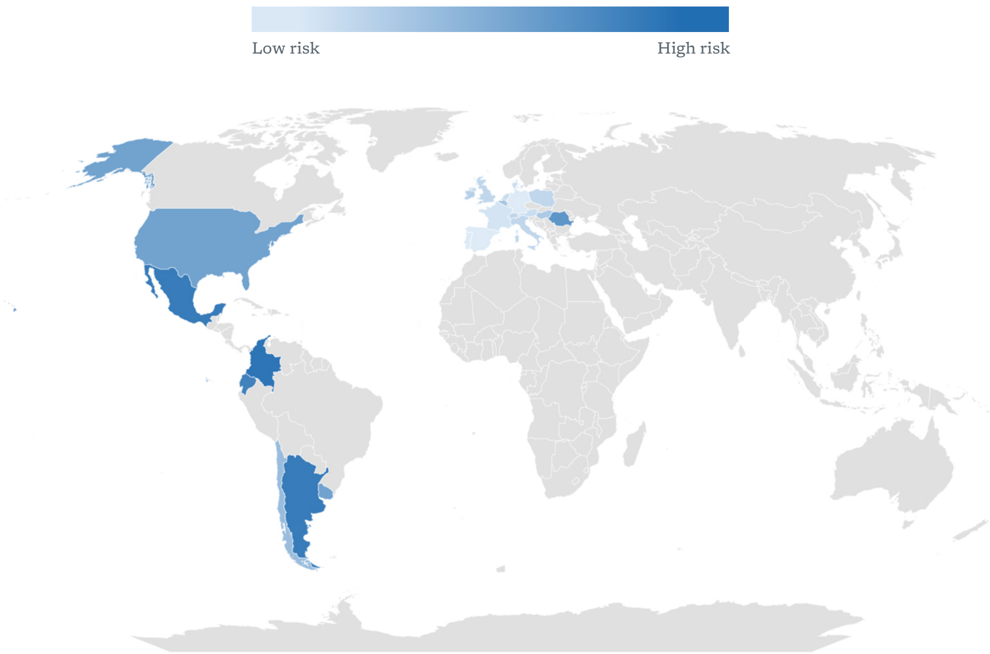
The first step is to identify the key suppliers in the Company's supply chain[32]. To this end, a supply chain screening was carried out to identify the most relevant suppliers for this analysis. In previous years, this analysis included only business aspects, but this time it also included environmental, social and governance aspects in addition to business aspects.

Environmental, social, governance and business aspects were considered in this screening in order to provide a holistic view of risk. Specifically, 54 indices or metrics covering the criteria of these four fundamental aspects were considered.

To this end, three different points of view have been taken into account:

1. Firstly, an approach by countries where the supply chain is located. This approach is especially important for detecting the countries at an international level where the suppliers are located and which could pose a high potential risk in any of the four aspects mentioned above. This is based on the 39 countries in which MHE&A has made a purchase from a supplier with a cumulative value of more than €20,000.

Screening Risk Map



[32] *The data analysed in the 2024 screening was extracted from purchases made throughout 2022.*

2. Second, an approach at the supplier sector level. The Company's supply chain is very diverse, resulting in purchasing relationships with suppliers from many different sectors. For this analysis, 146 internal sub-categories from different sectors were considered. This made it possible to identify which supplier sectors could pose a greater potential risk in each of the four aspects mentioned above.

3. Finally, 25 different commodities on which the MHE&A supply chain depends were analysed. In this way, it was possible to identify the potential risks associated with each of the raw materials and their suppliers required to carry out the company's activities.

Once the screening methodology had been established, the countries, sectors and raw materials with the highest number of potential risks were identified in relation to the selected environmental, social, governance and economic aspects.

Following this methodology and taking into account the date of the analysis data, a total of 1098 potentially significant suppliers in terms of ESG risk and business relevance were identified. These 1098 suppliers represent 8% of the total number of suppliers in the same year and account for 80% of the purchasing spend of the data analysed.

In terms of Tier 2, only 2 suppliers were identified as potentially material to the business.

In addition to this screening, and focusing on the analysis of MHE&A's carbon footprint, the dairy, dry feed and fresh perishables categories were selected and the 279 suppliers with the highest volume of emissions in these categories were identified. These suppliers have been included in a specific process (Carbon Assessment), which is similar but focused on carbon footprint reduction. The volume of purchases analysed through this process represents 27% of the total purchases for the same year and corresponds to 27% of the total calculated emissions for the year of the data analysed.

2. Current status of Assessment

As part of the process of improving on the previous year's process, the main objective of increasing the scope of the assessment was established in the same year. For this reason, it has been decided to pause the assessment temporarily. Therefore, only the screening has been carried out.

3. Process Analysis, KPIs and Improvement

Below are the summarised KPIs of the process. These KPIs serve as a reference for the status of the process for monitoring and improvement.

ESG supplier screening	Definition	No. of Suppliers	% of all suppliers	% of the total volume of direct purchases
Total number of suppliers analysed	All suppliers in the supply chain analysed in the ESG supplier screening	14,438	100%	100%
Tier 1 supplier screening	Suppliers identified as ESG significant. Tier 1	1,098	8%	80%
Tier 2 supplier screening	Suppliers identified as ESG significant. Tier 2	2	–%	–%

Carbon Assessment	No. of suppliers 2024	No. of suppliers 2023	% of total purchases (CapEx+OpEx)	% of total Scope 1, 2, 3* emissions	% Scope 3* emissions
Suppliers included in the Carbon Assessment	279	50	27%	27%	32%

**Figures refer to the year of the data analysed in the screening.*

METRICS AND TARGETS

Targets related to sustainable purchasing

The Company is committed to promoting sustainable purchasing and therefore works with suppliers to identify opportunities for improvement in their practices and to assist them in implementing measures that contribute to sustainability. The hotels have targets related to the contracting of approved suppliers. This approach ensures alignment with the Company's values and reinforces the contribution to a more responsible and sustainable business model.

Anantara The Marker Dublin
Dublin, Ireland

5.2

SOCIAL INFORMATION

UP FOR PEOPLE

MINOR HOTELS
EUROPE & AMERICAS

UP FOR PEOPLE

Through the UP FOR PEOPLE pillar, the Company promotes the career development of its team members, while creating a positive impact in the places and communities where it operates, in order to offer its customers the best experience and involve them in sustainable commitments. This pillar manages the commitments of three of its stakeholders:

- **Team members**, promoting a responsible culture and fostering inclusion, diversity and wellbeing in all of them.
- **Customers**, providing an excellent service through sustainable and innovative solutions.
- **Community**, making a social and environmental impact in the places where it operates.

The following pages show the main projects and impacts achieved in each of these pillars.

UP FOR PEOPLE

TEAM MEMBERS

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

CUSTOMERS

To provide an excellent service through sustainable and innovative solutions, while educating and actively involving customers in their projects and commitments.

COMMUNITIES

Support its key partners and create a positive social and environmental impact in the local communities where it operates

Anantara Plaza Nice Hotel
Nice, France

5.2.1

UP FOR PEOPLE

TEAM MEMBERS

ESRS S1. OWN WORKFORCE
ESRS S2. WORKERS IN THE VALUE CHAIN

MINOR HOTELS
EUROPE & AMERICAS

STAFF IN MINOR HOTELS EUROPE & AMERICAS UP FOR PEOPLE

'Fostering a responsible culture and sustainable mindset for our teams, while promoting diversity, ethics and wellbeing are some of our priorities'.

In assessing the impact on employment, the Company has considered the following workforce structure in accordance with the applicable ESRS S1 (Own Workforce) and ESRS S2 (Workers in the Value Chain) regulations:

OWN WORKFORCE:

- **Salaried employees: Team members - employees of owned and leased hotels and central services.** This group includes all professionals who are part of the MHE&A workforce (excluding trainees), whose payroll is invoiced by the Company and whose information is collected in the ERP SAP HCM management system.
- **Non-salaried[33]:** This corresponds to all personnel whose work activity is carried out in the Company's facilities through a contract between Minor Hotels Europe & Americas S.A. and subsidiaries with Temporary Employment Agencies (TEAs).

WORKERS IN THE VALUE CHAIN

- **Staff of managed and franchised hotels:** includes all professionals who are part of the MHE&A workforce in managed and franchised hotels. In this model, the hotel owner engages MHE&A to operate and manage the hotel under its brand or through a franchisee. However, the employees' contractual relationship is directly with the hotel owner, who assumes the employment obligations such as payment of salaries, benefits and compliance with legal regulations. In this sense, as explained in the value chain section, the Company is not the direct employer of these workers, but provides operational management, oversees service standards, procedures and staff training according to brand standards. The total number of these employees is an estimate by the Company based on actual data for managed hotels loaded into the SAP HCM ERP system (44% data loaded into the system and 56% estimated data). Thirty hotels were considered for this estimate. For details of the estimate, see *calculation of FTEs/headcount in managed and franchised hotels.*
- **Outsourced services:** includes all professionals providing essential services through outsourcing companies, such as security and cleaning staff working in either owned or leased hotels.
- **Other suppliers:** Consists of all value chain personnel not mentioned above. In line with the Company's value chain, this corresponds to the personnel (suppliers of various types) linked to the supply chain, i.e. those suppliers from different sectors and entities involved in the subsequent stages of the Company's operational process.

[33] As there is a degree of uncertainty in the application and interpretation of certain aspects of the CSRD regulations, companies have to make decisions based on their own criteria when interpreting the requirements. The company has made the best possible interpretation of the definition of 'non-salaried workers'. To this end, MHE&A has analysed in detail the provisions of DR 55a) of ESRS S1 of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 as well as the provisions of the EFRAG work platform 'ESRS Implementation Q&A platforms' of February 2024 (FAQ ID 33), which provides the definition of 'non-salaried employees'. In line with the above, Minor Hotels Europe & Americas limits 'own non-salaried personnel' to personnel provided by entities principally engaged in 'employment-related activities' registered under NACE code N78. It should also be noted that MHE&A does not include employees (self-employed) in this section as they are not the same as MHE&A's own personnel. It should be noted that the company does not currently have data on these unpaid workers and is working to obtain them in future years.

In the scenario described, the structure of PEOPLE in Minor Hotels Europe & Americas is as follows:

People In Minor Hotels Europe & Americas (TEAs)

		2024
Salaried employees	Team members (excluding extras)*	14,361
	Extra team members**	572
Non-wage earners	Team members of TEAs***	Not available
Workers in the value chain	Staff of managed and franchised hotels****	2,696
	Outsourced services*****	Not available
	Suppliers*****	Not available

**Personnel data corresponding to the average number of persons (FTEs) employed in note 25.2 Operating result - Personnel expenses of the MHE&A Financial Statements.*

***Professionals with whom the Company has a direct contractual relationship and whose information is uploaded to the SAP HCM ERP system. However, the quality and detail of this information is not as robust and accurate as for other employees. The countries where this type of contract currently exists are Spain, Czech Republic, France, Denmark and Switzerland.*

****Under the provisions of Appendix C: List of phased-in disclosure requirements of ESRS 1 of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards, the Company does not report data for its own non-salaried employees as a whole. The Company is working to continuously improve data quality. It will be estimated for the FY25 report.*

***** FY24 estimated data*

***** *Data not available for fiscal year 2024. The company is working to continuously improve data quality. It expects to report on this in future financial years.*

In this regard, from this point onwards, the information reported corresponds to the direct job creation generated by MHE&A, excluding extras. In this sense, this categorisation (employees excluding extra personnel) is referred to as team members.

In 2024, Minor Hotels Europe & Americas had 13,380 team members, in 24 countries, of whom 51% were women and 49% men.

ESRS S1. OWN WORKFORCE

Job creation is a central focus of the hotel sector's activities, underlining its commitment to the economic and social development of the communities in which it operates. By providing quality employment opportunities, MHE&A creates local jobs, encourages professional growth, promotes diversity and fosters an inclusive work environment. The Company's approach goes beyond recruitment, prioritising continuous training and talent development to ensure that each team member contributes to the collective success of the Company, while realising their full potential. In this way, MHE&A affirms its role as an agent for positive change in the industry and in society.

STRATEGY

Team members are the cornerstone of the Company's success, playing a critical role at every stage of the customer experience and the overall functioning of Minor Hotels Europe & Americas.

In addition to their operational impact, team members contribute to the achievement of the Company's objectives, which is why continuous training, occupational wellbeing and the creation of an inclusive and motivating environment are not only investments in their professional development, but also a determining factor in the Company's long-term competitiveness and sustainability.

In short, team members are the true ambassadors of the brand and key players in ensuring operational excellence and value creation throughout the chain. As an essential element in the long-term sustainable growth of MHE&A, one of the Company's corporate pillars focuses on the effective management of this group. Details are provided in the following section: *Developing the value proposition for Team Members* and how impacts, risks and opportunities interact with strategy, in the section *SBM-3: IROs and their interaction with strategy and business model.*

ESRS 2 SBM-2: Interests and views of stakeholders

Details of the interests and views of stakeholders regarding our own workforce can be found in the following section: *SBM-2: Interests and views of stakeholders*

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Details of material impacts, risks and opportunities and their interaction with the strategy and business model in relation to the Company's own workforce can be found in the following section: Strategy for managing IROs included in material issues *Commitment to team members and responsible hiring"; "Culture of equality, diversity and inclusion of team members"; "Safety, health and wellbeing of team members"; "Training, talent management and career development of team members" - ESRS S1. OWN WORKFORCE*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1: Policies related to own workforce

Details of the policies relating to the workforce of Minor Hotels Europe & Americas can be found in the following section: *Policies for 'Commitment to team members and responsible hiring'; 'Culture of equality, diversity and inclusion of team members'; 'Health, safety and wellbeing of team members'; 'Training, talent management and career development of team members'*

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Minor Hotels Europe & Americas is proud that its team members are the key to the Company's success. For this reason, it is committed to consolidating the Company's employer brand worldwide in order to attract and motivate the best talent among team members and external candidates.

By communicating the Company's identity and essence in a consistent and coherent way, a single culture will be established for both internal talent retention and external talent attraction initiatives. In addition, in 2024 , the employer branding activities were diversified, with a particular focus on the collaboration with the most important top hotel schools in Europe, creating a direct link with the students of these schools and serving as a reference for those interested in the Company's hotel offering, especially in the luxury sector.

In 2024, the new strategy for content and sections on social media was consolidated, with a special focus on team members, particularly on the *@talentatminoreuam* Instagram account, which has more than 10,000 followers. Content and specific actions related to the recruitment of talent are centralised on the Company's profile on *LinkedIn*, thus strengthening the content strategy and concentrating and maximising its impact.

The diversification of content on social media includes various topics such as development programmes, training, launch events, team member celebrations, job offers, recognition and awards. The Company continues to focus on sustainability as an increasingly important lever in attracting and retaining talent, with greater visibility given to responsible engagement and sustainability milestones, as well as corporate volunteering campaigns under the *Together With Love* banner.

In addition to the value of organically published content, recruitment was promoted through segmented campaigns defined by audience or geography. With a focus on LinkedIn and Instagram as priority social media channels, the Company continues to pilot the use of TikTok to attract talent in general recruitment campaigns.

Similarly, active listening is a key component in developing a collaborative, inclusive work environment focused on continuous improvement. Implementing effective active listening strategies, both individually and collectively, can enhance the work experience of team members and, as a result, improve customer satisfaction.

At Minor Hotels Europe & Americas, in addition to the biennial engagement survey, there is a strong commitment to listening to team members. To this end, a comprehensive continuous listening strategy has been developed to gather immediate information about team members' experiences at a variety of key moments and to use this information to improve them. Furthermore, MHE&A is also committed to finding new ways to gather feedback more frequently in order to be closer to team members and the needs of the business.

In 2024, the listening initiatives that have been carried out are as follows:

- Team Member Suggestion Box: an internal channel, always available on the home page of the Employee Portal and the Talent Platform, where team members can express their opinions and submit any kind of suggestion, comment or idea to improve their workplace. It is completely anonymous, although they can answer a series of voluntary demographic questions in order to segment and analyse the information in detail. The People teams have access to these opinions and suggestions, which they analyse and take into account when launching new initiatives and implementing improvements. The channel is available in 11 languages. It is not the channel for reporting an irregularity or a breach of the Code of Conduct, as there is a specific channel for this.
- *Climate Survey (Engagement Survey + Engagement Pulse):* A survey through which the Company measures the engagement of team members every two years. The questionnaire consists of more than 50 questions grouped into different dimensions that help to identify strengths and areas for improvement at different organisational levels. The survey has been translated into the 11 languages spoken in the Company, to make it easier for all those invited to participate to respond in their own language. In order to make it easier for employees to participate, especially those who do not have a corporate email address, MHE&A worked on an ambitious plan to increase the number of channels through which they could respond: starting with the Talent platform (a human resources management platform available to all employees), both in desktop and app format, as well as posters with QR codes placed at the back of the hotels and on the intranet, MyApp and computer wallpapers throughout the chain, and of course a direct email campaign to more than 5,000 team members of the Company with a corporate email address. Once again, the invaluable support of the Hotel Ambassadors was called upon, a member of the hotel staff responsible for promoting and answering their colleagues' questions and doubts about this key corporate initiative.

- Onboarding-offboarding touchpoint: Surveys conducted for new team members to obtain feedback on their onboarding process within the Company. Similarly, the offboarding touchpoint is the survey of team members who are voluntarily leaving the Company, with the aim of identifying areas for improvement in the management of the employee experience.

- Whistleblowing Channel (WhistleB): Minor Hotels Europe & Americas has established a whistleblowing channel that allows employees, managers, directors, suppliers, customers or any other stakeholder to report any breach of the Code of Conduct, guaranteeing confidentiality and respect at all stages, as well as non-retaliation. Access is public and available on the Company's website through the following *link*, and on the employee portal.

- The active participation of staff as listeners in day-to-day life fosters an environment where concerns and proposals are shared and valued. This approach is based on everyday interactions, in which supervisors actively listen to their colleagues, thus promoting empathy and mutual understanding, showing genuine interest in the ideas and concerns of team members, asking questions and clarifying when they do not understand something, avoiding judgements, creating a safe space where opinions can be shared without fear of reprisals, etc. Meetings with work teams also allow each member to participate equally or share experiences and best practices, where workers feel valued.

- Employee representatives, as intermediaries between team members and management, play an essential role in the active listening strategy. Their role is to ensure that team members' concerns and suggestions are captured, prioritised and communicated effectively.

Internal communication is one of the key levers for generating and maintaining the internal commitment of team members, as well as being a powerful tool for managing change and aligning with the Company's strategic objectives. In a year of major milestones within the Company, it has become even more important to accompany all these achievements and give them internal visibility in order to generate greater commitment and pride in belonging to the team.

In addition, the team member APP has been updated with a new look and feel, global and local news feeds, and integration with the Internal Communications global metrics module, which will provide a clear view of team member information consumption and preferences.

Some of the key internal communication projects include

MyApp	In 2024, MHE&A once again opts for digital tools to communicate with its team members. The new hybrid working models that are beginning to take shape, as well as the fact that the majority of team members work in hotels without a fixed desk, make the APP the best alternative for staying connected with team members, keeping them promptly informed and thus generating greater engagement.
Channel 'TELL THE WORLD'	During 2024, the flagship channel, Tell The World, has had a makeover. As part of the redesign of the internal channels, internal communication has launched a new header, new sections and all with a much more approachable and audiovisual language. New sections that put team members at the centre, without neglecting information on new Minor Hotels openings and projects linked to the Company's strategic priorities.
ONLINE TOWN HALLS & CHANNEL CEO	The Town Hall format is consolidated both from the perspective of the visibility of leaders and within the framework of the alignment and commitment of team members to the Company's priorities. Hybrid Town Halls, i.e. face-to-face and broadcast live via streaming, are occasionally attended by the Company's various leaders, who share the most relevant milestones from their respective management areas.
COMMUNICATIONS SUSTAINABLE BUSINESS' & 'TOGETHER WITH LOVE'	The Internal Communication department highlights and raises awareness of the Company's commitment to sustainability and its position as an industry leader in sustainable excellence. In addition to the relaunch of its section in the monthly newsletter Tell The World, a new dedicated internal communication channel has been launched: 'Up for Planet and People', through which the sustainable initiatives promoted by the Company are shared. The Sustainable Business area has promoted special Corporate Volunteering initiatives under its 'Together With Love' programme. These initiatives continue to be very well received among the Company's team members, putting their vocation of service at the disposal of those who need it most.
MINOR TALKS	This initiative was created so that each area can inform and share with employees their know-how and their most relevant objectives, as well as their plans and projects in progress. These sessions are especially focused on delving deeper into the Company's strategy and its different lines of action. This initiative was created to cover the need expressed by team members to know and have more information about the projects and plans carried out by each department within Headquarters.

The implementation of all these processes and channels helps to strengthen trust between team members and the Company, generating a healthier and more productive working environment.

S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

The handling of negative impacts in the organisation and the creation of effective channels for employees to express their concerns or grievances are essential aspects of creating an environment of trust between team members and the organisation, by providing reassurance that their concerns will be heard and dealt with appropriately.

Designed to facilitate transparent communication, these channels reinforce the Company's commitment to the wellbeing of all team members. For more information, please see the *Loyalty to Team Members* section.

The Company does not currently systematically monitor the quality of its communication channels, which represents an opportunity to evaluate their effectiveness and continuously improve the experience of team members. For more information, please see the section on *Loyalty to team members*.

Details regarding the channels and processes for handling grievances or suggestions for employees to express their concerns regarding the Company can be found in the following section: *SBM-2: Interests and views of stakeholders*, and more specifically, for team members, in the following section of the report *S1-2 – Processes for engaging with own workforce and workers' representatives about impacts*

NH Jan Tabak
Bussum, Netherlands

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Commitment to team members and responsible recruitment

ESG Dimension	Key topics 2024	Sub-topics	Sub-sub-topics	Description
Social	Commitment to team members and responsible hiring	Quality job creation		Promotion of decent employment with fair working conditions
		Social dialogue and collective bargaining	Social dialogue and freedom of association Collective bargaining	Promotion of social dialogue and collective bargaining to improve working conditions

ESG	Subtopics	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	Evolution vs. 2023	Impact, Risk and Opportunity Management
S	Creation of quality employment		Quality job creation is essential for the Company for several reasons, notably career and contractual stability for the wellbeing of team members.	% of team members with permanent contracts	▲	*S1-6: Characteristics of the Company's employees*
	Collective agreements and responsible hiring	Social dialogue and freedom of association Collective bargaining	Social dialogue and freedom of association emerge as an essential element to promote and traction proper relationships between team members and the Company, promoting, among other factors, social justice, inclusive economic growth, improvement in wages and working conditions, with a positive impact on both parties. In this regard, social dialogue fosters the elimination and mitigation of potential labour conflicts between the Company and its employees, establishing relationships of collaboration among all parties. Collective agreements emerge as a fundamental tool to guarantee job stability and security for MHE&A's employees, ensuring respect for human rights and fostering labour relations based on justice and transparency. This contributes to establishing a fluid dialogue and equitable working conditions as well as the necessary procedures in the event of potentially conflictive situations. Such agreements are reviewed and updated periodically by the competent authorities. Their application, in terms of wage adjustments, is reflected in an increase in the cost of the accounting items relating to staff costs.	% of team members covered by collective labour agreement	▲	*S1-8: Collective bargaining coverage and social dialogue*

As a result of its double materiality analysis, the Company has identified material IROs related to responsible hiring and engagement, specifically in relation to creating quality employment and promoting social dialogue and freedom of association, as well as ensuring job stability by ensuring respect for human rights and promoting labour relations based on social justice. Responsible hiring of team members is not only an act of social responsibility for the Company, but also plays a crucial role in its long-term sustainability and operational efficiency.

Job stability is a key element that contributes directly to the wellbeing of team members. This means implementing a responsible recruitment policy that promotes stable employment and avoids excessive use of temporary contracts. In addition, the existence of collective agreements plays an essential role in ensuring this stability, providing a framework that regulates labour relations, ensures the security of team members and promotes respect for human rights. This not only strengthens the confidence and satisfaction of team members, but also creates a cooperative working environment, minimises conflicts and promotes constructive relations between the Company and its team members.

However, the implementation of these policies also entails certain risks, such as the increase in costs associated with staff departures due to salary updates and adjustments resulting from collective agreements. This risk requires a strategic approach to financial management to ensure that salary updates are incorporated into budgets on a sustainable basis. At the same time, increased costs could become a source of tension if not properly communicated and managed within the Company.

On the other hand, avoiding and mitigating labour disputes through social dialogue and collective bargaining not only avoids disruption to operations, but also enhances MHE&A's image as a responsible employer. This makes it easier to attract and retain talent, especially in a competitive labour market where responsible working conditions are increasingly valued by professionals. In addition, building collaborative relationships between employers and team members fosters a positive climate in the Company that improves engagement and productivity. Together, these actions are supported by key resources such as specialised industrial relations teams, training in social dialogue and collective bargaining for managers, and digital tools for management.

For this reason, MHE&A has launched and deepened these initiatives throughout the 2024 financial year, with the aim of enhancing the positive impacts described above and minimising the negative ones, as well as avoiding the associated risks and exploiting the opportunities identified. To see how this issue is being managed, please refer to the following sections: *S1-6: Characteristics of the Company's salaried employees* *and* *S1-8: Collective bargaining coverage and social dialogue*

NH Centre Utrecht
Utrecht, The Netherlands

Culture of equality, diversity and inclusion

ESG DIMENSION	Relevant topics 2024	Sub-topics	Sub-sub-topics	Description
SOCIAL	Culture of equality, diversity and inclusion	Diversity, Inclusion and Equality	Gender diversity and equality Integration and inclusion of people with disabilities	Promotion of a working environment that drives equal opportunities at work, valuing and respecting diversity
		Equal treatment and opportunities	Equal pay for work of equal value Adequate wages	Practices designed to guarantee equal rights and benefits for all team members without discrimination, ensuring equitable and fair treatment

ESG	Sub-topic	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Impact, Risk and Opportunity Management [ESRS S1-4]
S	Diversity, integration and labour inclusion	Gender diversity and equality	The integration of equal treatment and promotion of diversity has a positive impact, contributing tangible benefits both for team members and for the Company, such as an improvement in productivity and creativity and the advance in their career development leading to an increase in team members' satisfaction.	% of female team members	▲	S1-9: Diversity metrics
				% of female management team members	▲	
		Integration and inclusion of people with disabilities	The integration of vulnerable groups in a company generates mote inclusive and accessible working environments, contributes to guaranteeing adapted working conditions and a working environment and promotes equal treatment and opportunities.	Total no. of nationalities of team members	▲	S1-9: Diversity metrics
				Total number of team members with disabilities	▲	S1-12: Persons with disabilities
	Equal treatment and opportunities	Equal pay for work of equal value	Equal pay for work of equal value by promoting decent and fair wages has a positive impact, facilitating work-life balance for team members. Also, fosters an inclusive working environment.	Ratio of hourly wage of women to men	▲	S1-16: Compensation metrics (pay gap and total compensation)
		Adequate wages	Promoting competitive, decent and fair wages generates a positive impact on team members and the Company by giving rise to an increase in productivity and commitment of team members.			

As a result of its double materiality analysis, the Company has identified material IROs related to the promotion of a culture of equality, diversity and inclusion, specifically in relation to equal treatment, the integration of vulnerable groups in an inclusive working environment, equal pay for work of equal value and competitive salaries.

One of the impacts identified was the provision of safe working conditions and an environment suited to the performance of team members as a fundamental element in promoting an inclusive and respectful environment. This includes implementing policies that ensure equal treatment and integration of all team members, regardless of gender, origin, disability or any other condition. This is why the MHE&A Management Committee approved the Corporate People Policy in 2024. This is the global framework that guides the actions and measures to create an inclusive working environment, where the proposed measures not only improve internal cohesion, but also strengthen the perception of the Company as a responsible employer. These policies, combined with decent wages, increase the productivity and commitment of team members, benefiting both professionals and MHE&A.

On the other hand, a strong culture of equality, diversity and inclusion enables the Company to attract and retain diverse talent, which enriches creativity and innovation. In addition, promoting work-life balance and competitive salaries creates a more satisfying and productive work environment, which strengthens the Company's competitive advantage in the marketplace. Initiatives such as 'All iNH' contribute to enhancing the Company's reputation both internally and externally, positioning MHE&A as a benchmark for inclusive practices.

Key actions to achieve these goals include the implementation of gender equality policies, diversity and inclusion training programmes for managers and team members to ensure fairness, and specific measures.

For this reason, MHE&A has launched and deepened these initiatives throughout the financial year, with the aim of enhancing the positive impacts described above and minimising the negative ones, as well as avoiding the associated risks and exploiting the opportunities identified. An overview of how this issue has been addressed is provided in the following sections: *S1-9: Diversity metrics, S1-10: Adequate wages, S1-12: Persons with disabilities and S1-16: Compensation metrics (pay gap and total compensation).*

Avani Palazzo Moscova Milan Hotel
Milan, Italy

Training, talent management and career development of team members

ESG DIMENSION	Relevant topics 2024	Sub-topics	Description
SOCIAL	**Training, talent management and career development**	Training of Team Members	Developing skills to improve the professional and personal competencies of team members
		Talent management and professional development	Strategies to optimise team members' potential and align it with the organisational goals
		Attracting talent	Strategies to identify, attract and capture highly qualified talent
		Loyalty of team members	Initiatives to retain talent by recognising skills and the use of incentives that promote their wellbeing and long-term continuity

ESG	Sub-topics	Impacts, risks and opportunities	Key performance indicators	Evolution vs 2023	Impact, Risk and Opportunity Management
S	**Training of team members**	The absence of effective training and development programmes can generate skill gaps in the performance of activities deriving from the evolution of the business. This has an impact on the organisation's capacity to adapt to market demands and to maintain brand standards. This could represent a risk for the Company's performance as it could affect the quality of the service and have an impact on the Company's market share compared to its peers. This risk would ultimately be reflected in the Company's overall profitability.	▪ Total training hours ▪ No. of training programmes	▲ ▲	▪ *S1-13: Training and skills development metrics*
	Talent management and career development	The implementation of effective talent management strategies and performance evaluations, talent calibration programmes or work climate surveys has an impact on the wellbeing of MHE&A's team members, both in owned and leased hotels. In addition, the use of efficient communication mechanisms such as surveys or other channels reinforces the connects between employers and workers, and therefore has a positive impact on both team members and the Company.	▪ % team members assessed	▲	▪ *S1-6: Characteristics of the undertaking's employees*
	Attracting talent	The demand for specific and specialist profiles for different areas of the hotel emerges as a challenge for the Company deriving from the difficulty in finding staff as a result of the volatility of the job market, particularly in the hotel sector, with high turnover rates and competition for specialised talent.	▪ No. of new hirings ▪ No. job fairs	▼ ▲	▪ *S1-13: Training and skills development metrics*
	Loyalty of team members	In the hotel industry, job dissatisfaction among staff can have a significant impact by resulting in a high turnover rate. This phenomenon not only affects the stability and cohesion of teams, but also increases the challenges associated with the search, hiring and training of new talent. As a result, high turnover rates pose a risk to hotels, as they lead to a considerable increase in operating costs. These high turnover rates can also hinder the ability to offer consistent and quality service to customers.	▪ % team members assessed with Engagement survey	▲	▪ *S1-6: Characteristics of the undertaking's employees*

As a result of its double materiality analysis, the Company has identified material IROs related to training, attracting and retaining talent, and career development of team members.

The demand for specialised profiles for each position in the hotel requires a strategic focus on attracting and selecting talent, combining effective induction processes with training programmes that allow the skills gaps created by the evolution of the business to be filled. Developing ongoing training and development programmes not only ensures that team members have the necessary skills, but also promotes professional growth and job satisfaction, reducing the high turnover rates that can result from dissatisfaction.

Similarly, loss of market share may be due to poor service quality, which in turn may be a direct result of poorly trained team members. In this sense, the lack of key skills in the workforce has a negative impact on the customer experience, weakens the company's reputation and affects its competitiveness in the marketplace.

In addition, the implementation of effective communication mechanisms, such as the 2024 Team Member Engagement Survey, the working environment and other dialogue channels, provide channels to listen to and address team members' concerns, strengthening their engagement and wellbeing. Tools such as performance appraisals and talent calibration programmes help identify areas for improvement, manage professional development and ensure alignment between individual and organisational goals. This contributes directly to team member wellbeing and loyalty..

One of the main risks is the difficulty of finding professionals, due to the volatility of the labour market and, particularly, of the hotel sector. This challenge is exacerbated if competitive working conditions and clear opportunities for development are not offered, which can result in a loss of key talent. High staff turnover also leads to a significant increase in operating costs, affecting the stability of the workforce and the resources available for training and development.

In this regard, training and talent development offer a unique opportunity to position the Company as an attractive employer, increasing its ability to attract specialised profiles and build loyalty among existing staff. Professional development programmes, accompanied by continuous performance evaluations, not only meet the current needs of the business, but also prepare team members for future challenges, contributing to a sustainable competitive advantage. All of this strengthens the motivation, commitment and productivity of the team.

In this line, in order to drive these IROs, during the 2024 financial year the Company has implemented and deepened different actions with the aim of enhancing the positive impacts described above and minimising the negative ones, as well as avoiding associated risks and exploiting the opportunities identified. Among these, the development and deepening of courses relevant to the Company stand out, such as those on compliance, loyalty and experience (key principle of services) or the annual corporate Performance Evaluation programme (Time For You).

For more information on attracting talent, please see the next section of the report. *New hires, design of personalised programmes that include technical training and interpersonal skills, talent attraction* and establishing clear objectives aligned with the needs of the Company such as *performance calibrations* career plans, attractive benefits and competitive working conditions to reduce *staff turnover*. In addition to strengthening the *communication channels* to ensure that the needs and concerns of team members are heard and addressed. Together, these actions strengthen the organisation's ability to attract, develop and retain talent, ensuring the Company's long-term sustainability and success.

NH Collection Gran Hotel Calderón
Barcelona, Spain

Health, safety and wellbeing

ESG DIMENSION	Relevant topics 2024	Sub-topics	Descriptionn
SOCIAL	Health, safety and wellbeing of Team Members	Health and safety of team members	Guarantee of safe and healthy working environments for team members
		Wellbeing of team members: flexibility and work-life balance	Measures to ensure work-life balance, promoting the general wellbeing of team members

ESG	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	Evolution vs 2023	Impact, Risk and Opportunity Management
S	Health and safety of team members		Development of a corporate health and safety system, generating safe and healthy working environments that have a positive impact on the number and rate of accidents at work and occupational diseases. This directly reduces absenteeism which could lead to a reduction in efficiency. A health and safety system also has a positive impact on improving the general wellbeing of team members.	■ No. of accidents ■ No. of hours absenteeism ■ No. of occupational diseases	▼ ▲ ▲	■ *S1-14: Health and safety metrics*
	Wellbeing of team m embers: flexibility and work-life balance		The absence of a corporate health and safety system that integrates programmes and measures aimed at promoting a healthy work-life balance can have a negative impact on the wellbeing of team members. This impact is especially relevant in a sector such as tourism-hospitality, where certain positions present a greater difficulty in reconciling working hours.			■ *S1-15: Work-life balance metrics*

As a result of its double materiality analysis, the Company has identified material IROs related to the health, safety and well-being of team members.

The development of a corporate health and safety management system is one of the Company's priorities to ensure the physical and mental wellbeing of team members. This system must include the identification of occupational hazards, the implementation of protocols for the prevention of accidents and occupational diseases, and programmes for the promotion of integral health, tasks on which the Company will work in 2025. In addition, in order to address the complexity of achieving work-life balance due to the long hours that characterise the hotel sector, a work environment that prioritises work-life balance will be promoted, which will contribute to greater satisfaction and productivity of team members (if the position requires it).

One of the most significant risks is the loss of efficiency due to high absenteeism caused by work-related accidents or illnesses. This not only affects day-to-day operations, but also generates additional costs in terms of staff replacement, training of new team members and lost productivity. Failure to take appropriate measures to prevent accidents or manage occupational health can damage the morale of team members and the reputation of Minor Hotels Europe & Americas as a responsible employer.

Investing in the safety and wellbeing of team members not only reduces absenteeism and accident rates, but also increases team member confidence and commitment. In addition, a comprehensive approach to occupational health can improve talent retention and attract new employees by positioning the Company as an attractive place to work. Promoting work-life balance also helps strengthen the employer brand and fosters a positive corporate culture.

To address these material IROs identified, the following actions and resources have been implemented

The design of a corporate health and safety system that includes clear protocols for the prevention of occupational hazards, as well as monitoring programmes or the implementation of mechanisms to identify and address the most common causes of absenteeism, such as poor working conditions or lack of emotional support. Promoting health initiatives such as regular medical check-ups and wellness campaigns (nutrition, exercise, stress management). In addition, flexible policies such as flexible working hours or telecommuting where possible, depending on the position, or regular safety training and drills to reinforce knowledge of protocols. For more information on the metrics and an explanation of each one, see *S1-14: S1-14: Health and safety metrics , S1-15: Work-life balance metrics.*

In short, these measures ensure a safe and healthy working environment, reduce the risks associated with absenteeism and position the Company as an employer committed to the overall wellbeing of its team members.

METRICS AND TARGETS

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Company is committed to decent work and a safe working environment and makes efforts to ensure the safety and wellbeing of its team members, promoting a safe and sustainable working environment. It is also committed to equal pay and the wellbeing of its team members. In this regard, it has carried out a living wage analysis in all geographical areas where it operates, ensuring that pay conditions are in line with current legislation in each country. Although there are currently no specific targets in this area, the Company continues to work actively to promote policies that support pay equity and the implementation of policies that facilitate work-life balance.

In addition, the Company has targets to further strengthen the training of its team members and staff of managed and franchised hotels , with the aim of training as many professionals as possible and further increasing the training ratio. It will also maintain its commitment to actively listen to all of them, ensuring a working environment in which their views and needs are taken into account. Similarly, it will continue to promote talent management and career development, ensuring opportunities for growth and promoting a fair and motivating working environment.

S1-6: Characteristics of the undertaking's employees

Our Team Members

In accordance with note 25.2 "Operating profit" of the consolidated financial statements of MHE&A, the distribution of team members by gender and professional category at 31 December 2024 is as follows:

	2024		2023	
	Male	Female	Male	Female
Group General Management	7	3	7	2
Directors and Heads of Department	939	747	886	694
Technicians	571	613	522	582
Commercials	329	682	304	696
Administrations	53	99	53	100
Rest of staff	5,520	5,764	4,754	5,018
Total	**7,419**	**7,908**	**6,526**	**7,092**

Similarly, the average number of team members in full-time equivalents and headcount during the year was:

Team Members by category

	2024		2023	
	FTEs	Headcount	FTEs	Headcount
Group General Management	9	9	9	9
Directors and Heads of Department	1,636	1,662	1,537	1,567
Technicians	1,126	1,152	1,047	1,073
Commercials	984	1,044	903	962
Administrations	150	156	138	143
Rest of staff	10,456	11,199	8,802	9,539
Total	**14,361**	**15,222**	**12,436**	**13,292**

However, it should be noted that, in line with the business model of Minor Hotels Europe & Americas and the sector's own operations, from this point onwards all information relating to its own workforce corresponds to FTEs (Full Time Equivalents), excluding extra employees, non-employees and FTEs in the Brazil region (3 hotels), as detailed information is not available for all the variables presented.

Team Members by gender

	2024	2023	Variation (%)
Women	6,850	6,349	7.9%
Men	6,531	6,087	7.3%
Total	**13,380**	**12,436**	**7.6%**

**The breakdown is based on the information collected in Minor Hotels Europe & Americas' ERP SAP HCM. In this regard, when a team members is added to the platform he or she may be recorded in one of the three categories identified for gender. In this reporting year, the records show data for the category of man and woman. In addition, no team member has not reported their gender on registering as a user.*

Team Members per Region

	2024	2023	Variation (%)
Headquarters	558	515	8.3%
Americas Region	2,076	1,855	14.0%
Northern Europe Region	5,060	4,754	5.8%
Southern Europe Region	5,686	5,312	7.9%
Total	**13,380**	**12,436**	**8.1%**

Team Members by age

	2024	2023	Variation (%)
<30 years old	3,860	3,132	23.2%
30-50 years old	6,685	6,431	4.0%
>50 years old	2,835	2,873	-1.3%
Total	**13,380**	**12,436**	**7.6%**

Team Members by professional category

	2024	2023	Variation (in %)
Top Management	387	379	2.0%
Middle Management	2,127	1,990	6.9%
Staff	10,866	10,067	7.9%
Total	**13,380**	**12,436**	**7.6%**

- Top Management:
  - Central Services and Headquarters: Chief Officer, Senior Vice President, Vice President, Senior Director y Director Regional.
  - Hotel: Director y Deputy.
- Middle Management:
  - Central Services Headquarters: Director y Manager.
  - Hotel: Department heads.
- Staff:
  - SSCC/Corporate Offices: Executive, Staff y Assistant.
  - Hotel: Other hotel positions.

Team Members by country

	2024	2023	Variation (%)
Argentina	571	537	6.2%
Austria	380	273	39.2%
Belgium	558	533	4.7%
Brazil	0		-
Chile	201	164	22.8%
Colombia	635	494	28.5%
Cuba	0		-
Czech Republic	76	68	11.7%
Denmark	106	87	21.5%
Ecuador	46	46	-0.2%
Finland	32		-
France	364	281	29.5%
Germany	2,046	1,949	5.0%
Hungary	100	94	6.5%
Ireland	148	140	5.3%
Italy	1,600	1,471	8.8%
Luxembourg	41	44	-6.9%
Mexico	585	580	0.9%
Netherlands	1,490	1,461	0.9%
Portugal	666	608	2.0%
Romania	27	28	9.6%
Spain	3,515	3,375	4.2%
Switzerland	56	76	-27.2%
Uruguay	39	33	17.3%
USA	98	92	6.0%
Total	**13,380**	**12,436**	**7.6%**

For more information see *Note 4: Table of Indicators*

Commitment to team members

The Company's commitment to quality job creation and job stability is reflected in the high percentage of team members on permanent contracts, totalling 11,289.

	2024			2023		
	Men	Women	Total	Men	Women	Total
Total Team Members	6,531	6,850	13,381	6,087	6,349	12,436
Team Members with permanent contracts	5,535	5,754	11,289	5,087	5,293	10,380
Team Members with temporary contracts	998	1,093	2,091	999	1,056	2,056
Team Members on zero-hour contracts	339	376	715			0
Full-time Team Members	6,238	6,140	12,379	5,814	5,678	11,492
Number of part-time Team Members	294	707	1,001	273	671	944

** To interpret the data on types of contract:*
–Part-time retired employees are regarded as a type of temporary contract.

–Part-time contracts are a type of contract for both temporary and permanent contracts.

Type of contract by region and gender

	2024				2023			
	Full-time		Part-time		Full-time		Part-time	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent contracts								
Argentina	264	302	2	0	252	284	1	0
Austria	169	148	7	22	115	112	5	18
Belgium	225	258	4	21	216	238	4	20
Chile	81	120	0	1	69	94	0	1
Colombia	330	305	0	0	254	240	0	0
Czech Republic	25	23	1	6	22	23	1	5
Denmark	55	34	2	1	51	30	3	2
Ecuador	27	20	0	0	26	21	0	0
Finland	13	10	4	4				
France	148	147	0	0	146	106	0	2
Germany	848	731	26	119	813	715	18	100
Hungary	40	55	0	2	40	50	0	4
Ireland	43	33	36	36	42	31	32	35
Italy	640	445	39	93	567	396	36	90
Luxembourg	20	18	1	2	22	19	1	2
Mexico	288	281	2	3	258	272	18	19
Netherlands	381	310	50	156	399	294	50	163
Portugal	185	211	1	1	135	170	0	1
Romania	7	17	0	2	9	18	0	0
Spain	1,461	1,631	28	85	1,403	1,550	24	70
Switzerland	26	21	0	7	33	24	3	16
Uruguay	20	19	0	0	16	17	0	0
USA	37	54	0	1	34	56	0	1
Total	**5,334**	**5,192**	**201**	**562**	**4,922**	**4,758**	**196**	**550**

Type of contract by region and gender

	Consolidated perimeter							
	2024				2023			
	Full-time		Part-time		Full-time		Part-time	
	Men	Women	Men	Women	Men	Women	Men	Women
Temporary contracts								
Argentina	1	1	0	1	0	0	0	0
Austria	12	22	0	0	7	16	0	0
Belgium	26	25	1	0	24	29	1	1
Chile	0	0	0	0	0	0	0	0
Colombia	0	0	0	0	0	0	0	0
Czech Republic	8	11	0	1	6	10	0	1
Denmark	6	7	1	0	0	1	0	0
France	29	38	1	0	12	16	0	0
Germany	141	147	10	25	147	144	4	7
Hungary	1	1	0	0	0	0	0	0
Ireland	0	0	0	0	0	1	0	0
Italy	197	157	13	17	197	153	15	18
Luxembourg	0	0	0	0	0	0	0	0
Mexico	5	5	0	2	6	6	0	0
Netherlands	227	240	48	78	207	232	42	75
Portugal	128	139	0	1	151	149	0	1
Romania	0	1	0	0	0	0	0	0
Spain	121	152	19	19	134	162	14	17
Switzerland	1	0	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0	0	0
USA	1	3	0	0	0	1	0	0
Total	**905**	**948**	**93**	**145**	**892**	**921**	**77**	**121**

New hiring

Policies and actions relating to the selection, recruitment, training and internal promotion of team members are based on the criteria of ability, competence and professional merit. In 2024 , 5,944 new hires were made, of which 53% were team members under the age of 30 and 50% were women.

New hiring

		2024			
		Top Management	Middle Management	Staff	Total
Men	<30 years old	1	31	1,506	1,538
	30 - 50 years old	12	127	1,123	1,262
	> 50 years old	7	33	203	243
Women	<30 years old	0	32	1,546	1,578
	30 - 50 years old	6	67	1,021	1,094
	> 50 years old	3	23	203	229
Total		**29**	**313**	**5,602**	**5,944**

		2023			
		Top Management	Middle Management	Staff	Total
Men	<30 years old	0	16	1,433	1,449
	30 - 50 years old	16	124	1,079	1,219
	> 50 years old	5	26	230	261
Women	<30 years old	0	30	1,572	1,602
	30 - 50 years old	7	102	1,147	1,256
	> 50 years old	2	22	226	250
Total		**30**	**320**	**5,687**	**6,037**

Turnover rate and exits

Aware of the highly competitive labour market and the many challenges facing the hotel industry, the Company recognises the importance of the employer brand, which is key to attracting talent and, of course, retaining and building loyalty among team members.

In this regard, the Company recognises the importance of highlighting the benefits and attractions of the tourism sector and the hotel industry in particular. The Company believes that the loyalty and pride of its team members is an essential asset in communicating these benefits and attractions to new talent through experience.

For this reason, the Company is using the social network Instagram, and specifically its account (@talentatminoreuam), to bring the experience of Minor professionals to the whole world. This initiative allows people to see first-hand what it is like to work in the company, what activities team members carry out on a daily basis, as well as the opportunities and benefits of being part of the Minor Hotels family. Team members can share their experiences and their professional development in the Company, as well as highlighting the Company's values and culture.

All of this demonstrates the Company's firm commitment to making all team members feel part of the Company, even before they join. The Company works to make all its members feel like an integral part of the Company from the very beginning and throughout their development and growth within it.

In such a complex and volatile labour market, subject to market volatility and the economic cycle, the Company is concerned about the expectations and interests of its team members, promoting active, proactive and continuous listening through its internal communication channels.

The company continues to work on its ability to retain and build loyalty among the great talent that exists within its team. To this end, it monitors, analyses and evaluates the attrition rates recorded in recent years, taking into account various factors such as the age, region or professional category of its team members.

In this sense, the company uses the following method to calculate the above-mentioned turnover rate: team members (in central services) who left the company during the financial year divided by the average total number of team members (headcount) who were in the company during the financial year.

For those metrics where specific factors are included in the report, such as gender, age or job category, both the numerator and denominator are determined by these factors.

Turnover rate by gender, age and category (%)

	2024	2023	Total variation (%)
Breakdown by gender			
Women	35.2	35.4	-0.6%
Men	36.8	36.3	1.3
Breakdown by age			
<30 years old	55.6	64.2	-13.4%
30-50 years old	30.9	30.4	1.5%
>50 years old	20.6	16.0	28.5%
Breakdown by professional category			
Top Management	6.6	8.3	-20.1%
Middle Management	15.6	17.3	-9.6%
Staff	40.7	40.3	1.0%
Total	**36.0**	**35.9**	**0.1%**

Voluntary turnover rate by region (%)

	2024			2023			Total variation (%)
	Women	Men	Total	Women	Men	Total	
Headquarters	12.3	11.6	12.0	9.1	12.8	10.7	12.1%
Americas Region	33.2	33.9	33.6	38.6	37.6	38.1	-11.9%
Northern Europe Region	21.4	22.2	21.8	27.8	27.6	27.7	-21.2%
Southern Europe Region	13.9	13.6	13.7	14.6	14.1	14.3	-4.0%
Total	**19.6**	**19.9**	**19.8**	**23.0**	**22.7**	**22.8**	**-13.3%**

Exits (voluntary and non-voluntary)

	2024	2023	Variation (%)
By gender			
Women	2816	2437	15.6%
Men	2,801	2,332	20.1%
By age			
<30 years old	2733	2215	23.4%
30 - 50 years old	2,254	2,061	9.4%
> 50 years old	630	493	27.8%
By professional category			
Top Management	54	32	68.8%
Middle Management	375	351	6.8%
Staff	5,188	4,386	18.3%
Total	**5,617**	**4,769**	**17.8%**

Non-voluntary exits

	2024	2023	Variation (%)
By gender			
Women	1299	855	51.9%
Men	1,296	877	47.8%
By age			
<30 years old	1179	735	60.4%
30 - 50 years old	996	743	34.1%
> 50 years old	420	254	65.4%
By professional category			
Top Management	37	15	146.7%
Middle Management	171	107	59.8%
Staff	2,387	1,610	48.3%
Total	**2,595**	**1,732**	**49.8%**

**Non-voluntary departures are defined as all dismissals, regardless of the reason (objective reasons such as hotel closure or end of contract and reasons arising from disciplinary dismissals). It also includes retirements and non-voluntary departures not related to dismissals.*

Dismissals

	2024	2023	Variation (%)
By gender			
Women	246	225	9.3%
Men	346	320	8.1%
By age			
<30 years old	264	186	41.9%
30 - 50 years old	260	284	-8.5%
> 50 years old	68	75	-9.3%
By professional category			
Top Management	7	12	-41.7%
Middle Management	52	64	-18.8%
Staff	533	469	13.6%
Total	**592**	**545**	**8.6%**

Voluntary exits

	2024	2023	Variation (%)
By gender			
Women	1517	1582	-4.1%
Men	1,505	1,455	3.4%
By age			
<30 years old	1554	1480	5.0%
30 - 50 years old	1,258	1,318	-4.6%
> 50 years old	210	239	-12.1%
By professional category			
Top Management	17	17	— %
Middle Management	204	244	-16.4%
Staff	2,801	2,276	23.1%
Total	**3,022**	**3,037**	**-0.5%**

Team Member Engagement

At Minor Hotels Europe & Americas, team member engagement is measured biennially. This year the Work Climate Survey was relaunched (*2024 Team Member Engagement Survey*)with the aim of measuring team members' level of engagement.

This survey is aimed at all permanent and temporary team members who have been working at the Company for at least three months. The survey was translated into 11 languages, to make it easier for team members to respond to it in their local language. It comprises a total of 50 questions, grouped into different aspects, and helps to identify strengths and areas for improvement at the different organisational levels. The survey, which was managed by an external supplier as on previous occasions, allowed a comparison with the results of the 2022 engagement survey.

Furthermore, in order to facilitate participation by team members, especially those who do not have a corporate email address, an ambitious plan was put in place to multiply the channels they could use to respond: Starting with the Talent platform, both in its desktop format and the app version, and posters with QR codes placed at the back of the house of the hotels and on the Employee Portal, MyApp, and on screensavers on computers throughout the chain, and naturally a direct emailing campaign for more than 5,000 team members with a corporate email address.

Once again, we had the support of the hotels' Ambassadors, hotel team members responsible for engagement and for dealing with their colleagues' questions and doubts about this key process in the Company. All of them received a kit with materials to use in the workplace.

An internal communication campaign was designed which included prior expectations, together with impacts for each of the weeks during which the survey was open, and a final impact expressing thanks to the thousands of team members who offered their opinion with the aim of making the Company a better place to work.

Participation of MHE&A staff in the '2024 Team Member Engagement Survey'

	2024
Top Management	90 %
Middle Management	87 %
Staff	68 %
Total	**72 %**

**The percentages include data for both owned and leased hotels and for both managed and franchised hotels.*

Participation in the 2024 Team Member Engagement Survey was 72%%, with a strong increase in participation compared to the 2022 engagement survey, broken down by gender as shown below:

73%

FEMALE TEAM MEMBERS PARTICIPATED IN THE TEAM MEMBERS ENGAGEMENT SURVEY

70%

MALE TEAM MEMBERS PARTICIPATED IN THE TEAM MEMBERS ENGAGEMENT SURVEY

This increase in participation has been especially relevant in the case of hotel team members without a personal corporate email address, which has increased from 59% in the 2022 Team Member Engagement Survey, to 65% in the 2024 Team Member Engagement Survey. This is a significant step forward and has been made possible thanks to the great work done by each Ambassador, a role in charge of encouraging participation, in their hotel.

Furthermore, in 2025, the most important phase of the 2024 Team Engagement Survey will take place: working on action plans. For this reason, both Hotel Managers with the support of the Ambassadors and the Heads of Departments at central offices will work on the action plans for their workplace or department related to the results obtained in the 2024 Team Member Engagement Survey, to improve the team members' engagement and experience and make Minor Hotel Europe & Americas a better place to work. This phase puts into practice the phrase that accompanies this initiative "*We ask, we listen and we act*".

Minor Hotels Europe & Americas considers social dialogue to be a fundamental pillar on which to build a positive, collaborative and ethical working environment. The Company therefore strives to maintain a responsible labour relations model based on the principles of dialogue, consultation and active participation by team members. This approach not only boosts team members' wellbeing, but also strengthens MHE&A's capacity to adapt and proposer in a constantly changing environment.

S1-8: Collective bargaining coverage and social dialogue

Social dialogue is fundamental to the Company's success and sustainability as it refers to two-way communication, consultation and negotiation between team members and MHE&A.

Minor Hotels Europe & Americas considers social dialogue to be a fundamental pillar for a positive, collaborative and ethical work environment. For this reason, the company strives to maintain a responsible labour relations model based on the principles of dialogue, consultation and active participation of team members.

In this regard, establishing social dialogue improves the working environment and facilitates decision making and at times can help to minimise any conflicts generated.

- It improves the working environment: good social dialogue contributes to a positive and collaborative working environment, in which team members feel listened to and valued. This improves job satisfaction and can lead to a reduction in absenteeism and employee turnover in MHE&A.

- It facilitates decision making: social dialogue makes it possible to make more informed decisions that are more aligned with team members' reality and can thus help to anticipate problems or conflicts.

- It prevents and handles conflicts: keeping a stable working environment.

Social dialogue emerges as an aspect encouraged or even required by labour regulations, and therefore each region adapts management of this aspect through the labour relations departments located in the different regions where MHE&A operates, ensuring that practice in this area is aligned with local legislation. Each regional team is responsible for fostering communication and management labour relations in a manner that responds to the needs and specific characteristics of their areas.

As an example of MHE&A's commitment to responsible hiring and social dialogue, the Minor Hotels Europe & Americas European Works Council (EWC) was established in October 2015 at the initiative of the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) and at the request of the affiliates in Italy, Belgium and Spain.

This EWC is governed by Directive 2009/38/EC and its transposition into Spanish law and covers all the workplaces of Minor Hotels Europe & Americas in the European Economic Area. Consequently, 100% of the team members located in EU member countries are covered and protected by it.

Its main function is to achieve a level of communication and social dialogue that allows, in a climate of mutual trust, mutual understanding on transnational issues affecting its team members.

Coverage of social dialogue

	2024	2023
	Team Members (EEE)	Team Members (EEE)
0 - 19%		
20 - 39%		
40 - 59%		
60 - 79%		
80 - 100%	Germany, Belgium, Slovakia, Spain, Italy, Ireland, Luxembourg, Netherlands, Portugal	Germany, Belgium, Slovakia, Spain, Italy, Ireland, Luxembourg, Netherlands, Portugal

This structure, together with social dialogue in each region, ensures that team members' interests and expectations and the Company's vision contribute to creating a stable and productive working environment.

Coverage by collective agreements, which generally include aspects related to the health and safety of team members, varies according to the different regions where the Company operates. In this regard, 93% of the Company's team members are covered by collective agreements.

Collective bargaining coverage (collective agreement)

	2024		2023	
	Team Members (EEA)	Team Members (outside EEA)	Team Members (EEA)	Team Members (outside EEA)
0 - 19%				
20 - 39%				
40 - 59%				Mexico
60 - 79%		United States, Uruguay		
80 - 100%	Austria, Belgium, Denmark, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Switzerland	Argentina, Colombia*, Mexico	Austria, Belgium, Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Portugal, Romania, Spain, Switzerland.	Colombia and Uruguay

For more details on collective agreement covered broken down by country see *Note 4: Table of indicators.*

S1-9: Diversity metrics

Diversity, integration and inclusion

Minor Hotels Europe & Americas sees diversity as a key factor in building up a network of diverse talent, capable of understanding customers' needs, innovating and reflecting society in the business world. For all these reasons, diversity, equality and inclusion are fundamental pillars of Minor Hotels Europe & Americas corporate culture.

Discrimination in employment and occupation occurs when someone is treated differently or less favourably because of characteristics that are not related to merit or the inherent requirements of the job. Through its Code of Conduct, Minor Hotels Europe & Americas formalises its commitment to promote non-discrimination on the basis of race, colour, nationality, social origin, age, gender, marital status, sexual orientation, ideology, political opinions, religion or any other personal, physical or social condition of its professionals, as well as equal opportunities among them.

The Company also has a policy of zero-tolerance of discrimination, which is reflected in the prohibition of conduct that promotes hatred, hostility or violence.

In addition, initiatives related to diversity and inclusion in the workplace represent a significant opportunity to improve the Company's reputation. Promoting the inclusion of disadvantaged groups and creating an equitable working environment strengthens team members' pride in belonging, consolidating Minor Hotels Europe & Americas as a benchmark in diversity, inclusion and sustainability in the hotel sector.

Year after year the Company monitors the metrics associated to this matter to assure correct management and measurement of diversity and equality. An example of this can be seen in the 154 different nationalities identified among MHE&A's 13,380 team members in 2024. Of these team members, 26% work in countries that not their country of origin. Furthermore, 51% of the total workforce are women, who hold 46% of the total management posts.

In terms of diversity in Senior Management (Management Committee), it should be noted that it is made up of 10 members, 7 men (70.0%) and 3 women (30.0%). Details can be consulted in the following section *"Management Committee".* The distribution of the administrative, management and supervisory bodies can be found in *"Board of Directors of MHE&A"* and *"Board Committees"*

As far as age is concerned, in 2024, the percentage of team members in the consolidated perimeter under 30 years old was almost 29%, while those between 30 and 50 years old is 50%, and those over 50 years old made up 21%.

Equality and Diversity

	Consolidated perimeter		
	2024	**2023**	**Variation (in %)**
% Team Members in a country other than their country of origin	26.3	24.5	7.66%
% Women on staff	51.2	51.0	0.28%
% Women managers	46.1	45.4	1.47%
% < 30 years*	28.8	25.2	-3.35%
% 30 - 50 years*	50.0	51.7	-8.34%
% > 50 years old*	21.2	23.1	12.39%
Team Members with disabilities	127	113	4.46%

Project for LGTBQ+ inclusion in workplaces

The hotels in Latin America have continued with their initiative in support of the inclusion of transsexual individuals in workplaces, in line with the Company's commitment to the LGTBQ+ community.

This initiative was developed integrating the recommendations of Human Rights Campaign global guidelines, Minor Hotel Europe & Americas' policies and code of conduct, as well as the legal frameworks for each of the countries in the region where the project is initially being implemented. At present, vacancies have been covered by members of this community in Mexico, Argentina and Chile.

At the same time, all hotels in Mexico and the NH Collection Lancaster in Argentina were certified by the Human Rights Campaign as one of the best places to work for the LGBTIQ+ community. In addition, the NH Collection Lancaster hotel was awarded the Equality Seal by the City of Buenos Aires and the NH Collection Medellín hotel in Colombia was awarded the Equality Seal by Icontec.

Equality Plan

On 22 December 2022, the 2nd Equality Plan of Minor Hotels Europe & Americas was approved with the workers' representatives. A Plan Monitoring Committee was also set up to interpret and evaluate the degree of compliance with the Plan, monitor its implementation, ensure its application and compliance with its contents and objectives, and keep abreast of developments and results achieved in the various areas of action.

In order to draw up the plan, the Company carried out a detailed diagnosis of the situation with regard to effective equality between women and men, analysing whether the Company respects equal treatment and opportunities in the workplace and has adopted measures to prevent any form of discrimination between women and men in the workplace.

Following this positive initial assessment, an action plan was drawn up with specific measures in various areas such as access to the Company, recruitment, promotion, training, remuneration, work-life balance, occupational health, communication and awareness-raising, in order to eliminate or correct inequalities in these areas.

The document also includes a series of measures to guarantee the protection of women who are victims of gender-based violence: giving them priority in recruitment, monitoring any cases of gender-based violence that may occur and the measures taken, and informing the workforce of the rights of women in this situation.

As stated in the Second Equality Plan, the policies and actions related to the selection and recruitment of Minor Hotels Europe & Americas team members are based on criteria of ability, competence and professional merit under equal conditions, regardless of gender. There is no gender imbalance in access to employment in the company. Recruitment is based on the operational needs of the business, with the majority of direct employees being permanent.

The defined selection and recruitment process provides access under equal conditions to all persons who seek a job in the Company, according to objective criteria based on the aptitudes and qualities of each position, where candidates can be evaluated on an equal footing. The analysis highlights that the Company has internal tools accessible by all team members providing information on active vacancies, which facilitates promotion and career development within the Company.

Protocol against sexual harassment

To complement the plan, facilitate its implementation and raise awareness among team members, it includes a protocol for preventing and dealing with situations of sexual harassment, as well as a manual for the non-sexist use of language.

All of the Company's team members have the right to a working environment that is free from hostile or intimidating conduct and behaviour towards them, an environment that guarantees their dignity as well as their physical and moral integrity. All persons, and in particular team leaders, must avoid and report to the Company's management any behaviour that violates this Code.

Any conduct that constitutes harassment because of moral, race, ethnicity, disability, age, sexual orientation or gender will be considered to be gross misconduct and penalised in line with the gravity of the behaviour.

Minor Hotels Europe & Americas is committed to investigating all complaints of harassment, for which a conflict resolution procedure has been established, guaranteeing at all times the right to privacy and confidentiality of the issues dealt with and of the individuals involved.

The procedure is initiated as soon as the complaint is received or a team member is aware that another team member has been subjected to such situations, using the following e-mail address: protocoloacoso@minor-hotels.com.

S1-10: Adequate wages

Equal treatment and opportunities

Throughout 2024, the Company has delivered on its commitment to ensure a decent wage for its team members. With the adoption of the Sustainability Policy in 2023 and the Human Resources Policy in 2024, the Company is committed to ensuring that the salaries of its team members are decent and competitive in the market, and that they are in line with fair wage standards, ensuring that the basic needs of team members and their families are met. At the same time, the company's human rights policy guarantees decent working conditions. To this end, salaries at Minor Hotels Europe & Americas are based on transparent and equitable criteria that take into account factors such as experience, qualifications, responsibilities and job performance.

The commitment to fair and competitive salaries, together with the above policies, promotes a good work-life balance and encourages productivity and commitment from team members.

In order to ensure fair remuneration, an in-depth analysis of team members' positions, their remuneration and gender balance has been carried out.

Based on this analysis, the Company hopes to continue to be a company committed to its team members and to provide a living wage[34]. The methodology used to assess compliance with the Living Wage was carried out in accordance with the Application Requirements (AR) of ESRS S1-10. To this end, the Living Wage was taken from the different countries in which the Company operates, distinguishing between countries within and outside the European Economic Area (EEA):

- For EEA countries, annualised salaries have been extracted for all the Company's team members, taking into account only the base salary together with any additional guaranteed fixed payments, excluding any variable components. A distinction has then been made between those countries that have an established minimum inter-professional wage and those that do not.
  - For countries with a statutory minimum wage (SMW), the value set by each country's public administration was determined on the basis of Eurostat data. It was then verified that the salaries of all team members based in these regions were above the SMI, thus complying with the reference framework of AR73(a) and AR74 of ESRS S1 and Article 6 of Directive (EU) 2022/2041.
  - For those EEA countries that do not have an SMW, the value established in collective agreements was used as a reference. This was done by identifying the team members with the lowest salaries in each country and checking that they were all at least at the level set by the applicable collective agreements

[34] *The Company has defined it as a wage that allows for a basic standard of living and is at least in line with collective agreements, which are always higher than the minimum wage.*

- For countries outside the EEA, the existence of wage levels established by international, national or sub-national regulations that guarantee that the amounts indicated in these standards are in line with the level of living wages was assessed. As it was not possible to verify these cases, MHE&A decided to use the monetary value established in collective agreements as a reference, as proposed in AR73. This approach is similar to that used for EEA countries without a minimum wage.

This methodology ensures an accurate assessment in line with international and local regulations and promotes living wages and fair working conditions in all markets in which the Company operates.

As a result, the Company has concluded that none of its team members are paid below the living wage. This analysis represents MHE&A's commitment to providing quality employment.

S1-11: Social protection

The Company recognises the importance of ensuring social protection for its team members in all regions where it operates, in line with its commitment to international labour standards. However, the Company does not currently have complete information that would allow it to confirm that all team members in the countries in which it operates are covered by social protection schemes in the following respects: sickness, unemployment from the date of joining MHE&A, work-related accidents and acquired disabilities, parental leave and retirement.

The Company assesses its global operations to identify any gaps and works to implement measures to ensure compliance with this principle in all its jurisdictions, promoting fair and equitable working conditions.

S1-12: Persons with disabilities

MHE&A promotes diversity, inclusion and equal opportunities as essential pillars of its working culture, ensuring a safe and inclusive working environment adapted to the needs of team members. Through the implementation of specific measures, the integration of persons with disabilities is promoted by adapting workplaces and ensuring optimal conditions for their performance. These actions not only contribute to the respect of fundamental rights, but also promote integration and equal treatment within the workforce.

At the end of the year, 127 team members with disabilities were employed, representing 0.95% of the global workforce. The Company is also committed to the integration of persons with disabilities through responsible procurement from Special Employment Centres as laundry service providers. The share of procurement from Special Employment Centres will reach 9% in 2024 (approximation based on the workforce in Spain, together with the team members of the Special Employment centres assumed in the purchases of Minor Hotels Europe & Americas).

S1-13: Training and skills development metrics

Minor Hotels Europe & Americas is committed to promoting the professional growth and continuous training of all its team members, providing them with the necessary tools for their development. All training projects are managed through our corporate university: 'University'.

During 2024, the Company has continued to promote access to and content on the external online training platforms that we offer to all team members, giving them the opportunity to improve their language skills and knowledge. This offer complements the annual training plans, which include training actions aligned with the Company's strategic priorities.

The global training offer at Minor Hotels Europe & Americas aims to adapt to both the individual needs of our team members and the global and local strategic needs of each region, highlighting the following projects carried out in 2024:

- Tivoli Key Principles of Service: Tivoli team members received training on the brand's key service pillars to ensure exceptional and consistent service to customers, which was given by internal trainers, who received their training of trainers in April in the Algarve.

- Brand Conversations, Our Brands Inside Out!: Using a video training methodology, through a conversation with the brand experts from the marketing department, team members can learn first-hand how brands are built, their origin, vision, pillars and other relevant content to make each brand a reality in their hotel.

- DISCOVERY Senior Hotel Champions: Each hotel has a DISCOVERY Hotel Champion, the loyalty programme manager, who leads the programme in their hotel and ensures that all team members understand and apply the principles of the programme. In 2024, a number of Senior Hotel Champions were selected and trained in the key processes and procedures of the programme, as well as in training skills, so that they can share this knowledge with their colleagues in their region and reinforce the importance of the programme.

- Online Process Training for New Recruits: The objective is to highlight the key roles and responsibilities of the different hotel positions and to ensure that they gain a full understanding of the processes and procedures critical to their role. These courses are designed to help both experienced professionals and those just starting out in their role to perform their daily tasks efficiently, and are reviewed on a regular basis to keep them up to date. In 2024, training was introduced for hotel managers and all team members who manage purchasing and inventory processes, and the training for receptionists and front desk managers was updated.

- Revenue Management Training: throughout 2024, the Revenue Management department has been supported by designing, together with them, several training actions crucial for professional development and continuous improvement of the function:
    - Duetto Champions: train-the-trainer session for the Duetto Champions, who are in charge of training their colleagues in the new 'Restrictions' functionality. In addition to training in the new functionality, they improved their skills in training others.
    - Connections Training: the Connections figure plays a fundamental role in the development of future Revenue Managers. This was the second edition, where new Connections were trained to strengthen their skills in developing others.
    - In addition, our Revenue Management Regional Managers met in Madrid to receive specialised training in remote team management and to strengthen their relationships.

It is also important to emphasise that, throughout this year, the MHE&A University has focused on ensuring that team members receive and complete the legally required mandatory training, thus increasing their knowledge and awareness of regulatory compliance.

14,853
TEAM MEMBERS TRAINED

216,877
TOTAL HOURS OF TRAINING*

The total number of training hours, both face-to-face and online, at the University in 2024 was 42,213, with a total of 14,853 team members trained. In 2024, the number of training hours increased by 47% compared to 2023, and the number of team members trained increased by 11% compared to the previous year.

Similarly, face-to-face training, which includes virtual training, accounted for 59% of training hours, with 441 internal trainers delivering sessions. For more details on total training hours by gender, age, region and job category, see Note 4. Table of Indicators.

In terms of average training hours:

Average hours of training by gender and professional category

	2024			2023			Variation (in %)
	Women	Men	Total	Women	Men	Total	
Top Management	32.51	24.77	27.65	36.08	26.52	29.91	-7.56 %
Middle Management	22.74	20.77	21.72	20.91	16.57	18.64	16.50 %
Staff	14.48	13.75	14.13	9.64	8.37	9.05	56.18 %
Total	**16.00**	**15.30**	**15.66**	**11.76**	**10.44**	**11.12**	**40.83 %**

NH Collection Porta Rossa
Florence, Italy

Hours of training by professional category and gender

2024

	Top Management		Middle Management		Staff		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Hours of classroom-based training	3,531	4,302	18,137	16,513	47,657	38,332	69,325	59,147
Hours of online training	626	957	4,723	5,491	40,523	36,086	45,872	42,534
Total by gender	**4,157**	**5,259**	**22,860**	**22,004**	**88,180**	**74,418**	**115,197**	**101,681**
Total by category	**9,415**		**44,865**		**162,598**		**216,877**	

2023

	Top Management		Middle Management		Staff		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Hours of classroom-based training	4,436	5,938	17,143	14,435	31,208	23,077	52,787	43,450
Hours of online training	485	655	3,133	3,187	24,441	19,654	28,059	23,496
Total by gender	**4,922**	**6,593**	**20,275**	**17,621**	**55,649**	**42,731**	**80,846**	**66,946**
Total by category	**11,515**		**37,897**		**98,380**		**147,791**	

Variation

	Top Management		Middle Management		Staff		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Hours of classroom-based training	-20.4%	-27.6%	5.8%	14.4%	52.7%	66.1%	31.3%	36.1%
Hours of online training	28.9%	46.0%	50.8%	72.3%	65.8%	83.6%	63.5%	81.0%
Total by gender	**-15.5%**	**-20.2%**	**12.7%**	**24.9%**	**58.5%**	**74.2%**	**42.5%**	**51.9%**
Total by category	**-18.2%**		**18.4%**		**65.3%**		**46.7%**	

Talent management

The key aspects of people management model are the structure and size of the organisation (workforce), stability and quality of employment, training and development programmes for team members, as well as compliance with labour rights and special attention to the areas of diversity and inclusion, work-life balance and equal opportunities. The Company is also committed to talent management, performance evaluation, development plans for team members, as well as recruiting and selecting the best professionals and managing the experience of team members.

MBO - Management by Objectives

At Minor Hotels Europe & Americas, quantitative and qualitative objectives are identified and evaluated through the process of managing team members' objectives (called "Management by Objectives").

This plan applies only to team members with permanent contracts who explicitly agree to it in writing. Team members hired after 30/10/2024, as well as those who switch from a temporary to a permanent contract after that date, are excluded from participating in MBO 2024.

This process is described in the Minor Hotels Europe & Americas Variable Remuneration Regulatory Plan for the purpose of:

- Linking individual and collective objectives to the overall strategy.
- Measuring what is done (individual and collective contribution of team members to the Company's results).
- Establishing a relationship of constant dialogue between the manager and the team member.
- Helping the team member to understand his/her role.
- Using a tool that makes it possible to determine the amount of variable remuneration based on the achievement of pre-defined objectives.
- Reinforcing the importance of and commitment to the principles of non-discrimination and equal opportunities.
- Ensuring better coordination between all members of the Company and improving the focus of their work.

The target variable remuneration is additional and complementary to team members' fixed remuneration and corresponds to 100% achievement of the objectives set. There are three types of objectives in the plan:

CORPORATE OBJECTIVES

Objectives established by the Company's Management Committee for team members. EBITDA according to the results of the Company / BU / Region / Hotel

DEPARTMENTAL / INDIVIDUAL OBJECTIVES

Objectives set individually and/or departmentally for members of a department.

PERFORMANCE EVALUATION

Time For You: result of the annual performance evaluation

	1Q 2024			1Q 2025				
START OF MBO	Individual objectives proposed by supervisor	People Department approval	Team member approval	Evaluation of objectives by supervisor	Approval of evaluation by the People Department	Interview	Supervisor and team member signature	END/ START OF MBO
	In the Talent tool, the supervisor will create departmental and individual objectives for each team member.	The People department validates and approves the individual / departmental objectives created in Talent.	The team member approves /rejects the objectives created for him/her in the tool	Evaluation of individual / departmental objectives by the supervisor	The People department validates and approves the objectives evaluated by the supervisor.	Interview in which the team member and the supervisor have a formal meeting to report on the settlement of the entire MBO and discuss performance.	Validation and signature by the team member and the supervisor of the objectives agreement and the evaluation.	

Time For You

At Minor Hotels Europe & Americas, the performance management process is a key and consolidated element of the Company's leadership culture and is called Time For You (TFY). It is aimed at all permanent and temporary team members with a minimum of three months' service.

This process measures the achievement of objectives through the evaluation of competencies, which allows for an effective orientation of the team member's development by identifying strengths and areas for development in the performance of their work, and defining the individual development plan based on the identified areas for improvement. In addition, the overall assessment obtained has an impact on other human resources processes, such as internal selection processes, talent or variable remuneration (management by objectives).

The TFY consists of two formal moments in the year: the Mid-Year Review and the Annual Review:

- The Mid-Year Review is based on a review of the individual development plan set out in the TFY for the previous year and invites the team member and their manager to reflect together on what is going well and what aspects can be improved for the second half of the year.
- At the end of the year, the Annual Review process is initiated, based on feedback, development and career progression as key tools for growth within the Company. This stage of the TFY represents a moment of truth in the team member experience, as it opens up a space to talk about what makes ea different in terms of performance and development needs, in order to focus our growth in the coming year. It is an opportunity for team members to deepen their self-awareness through feedback that allows them to identify their strengths and areas for improvement in terms of skills and behaviour, through the management of their development, as it involves the creation of an 'action plan' personalised to each team member's individual development needs, and through the management of their career, as the questions about functional and geographical mobility open the conversation to discuss possibilities for internal mobility within the Company.

Time For You is based on the Company's Talent tool, which allows this process to be managed with a 360° approach, as the manager can enrich his or her vision by asking other team members for feedback on his or her team member, thus enriching the feedback from all perspectives (peers, team, internal customer, etc.).

In addition, an element that has been very well received is its availability on the Talent App, which has allowed all team members to participate in this process, as they can access the Mid-Year Review and the Annual Review from the App, add comments to this last phase and sign it. It also allows them to access and monitor their individual development plan at any time during the year. This is undoubtedly, a great step forward that is gradually closing the digital gap for non-desk team members in people management processes.

To help team members prepare for and make the most of this annual conversation, an internal communication campaign was designed to promote best practices for receiving feedback in a constructive way, which in turn will contribute to a more effective and beneficial feedback process for all perspectives involved.

As a result, a participation rate of 94% was achieved. This rate covers the entire target group of the process, demonstrating once again the relevance and internalisation of TFY in the leadership culture.

% participation of team members in TFY

	2024			2023		
	Women	Men	TOTAL	Women	Men	TOTAL
Top Management	93.6 %	91.7 %	92.4 %	86.8 %	81.7 %	83.6 %
Middle Management	94.3 %	93.4 %	93.8 %	91.4 %	91.1 %	91.3 %
Staff	93.9 %	94.0 %	94.0 %	89.7 %	90.0 %	89.8 %
Total	**94.0 %**	**93.8 %**	**93.9 %**	**89.9 %**	**89.9 %**	**89.9 %**

Identification and development of internal talent

MHE&A has a talent identification and development process that analyses not only sustained performance over time, but also the potential and ambition of people in key positions within the Company. During the year, talent calibrations were carried out in key positions for the Company (more than 400 team members were calibrated in 2024) and individual career and development plans were defined.

In addition, internal development programmes were launched for some of the key operational roles, based on the Company's growth needs. These programmes are designed to develop both the knowledge and the skills of the participants, with the aim of ensuring a successful internal transition to a new position within the Company. Specifically, the following programmes have been launched during 2024.

Internal Development Programmes:

- ***Individual Coaching Programme:* as** a result of the talent calibrations, the individual coaching initiative for hotel managers was continued. This programme is carried out in collaboration with an external provider and provides certified coaches at the highest level and the best technology to conduct unlimited coaching sessions from any location. In 2024, 13 hotel managers from Southern Europe participated in this programme.
- **Internal development programmes for potential hotel department managers:** this is a management development programme with the aim of obtaining the certification required to hold this position. In 2024, there were a total of 37 participants in Europe.
- **Crossing Borders programme:** this is an exchange programme between countries that allows participants to develop knowledge in a hotel other than their own, located in another country, enriching their development with a 3-month international experience. In 2024, 12 team members participated.
- **Boost! Programme**: This is a talent development initiative designed to incentivise and retain employees from the commercial area. Participants who have completed this programme have the ambition to grow within this area and aspire to take on their first leadership role. There have been a total of 9 participants from Northern European countries.
- **Sales Academy**: This development programme is designed for senior commercial or sales account managers who aspire to commercial leadership positions within the Company. Through comprehensive training and development opportunities, the programme aims to prepare these professionals to take on leadership roles and make a significant contribution to the Company's commercial success. In 2024, there were a total of 10 participants from Northern Europe..
- **Internal Development Programme for Hotel Managers:** This programme has a comprehensive training curriculum to ensure the development of participants' knowledge and skills, thus ensuring a successful internal transition to hotel management. In 2024, a total of 22 team members from Europe participated.

Becoming a GM (General Manager)

For the Company, the position of hotel manager is fundamental. The manager acts as the brain that ensures the efficient running of the hotel, combining a variety of complementary professional skills ranging from problem solving to empathy. For all these reasons, a development programme is implemented for this specific position.

The hotel manager is responsible for overseeing all operational aspects of the hotel, from hiring all team members to scheduling maintenance or creating new revenue management strategies, ensuring that all departments coordinate and work together effectively. When a team member becomes a hotel manager, it means that they have worked in different departments within the hotel, gaining the expected cross-disciplinary knowledge and experience, and this programme complements and trains them for this.

Over a 12-month period, plus a 6-month mentoring period, the future GMs of Southern Europe have enjoyed a broad and holistic training programme, focusing on learning about leadership and group coaching. They have also worked on and developed other key skills such as corporate values and culture, communication, quality, customer experience, team management and emergency management.

At the beginning of the programme, the future GMs received a week of face-to-face training at the headquarters. Later, during the months of training, the team members who benefited from the programme had the experience of being hotel managers in a hotel other than their own, which allowed them to gain first-hand knowledge of the day-to-day life of a hotel manager. At the end of the programme, a review process was carried out to assess the performance of the participating team members. If the evaluation was positive, they were assigned their first hotel as Junior GMs.

This internal development programme for future hotel managers reflects the Company's commitment to internal promotion as the backbone of the business, as the GM position is considered one of the most strategic in the Company. In this sense, the Company benefits greatly from the programme:

- It provides a clear career path for hotel team members.
- It ensures a perfect cultural fit.
- It ensures an internal transition into the new role.

Talent attraction

With the aim of promoting Minor Hotels Europe & Americas as an employer brand, as well as the job and career opportunities offered by the Company, while contributing to the employability of young talent in the sector, the Company participated in more than 100 job fairs and events at universities and hospitality schools worldwide in 2024.

In Europe and the Americas, the Company visited more than 100 universities, mainly in Italy, Spain, France, the Netherlands, Portugal and Argentina. These visits were mainly focused on attending job fairs and interviewing students, giving presentations about the Company and participating in recruitment events with other companies in the sector. Participating in these job fairs and universities, which are mainly dedicated to hospitality students, not only allows to attract and select the best talent, but also strengthens the brand, encourages innovation and allows us to connect with the talent community, which is an important commitment for the Company.

The Company has also participated in new job fairs at prestigious schools to meet the growing need for young talent to pursue a career in luxury hotels, a segment in which the Company is in full expansion. These events were an excellent opportunity to meet young talents who are looking for professional internships or who are in their final years of studies and are looking for a professional opportunity in the luxury hospitality sector. Other activities were also carried out with these prestigious schools, such as welcoming students from these schools to the Company's prestigious hotels, with the aim of raising awareness of the professional opportunities offered by the Company, thus presenting its value proposition, as well as collaborating in the supervision, management and mentoring of these students' projects related to the current challenges facing the Company.

S1-14: Health and safety metrics

Health and safety of team members

Minor Hotels Europe & Americas recognises that providing people with a safe and healthy working environment is an absolute necessity for the development of its business. In 2023, the Company implemented a Corporate Health and Safety Policy, which establishes the general framework for MHE&A's actions in the area of health and safety at work. It includes the general principles that ensure a model for the management of occupational health and safety and wellbeing in the daily activities of all the Company's team members.

The policy also sets out the Company's commitments in this area. It highlights aspects such as the continuous integration of occupational risk prevention into the Company's general management system, the assessment of risks and hazards related to occupational health and safety in all MHE&A activities, the guarantee of a safe working environment, the training of team members in health and safety matters, and the establishment and promotion of close working relationships with the various competent public and private administrations.

In this regard, it serves as a framework for the Company's actions to guarantee health and safety in all its workplaces, notwithstanding the various local and sectoral regulations that may be approved in relation to health and safety.

In this context, and aware of the importance of ensuring the health, safety and wellbeing of team members as they perform their professional activities, the Company has started to design a Corporate Occupational Health and Safety Management System to be applied in all countries in which it operates.This system is based on the ISO 45001:2018 standard and the World Health Organisation's Healthy Workplace Model, thus reinforcing its commitment to the protection and wellbeing of team members at an international level.

Nevertheless, actually the Company has an Occupational Risk Prevention Plan for Spain, which is the master document that regulates the actions to be carried out in the area of Occupational Health and Safety in the Company's workplaces in Spain. This plan includes, among other things, essential procedures such as

- Risk assessment.
- Health and safety training and information.
- Health monitoring.
- Health damage management .
- Emergency management.
- Maternity protection.
- Personal protective equipment.
- Business activity co-ordination.

The plan is based on the integration of these processes throughout the Company's hierarchical structure. Both Central Services department heads and hotel personnel (from managers to frontline staff) have roles and responsibilities in this area. Similarly, in Spain there is a Joint Prevention Service that provides services to the Company's hotels and work centres in Spain.

In the rest of the countries, this plan does not apply and technical advice on occupational risk prevention is outsourced. In Portugal there is also a prevention service operating in the hotels and in Italy there is a health and safety co-ordinator who supports the hotels in the country with the help of an external prevention service. In some of the other countries, Minor Hotels Europe & Americas has appointed managers who are responsible for co-ordinating the actions of suppliers and implementing the defined corrective and preventive actions.

Minor Hotels Europe & Americas therefore seeks to promote a culture of occupational health as part of its commitment to health and safety. The integration of occupational health into the Company's activities is reflected in programmes and action plans in hotels and offices in different countries.

Health and safety management is an important aspect that has a direct impact on the wellbeing of team members. One of the most significant impacts is the implementation of a corporate health and safety system that guarantees the wellbeing of employees and promotes a safer and healthier working environment.

However, other significant challenges have been identified, such as the difficulty in achieving work-life balance due to the long working hours that are a feature of the activity, which can have an impact on team members' emotional and physical wellbeing. In addition, a high rate of workplace absenteeism due to accidents reduces operational efficiency and represents a latent risk to overall performance. Despite these challenges, there are opportunities to improve working conditions, such as optimising risk prevention processes and promoting a proactive safety culture, which would not only reduce risks but also increase team member engagement and satisfaction.

Accident rates and occupational diseases

In 2024, all business units reported information on accidents and occupational diseases. None of them have caused the death of a team member in the performance of their duties.

Days lost through accidents and occupational illness *

	Team members – personnel of owned and leased hotels)			Personnel of managed and franchised hotels
	2024			
	Women	Men	Total	Total
Accidents	4360	5211	9571	2335
Diseases	352	849	1201	**427**
Total	**4,712**	**6,060**	**10,772**	**2,762**
	2023			
Accidents	4,721	4,927	9,648	81
Diseases	459	712	1,171	0
Total	**5,180**	**5,639**	**10,819**	**81**
	Variation (%)			
Accidents	-7.65%	5.76%	-87.55%	2782.72%
Diseases	-23.31%	19.24%	2.56%	
Total	**-9%**	**7%**	**–%**	**3310%**

**Data for MHE&A's own salaried workforce, excluding extras.*

Accidents

	Team members – personnel of owned and leased hotels	Personnel of managed and franchised hotels
	2024	
Accidents with and without sick leave*	657	172
Accidents with sick leave*	387	123
Recordable accidents**	691	150
	2023	
Accidents with and without sick leave*	527	120
Accidents with sick leave*	363	80
Recordable accidents**	496	101
	Variation (%)	
Accidents with and without sick leave*	25%	43%
Accidents with sick leave*	7%	54%
Recordable accidents**	39%	49%

** excluding accidents on the way to and from the workplace*
*** accidents with and without sick leave, excluding first aid*
**** including personnel of managed and franchised hotels*

Occupational diseases

	Team members – personnel of owned and leased hotels	Personnel of managed and franchised hotels
	2024	
Occupational diseases with and without sick leave	85	14
Occupational diseases with sick leave	24	12
	2023	
Occupational diseases with and without sick leave	28	0
Occupational illnesses with sick leave	23	0
	Variation (%)	
Occupational diseases with and without sick leave	204%	–%
Occupational illnesses with sick leave	4%	–%

In 2024, 28 team members have been recorded as suffering from occupational diseases at Minor Hotels Europe & Americas. It should be noted that the most active occupational diseases are related to damage to the musculoskeletal system, epicondylitis or tendinitis.

As a result of occupational accidents and diseases in 2024, a total of 10,772 lost work days have been recorded for team members.

Accident and occupational disease rates

	Team members - personnel of owned and leased hotels	Personnel of managed and franchised hotels
	2024	
Accident frequency rate (AFR)*.	24.52	33.81
Recordable Accident Frequency Rate (OAFR)	25.79	29.49
Accident frequency rate (OAFR)* with sick leave	14.44	24.18
Occupational disease frequency rate (ODFR)	3.17	2.75
Occupational disease frequency rate (ODFR)* with sick leave	0.90	2.36
Occupational accident severity rate (OASR)**.	0.36	0.46
Occupational disease severity rate (ODSR)**.	0.04	0.08
	2023	
Frequency rate (FR)* of accidents at work	21,15	33,09
Frequency rate (FR)* of accidents at work with sick leave	14,57	22,06
Frequency rate (FR)* of recordable accidents at work	19,90	27,85
Frequency rate (FR)* of occupational diseases	1,12	0,00
Frequency rate (FR)* of occupational diseases with sick leave	0,92	0,00
Severity Rate (SR)** of accidents at work	0,39	0,66
Severity rate (SR)** of occupational diseases	0,05	0,00
	Variation (%)	
Frequency rate (FR)* of accidents at work	16%	2%
Frequency rate (FR)* of accidents at work with sick leave	77%	34%
Frequency rate (FR)* of recordable accidents at work	-27%	-13%
Frequency rate (FR)* of occupational diseases	183%	-90%
Frequency rate (FR)* of occupational diseases with sick leave	-3%	
Severity Rate (SR)** of accidents at work	-8%	
Severity rate (SR)** of occupational diseases	614%	-87%

**Frequency rate (FR) = (number of accidents at work or occupational diseases / hours worked) * 1,000,000.*
***Severity Rate (SR) = Days lost due to accidents at work or occupational diseases / hours worked * 1,000*

Health initiatives

GENERALI Vitality	An initiative that offers access to a health and wellness programme from GENERALI Vitality, where "taking care of yourself pays off". This initiative helps you lead a more active life and rewards you with gift vouchers from Amazon, El Corte Inglés and Adidas via the App when you meet a weekly challenge.
MHE&A Runners	The MHE&A Runners initiative, aimed at promoting a healthier lifestyle and physical activity, returned in 2022 and continues. On this occasion, registration for the 2024 (Business Race) in Madrid has been funded. With this initiative, the Company invite you to be part of this team, to train and participate in the races organised.
MHE&A Bikers	After several years of inactivity, the MHE&A Bikers initiative has been relaunched with the XXXII Clásica de Valdemorillo, where team members from both Spain and the regional office will compete in the Mountain Bike (MTB) discipline.
Online training	Through an online training platform accessible to all team members in Europe and the Americas, team members have been encouraged to undertake training that promotes the development of key skills to meet personal and professional challenges. The platform offers specialised courses on personal care and practices for achieving wellbeing in the workplace. These include courses on stress and time management, the benefits of rest for mental and physical health, and the benefits of good eating habits.
Fruit in the MHE&A Regional Office and CRO	This year we have once again been enjoying fresh fruit in the HQ and CRO offices, from Monday to Thursday.
Height-adjustable desk in the regional office of MHE&A	Availability of height-adjustable desks for team members Continuing with the commitment to promote healthy posture in the office in the framework of wellbeing at work.
Computerised H&S management tool	The Occupational Health and Safety management software tool '6 Conecta' has been acquired. This tool will enable the digitalisation of several of the preventive processes included in the Spanish Prevention Plan (risk assessment, preventive planning, information, training, delivery of PPE, accident investigation, etc.). This tool will speed up these processes, saving time on documentation and management and will enable greater compliance with legal obligations. The tool is currently being parameterised and is expected to be implemented in Q1 2025 in all hotels in Spain.

Health and Safety Training

Online health and safety training has been developed to be more effective, dynamic, intuitive and realistic, as it has been made more accessible and can be completed on a mobile phone, making it more accessible to many groups of workers, such as housekeeping staff, while the duration has been reduced to make it more dynamic.

The training has placed particular emphasis on the most relevant risks for each job, including 26 short videos with the most important preventive measures. A training platform has also been set up that can be accessed by additional employees who do not have access to the Talent platform, thus meeting an important need.

Hours of training in Occupational Health and Safety

	2024			
	Team members - personnel of owned and leased hotels		Personnel of managed and franchised hotels	
	Face-to-face training	Online training	Face-to-face training	Online training
Number of team members trained	185	929	62	114
Number of programmes	25	2	28	2
Hours of training	906	938	201	115

S1-15: Work-life balance metrics

Wellbeing of team members

Flexibility and work-life balance

For Minor Hotels Europe & Americas, one of the fundamental pillars of attracting and retaining talent is work-life balance, which is achieved by seeking a balance between the needs and interests of team members and those of the Company.

In accordance with the Minor Hotels Europe & Americas People Policy, the Company recognises and respects the right of team members (including managers) to disconnect from digital devices, to the extent that business activities allow, in order to respect their rest periods, time off and vacations , as well as their personal and family privacy, outside of the working hours established by law or agreement.

In this regard, the culture of Minor Hotels Europe & Americas has evolved in recent years towards a system of greater flexibility and work-life balance, thanks to the 'New Way of Working' project launched several years ago. This hybrid working model project, which started in the various central offices in the region and is still ongoing, allows team members to choose whether to adhere to this working arrangement according to their needs. This has required the Company and the workers' representatives to define and sign an agreement at the Central Reservation Office (CRO) in Madrid, where around 200 reservation agents are already working five days a week on a remote basis, while retaining the option of going to the office if they wish, as do the team members in the region's head offices. All of this has allowed for a correct and effective implementation of hybrid model in accordance with the required labour regulations.

This hybrid model has the following characteristics at the Minor Hotels Europe & Americas regional office:

- A minimum of 3 days in the office and 2 days working from home, split between Monday and Friday, depending on the nature of the role.
- In order to facilitate lunch during office days, the Company has decided to provide a meal allowance of €112 per month (excluding July and August) to team members who work at headquarters.
- Additional health and safety measures, such as CO2 meters on all floors and in meeting rooms, air purifiers with particle filters, etc., have been approved to make office visits safer.

In addition, with the aim of optimising its processes and becoming more agile, the Company has reinforced the importance of conducting and organising effective meetings and has launched its "Effective Meetings" campaign, based on the following pillars: "Ask yourself if a meeting/email is necessary, set an agenda, limit the number of participants in meetings, keep to the time, stay focused, finish with an action plan".

These measures have enabled the Company to continue its operations and provide its team members with a work-life balance bonus, strengthening the bond of trust and commitment.

Main work-life balance and flexibility measures and other social benefits

Exams during working hours	48 hours' notice and proof of attendance.
Fulfilment of an inexcusable duty of a public and personal nature	The Company will allow the time necessary to fulfil the duty.
Assisted reproduction techniques	Any team member undergoing assisted reproduction treatment has the right to take time off work, subject to justification.
Birth or adoption	The company offers: ■ Guaranteed paid leave for procedures prior to international adoption. ■ The possibility of a 4 to 6 month leave of absence for persons in the process of international adoption, keeping their job open. ■ The possibility of combining paternity leave with vacation leave to facilitate the other parent's travel when the child is born outside Spain. It should be noted that 100% of team members are entitled to paternity/maternity leave. In 2024, 4% of team members exercised this right (5% women, 2% men). They are also entitled to leave for family reasons, such as carer's leave, in addition to parental leave.
Encouraging the recruitment of women who are victims of gender violence	Priority in the recruitment of women who can prove they are victims of gender violence, under equal conditions.
Geographical mobility	Priority for geographical mobility for the purpose of caring for dependants (minors and family members).
Discount programme	Access to a programme of discounts and exclusive prices on a wide range of products, services and leisure activities online via the Coperama platform.
Promotion of new technologies	Use and promotion of new information technologies (videoconferencing, etc.) whenever possible, to avoid constant travelling. In addition, in 2024 a campaign was launched aimed at all team members to encourage specific training to make the best use of new technologies.
Flexible working hours/ work-life balance and compressed working hours	Flexible start and finish times. A compressed working week in summer and on Fridays throughout the year for team members in the regional office of Minor Hotels Europe & Americas where organisationally possible. The Company works to ensure that team members have their rest time once their working day is over. In addition, a feature has been activated within Microsoft Outlook to limit the sending of emails outside working hours. Specifically, before sending an email outside of working hours, the team member is asked to assess whether it is really necessary to send it at that moment, or if they can wait until the following day within working hours.
Virtual bank office	Virtual bank office, which offers financial products and services on advantageous terms to team members and former team members of the MHE&A regional office, as well as proportionally distributing 50% of the profits generated each year. 135 team members from the head office and the CRO are already customers of this office.
Payflow	A payroll advance collection project that allows team members in Spain to get paid instantly whenever they want.
Payflex	The Flexible Remuneration Plan is a personalised remuneration system whereby each team member in Spain voluntarily decides how to receive their total annual remuneration so that it adapts to their personal and family needs at all times. As this is voluntary, team members in Spain can receive their remuneration as they have done until now, or choose a new distribution between their salary and the products and services offered by Minor Hotels Europe & Americas: childcare vouchers, restaurant cards, transport cards, medical insurance, training or purchase of vacation days.
Language training	Since 2023, all team members have access to an online learning platform for up to 12 languages.

**Data in headcounts*

*** In accordance with the applicable regulations in the country of location of the team member*

S1-16: Compensation metrics (pay gap and total compensation)

During the year, the Company has worked on calculating its pay gap. To do this, it has compared salaries between equivalent job categories, based on the average salary of women compared to men, i.e. those performing the same function or holding the same position. In this way, the overall figure for the pay gap is obtained by weighting the gaps resulting from the comparisons between the average salaries (taking into account fixed and variable salaries) received by team members in each category, taking into account the total number of team members in that category. In this regard, the calculation of the average hours worked has taken into account the fact that theoretically there are 150 hours working hours per month, with a total of 1800 hours for the year. Thus, the calculation of the average gross hourly earnings is 17.71 euro for men and 16.05 euro for women.

Ratio of hourly wages of women to men by professional category (%)*

	Consolidated perimeter	
	2024	2023
Top Management	25.3 %	28.9 %
Middle Management	4.4 %	5.0 %
Staff	2.4 %	2.0 %
Total	**9.0 %**	**9.8 %**

*Measured as: [(average gross hourly earnings of men minus average gross hourly earnings of women) / average gross hourly earnings of men] *100*

This calculated analysis of the pay gap has served to show that the pay gap is increasing in top management, mainly due to the presence of fewer women in this category.

This situation offers a great opportunity to carry out a more in-depth analysis of the different groups, not only women, and to establish as a priority the continuation of the long-term project of truly managing the team member diversity in all its aspects and supporting their career development within the Company. Minor Hotels Europe & Americas has made it a priority to close the gap and to this end it will continue to work on adopting the most appropriate policies and procedures in terms of remuneration and increasing the presence of women in management positions.

Average remuneration by gender and professional category (in €)

	2024			2023			Total variation (%)
	Women	Men	Average	Women	Men	Average	
Top Management	93,821	125,515.26	113,842	83,242	117.838 €	105,186	8.2%
Middle Management	46,255	48,387	47,380	42,863	45,033	44,001	7.7%
Staff	25,744	26,388	26,051	24,363	24,818	24,577	6.0%
Total	**29,148**	**32,036**	**30,555**	**27,400**	**30,364**	**28,822**	**6.0%**

** The figure for remuneration reflects the gross annual fixed salary plus variable salary.*

Average remuneration* by gender and age (in €)

	2024			2023			Total variation (%)
	Women	Men	Average	Women	Men	Average	
<30 years old	25,008	24,319	24,691	23,184	22,365	22,808	8.3%
30 - 50 years old	31,407	34,154	32,795	29,351	32,247	30,775	6.6%
> 50 years old	32,318	41,010	36,614	30,139	38,710	34,292	6.8%

** The figure for remuneration reflects the gross annual fixed salary plus variable salary.*

Annual total compensation ratio by professional category

	2024				2023			
	Americas Region	Northern Europe Region	Southern Region	Headquarters	Americas Region	Northern Europe Region	Souther n Region	Headquarters
Top Management	3.96	5.89	6.45	8.17	5.14	5.83	6.26	7.70
Middle Management	7.09	3.64	6.11	2.10	10.99	3.70	6.18	2.11
Staff	9.06	3.65	9.54	2.21	12.88	3.63	5.55	2.33
Total	**50.61**				**45.59**			

The remuneration model of Minor Hotels Europe & Americas

The remuneration policy applied by MHE&A has no gender bias. The annual fixed cash remuneration and variable remuneration, the two basic components of the Company's remuneration structure, are established objectively. Fixed remuneration mainly reflects the professional's experience and responsibility in the Company, while variable remuneration rewards the achievement of annual objectives, which are fundamentally quantitative, and are shared by team workers who perform their activities in the same functional areas.

The success of Minor Hotels Europe & Americas depends to a large extent on the achievement of individual and collective objectives by the Company's team members. The purpose of variable remuneration in the Company is to measure what is done (individual and collective contribution of team members to the Company's results) and how it is done (performance evaluation), while reinforcing the Company's commitment to the principles of non-discrimination and equal opportunities.

Variable remuneration has the following objectives:

- Reward performance based on the achievement of the Company's quantitative objectives. See *"Management by Objectives"*
- Link the achievement of the Company's annual objectives to its medium- and long-term strategy and long-term sustainability interests. See the section: "*Management by Objectives"*
- Align individual objectives with the Company's objectives. See Management by Objectives section: *"Management by Objectives"*

In Spain, MHE&A also offers a flexible compensation plan that allows employees to use part of their compensation to purchase transport passes, childcare vouchers, days off, restaurant cards, health insurance, group life and savings insurance or external training, benefiting from special prices and tax advantages.

S1-17: Incidents, complaints and severe human rights impacts

In this regard, and to fulfil this obligation, the Company reports that no workplace incidents or serious human rights incidents have occurred during the year that have resulted in material sanctions, fines or compensation.

It should be noted that 3 cases related to the working environment were confirmed through the whistleblowing channel. These include complaints about inappropriate comments made by a supervisor to colleagues, in the context of sick leave. There was also a report of inappropriate conduct by an employee towards an external contractor and possible discrimination by a supervisor whose comments caused unease and high staff turnover in certain hotels. Further information can be found in the following sections of the report: *Protection and promotion of Human and Labour Rights* and *Whistleblowing Channel. Whistleblower protection.*

ESRS S2. WORKERS IN VALUE CHAIN

Training, talent management and career development

ESG Dimension	Key topics 2024	Sub-topics	Description
SOCIAL	Workers in the value chain	Training, talent management and career development of workers in the value chain	Training and skills development to strengthen the competencies of workers in the value chain

ESG	Sub-topic	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	Evolution vs 2023	Impact, Risk and Opportunity Management
S	Workers in value chain	Training, talent management and career development of workers in the value chain	The absence of effective training and development programmes can generate skill gaps in the performance of activities deriving from the evolution of the business. This has an impact on the organisation's capacity to adapt to market demands and to maintain brand standards. This could represent a risk for the Company's performance as it could affect the quality of the service and have an impact on the Company's market share compared to its peers. This risk would ultimately be reflected in the Company's overall profitability.	■ No. of training hours ■ % participation in performance appraisals	▲ ▲	■ *S2-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions*

According to the definitions set out in the glossary of terms in Annex II of Commission Delegated Regulation (EU) 2023/2772, of 31 July 2023, and the provisions of the aforementioned regulation, the Company has carried out a review of the terminology used to refer to both its own workforce and workers in the value chain.

Considering the latter, MHE&A distinguishes three major types of workers in the value chain:

- Personnel of managed and franchised hotels;
- Subcontracted services ad;
- Other suppliers.

As a result of the double materiality analysis, the first type (Personnel of managed and franchise hotels) was found to be material from the perspective of "Training and skills development". This chapter therefore focused on strategy and IRO management from this perspective.

For further details on the analysis performed, see section: *"Staff in Minor Hotels Europe & Americas"* and *Sustainability matters not material to MHE&A.*

STRATEGY

ESRS 2 SBM-2 Interests and views of stakeholders

Details of the interests and views of stakeholders can be found in the following section: *SBM-2: Interests and views of stakeholders*

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Details of the incidents, risks and opportunities of relative importance and their interaction with the strategy and business model in relation to value chain workers are provided in the following section: Strategy for the management of IROs included in material issues *'ESRS S2. WORKERS IN THE VALUE CHAIN*

The impacts, risks and opportunities identified for this type of workers arise in relation to training and talent management.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S2-1: Policies related to value chain workers

Details of the policies relating to workers in the value chain can be found in the following section: *Policies for the management of IROS related to workers in the material value chain (workers in hotels under management and ownership)'.*

It should be noted that the Company has a People policy whose scope applies to all companies within MHE&A, including subsidiaries and dependent companies, in all geographical areas in which it operates. Likewise, MHE&A promotes the adoption of these principles in companies in which it has a stake, even if it does not exercise control over their management or has a majority stake.

As a result, MHE&A promotes the application of this policy in all the hotels that operate under its brands.

S2-2: Processes for engaging with value chain workers about impacts

Employees in managed and franchised hotels have access to the same tools as those in owned and leased hotels to raise concerns. These include the Team Member Suggestion Box, the Engagement Pulse engagement survey and the Canal de Denuncias (WhistleB) whistleblowing channel.

Details of the processes for working with employees of managed and franchised hotels (workers in the material value chain) can be found in the following section: S1-2: Processes for working with own employees and employee representatives on incidents. *S1-2: Processes for engaging with own workforce and workers' representatives about impacts.*

S-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

The resolution of negative incidents in the company and the creation of effective channels for employees in the value chain to express their concerns or negative incidents are essential aspects in creating an environment of trust between the employees of the managed and franchised hotels and the company, by providing the assurance that their concerns will be heard and dealt with appropriately.

The channels set out in S2-2 will facilitate transparent communication to ensure that all employees in managed and franchised hotels are heard.

Details of the channels and processes for remediating negative impacts and channels for own workers to raise concerns about the Company can be found in the following section: *SBM-2: Interests and views of stakeholders.*

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

As a result of the dual materiality analysis, MHE&A has identified impacts, risks and opportunities of relative importance to employees in the value chain. The materiality process identified that the employees of managed and franchised hotels are material to the company in terms of training and internal development. This approach not only improves the quality of service, but also ensures that the staff of these hotels are prepared to work to the brand's standards.

For this reason, employees of managed hotels have access to the corporate platform, where they, like their colleagues in owned and leased hotels, can take advantage of the courses and training offered by Talent.

By 2024, a total of 3,272 employees of managed and franchised hotels had used the training platform, achieving a total of 39,234 hours of training. This means that the average number of training hours was 15.10, which is fully in line with the ratio achieved for employees in owned and leased hotels, demonstrating MHE&A's commitment to training all employees.

Hours of training (hotel staff in management and franchising)

	2024	2023	Variation (in %)
Hours of classroom-based training	21,860	14,241	53.50 %
Hours of online training	17,374	9,562	81.71 %
Total	**39,234**	**23,803**	**64.83 %**

NH Panorama
Cordoba, Argentina

Talent management and the well-being of the employees of these hotels also play a fundamental role. All actions taken by these employees are accompanied by the design of career plans that promote professional growth within the company, including mentoring programmes and functional rotation opportunities. In this way, the aim is to offer these employees a professional perspective that strengthens their commitment to the company. These professionals are subject to regular performance reviews. (*Time For You program*)and workplace climate surveys (*Team Member Engagement Survey*) that allow areas for improvement to be identified and for action to be taken proactively.

% participation of team members in TFY (staff of managed and franchised hotels)

	2024	2023	Variation (in %)
Top Management	83.33 %	84.21 %	(1.04) %
Middle Management	86.94 %	83.33 %	4.33 %
Staff	91.75 %	84.21 %	8.95 %
Total	**91.05 %**	**83.55 %**	**8.98 %**

METRICS AND TARGETS

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objectives for employees in the value chain are aligned with the training and development objectives set for the Company's team members.

Similarly, priority is given to maintaining a high level of participation in the climate survey (both the Engagement Survey and the Engagement Pulse) to ensure continuous feedback to strengthen well-being at work and promote a positive and motivating working environment.

In addition, recognition programmes, benefits and activities are implemented to improve employee satisfaction and motivation. These measures not only contribute to personal and professional development, but also have a positive impact on the quality of service provided to guests. However, there is a risk that inadequate management of these employees could result in poor service quality due to lack of training, which is a significant challenge. To mitigate this risk, it is essential to carry out regular assessments to identify areas for improvement in terms of skills and to provide specific training to ensure compliance with brand standards. Another key challenge is the increased cost of high employee turnover. To address this, retention strategies are being developed based on improving working conditions, creating financial and non-financial incentives and implementing more robust selection processes that ensure a cultural and professional fit between candidates and the Company.

NH Venezia Santa Lucia
Venice, Italy

5.2.2

UP FOR PEOPLE

CUSTOMERS

ESRS S4: CONSUMERS AND END-USERS

MINOR HOTELS
EUROPE & AMERICAS

ESRS S4. CONSUMERS AND END-USERS

UP FOR PEOPLE

Minor Hotels Europe & Americas provides excellent service and an innovative offering, and invites its customers to participate and get involved in ethical, social and environmental commitments.

ESG	Relevant topics 2024	Sub-topics	Sub-sub-topics	Description
SOCIAL	Customer experience and service quality	Unique and sustainable experiences for the customer	Responsible business model Initiatives to improve the quality of the experience for individual customers Initiatives to improve the quality of the experience for professional clients	Initiatives to offer innovative and responsible experiences for individual and business customers
		Quality of service, satisfaction and well-being	Impacts on visibility and perception of quality Incidents related to information	Strategies to guarantee exceptional experiences, and customer satisfaction and wellbeing
		Customer health and safety	Health and safety measures Accessibility	Measures to guarantee customer protection, accessibility and health during their stay

ESG	Sub-topic	Sub-sub-topic	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	Evolution vs 2023	Impact, Risk and Opportunity Management
S	Customer experience and service quality	Unique and sustainable experiences for the customer	Responsible business model	Having a strong business model in place is fundamental in order to assure service quality and optimise the customer experience. The absence of a clear model can lead to loss of customers caused by a failure to meet customer expectations.	No. of users Vs. online bookings	▲	S4-4: Taking action on material impacts on consumers and end users, approaches to managing material risks and pursuing material opportunities related to consumers and end users and the effectiveness of those actions: Commercial model and Unique and memorable experiences for customers
			Initiatives to improve the quality of the experience for individual customers	Implementing initiatives that improve the quality, satisfaction and experience of individual customers, which is key to exceeding their expectations and fostering their loyalty and trust. A lack of these can lead to lower retention and affect the hotel's reputation. In addition, these actions, combined with the use of digital platforms, allow us to offer a more efficient and personalised service.	Transactions Vs. Users Online check in	▲ ▲	
			Initiatives to improve the quality of the experience for business customers	Implementing innovative initiatives and tools to improve the experience of business customers. Through these tools, quality can be improved, which is key to exceeding their expectations and promoting their loyalty and trust.	Emails sent Vs. bookings	▲	
		Service quality, satisfaction and wellbeing	Visibility and perception of quality	Having systems in place that manage quality and customer satisfaction is essential to ensure optimal service and build guest loyalty. A low level of service makes it difficult to retain customers, affecting both the Company's revenue and reputation. The use of digital platforms also allows us to monitor opinions, optimise processes, and provide a more personalised and efficient experience.	Average quality score on external and internal channel	▲	S4-4: Taking action on material impacts on consumers and end users, approaches to managing material risks and pursuing material opportunities related to consumers and end users and the effectiveness of those actions: Service quality, satisfaction and well-being
			Information-related impacts	An effective and correct customer service is crucial to handle the requests for information received, guaranteeing a quick and effective response. This not only improves the guest experience but also enhances the Company's reputation. Providing better customer service due to incident management through the Single Customer Service Centre prevents the loss of customer and improves customer loyalty by promoting continuous improvement of customer care management systems.	Response rate of registered incidents	=	
		Customer health and safety	Health and safety measures	The implementation and reinforcement of measures and actions on health and safety in customers is key to preventing risks and protecting their wellbeing. At the operational level, the implementation of new health and safety measures for customers leads to an increase in operating costs but at the same time minimises the number of incidents, which strengthens confidence in the Company's service and reputation.	Accessibility elements in new renovations	▼	S4-4: Taking action on material impacts on consumers and end users, approaches to managing material risks and pursuing material opportunities related to consumers and end users and the effectiveness of those actions: Customer Health and Safety
			Accessibility	Accessibility in hotels favours the inclusion of people with disabilities, generating tolerant and diverse environments by guaranteeing equality for all guests. This enriches cultural interaction, promotes respect and enhances the inclusive tourism experience.			

STRATEGY

ESRS 2 SBM-2: Interests and views of stakeholders

Details of stakeholder' interests and views in relation to customers and end users are given in the following section: *SBM-2. Interests and views of stakeholders.*

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Details of material impacts, risks and opportunities and their interaction with the strategy and business model in relation to customers and end users are provided in the following section: Strategy for managing IROs included in material issues *SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model.*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S4-1 – Policies related to consumers and end-users

Details of Minor Hotels Europe & Americas policies related to consumers and end users can be found in the following section: *Policies MDR-P – Policies related to consumers and end-users of "Customer experience and service quality" Policies.*

S4-2: Processes for engaging with consumers and end-users about impacts

MHE&A is aware of the importance of ensuring effective cooperation with consumers and end users in the management of incidents. For this reason, MHE&A has a dedicated customer service department. This communication channel is open and accessible, creating a space for establishing two-way communication, promoting transparency and building trust between MHE&A and its customers.

Through this medium, users can express their concerns and suggestions. It is worth highlighting the importance of the use of digital tools in recent years to facilitate the collection of information and active participation through the internal surveys carried out by MHE&A. These surveys are aimed at users who have stayed in a hotel owned by the company or who have posted a review on online platforms.

Details of the processes for working with consumers and end users in relation to the impact of Minor Hotels Europe & Americas can be found in the following section: *Service quality, satisfaction and wellbeing.*

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Details of the procedures for remediating negative impacts and the channels through which consumers and end users can raise concerns about Minor Hotels Europe & Americas are set out in the following section: *Information-related incidents.*

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

As a result of the double materiality analysis, MHE&A has identified material impacts, risks and opportunities in relation to its customers and end users, both business to business (B2B) and business to consumers (B2C). These IROs holistically cover all stages where MHE&A has a relationship with its customers and end users, either directly or through meta-search engines, travel agencies or other third parties that connect MHE&A and end users.

In this respect, issues related to the customer experience, service quality and customer satisfaction before and during their stay, as well as their well-being, health and safety, stand out.

Among these IROs, it is of particular importance to have commercial strategy defined on the basis of customer needs and expectations, loyalty programmes and innovative tools that allow for unique and personalised experiences.

The importance of monitoring and measuring satisfaction and quality levels should also be noted. In the digital age, a good reputation and positive reviews are crucial to attracting new customers. In addition, assessing satisfaction helps to identify areas for improvement and allows improvements to be implemented to ensure the best possible service. In this respect, the management of incidents through the Single Customer Service Centre is key to promoting customer satisfaction and loyalty.

At the same time, ensuring customer safety and wellbeing is essential for business continuity, as it increases customer confidence. It also avoids legal sanctions and promotes a safe environment.

To manage these impacts, risks and opportunities, the Company has been implementing policies and measures for years:

- *Unique and memorable experiences for customers*
- *Service quality, satisfaction and wellbeing*
- *Customer Health and Safety*

The impacts, risks and opportunities identified from an information security and privacy perspective are addressed in the context of *'Digital Transformation'*. In that section, you can consult the actions and measures taken by the Company to manage them.

Unique and memorable experiences for customers

Responsible business model

The commercial strategy, based on the Customer Centric philosophy, is based on the experience, specialisation and closeness to customers that has been built up over the years in order to provide a service of the highest quality. This improves the ability to assess the real opportunity cost at all times, which influences the Company's overall strategy and accelerates its growth.

Over the last few years, projects have been carried out to optimise and develop the Company's commercial operations:

- Evolution of the commercial model with a clear focus on the B2B segment, both through the acquisition of this type of customer and their subsequent development and retention.
- Developing the value proposition for the luxury segment, capitalising on new assets through the Anantara Hotels, Resorts & Spas brand, which has a high profile in the market, and the Tivoli Hotels & Resorts brand.
- Commitment to harnessing technological advances to ensure greater efficiency and provide sales teams with the necessary tools to enhance the customer experience and maximise profitability.

"The responsible way of working": a new way of doing business

The Responsible Way of Working is the company philosophy that helps us respond to the needs of B2B customers. It focuses on creating new digital tools, driving growth and strengthening the connection with customers. Adapte the service to the digital age to create new processes, ways of working and identifying development opportunities will improve efficiency and offer a much more personalised experience and quality in line with customers' new needs.

One of the main projects launched in recent years is NH PRO, a digital solution designed for B2B clients (agencies, companies and event organisers) that guarantees a specialised service and a commitment to innovation, where the Company offers its services to meet customer expectations.

In addition, as part of the evolution of the commercial model, it is shifting towards a more optimal model, which allows the development of synergies (cross-selling) within Minor Hotels to promote more transversal action plans, adapted to each market, boosting the growth of Minor Hotels Europe & Americas both in new and traditional geographies, increasing demand and reducing seasonality.

As a corporate strategy, Minor Hotels Europe & Americas is committed to defining the customer experience for each brand around five key pillars:

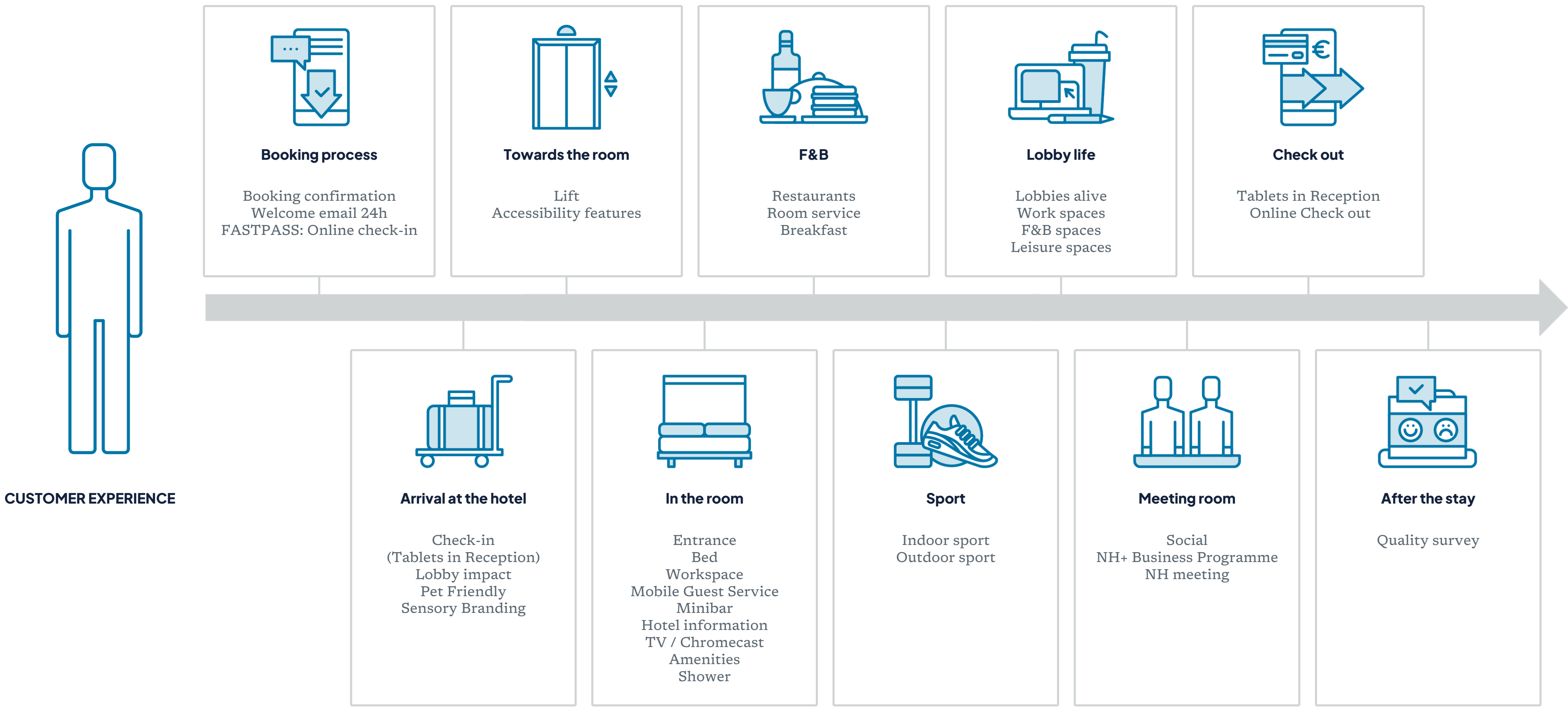
- Sustainability.
- Digitalisation.
- Personalisation.
- Efficiency and simplicity of customer processes.
- Innovation and adaptation to consumer trends.

The methodology for defining the experience always starts with analysing the customer journey, identifying the 'moments of truth' for the continuous redesign and implementation of projects, and monitoring acceptance. The customer experience, the quality plans to improve it and the measurement of customer satisfaction are therefore strategic aspects for the Company. In recent years, as a result of the Company's new business strategy, the quality standards that characterise the Company have been established.

The company ensures that its scope of disclosure includes all consumers and end users who may be materially affected by its operations, products, services and commercial relationships throughout its value chain. In relation to negative incidents of relative significance, Minor Hotels Europe & Americas identifies whether they are due to general or systemic issues in the contexts in which it operates (for example, issues related to the privacy of users of its services), or whether they are related to individual cases or specific commercial relationships (for example, commercial partners whose practices may have a negative impact on certain groups of consumers). More information on these incidents can be found in the following section of the report: *Quality of service, satisfaction and well-being*.

Main initiatives in 2024

Click & Meet	As part of the Company's ongoing commitment to the digitalisation of its services, the website for professionals, NH PRO (nhpro.com), continues to develop the Click & Meet tool for online booking of rooms and meeting and event spaces, which allows professionals to access real-time pricing and availability information, as well as instant booking confirmation for up to 20 people.
My Event Space	My Event Space is a tool that allows you to create personalised websites for each event. This platform helps to manage the list of rooms more efficiently, where clients can check immediate availability at the negotiated price and all information related to the event.
Duetto Dynamic Optimisations	Duetto is an advanced system for optimising demand in real time. Based on collection/forecast/historical data, it makes price recommendations to optimise revenue. Thanks to Dynamic Optimisation, recommendations are automatically sent to the TMS and connected channels on an hourly basis. This optimises revenue, reduces the workload of revenue managers and improves time-to-market.
Forecast Automation	The Forecast Automation solution combines more than 350 internal and external variables to predict the performance of our hotels. This solution uses the most advanced technology and artificial intelligence models to forecast our hotels' results on a daily basis for the next 365 days.


CUSTOMER EXPERIENCE
Booking process
Booking confirmation
Welcome email 24h
FASTPASS: Online check-in
Arrival at the hotel
Check-in
(Tablets in Reception)
Lobby impact
Pet Friendly
Sensory Branding
Towards the room
Lift
Accessibility features
In the room
Entrance
Bed
Workspace
Mobile Guest Service
Minibar
Hotel information
TV / Chromecast
Amenities
Shower
F&B
Restaurants
Room service
Breakfast
Sport
Indoor sport
Outdoor sport
Lobby life
Lobbies alive
Work spaces
F&B spaces
Leisure spaces
Meeting room
Social
NH+ Business Programme
NH meeting
Check out
Tablets in Reception
Online Check out
After the stay
Quality survey

Initiatives to improve the quality of the individual customer experience

FASTPASS

This initiative allows customers to check in online, choose their room and check out online. It puts the customer in full control of their stay, allowing them to choose their own room by exploring the architectural plan of the hotel. Similarly, the online check-in and check-out functionalities allow both processes to be digitalised, reducing the use of paper and allowing guests to carry out both interactions conveniently from their smartphone, tablet or PC. This is a project that is constantly evolving and improving. Over the past year, several enhancements and new features have been added to the online check-in process, for example, the service has been enabled for external channels such as Booking.com and Expedia, and its visibility has been extended across the web. This has improved the conversion optimisation process (shortening the process and making it more efficient to avoid abandonment). In 2014, a pilot project was carried out with the 'digital key', which was consolidated in the NH Balboa and NH Collection Grand Sablon hotels. It should be noted that in 2024, 8% of guests who received the email to check in online did so. In the future, FastPASS will continue to evolve with the analysis and incorporation of new technologies that will allow us to go further with these services, such as biometrics and facial recognition.

Tablets in Reception

With the aim of remaining at the forefront of innovation and offering the best services to customers, this proposal streamlines the check-in and check-out processes, improving touch points at both operational and experiential levels by digitalising all phases of these processes.

This project allows guests to check in and check out using a tablet connected to the PMS, so that:

- It makes it easier to check reservation, contact or invoice details without having to print paper, and to correct any errors at the same time.
- Possibility of updating the GDPR and DISCOVERY policy from the tablet itself.
- Sign the registration card and police register (if applicable) from this device (digital signature).
- Digitalise the check-in and check-out processes.

Achieving the following objectives:

- Improve customer experience.
- Achieve paperless processes.
- Improve the quality of our CRM and increase the uptake of DISCOVERY.
- Digitalise the process of storing customer data.
- Improve the efficiency of these processes.

During 2024, the process was standardised in more than 200 hotels in 17 countries across the NH Hotels, NH Collection, nhow, Avani and Anantara brands. In addition, the operational teams have been trained.

In FY 2025, Minor Hotels Europe & Americas will continue to support this project by implementing the Wireless Tablet in its luxury hotel cluster, which will allow for a more experiential check-in in places other than the reception desk and improve the usability of this solution.

Chromecast

The change in audiovisual media consumption is now a reality. Digital media is becoming increasingly important and the younger generation already spends more time streaming than watching traditional television.

To adapt to this trend, Minor Hotels Europe & America has made it standard for several of its brands to integrate Google Chromecast for Hotels into the TVs in the rooms. This solution allows guests to send content from their mobile phone, tablet or PC to the connected TV to watch their favourite digital content.

During the year, work was carried out to implement Chromecast in Avani and Anantara hotels, as well as several nhow and Tivoli hotels.

Mobile Guest Service

As part of Minor Hotels Europe & America's digitalisation and sustainability strategy, the Company continues to invest in Mobile Guest Service.

Mobile Guest Service is a PWA (Progressive Web App) that digitises the information, services and functionalities that a customer needs during their stay at a hotel, opening up another channel of communication or interaction between the customer and the hotel team.

The platform includes:

- All the hotel information.
- Useful content: guides and advice about the city, online press.
- Service reservations: spa, restaurant reservations, excursions.
- Possibility of making requests for: room service, additional services in the room, cleaning, VIP services, among others.
- Survey during the stay to assess the degree of satisfaction so far and attend to your needs immediately.

Throughout the year, the implementation of the Mobile Guest Service continued, and this tool is now available in 324 hotels of all brands, present in all business units.

In addition, the following improvements were made:

- Chat functionality for hotels that want to incorporate it.
- One-off message alerts have been launched.
- Incorporation of new content: *Journey* digital magazine, instructions for use of room elements.
- Room service pilot with digital menu at NH Hotels and NH Collection via a QR code.
- Quarterly training sessions for hotel staff on how to optimise this tool.

Alexa for Hospitality

In February 2024, the company carried out a pilot project in collaboration with Amazon to implement Alexa technology in four hotels in Spain, integrating devices with this technology in 80% of hotel rooms. This project aims to explore how artificial intelligence can improve the guest experience, allowing them to control aspects such as lighting, temperature or in-room entertainment using voice commands. In addition, Alexa offered information about hotel services and local recommendations, providing a more personalised and efficient experience.

During last quarter of 2024, an agreement was reached with Amazon to expand the project to 1000 rooms in 6 hotels in Spain.

Pet friendly

A complete experience for guests travelling with their pets. This new pet measure provides guests with the reassurance that travelling with their pet is possible and comfortable at an NH hotel, which is especially relevant today as more and more people choose to travel with their pets. The Company offers a standardised pet policy worldwide, making Minor Hotels Europe & America a pet-friendly hotel chain. In addition, a pet programme has been implemented exclusively for Anantara branded hotels.

Sensory branding

- Musical identity: the Experience department is working on continuous improvement. Therefore, the Company has already launched projects in this area, such as the musical environment in hotels depending on the brand. A system is in place that allows the music to be designed to create a comfortable and pleasant atmosphere in the hotels, according to the values and attributes of each brand. The musical environments evolve throughout the day to create the perfect atmosphere at all times so that customers can relax, work, eat or rest in a pleasant environment.

- Olfactory identity: The Experience Department ensures the definition and correct implementation of the aromatisation project for the common areas of the hotels. An olfactory identity is defined for each of the brands in order to create a pleasant atmosphere and generate brand recognition.

Brilliant Basics for rooms

During the year, the Brilliant Basics for the NH Hotels and NH Collection brands were updated and redefined. The Brilliant Basics are those products that are key to the customer experience during the stay phase. The following criteria were taken into account for this redefinition

- Feedback from guests and perspectives on the in-room experience.
- Consumer trends.
- Analysis of the competitive environment by brand.
- Sustainability and reduced environmental impact.
- Internal expertise.

Based on these criteria, a new value proposition for NH Hotels and NH Collection rooms has been developed that focuses on the guest's rest and wellbeing from a holistic perspective, including new elements that enhance the bed experience, shower experience and overall stay.

Initiatives to improve the quality of the business customer experience

The Responsive Way of Working –re-launch of the umbrella concept of corporate communication for business customers

Responsive Way of Working is the company's value proposition for B2B professional segments. The Responsive Way of Working is the re-launch of the corporate communications umbrella concept for business customers.

The programme is based on a philosophy that includes the following five pillars, which underpin the services we offer:

- Single point of contact for all hotels to provide agile services.
- Pricing solutions tailored to each customer based on process flexibility.
- Unique customer-centric experiences across all hotels and resorts.
- Extensive industry knowledge through a team of experts.
- Smart digital solutions through a commitment to innovation.

The digitalisation of the online experience via NH PRO.com

The NHPRO.com online platform is a unique digital space exclusively for professionals, designed to simplify and facilitate their administrative tasks and provide them with new functionalities to develop their business. Among other things, it allows professionals to consult information on Minor Hotels Europe & Americas offers, access special rates, make reservations or plan events.

NH PRO Blog – new content and features

One of the great new features of the NH PRO website is the blog, which is constantly updated with the latest market trends. It is a virtual space where you can find relevant content for business travellers, articles and inspiration related to the world of events, business travel and work-life management. Since 2022, the blog has been available in the seven main languages in which the Company operates, and in 2024 the content will be enriched and expanded, with particular attention to the latest technologies, including a reflection on the impact of artificial intelligence.

Benefits programme for business customers NH+ Business Program

NH+ Business Programme is a programme created for companies and professionals with exclusive benefits. The more nights you stay with the Company, the more benefits you receive. With NH+, depending on the category and when booking through the NH professional website (*NHPRO.com*), you can enjoy up to 25% discount on public rates, discounts on parking, premium Wi-Fi service, late check out or early check in, among other benefits.

Value propositions for maximum personalisation and exclusivity in the NH Meetings segment: Full Buyout and Luxury Buyout

This is a proposal from Minor Hotels Europe & America that allows you to reserve an entire hotel or just a part of it for exclusive use. A totally personalised experience that guarantees privacy, security and above all an unforgettable experience.

The experience can also be enjoyed in one of the luxury hotels for a completely unique experience where exclusivity, personalisation and privacy will make any occasion unforgettable.

Value proposals Meetings & Events to enjoy open-air spaces and unique environments: Outdoor Spaces and Singular Venues

Promoting the hotels through the spaces and areas available for outdoor events, whether it is a corporate activity or a creative team meeting, a reception or a social event. From terraces with mountain or sea views to urban enclaves, with rooftops, gardens and swimming pools, you will find the perfect place to organise a meeting or event in all our business units.

In addition to outdoor spaces, the Singular Venues offer includes unique, surprising and original hotel spaces where you can create unforgettable events and experiences. The offer includes hotels with the best locations that guarantee the success of corporate events.

Offers for long-term business travellers: Extended stays

Extended Stays is a special offer for long stays of 7 nights or more, with discounts of up to 35% and additional benefits. The offer responds to new travel habits and the commitment to minimise the annual carbon footprint associated with transport, particularly for long-distance business travel, by extending the stay in certain projects.

Value propositions for specific segments or industries: INCENTIVES & ENTERTAINMENT

INCENTIVES is the value proposition that offers the services of hotels in the most exclusive destinations to companies and organisations wishing to incentivise and reward their employees or partners with an unforgettable experience.

Strengthening communication with the main business customers by participating in professional events with them and in the main hotel trade fairs:

- *Fitur* is one of the most important tourism fairs in the world. It was held in Madrid from 24 to 28 January 2024. The Minor Europe & Americas teams had the opportunity to meet again with customers, media and companies in the sector, presenting the latest developments, products and trends of the last year, including progress in sustainable business initiatives and strategy.
- *Berlin International Tourism Exchange* (ITB), held from 5 to 7 March, the Minor team had the opportunity to meet with customers from around the world and discuss issues such as digitalisation and sustainability in the industry.
- *Imex Frankfurt*, held in May, is one of the most important international trade fairs for MICE (Meetings, Incentives, Conferences, Exhibitions). This year's event brought together thousands of professionals to discuss innovations in event organisation.
- *The Business Travel Show Europe* was held in London on 28 and 29 June. This show was the ideal place for NH's commercial teams to meet with customers and suppliers from all over Europe and to find out about the latest trends in business travel and MICE.
- *Global Business Travel Association- GBTA* is a convention focused on business travel, held in Dallas during the week of 13-16 August 2024. Minor Hotels participated as an exhibitor to promote its portfolio and strengthen its positioning in the Americas.
- *Minor International Roadshows* - Throughout 2024, the Minor sales team had the opportunity to attend several roadshows in international markets such as the USA, UK, Brazil, India, China, Korea, Japan and India. At these roadshows, the Minor Europe & Americas sales teams supported the regional teams in presenting the company's different brands to the relevant local partners in these important emerging markets.
- *ILTM Cannes, Americas and Asia* - the team had the opportunity to attend the various editions of one of the most important trade shows dedicated to luxury travel. The Minor Hotels Europe and Americas teams had the opportunity to meet with buyers, travel agents and specialised media in this sector to present the hotels in the Premium & Luxury portfolio.

In addition to the above-mentioned commercial activities, two exclusive events were created for customers, with very satisfactory results:

- *MINOR MICE Forum:* in November, MHE&A organised the second edition of this exclusive meeting for international meeting planners, which took place in the days leading up to IBTM in Barcelona, providing a platform to explore the latest trends in meetings, incentives and events in the main MINOR Hotels destinations.
- *MINOR Luxury Summit:* a prestigious event held at the Anantara Plaza Nice, which brought together directors and owners of the world's most influential luxury travel agencies to discuss strategies, trends and experiences in the high-end tourism sector.

Other initiatives to improve quality and experience

Culinary Innovation

Minor Hotels Europe & America is firmly committed to haute cuisine, innovation and the application of the latest trends in the sector, which is why the process of innovation and development of exclusive culinary standards has been a constant in the Company.

Currently, the Company maintains an exceptional culinary offer provided by chefs awarded 7 Michelin stars, including:

- Dabiz Muñoz, 3 Michelin stars with DiverXO at the NH Collection Eurobuilding Hotel.
- Paco Roncero, 2 Michelin stars with Paco Roncero Restaurant, at the NH Collection Casino de Madrid.
- Tristán De Boer, 1 Michelin star, with his restaurant, The White Room, at the Anantara Grand Hotel Krasnapolsky in Amsterdam. Jacob Jan Boerma, former 3 Michelin star chef, continues as culinary advisor to the restaurant.
- Paul Gamauf, one Michelin star, at the EDVARD restaurant at the Anantara Palais Hansen in Vienna.

Minor Hotels Europe & Americas has undertaken a number of initiatives in the F&B sector to communicate the sustainability of its products and standards, including the implementation of a new process to increase efficiency in the management of resources and the use of production surpluses in the kitchens. To this end, it has begun to work with various food start-ups that reuse these surpluses, providing an outlet for products not consumed in the hotel.

In line with its commitment to promoting a sustainable offer to its customers, Minor Hotels Europe & America offers culinary options that respect the needs of its customers and the planet. During the year, the F&B department worked with the following products across all business units:

- 0 km products.
- Promotion of seasonal products.
- Promotion of healthy food.
- Use of ecological packaging.
- Promotion of vegan cuisine.
- Adoption of free food (products free of intolerances, trans fats and sugars).

Improvement in direct sales channels

Minor Hotels Europe & America has demonstrated its commitment to excellence through a strategy that values both direct and indirect channels for marketing its products and services. Of particular note is the essential role of the hotels, the call centre and, above all, the website, which in 2024 played a decisive role in the marketing of its products and services through 51 websites and microsites, using 21 languages and/or language localisations.

In 2024, the business generated by the Minor Hotels Europe & America website experienced remarkable growth, consolidating its position as one of the Company's main channels with an impressive increase of almost +25% compared to the previous year.

Changes in consumer habits, both B2C and B2B, have affected all regions, channels, segments, brands and domains. The B2B segment has accelerated significantly, while the B2C segment has gained importance, with the dynamic development of the direct web channel compared to the intermediary channels standing out. This has led to historically high levels of contribution, even exceeding that of 2022, with the web channel representing almost 15% of the company's total B2C and B2B sales at the end of the year.

Minor Hotels Europe & America's commitment goes beyond innovation; it focuses on adapting and personalising the experience of the millions of customers who visit the website and app to improve service and usability. Personalisation, together with the systematic implementation of conversion and usability techniques, with hundreds of experiments and tests active throughout 2024, has resulted in double-digit improvements in web conversion at certain times. This approach reflects the company's proactive spirit of continuous improvement.

Loyalty programme: GHA DISCOVERY

The importance of loyalty programmes

Loyalty programmes have become an important business tool. According to recent market research, 75% of travellers in Europe consider loyalty programmes to be an important or very important factor in their choice of hotel.

For the Company, it is a way of nurturing relationships with its most loyal customers, encouraging them to return, and helping to grow the business.

Benefits of NH DISCOVERY

Minor Hotels Europe & Americas has had a loyalty programme for over 20 years. Since 2022, Minor Hotels Europe & Americas has been a member of the Global Hotel Alliance (GHA) and its DISCOVERY loyalty programme.

This means that the more than 12 million NH DISCOVERY members and the 347 hotels in 31 countries of Minor Hotels Europe & Americas are part of one of the ten largest loyalty programmes in the global hotel industry, with a total of more than 28 million members and 800 hotels in 100 countries.

The programme has four categories: Silver, Gold, Platinum, Titanium and multiple ways to progress and benefit from the first stay where members can earn and redeem DISCOVERY Dollars (D$), the global rewards system where 1 D$ equals 1 USD.

In addition, members will have access to 'Live Local', the Local Offers & Experiences proposition that offers unique and exclusive moments beyond the destination, now available across the Minor Hotels Europe & Americas portfolio.

As part of the alliance, the Company has access to a new customer market and cross-brand revenue opportunities, while offering new travel experiences to programme members.

Global social impact of NH DISCOVERY

Social awareness and environmental sustainability are core values for GHA DISCOVERY.

As such, the Company participates in the global GHA DISCOVERY loyalty programme, which offers members the opportunity to donate their DISCOVERY Dollar (D$) points to specific causes or charities supported by member brands.

In 2024, Minor Hotels Europe & Americas selected the Make-A-Wish International Foundation as the brand's charity of choice, enabling it to receive a donation of US$12,401 (approximately €11,458) from GHA Discovery related bookings made at NH and NH Collection hotels.

GREEN COLLECTION programme by GHA DISCOVERY

The Green Collection is a portfolio of hotels in the GHA DISCOVERY loyalty programme that have demonstrated their commitment to protecting people and the planet.

Certified by recognised environmental organisations, they are at the forefront of sustainable practices and initiatives that protect the natural environment and benefit the local communities in which they operate.

Each Green Collection property has achieved at least one globally recognised certification from leading organisations such as EarthCheck, Green Growth 2050, Green Key and Green Globe. Green Collection enables the 24 million members of GHA DISCOVERY - the guests of our hotel brand - to make informed and responsible travel decisions based on their values, beliefs and priorities. 64 hotels in the Minor Hotels Europe & Americas portfolio are enrolled in GHA's Green Collection programme.

Green Stay

In order to continue to contribute to sustainable objectives and to join the common challenge of combating climate change on a global scale, Green Stay aims to align the Company's activities with the guidelines defined at European and international level.

Minor Hotels Europe & Americas has extended its Green Stay initiative to most of its hotels, a service that applies to all of the Company's hotels. Through this initiative, MHE&A offers customers staying more than one night the option to decline room cleaning services, helping to conserve water, energy and other resources. As a reward for its customers, the hotel offers a voucher for a free drink for each day they participate in this initiative.

In addition, QR codes are included in the communication materials in the rooms and bathrooms regarding the use of towels and additional personal items, thereby committing to energy savings and promoting faster, more transparent and more efficient digital communication.

Minor Hotels Europe & Americas app

The Minor Hotels Europe & Americas app and its approach goes beyond being a basic service tool for customers. During their stay, customers can continue to use 'StayApp', an app specifically designed to enhance the hotel experience.

In line with the Company's innovative spirit, the mobile app is being used as a key differentiation tool, as a laboratory to then catapult new concepts in a massive and multi-device way, such as the FASTPASS service mentioned above, where you can check in online and choose a room from a virtual map of the hotel.

Responsible customers

As part of its commitment to sustainability, Minor Hotels Europe & Americas seeks to engage and involve its customers in its sustainable initiatives, whether by creating opportunities for social contribution or promoting environmentally responsible behaviour.

In a changing and challenging environment, the Company continues to adapt its business model to the new challenges facing the hotel industry. Customers are increasingly aware of the importance of their positive contribution to the environment and are demanding new services. In this sense, the Company is in a process of continuous improvement and adaptation to offer its customers increasingly responsible products and services.

Supported by the Sustainable Business Strategy and in collaboration with all departments, the Company offers an increasingly immersive sustainability experience throughout the customer journey:

E-mobility solutions

The Company currently has different alliances and partnerships that allow customers to have greener transport alternatives: bicycle rental or electric vehicle charging points. For more details see: *Sustainable mobility*

F&B solutions

The Company encourages the use of seasonal, local and regional produce. For more details, see *Culinary innovation*

Sustainable Meetings & Events

Minor Hotels Europe & Americas calculates and offsets the carbon footprint attributed to the most important events held in the hotels. This carbon footprint is calculated following the methodology of the HCMI (Hotel Carbon Measurement Initiative) supported by the Sustainable Hospitality Alliance Sustainable *Meeting and Events*

Online Check-in and Check-out

Minor Hotels Europe & Americas offers the FASTPASS service, which allows guests to check in and out quickly and securely online, reducing paper consumption. This initiative is complemented by the installation of tablets at the front desk to further digitise the process. For more details, please visit: *FastPass and Smarts tablets in reception*

More sustainable assets

Minor Hotels Europe & Americas is working to develop more sustainable properties. To this end, it has a building certification programme, as well as incorporating sustainable inputs into construction, particularly through the implementation of more energy efficient elements. For more details, see: *environmental certification programme* and *more sustainable assets.*

Green Stay

The Company offers guests staying longer than one night the option of not having their rooms cleaned, thereby helping to reduce the use of non-renewable resources and receiving a reward for doing so. For more details, see: *Green Stay*

Circular economy model

The Company integrates circular economy models into its operational processes. It has various alliances that allow it to offer services and products with a longer life cycle. Through Cork2Cork, the Company promotes the recovery of cork in the F&B sector. For more details, see: *Waste management and the circular economy*

Tourist guides

Minor Hotels Europe & Americas offers its customers tourist guides with points of interest via the Mobile Guest application and QR codes. Through these guides, Minor Hotels Europe & Americas promotes responsible tourism. For more details, see: *Mobile Guest Service*

Reduction of single-use plastics

Minor Hotels Europe & Americas is committed to reducing single-use plastics to zero. It has implemented a number of measures to achieve this, including the replacement of amenities. More details can be found here: *reduction of single-use plastics*

Service quality, satisfaction and well-being

Minor Hotels Europe & Americas is committed to continuously improving the quality of its services in order to provide its customers with unique and memorable experiences. To this end, it is essential to monitor perceived quality in order to implement various action plans.

For this reason, the Directors and Quality Managers of each region of Minor Hotels Europe & Americas carry out customer experience quality visits to the vast majority of hotels, especially those where areas for improvement have been identified, in order to develop action plans and implement the necessary corrective measures. The main tool for carrying out quality checks in Minor Hotels Europe & Americas hotels is a smartphone application called Iristrace, which was the main tool used during the visits.

In addition, this year Minor Hotels & America consolidated the use of 'Review Pro' (external software) to monitor, manage quality and improve customer satisfaction. The tool allows the monitoring of customer reviews through internal channels (customer surveys) and external channels (online platforms such as Booking.com, TripAdvisor, Google, among others). The tool provides an all-in-one, real-time dashboard to measure and respond to guest feedback. It also includes a specific section for semantic analysis to analyse the concepts that have the greatest impact on guests, as well as a specific section to facilitate comparison and evolution with the competition.

Monitoring and ensuring the quality of the products and services offered by the Company is essential to minimise the negative impacts and risks associated with customers and end users, as well as to enhance and maximise the positive impacts and opportunities identified. To this end, the Company identifies two main sources of data:

Main quality indicators

	2024	2023	Variation (%)
Internal channels: customer survey evaluation			
General	8.5	8.4	1.2%
No. of customer survey ratings	147,389	142,631	3.3%
External channels: online platforms evaluation			
General	8.6	8.5	1.2%
Number of reviews on online platforms	459,797	481,466	-4.5%

Furthermore, in order to maintain the company's high standards of quality and customer satisfaction, the role of 'Quality Influencers' has been further strengthened during 2024, becoming a fundamental pillar in our quality network as ambassadors of the company in their area of influence and providing support to the Quality Directors in the different regions.

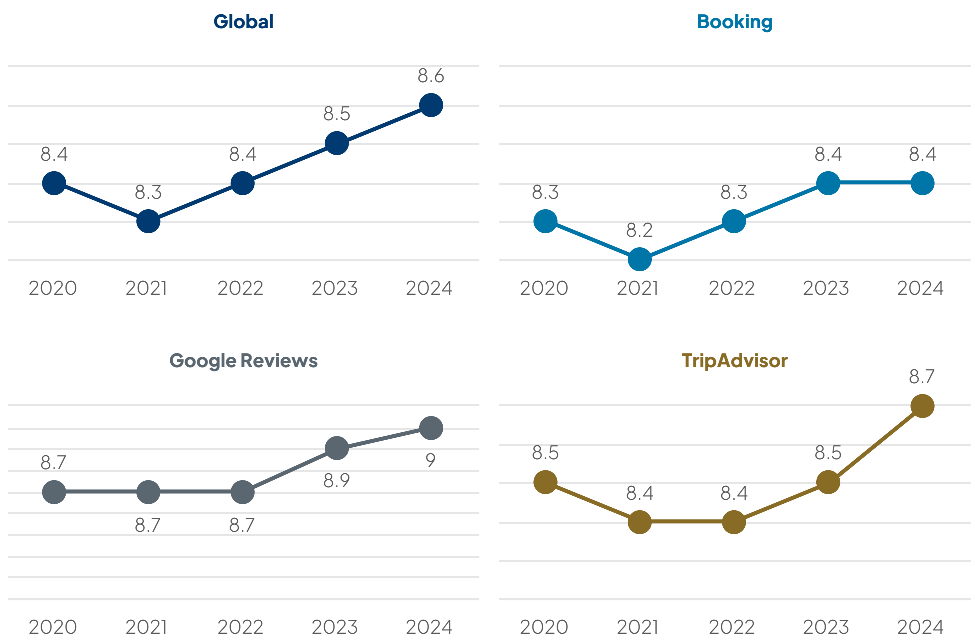
Impact on visibility and perception of quality

In addition to all the information gathered by the Review pro quality tool, Minor Hotels Europe & America has continued to promote the use of the internal Advance Quality Report tool to provide teams with more detailed quality metrics.

Some of these functionalities include helping to identify the areas that have the greatest impact on the customer experience, performing analysis and forecasting, relating ADR and occupancy data to quality results, monitoring targets and benchmarking between hotels.

These efforts, and many others, have resulted in the global perception of the Company's quality through external channels increasing by 0.1 points over the previous year to 8.6 and rising for the second year in a row. This growth in online ratings is driven by Booking.com, the site on which Minor Hotels Europe & Americas receives the most reviews. Google and TripAdvisor complete the top 3 in terms of number of reviews.

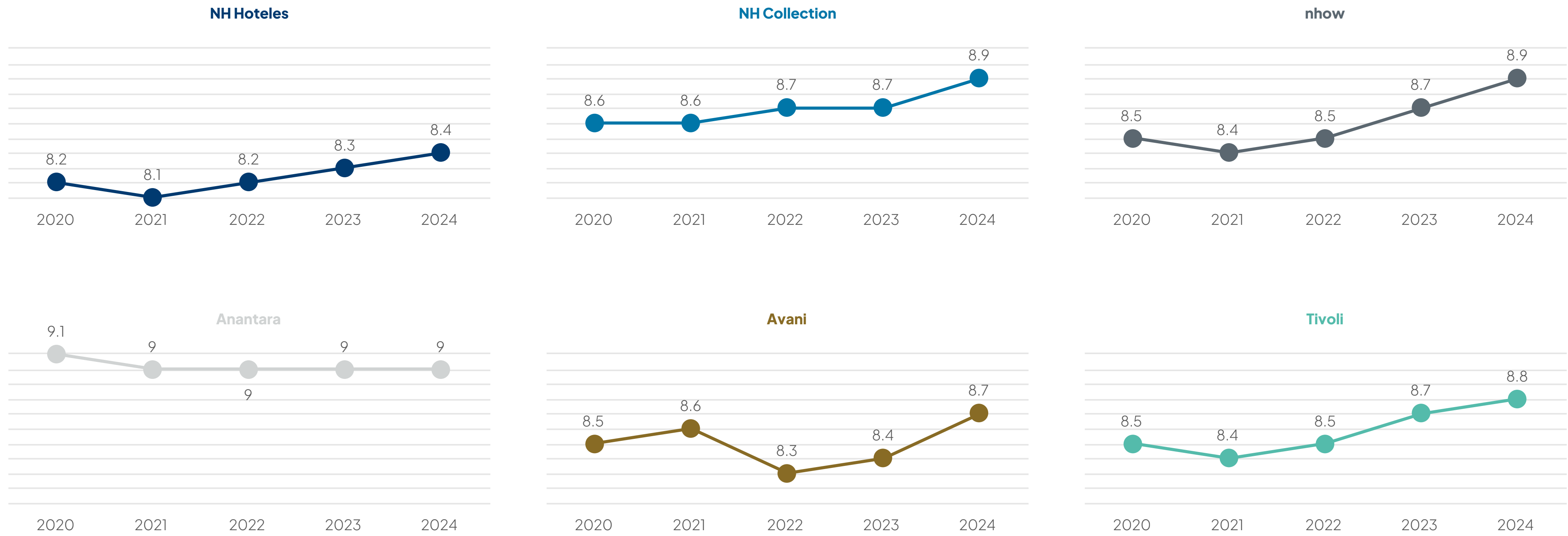
Quality rating of Minor Hotels Europe & Americas on external channels



Looking at the data by online brand perception, the growth of Avani stands out with +0.3 points and Tivoli with +0.1 points. Anantara remains the highest rated brand with 9 points.

NH Collection and Nhow are the Company's second highest rated brands (8.9), followed by Tivoli with an average score of 8.8. NH Hoteles improved at the same rate as last year (+0.1 points) and is approaching the brand's own scores.

Quality rating of Minor Hotels Europe & Americas on external and internal channels



Information-related incidents

Single Customer Service Centre: Customer Care area

The Central Customer Service Centre (CUAT) provides support to hotels and customers. Divided into Customer Care, NH DISCOVERY and VIP Desk, it is responsible for providing information about the Company and its hotels around the world, as well as answering questions, making reservations and dealing with customer requests.

During the year, the QUAT continued to consolidate its progress by increasing its response capacity and improving service levels. Its key role in managing the increase in customer contacts was highlighted, as it is an essential point of contact for the company due to the implementation of the new loyalty programme (NH DISCOVERY).

The Single Customer Service Centre receives information from various sources, either by telephone (Global Access +34 91 398 44 38) or by e-mail (see contact details): *Single Customer Service Centre: Customer Care* section. Through these channels, the agents respond in more than 7 languages to the requests and questions they receive from customers. All this information is of great value to the Company, which analyses it using internal control tools in order to improve the services offered to customers.

Tools for monitoring the contacts received

SAP Customer Care module	This is a module that lets every interaction with the customer be recorded from the moment the complaint is received. The customer can manage their complaint through a variety of channels: email, telephone, website, hotels, social networks... The types of contact are divided into comments or suggestions, complaints, congratulations, requests, claims or technical incidents.
Zendesk	This is a tool that makes it possible to receive private comments from customers via social networks (Facebook, Twitter) and reply to the customer via the same platform. In some cases, the customer is also asked to send all comments to the customer service email address if more information is required to process their query, complaint or other comment.
Review Pro	It is a tool that makes it possible to monitor customer reviews through internal channels (customer surveys) and external channels (online platforms such as Booking.com, TripAdvisor, Google and others). The tool provides an all-in-one, real-time dashboard to measure and respond to guest reviews.

In addition to the above-mentioned complaint tools, the Company has official complaint forms in accordance with the legislation in force in each country. In this regard, it should be noted that the Company is committed to the responsible use of personal data received.

In 2024, the Customer Care Department managed a total of 35,968 contacts from the Single Customer Service Centre (be they congratulations, requests, suggestions, complaints, etc.), which represents an increase of 5,059 contacts compared to 2022.

Contacts received by Customer Care*

	2024		2023	
	No.	**%**	**No.**	**%**
Comments/Suggestions	4,656	13 %	3,604	12 %
Congratulations	2,126	6 %	459	1 %
Complaints	10,455	29 %	11,058	36 %
Requests for information	18,731	52 %	15,731	51 %
Total contacts	**35,968**		**30,852**	

**The scope of this data includes all the hotels in the portfolio (hotels owned, leased, managed and franchised).*

With regard to the management of contacts received by the Customer Care department, these are resolved by means of an apology letter, which includes the solution, the response from the hotel or the legal department, among others. In the vast majority of cases, customer responses have been dealt with within the agreed timeframe, except on a few occasions when there have been peaks in emails (relating to programme migration incidents or simply to request information about the new programme) which have had an impact on response times. However, the Company continues to focus on customers and their satisfaction.

Resolution provided by contacts received

	2024	2023
Response to suggestion/request/comments	32,552	25,722
Compensation NH Discovery points/D$	17	14
NH Discovery charge	8	62
Letter of apology	1,530	1,297
Response from hotel	699	376
Refund	47	34
Discount voucher	267	309
Letter of thanks	805	144
Free upgrade	2	2
Free night	3	–
Free breakfast	5	–
Response from legal department	1	4
Other	–	2,772
Error*	32	116
None (duplicate)	–	–
Total	**35,968**	**30,852**

Technical issues - resolution provided by IT.

Customer Health and Safety

Minor Hotels Europe & America remains committed to ensuring a safe stay by promoting health and safety globally and in each of its hotels and restaurants. To fulfil this commitment, Minor Hotels Europe & America is supported by technicians and collaborating companies in the various processes, from cleaning and disinfection to food safety.

The Company ensures that all food preparation and service procedures comply with international Hazard Analysis and Critical Control Point (HACCP) food and beverage standards. Finally, kitchens and kitchen equipment are sanitised according to hospital protocols, ensuring proper disinfection and decontamination at all times. To this end, Minor Hotels Europe & America has signed an international agreement with an external company specialising in food safety and hygiene (Diversey), which audits, verifies and guarantees compliance with these standards, as well as with mandatory legal documentation, food laboratory analysis, continuous training of teams in food health and hygiene, and specific hygiene manuals for each centre.

These processes are continuously audited in all Minor Hotels Europe & America restaurants and kitchens. In fact, all hotels undergo regular food safety audits by Diversey. Their supervision and monitoring is an absolute guarantee that the necessary measures for the total disinfection of the facilities, with specific protocols, are optimally applied. In this way, any failure on the part of a supplier means that he must correct it, without incurring any criminal consequences, or face the automatic termination of his contract with Minor Hotels Europe & America.

In this regard, the Company is committed to the wellbeing of its guests by offering a variety of healthy options to meet their dietary needs. Similarly, Minor Hotels Europe & America has adopted various measures to guarantee the health and safety of its customers.

Measures for the Health and Safety of customers

Legionellosis prevention	In accordance with local regulations, cleaning, searches, analyses, etc. are carried out.
Analysis of the potability of sanitary water for human consumption	Annual analyses are carried out at different points of consumption and accumulation in the hotel.
Indoor Air Quality (IAQ) tests	Indoor air quality tests are carried out in some hotels.
Maintenance of lifting equipment	All lifting equipment is maintained monthly and undergoes legal inspections by an authorised entity every two years.
Maintenance of fire protection installations	The fire protection installations are maintained quarterly, in addition to the periodic legal inspections by an authorised entity.
Maintenance of boiler rooms and air conditioning installations	The boiler rooms and air conditioning installations are maintained monthly.
Maintenance of low voltage installations	These installations are maintained annually, in addition to the corresponding legal inspections carried out every five years by an authorised entity.
Maintenance of high voltage installations	These facilities receive annual maintenance, in addition to the corresponding legal inspections carried out every three years by an authorised entity.
Cleaning of extractor hoods, ducts and extractor fans	All kitchen hoods, extractor ducts and extractor fans are cleaned annually to prevent possible fires in hotel kitchens.
Automatic fire extinguishing systems in kitchens	Automatic fire extinguishing systems have been installed in hotel kitchens.
Disinfection, disinsectisation, rodent control and pest control contracts	Disinfection, disinsectisation, deratisation and pest control procedures are carried out to avoid and prevent possible infections or pests in hotels.
Maintenance of automatic doors	The maintenance of automatic doors guarantees their operation in a possible case of evacuation to avoid accidental blows and entrapments.
Light curtains on lift doors	Incorporation of light curtains in lift doors to avoid blows when accessing them.

Accessibility in hotels

As a result of Minor Hotels Europe & Americas' commitment to diversity, inclusion and customer accessibility in its properties, there are 283 hotels (consolidated scope) across all business units that have elements adapted to special needs. Minor Hotels Europe & Americas continues to work to ensure that accessibility reaches all of the Company's hotels.

“97% of hotels have some form of accessibility feature”

Hotels with accessibility features

	2024	2023	Variation (%)
No. of hotels with facilities adapted to special needs	283	283	–%
No. of hotels with accessible lifts	246	250	-1.6%
No. of hotels with parking for the disabled	208	208	–%
No. of hotels with common areas adapted for the physically disabled	264	269	-1.9%
No. of rooms adapted for the physically disabled	851	864	-1.5%

In addition, Minor Hotels Europe & Americas is committed to the occupational integration of people with disabilities through responsible purchasing from Special Employment Organisations as laundry service providers. The rate of purchases from Special Employment Organisations has reached 9.0% in 2024 (approximation in relation to the workforce in Spain, together with the SEO team members qualifying as purchases by MHE&A.

METRICS AND TARGETS

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Company's approach for the coming years is based on a balance between technological innovation, personalisation of the experience and operational improvement, always with the customer as the central focus. This commitment will enable the Company not only to meet but to exceed the expectations of its customers, consolidating its leadership and positioning in the hotel sector.

NH Collection Antwerp Centre
Antwerp, The Netherlands

NH Collection Copenhagen
Copenhagen, Denmark

5.2.3

UP FOR PEOPLE
COMMUNITIES

MINOR HOTELS
EUROPE & AMERICAS

COMMUNITIES

UP FOR PEOPLE

Minor Hotels Europe & Americas strives to create a positive social and environmental impact in the communities in which we operate through key responsible alliances.

ESG	Relevant topics 2024	Sub-topics	Sub-sub-themes	Description
SOCIAL	Communities	Social action and corporate volunteering		Social projects and volunteering actions that generate positive impact on local communities
		Sustainable alliances		Collaboration with stakeholders to promote sustainable tourism

ESG	Topic	Sub-topic	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Impact, risk and opportunity management
S	Communities	Social action and corporate volunteering	The Company's impact on communities through its sustainability projects contributes to positive local development. The communities in which the Company operates are key to our social strategy, with local initiatives linked to the hotel business.	■ Direct and indirect financial contribution (€) ■ Cooperation with NGOs and foundations	▲ ▲	■ *Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and the effectiveness of those actions > Social action and corporate volunteering*
		Sustainable alliances	Alliances with various associations that share the Company's vision and values enhance its public image and facilitate the creation of alliances in the markets in which MHE&A operates.	■ Contribution to associations	▼	■ *Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and the effectiveness of those actions > Sustainable alliances*

STRATEGY

ESRS 2 SBM-2: Interests and views of stakeholders

Channels established to engage with stakeholder leaders include participation in trade fairs and direct dialogue with neighbours in the areas where hotels operate. These initiatives allow the views of all stakeholders to be gathered and considered, promoting an inclusive and transparent approach to decision-making.

Through these spaces, the aim is to strengthen relationships with the community, understand their needs and create a positive impact on the environment. Details of stakeholder interests and views in relation to communities can be found in the following section: *SBM-2: Interests and views of stakeholders*

ESRS 2 SBM-23: Material impacts, risks and opportunities and their interaction with strategy and business model

Details regarding the incidents, risks and opportunities of relative importance and their interaction with the strategy and the business model related to communities can be found in the following section: Strategy for the management of IROs included in the material issue *"Communities- ENTITY SPECIFIC"*

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

Policies related to communities

Details of the policies relating to communities can be found in the following section: *MDR-P Policies: Policies adopted to manage material sustainability matters > 'Communities' policies*

Processes for engaging with communities about impacts

As noted in the identification of IROs for this purpose, the Company is committed to making a positive impact on the communities in which it operates. For this reason, it implements projects to work with local communities in identifying needs, designing initiatives and evaluating results. These actions include educational projects, environmental conservation programmes and support for local economic development. Minor Hotels Europe & Americas' philosophy is to establish an open dialogue with community stakeholders to ensure that our activities reflect their expectations and contribute, as far as possible, to the collective wellbeing.

With regard to the Company's alliances for the implementation of its social actions, it maintains a committed and proactive approach that guarantees a positive impact.

Thanks to this vision, there have been no negative incidents related to our social activities. Therefore, there is no specific process to manage such incidents, as MHE&A operates under high standards of responsibility that minimise risks and ensure tangible benefits for society.

Processes to remediate negative impacts and channels for communities to raise concerns

As mentioned above, the Company aims to have a positive impact on the communities in which it operates. It therefore undertakes projects to work with local communities to identify needs, design initiatives and evaluate results. Our philosophy is to establish an open dialogue with community stakeholders to ensure that our activities reflect their expectations and contribute to the collective good, where we can have an impact.

Adoption of measures relating to significant community incidents, approaches to managing significant risks and exploiting significant opportunities relating to communities, and the effectiveness of such measures

Information on action taken on material impacts on affected communities and the approaches to managing material risks and pursuing material opportunities related to affected communities can be found in the section. *NOTE 2. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES*

As a result of its double materiality analysis, the Company has identified material IROs related to communities, specifically in terms of positive impact in the places where it operates. In addition, the Company participates in tourism fairs, where it promotes actions and new projects in the sector through various associations and collaborations, in order to achieve local economic development in the places where it operates. Minor Hotels Europe & Americas is committed to maintaining active relationships with the communities in which it operates, contributing to local development and responding to the needs of each destination through its own operations, which fall under this strategic line of sustainable business.

For this reason, throughout the year, MHE&A continued to work on its three social programmes with the aim of increasing positive impacts, avoiding associated risks and pursuing identified opportunities, as explained below.

SOCIAL ACTION AND CORPORATE VOLUNTEERING

The Company is committed to building responsible and successful alliances with supportive partners, with the aim of developing local and replicable projects in the three business units.

Minor Hotels Europe & Americas, aware of the capacity of tourism to transform the impact of the destination, plays a key role by positively impacting the different environments in which it operates, highlighting its contribution to the Sustainable Development Goals.

Through the UP FOR PEOPLE pillar, the Company promotes various projects that have an impact on the communities in which it operates, contributing to the reduction of social inequalities.

In line with the Company's values and the approach of having a direct impact in the destinations where it operates, Minor Hotels Europe & Americas works on social action through three programmes that have a direct impact on the hotel's activity:

- *Hotels with a Heart* (HwH): a programme of free accommodation for needy families with sick children, in collaboration with foundations and NGOs.
- *Together with Love* (TWL): the Company's global corporate volunteering programme.
- Youth Employability: an employability programme for young people at risk of exclusion.

HOTELS WITH A HEART

TOGETHER WITH LOVE

DESARROLLO COMUNITARIO

Through these projects, the Company generates a different impact in the environments in which it operates, providing real value that encourages continuous improvement, sharing knowledge between initiatives, building relationships and alliances with local organisations and supporting local communities to achieve a positive impact. In 2024, a total of 17,625 people benefited from the social initiatives carried out by Minor Hotels Europe & Americas. In this way, and as a result of the initiatives carried out, Minor Hotels Europe & Americas strengthens its commitment to the communities in which it operates year after year.

Contribution to society

	2024	2023	Variation (%)
No. of beneficiaries	17,625	19,680	-10.4%
Social initiatives	111	58	91.4%
Number of volunteers Minor Hotels Europe & Americas	2,183	1,752	24.6%
Hotels involved	188	149	26.2%
Monetary contribution - NGO rate*	105,659	77,529	36.3%
Monetary contribution Friend's Voucher + Employee Rate**	96,534	91,280	5.8%
Direct and indirect monetary contribution to social programmes ***	557,889	237,892	134.5%

**NGO rate - 30% discount off the best available rate for organisations that have been pre-approved by the Sustainable Business Department.*

*** Friend Voucher and Employee Rate - €2 and €1 deducted from reservations made at the special rate for team members, family and friends, respectively, to be used for accommodation and meals, special rates and contributions to the social action programmes of the various business units.*

**** The monetary contribution to social action is the result of the monetary contribution of the social programmes: On the one hand, the HWH programme, which is based on the free rooms offered by the company to the various associations with which it collaborates, taking into account the average rate (ADR) of each room. On the other hand, the monetary contribution through the TWL Corporate Volunteering Programme, the contribution of the 30% discount on the NGO rate and the funds raised through Friends&Family and Employee bookings. It also includes the free use of rooms or spaces for social events and monetary donations made to foundations during the financial year.*

As can be seen from the table, there has been an increase in social contributions this year. This is due, on the one hand, to the increase in free accommodation and the free services provided to various foundations for charity galas held in our hotels. On the other hand, the monetary contribution in the form of donations to various associations and NGOs with which we have collaborated has also had an impact.

Alliances with foundations and NGOs

Local impact is achieved through responsible alliances with local foundations and NGOs, and through the participation of team members in social volunteering projects. These collaborations always follow the guidelines set out in the Sustainability Policy, the Human Rights Policy, the Code of Conduct, the Responsible Purchasing Commitment and the Environmental and Climate Change Policy.

These actions impact communities and stakeholders and act as a catalyst for the management of the IROs identified in this Material Issue. More information on IROs can be found in the following section of the report: SBM-3: Interaction of the IROS with the strategy, business model and the policies related to communities.

Hotels with a Heart

HOTELS WITH A HEART

Hotels with a Heart is a charity initiative that aims to ensure that children and young people who are seriously ill and have to be hospitalised far from home can be accompanied by their closest relatives during this difficult time.

To this end, Minor Hotels Europe & Americas offers families free accommodation in hotels close to hospitals on a pro bono basis. For this purpose the Company works closely with local NGOs and foundations to provide accommodation for families with limited resources so that they can accompany their loved ones.

One of the main foundations with which we have worked for several years is the *Menudos Corazones Foundation*, which provides 1,094 room-nights of free accommodation per year to families of children with congenital heart disease.

Another example is the *Make-A-Wish Foundation*, with which the Company has a global agreement to provide free accommodation for children with serious medical conditions to fulfil their dream in any part of the world where we operate.

The alliance with both foundations began in 2005 and continues today. In addition to these collaborations, we have agreements with the *Lovaas Foundation*, which focuses on children with ASD, the *CORALL Family*, which fights for children with congenital heart disease, and the *Josep Carreras Foundation*, which focuses on children with leukaemia and supports bone marrow donors. All agreements signed each year are added to those signed in previous years, bringing the total number of associations with agreements under this programme to 10.

As a new development, two collaboration agreements have been signed during 2024:

- With the *ASPANION* association to offer free accommodation to families affected by childhood cancer. Thanks to this agreement, Minor Hotels Europe & Americas offers 45 free nights per year in its hotels, mainly in Madrid, Barcelona and Valencia.
- With the *Pequeño Deseo* Foundation, which aims to improve the mood of children with serious illnesses by fulfilling their greatest wish and helping them to face their treatment with greater strength. Thanks to this agreement, Minor Hotels Europe & America is offering 55 free room-nights in any of its hotels in Madrid, Barcelona, Valencia and Seville.

Many of the Company's team members volunteer with *Hotels with a Heart*, acting as true hosts to these families and as ambassadors for the programme at each hotel. Each hotel has a person who follows up with the families, sharing their experiences and helping to make their stay as comfortable as possible. Since the programme began, more than 2,000 team members have become true hosts to the families, helping to make the hotel a second home for them.

In addition, through the Hotels with a Heart programme, Minor Hotels Europe & Americas collaborates throughout the year with various NGOs and associations, offering solidarity vouchers to contribute at specific times. These requests must always be made through formal communication channels and the contribution is made if the NGO has a mission and values in line with those of Minor Hotels Europe & America.

#HotelswithaHeart (HwH)

	2024	2023	Variation (%)
No of Beneficiaries HwH	4,816	4,103	17.4%
Number of volunteers Minor Hotels Europe & Americas*	114	154	-26.0%
Foundations and NGOs involved	28	43	-34.9%
Hotels involved	57	77	-26.0%
Free nights' accommodation	1,839	1,590	15.7%
Indirect monetary contribution HwH**	236,925	226,506	4.6%

** It is assumed that in each hotel there are two team members in charge of the families benefiting from this accommodation: the GM and the FOM.*

*** This contribution includes all accommodation provided free of charge by the Company, including Minor Response.*

MINOR Response

As part of our commitment to the communities in which we operate, we include Minor Response, the Company's response to exceptional or emergency situations such as natural disasters, attacks, humanitarian crises or major accidents.

On 29 October last year, Valencia was hit by a cut-off low (Closed Upper-Level Low), one of the worst meteorological disasters to hit the region in recent years. The extreme rainfall, which in some places exceeded 200 litres per square metre in a few hours, caused rivers and ravines to overflow, infrastructure to collapse and severe damage to homes and crops. The situation was exacerbated by the previous saturation of the land and the effects of climate change, which increased the magnitude and frequency of these events. In addition to the material losses, the cut-off low endangered the lives of hundreds of people, forcing mass evacuations and mobilising large-scale emergency resources.

Through the Hotels with a Heart programme, the Company had adapted its hotel operations to quickly provide shelter for people whose homes had been affected, civilian personnel who went to the rescue, and volunteers who went to help clean up the area. Minor Hotels Europe & Americas responded quickly, offering 519 free nights to volunteers in need through various associations and NGOs, including the Red Cross and Remar.

Together with Love: Corporate Volunteering

In 2024, Minor Hotels Europe & Americas once again held its corporate volunteering programme under the theme *'Together with Love'*.

Corporate Volunteering is a global initiative focused on sustainability and strengthening relationships with the local communities where the Company is present, and all team members were invited to participate.

In this way, Minor Hotels Europe & Americas complements the annual volunteering initiative developed by Minor International, with which it shares a solid commitment to the development of its sustainability strategy. .

Once again, the organised volunteering sessions were very well received by all team members, who were given the opportunity to make a positive contribution to society. During the year, 2,069 team members volunteered in a wide range of initiatives, including:

- At headquarters, there were a number of initiatives in line with our environmental strategy. One of these involved team members from the Madrid offices in the reforestation of The Forest Project in the Sierra Norte de Madrid. Another initiative was to clean up an area near the Jarama River, collecting 74 kg of waste. An activity was also carried out with *Menudos Corazones*, in which 16 team members made different gifts to take to families with children in hospital. There was also a ceramics workshop with the *AMÁS* Foundation and, as in previous years, a blood donation drive with the Red Cross and volunteering at the soup kitchen in Santiago de Masarnau.
- In Northern Europe, there were a number of initiatives related to natural spaces and biodiversity. Team members from the NH Hamburg Altona, accompanied by the Frankfurt sales team, took part in a beach clean-up at Elbstrand in Hamburg. Meanwhile, at the NH München Ost conference centre, they spent the day working and helping at the Gut Streiflach animal sanctuary in Munich.
- In the Southern Europe region, several hotels in Spain, Portugal and Italy organised hotel blood drives. For one day, the banqueting area was transformed into a blood donation centre with the aim of helping people in need, promoting empathy and social commitment among volunteers and highlighting the importance of this altruistic gesture to save lives and support the community.
- In the Americas, hotels in Santiago de Chile visited the *Casa Familia* foundation to spend a day with the children and spread Christmas cheer. In Argentina, many team members joined forces with the NGO Don Arte to organise an emotional Christmas party at the *Merendero Hijos del Corazón de Norma Ramos.*

#TogetherWithLove (TWL)

	2024	2023	Variation (%)
TWL Beneficiaries	12,612	15,358	-17.9%
MHE&A volunteers	2,069	1,220	69.6%
Foundations and NGOs involved	138	109	26.6%
Hotels involved	134	79	69.6%
Initiatives carried out	109	56	94.6%
Indirect monetary contribution TWL	29,543	11,386	159.5%

Minor volunteers' Christmas charity campaigns

For the Christmas period, the Company launched a special edition of its Together With Love initiative, which was once again a success thanks to the hospitality and solidarity of all the regions, promoting corporate volunteering initiatives among team members.
Some of them are listed below:

Americas Region:

Hotels in Santiago de Chile visited the Casa Familia foundation to spend a day with the children and spread Christmas cheer. Team members from across Argentina joined forces with the NGO Don Arte to organise an emotional Christmas party at the Merendero Hijos del Corazón de Norma Ramos.

Northern Europe Region:

Hotels in Northern Europe took part in various volunteering activities. For example, NH Gate One Bratislava Hotel took part in a wonderful initiative called 'How much love can fit in a shoebox' in collaboration with the Kolko Lasky Foundation. The NH Düsseldorf City Nord Hotel also supported the Tafel organisation in collecting shampoos, shower gels and many other toiletries for people at risk of social exclusion.

Southern Europe Region:

In Southern Europe, hotels supported several soup kitchens and prepared meals for distribution to the needy. Hotels in the Algarve also participated in a solidarity march to raise funds for a good cause.

Headquarters

The headquarters also took part in this Christmas edition of corporate volunteering. For a week, various initiatives were carried out, including a "conscious" Christmas market with the participation of various associations and foundations, the collection of warm clothes and their distribution to the needy through the Madrina Foundation, and we played the role of the Three Wise Men, buying gifts for needy families that they had requested in their letters, in collaboration with the association Reyes Magos de Verdad.

Employability programmes: promoting youth employment

DESARROLLO COMUNITARIO

Youth unemployment in Spain, which is higher among groups at risk of social exclusion, requires programmes aimed at improving the employability and integration of young people.

Minor Hotels Europe & Americas remains committed to increasing the employability of this group and aims to promote various training, work experience and employment programmes for young people with disabilities or at risk of social exclusion in the hotels of all its business units.

During 2024, the NH Castellón Mindoro Hotel collaborated with the NGO *AFANIAS*, which works to improve the quality of life of people with intellectual functional diversity. Thanks to this agreement, the hotel welcomed more than 30 interns, offering them valuable professional experience.

In addition, the NH Ciudad Real Hotel, in partnership with the *Fundación Secretariado* Gitano, hosted several interns in the area of customer service. The NH Herencia La Rioja, for its part, implemented an employment plan for people in vulnerable situations as part of the 'Opportunities that change lives' programme in collaboration with the Red Cross.

In addition, the Anantara Villa Padierna Hotel renewed its collaboration with the FUNDATUL Foundation, which supports the employment of people with disabilities. Similarly, the NH Sport and NH Ciudad de Zaragoza hotels collaborated with the *Adunare* and *El Tranvía* foundations on various active inclusion programmes.

In the Americas, two notable initiatives were developed. The *'Hotel Escuela'* programme, launched at the NH Florida, was carried out in collaboration with Vatel University, the Inter-American Open University and the Government of Buenos Aires, and enabled the training of 40 interns, five of whom joined the hotel team on a permanent basis. Meanwhile, the *DowNHstate* project promoted the professional integration of people with Down's syndrome, with the support of various foundations that facilitated the selection of talent and guaranteed a safe and inclusive work environment. This programme has been extended throughout Latin America with the participation of hotels such as NH City and NH Mendoza Cordillera in Argentina and NH Collection Plaza Santiago in Chile.

Thanks to these employability initiatives, 197 students were trained in 2024, of which 51 joined the workforce, reinforcing the Company's commitment to inclusion and professional development.

Sustainable alliances

Minor Hotels Europe & Americas promotes strategic alliances and collaborations in the area of sustainability. It recognises the importance of inter-institutional cooperation to achieve the sustainable development agenda. It therefore builds alliances based on shared principles, values and objectives with different organisations, whether public or private, and at global, regional, national and local levels.

Tourism has a major impact on the development of cities. The sector has a role to play in ensuring that this growth is sustainable, planned and respectful of local character.

Relationship with associations

In addition to the positive impact of its activity in providing services to cities and their tourists, Minor Hotels Europe & Americas contributes to the community by participating in associations, chambers of commerce and foundations that promote causes and projects in line with the company's values.

This year, with the aim of promoting an institutional positioning of leadership that is useful and appropriate to the current context, Minor Hotels Europe & America has continued its strategy of establishing and maintaining solid relationships with associations whose main objectives are aligned with those of the Company, promoting and defending responsible business development and opportunities, sustainable tourism and continuous professional training, among others.

Notable examples include Minor Hotels Europe & Americas' membership of the United Nations Global Compact, World Tourism Organisation, Exceltur, UNESCO Pledge and CEOE, among others. MHE&A also facilitates a common path for progress in hotel sustainability that is accessible to all hotels. To this end, it has been instrumental in the development of the Basic Concepts of Hotel Sustainability, so that hotels can assume their responsibility towards the planet and people, based on essential actions that everyone should put into practice.

United Nations Global Compact

A member of the United Nations Global Compact since 2002, Minor Hotels Europe & America periodically renews its commitment and publicly and transparently reports on its progress in an annual progress report on the Global Compact Network website (www.pactomundial.org). The Company uses the 10 principles and the Sustainable Development Goals as a frame of reference for its corporate responsibility strategy and management. The Company's annual contribution is €2,400.

Sustainable Travel Pledge

UNESCO Pledge

Minor Hotels Europe & America has joined forces with UNESCO and the Expedia Group to demonstrate its commitment to protecting the environment, local culture and communities that depend on travel for prosperity. UNESCO's mission is to promote sustainable travel, community adaptation and heritage conservation around the world. To this end, Minor Hotels Europe & America has signed up all of its owned and leased hotels to publicly commit to implementing measures to reduce the environmental impact of its business, which in turn will help raise awareness among travellers and help them choose more sustainable travel.

World Tourism Organisation

It is the United Nations agency responsible for promoting responsible, sustainable and universally accessible tourism, advocating for a form of tourism that contributes to economic growth, inclusive development and environmental sustainability. Until our departure in September 2021, the Company was part of the SDG Support Working Group. Minor Hotels Europe & America's annual contribution is €2,700.

Spanish Confederation of Business Organisations

Founded in 1977, the Spanish Confederation of Business Organisations (CEOE) is a voluntary organisation that brings together two million companies and self-employed workers from all sectors of activity, linked to the CEOE through more than 4,500 grassroots associations. It is characterised by its commitment to dialogue and negotiation with the social partners and represents the interests of its members.

Minor Hotels Europe & Americas participates in the organisation's Sustainable Development and Ecological Transition and Corporate Social Responsibility Committees.

TheMinor Hotels Europe & Americas' annual contribution is €50,000.

Exceltur

This association is the result of the personal commitment of a very significant group of leaders and top managers from the main Spanish tourism companies, who joined forces in January 2002 to form this association, motivated by their firm conviction to promote two main objectives:

- To promote greater socio-economic recognition of what tourism contributes and represents as the main sector of the Spanish economy.
- To encourage the highest levels of competitiveness that consolidate leadership and profitable and sustainable growth of tourism activity in Spain, given the growing and important challenges and opportunities for the future that lie ahead.

The annual contribution of Minor Hotels Europe & Americas is €26,250.

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

For many years, Minor Hotels Europe & Americas has been committed to sustainable tourism, which minimises the negative impact on the environment and generates wealth and diversity.

In addition to the positive impact of its activity as such, serving cities and their tourists, it contributes to the community by being part of associations, chambers of commerce or foundations that address common challenges and promote projects to achieve common goals.

In 2024, Minor Hotels Europe & Americas made a total contribution of 484,421 €, distributed among industry associations, chambers of commerce, environmental and cultural associations, non-profit foundations and NGOs, among others:

Contribution to associations (in €)

	2024	2023
Sector associations	375,636	378,932
Trade associations	10,165	22,260
Environmental organisations	77,288	70,376
Cultural associations	14,034	16,171
Foundations, NGOs and non-profit organisations	7,299	13,887
Total	**484,421**	**501,626**

*None of NHHG's contributions correspond to contributions to political parties and/or candidates, electoral processes or other types of contributions not included in the table above.

Participation in all of these is in line with two of MHE&A's key objectives: to promote sustainable tourism and responsible business opportunities both locally and internationally. The Company promotes and encourages sustainable tourism, in line with its values, and therefore collaborates with various associations to promote this objective. In this respect, the Company's participation in the World Tourism Organisation and the United Nations Global Compact should be highlighted.

In relation to the second key objective, Minor Hotels Europe & Americas is a member of more than 100 associations, including 76 sector associations and 10 Chambers of Commerce, in which its main mission is to support the promotion of solid and solvent tourism and business activity in the city in which they are located.

Due to the typology of the Company's activity, MHE&A is aware of the great work it can carry out with young people in this field, providing them with opportunities to work in the sector and promoting stable employment.

Main areas of interest for Minor Hotels Europe & Americas

	2024	2023
Sustainable tourism	€101,020	€102,833
Promotion of local and international relations and responsible business opportunities	€385,800	€401,192

Recognising the importance of inter-institutional cooperation in achieving the sustainable development agenda, the Company forms alliances based on shared principles, values and objectives with various organisations, whether public or private, at global, regional, national and local levels.

Relationship with governments

The Company conducts its business in accordance with its corporate values and its ethical and behavioural framework, ensuring strict compliance with the laws in force in each country.

In its relations with local authorities, it always acts independently of any political power and maintains transparency with the various public and administrative institutions.

Minor Hotels Europe & Americas is absolutely politically neutral. The Company does not make financial or material contributions to political parties or electoral candidates. The Company's Code of Conduct and Anti-Money Laundering Policy expressly prohibit any contribution to political parties.

Minor Hotels Europe & Americas participates in sectoral organisations or foundations related to the development of its activity or the geographical area in which it operates. Through its presence in these organisations, the Company aims to contribute to the progress and development of the places where it is present. More information can be found in the section of this report entitled Contribution to industry associations, non-profit organisations and chambers of commerce.

METRICS AND TARGETS

Targets related to communities

The Company is committed to continuing to contribute positively to the communities in which it operates. New initiatives are undertaken every year and the social action contributed by Minor Hotels Europe & Americas is monitored, so that the Company is committed to continuing to create this positive impact on society.

5.3

GOVERNANCE

ESRS 1. BUSINESS CONDUCT
DIGITAL TRANSFORMATION

MINOR HOTELS
EUROPE & AMERICAS

nhow Berlin
Berlin, Germany

5.3.1

BUSINESS CONDUCT

MINOR HOTELS
EUROPE & AMERICAS

CORPORATE CULTURE

ESRS G1. BUSINESS CONDUCT

ESG DIMENSION	Relevant topics 2024	Sub-topics	Sub-sub-topics	Description
GOVERNANCE	Ethics, transparency and business culture	Corporate governance		Implementation of structure and policies that promote transparency and responsibility of administrative, management and supervisory bodies in decision making.
		Ethics and compliance	Corporate culture Corruption and bribery Whistleblower protection	Fostering ethical business practice and compliance with legislation through principles and rules of conduct that the organisation's stakeholders have to follow in carrying out their duties and in their interaction with others. Includes the development of mechanisms to report, confidentially and safely, any improper, unethical or illegal behaviour or activities that may be occurring within the Company.

ESG	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities.	Key performance indicators	vs. 2023	Impact, Risk and Opportunity Management
G	Corporate governance		The absence of clear and effective strategies can increase reputational risks, weaken stakeholder trust, and compromise the company's ability to respond to ethical or social incidents. Implementing robust action plans will not only mitigate these risks, but also make it possible to correct errors, strengthen processes and demonstrate the organisation's commitment to responsibility and transparency.	Women on the Board of Directors	=	*GOV-1 – The role of the administrative, supervisory and management bodies*
				Independent directors	=	
	Ethics and compliance	Corporate culture Corruption and bribery Whistleblower protection	Knowledge and application of internal regulations through training in ethics and business culture helps to ensure that business practices are aligned with the Company's values. Defining effective controls on criminal and corruption and bribery risks helps to reduce future risks thanks to the correct management of the complaints received and confirmed by the whistleblowing channel.	Hours of training in compliance	▲	*G1-1- Business conduct policies and corporate culture*
				Complaints confirmed through the complaints channel	▲	*G1-3 – Prevention and detection of corruption and bribery*
				Confirmed cases of corruption and bribery	▲	*G1-4 - Incidents of corruption or bribery > Whistleblowing channel. Whistleblower protection.*

Policies related to business conduct: Details of Minor Hotels Europe & Americas' Ethics, Transparency and Business Culture Policy can be found in the section below: *"Ethics, Transparency and Business Culture Management Policy".*

Actions: In terms of actions, throughout the chapter the Company sets out the actions carried out in the area of business conduct throughout 2024. Of particular note are the review of the criminal risk prevention model and the promotion of compliance training. Both actions promote the mitigation of risks and negative impacts associated with good business conduct practices.

GOVERNANCE

ESRS 2 GOV-1: The role of the administrative, supervisory and management bodies

The Board of Directors of Minor Hotels Europe & Americas plays a key role in overseeing and directing the company's business conduct, ensuring compliance with ethical and sustainability standards.

The Directors bring a wealth of experience from their professional and academic backgrounds, including certifications such as the DCP (Director Certification Program) from the Institute of Directors of Thailand, which recognises competencies in leadership and international governance, and the IC-A (Institute of Directors-Administrators) certification, which is recognised for its focus on excellence and best practice in corporate governance.

In addition, their experience includes roles on audit and control committees and/or appointment, remuneration and corporate governance committees, reinforcing their knowledge of corporate governance and strategic decision making. This balance of education and practical experience ensures management that is aligned with the Company's values and stakeholder expectations.

For more details, please see the following section: *NOTE 1: PROFILES MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

ESRS 2 IRO-1: Description of processes to identify and assess material impacts, risks and opportunities

Details of the processes for identifying and assessing the relative significance of impacts, risks and opportunities related to business conduct are provided in the following section: *ESRS 2 IRO-1: Description of processes to identify and assess material impacts, risks and opportunities*

Minor Hotels Europe & Americas has identified the Impacts, Risks and Opportunities (IROs) related to business conduct following the guidelines established by the CSRD, integrating and complementing the previous work developed taking into account the commitments and requirements established in the Company's various corporate documents, the most important of which are the Code of Conduct, corporate policies such as the Anti-Fraud and Corruption Policy, the Human Rights Policy, the Policy for the Prevention of Money Laundering and the Financing of Terrorism and the Policy on the Selection of Directors.

G1-1: Business conduct policies and corporate culture

Minor Hotels Europe & Americas continues to implement measures to promote and enhance the culture of compliance and the importance of consolidating an ethical business culture, promoting awareness among all stakeholders of the importance not only of complying with applicable regulations but also of acting ethically and in accordance with the Company's principles and values.

The aim is for all stakeholders to be aware that it is not only what is done that matters but also how things are done. A series of measures and tools have been implemented to work towards this mission, the main ones being indicated below.

Corporate culture

The Company is committed to complying with the laws and regulations in the countries and jurisdictions in which it operates. This includes, among other issues, laws and regulations on health and safety, discrimination, taxation, data privacy, competition, anti-corruption, prevention of money laundering and environmental commitment. The key areas covered by the Code include:

COMMITMENTS	■ to people ■ to customers ■ by suppliers ■ to competitors ■ to shareholders ■ to communities and society ■ to the Company's assets, knowledge and resources
OBLIGATIONS	■ regarding fraudulent or unethical practices

Code of Conduct

Minor Hotels Europe & Americas continues to promote the compliance function based on the principles and values contained in its *Code of Conduct,* which has been translated into seven languages, published on the company website and intranet and applied in all countries where the Company operates. In addition, since 2017, all the Company's team members have been able to access it from their mobile device via the Company app. Team members at Minor Hotels Europe & Americas brand centres also have access to a practical guide and a Frequently Asked Questions document.

The purpose of the Code of Conduct is to define the principles, values and standards that should govern the behaviour and actions of each of the Company's team members and managers, as well as the members of the management bodies of the companies that make up the group, and the stakeholders that interact with Minor Hotels Europe & Americas. The Code of Conduct also summarises the professional conduct expected of the team members of Minor Hotels Europe & Americas, who are committed to act with integrity, honesty, respect and professionalism in the performance of their duties.

The Code of Conduct will be periodically reviewed by the Compliance Office to adjust and update its content as necessary.

The Board of Directors of the Company approved an update of the Code of Conduct at its meeting of 8 November 2022, in order to adapt the Code to recent legislative developments, to take into account new legal requirements and to reflect standards and best practices in terms of compliance, emphasising the anonymity of the reporting channel.

The aforementioned Code of Conduct of Minor Hotels Europe & Americas is based on three fundamental pillars: 1) Respect for the Law; 2) Integrity; and; 3) Honesty, Transparency and Trust, and includes commitments to its stakeholders to ensure and guarantee respect for what is set out in the Code.

Among many other aspects, it emphasises the need to operate and compete in the market in a fair and transparent manner, or to ensure full consumer protection and the correct advertising of MHE&A services. It guarantees and ensures respect for human and labour rights, the right to privacy and confidentiality of communications, and the protection of personal data and confidential and privileged information.

It also imposes obligations with regard to fraudulent or unethical practices, such as manipulation of information, fraud (including corruption in all its forms) or money laundering and payment irregularities.

To this end, the Company encourages and promotes knowledge of and compliance with the Code of Conduct, including through continuous training. For this purpose, and in recognition of the importance of the Company's ethical principles and values, all MHE&A team members are required to complete a mandatory training course on the Code of Conduct to ensure that they have read, taken note of and understood the Code, the completion of which will be recorded in the Company's training system.

NH Tango
Buenos Aires, Argentina

Corporate Policies

In addition to the Minor Hotels Europe & Americas Code of Conduct, the Company has a number of specific policies. These are corporate in nature and therefore apply to the entire Company.

It should also be noted that they reflect the principles and commitments adopted by the Company in its various dimensions, as detailed below:

Corporative policy	Description and objectives
Environmental and Climate Change Policy*	Updated in 2023 by the Executive Committee of Sustainable Business, with the aim of reinforcing MHE&A's commitment to minimising its impact on climate change and increasing the efficient management of the resources available in the environment in which the Company'ss hotels are located. In line with the main applicable international frameworks and best practices in the sector, it includes aspects related to: the fight against climate change, the management of natural resources, the circular economy and the protection and conservation of biodiversity and ecosystems.
Anti-fraud and Corruption Policy	Approved by the Board of Directors in 2019 and updated in 2023 (the update relates to the whistleblowing channel), it establishes the commitment to zero tolerance of bribery and corruption in both the public and private sectors, in accordance with the Code of Conduct. The policy is based on the general principles of zero tolerance of prohibited behaviour, compliance with the law, transparency, integrity and accuracy in financial reporting and the importance of internal control, among others. It also includes a list of key prohibited practices (such as political contributions), strictly regulated practices (such as hospitality, management of donations or sponsorship) and accepted practices.
Purchasing Policy	Approved by the Management Committee in 2014, it regulates the procedure for the procurement of goods and services by Minor Hotels Europe & Americas and establishes the guidelines to be followed by the different departments in situations that affect or may affect the Company's external procurement. The objective is to reinforce (i) the commitment to ensure transparency, honesty and ethics in the purchasing function, (ii) the need to carry out professional contracting processes in order to optimise results and (iii) the need to comply with internal control guidelines, as well as to update and communicate in a timely manner to all the Company's team members. This policy was supplemented in 2023 by the Responsible Procurement Commitment, which is included as an appendix to the Minor Hotels Europe & Americas Procurement Policy.The Responsible Procurement Commitment establishes the global framework for the control and management of risks (market, credit, business, regulatory, operational and reputational, cybersecurity and criminal) arising from the purchase of equipment and materials and the contracting of works and services throughout Minor Hotels Europe & Americas, with a particular focus on the fulfilment of ethical commitments by both MHE&A team members and their suppliers.
Policy on the Communication of Financial, Non-Financial and Corporate Information through the media, social networks and other channels*	It was approved by the Board of Directors in 2020 with the aim of establishing the framework for action and defining the general principles governing the communication of economic-financial, non-financial and corporate information through the media, social networks or other channels, in order to guarantee investor protection and the orderly functioning of the market. It is approved to comply with the provisions of Recommendation 4 of the Good Governance Code for Listed Companies, approved by the National Securities Market Commission in 2015 and updated in June 2020.
Human Rights Policy*	Approved by the Board of Directors in 2020, it sets out the Company's commitment to respect internationally recognised human rights. It also includes the Company's values and principles that guide the development of its activities with customers, team members, suppliers and communities, among others. Through this policy, the Company commits itself to respecting human rights at the highest internationally recognised levels and standards in order to protect, respect and correct (prevent and manage) the risks associated with the violation of these rights.
Risk Management Policy*	Approved by the Board of Directors in 2015. The purpose of the Corporate Risk Management Policy of Minor Hotels Europe & Americas is to define the basic principles and the general framework of action for the identification and control of all types of risks that may affect MHE&A, notwithstanding the policies and procedures that are in place at corporate, departmental or geographical level. As a result, Minor Hotels Europe & Americas is committed to having a framework of action that allows for integral risk management, which includes the appropriate identification, measurement, control and management of all significant risks affecting the Company, as well as the alignment of the Company's activities with the approved risk tolerance levels. This framework is based on the following operating principles: responsibility, integrity, consistency, independence, coordination, updating and continuous improvement. effectiveness and transparency.
Policy on the Prevention of Money Laundering and Terrorist Financing*.	Approved by the Board of Directors in 2019 and updated in 2021, it reflects MHE&A's commitment to the prevention of money laundering and terrorist financing. It establishes general guidelines to assist in the prevention and early detection of situations that may pose a risk to Minor Hotels Europe & Americas and its subsidiaries with respect to the prevention of money laundering and terrorist financing. It also sets out the commitment to cooperate with the competent authorities in this matter.

Corporative policy	Description and objectives
Corporate Gifts Policy	Approved in 2018, it has a twofold objective. On the one hand, to regulate gifts received and given by team members of Minor Hotels Europe & Americas centres when acting on behalf of the Company and, on the other hand, to prevent and detect situations that could lead to breaches of current legislation or have a negative impact on the Company's reputation. It sets out the internal criteria and guidelines for the hospitality that team members may receive. Any questions, incidents or information related to this matter can be sent to a dedicated mailbox: giftcompliance@minor-hotels.com
Occupational Health and Safety Policy*	Approved by the Executive Sustainability Committee in 2023, it is designed to promote and strengthen health and safety at work. It sets out the general principles that ensure a model for the management of occupational health and safety and well-being in the daily activities of the Company's team members. It ensures compliance with laws and regulations relating to occupational safety. It also involves team members in identifying and mitigating risks and reporting work-related incidents.
Information Security Policy*	Approved by the Board of Directors in 2013 and updated in 2023. It establishes the Company's information security governance and the guidelines for ensuring the confidentiality, integrity and availability of information under the domain of MHE&A and its value chain. It also defines the lines of action that make up the Company's information security strategy, developing clear and concise guidelines for the management, protection and proper use of the Company's information assets and defining the basic principles of action.
Director Selection Policy*	With the aim of increasing the transparency of the Company's activities, a general framework for the selection of candidates for the Board of Directors is established in accordance with the highest standards of corporate governance. This specific and verifiable policy for the selection of candidates for the position of Director ensures that proposals for the appointment of directors of the Company are based on a prior analysis of the needs of the Board. To this end, the process for evaluating candidates participating in the selection process takes into account the skills, experience, professionalism, suitability, gender diversity, independence of judgement, knowledge, attributes, skills and availability of the members of the Board at any given time, with the Appointments, Remuneration and Corporate Governance Committee playing an important role in this process.
Sustainability Policy*	Approved by the Board of Directors of Minor Hotels Europe & Americas in 2023. It establishes the governance of sustainability and includes the general principles that ensure an ethical, responsible and sustainable management model. It also establishes a common and cross-cutting reference framework within which all the Company's team members must act and make decisions based on the balanced management of economic interests and the social and environmental impact of its activities. The section on communication with stakeholders is new. It replaces and supersedes the Corporate Responsibility Policy.
Corporate Tax Policy	Approved in 2015 and updated in 2022 by the company's Board of Directors, it establishes the Company's tax policy as a fundamental element of good corporate governance. It is based on compliance with tax regulations in all jurisdictions in which Minor Hotels Europe & Americas operates, interpreting these regulations in a manner that fundamentally respects the spirit and purpose of the laws. It also sets out the principles to be followed in meeting tax obligations and in dealing with tax administrations.

** Public access*

*** Completed by the Responsible Procurement Commitment*

Sustainability Policy

Minor Hotels Europe & Americas, as a company with a solid position in the hotel sector at national and international level, is committed to becoming a socially responsible company that actively contributes to sustainable development.

For this reason, it works to provide sustainable, consistent and efficient services to its customers, shareholders, suppliers, team members and society as a whole, with the aim of being a benchmark in the sector in terms of sustainability.

In line with this commitment, the Company has reached a significant milestone in its Sustainable Business Strategy 2023. On 26 July 2023, the Board of Directors of Minor Hotels Europe & Americas approved the Sustainability Policy, which replaces and repeals the Corporate Social Responsibility Policy.

With this policy, Minor Hotels Europe & Americas establishes the general principles that guarantee an ethical, responsible and sustainable management model, creating a common and cross-cutting frame of reference from which all team members who are part of the Company can act and make decisions based on the balanced management of economic interests and the social and environmental impacts derived from the Company's activities.

With this policy, MHE&A aims to ensure that all its business activities are carried out with a commitment to promoting the values of responsibility, integration and ethics among its team members and other stakeholders such as customers, suppliers and partners, among others, in such a way that the needs of both present society and future generations are met in a committed and sustainable manner.

The main objectives of the policy are

- Promote sustainable hotel management.
- Respect and protect human rights in a way that is integrated into the Company's culture.
- Actively contribute to the creation of social and economic value/the economic and social wellbeing of the communities in which it operates.
- Promote corporate transparency by communicating and reporting regularly on its sustainability progress/practices.
- Developing innovative sustainability initiatives.
- Provide internal education and training on the Company's sustainability strategy.

The policy also reaffirms the Company's commitment to its stakeholders. This is evidenced by the high level of stakeholder involvement in processes relevant to the Company, such as the *Double Materiality Analysis* (a process to identify non-financial issues that are material or relevant to the development of MHE&A's business). The importance of communicating with stakeholders is also emphasised. To this end, MHE&A has a number of channels and means through which it establishes communication and dialogue with all stakeholders, based on transparency and commitment as fundamental foundations axes for building stable relationships of mutual trust.

Notwithstanding the above, this policy will be developed and complemented by the various policies approved in the Company that are directly related to the general principles established. In this sense, the Sustainability Policy is articulated as a corporate framework and global umbrella that complements other related corporate policies and documents: Corporate Code of Conduct; Human Rights Policy; Environment and Climate Change Policy; Purchasing Policy and Sustainable Purchasing Annex; Anti-Fraud and Corruption Policy; Policy on the Prevention of Money Laundering and the Financing of Terrorism; Information Security Policy; Privacy Policy; and Occupational Health and Safety Policy.

Protection of Human and Labour Rights

The principle of respect for and protection of human rights is integrated into the corporate culture and business conduct of Minor Hotels Europe & Americas and is applied to the activities of all its professionals, regardless of the country or region in which they operate. The Company is committed to the fulfilment of human rights and works to prevent and manage the risks associated with their violation. The international presence of Minor Hotels Europe & Americas in countries where the defence of human rights must be promoted, leads us to be transmitters of the concept and to ensure relationship and management frameworks in which their defence is guaranteed.

Protection and promotion of Human and Labour Rights

Minor Hotels Europe & Americas carries out its activities within a framework of commitment to society and the environment in which it operates, and therefore adopts the content of national and international agreements and conventions and commits itself to their promotion and fulfilment. These commitments are designed to avoid or, where appropriate, mitigate any negative impact that the activities themselves may have on human rights. The commitments made by signing these international agreements guide the behaviour of all MHE&A staff.

Among the codes voluntarily adopted by the Company, the most notable are adherence to the United Nations Global Compact, support for and contribution to the Sustainable Development Goals (SDGs) and the Global Code of Ethics for Tourism, approved in 1999 by the Assembly of the United Nations World Tourism Organization (UNWTO). This code is made up of 10 principles to guide the main actors in tourism development, with the aim of helping to maximise the benefits of the sector while minimising its impact on the environment, cultural heritage and local communities.

In the same way, the Company rejects any tourist activity that could involve an attack on human rights or the dignity of individuals, with particular attention to minors. For this reason, Minor Hotels is a member of ECPAT (End Child Prostitution, Child Pornography and

Trafficking of Children for Sexual Purposes), an initiative to protect children and adolescents from sexual exploitation in tourism, also promoted by UNWTO and UNICEF.

Human Rights Due Diligence

Minor Hotels Europe & Americas has been working for years on the governance and management of inherent and residual human rights risks throughout its value chain. The process started in 2020. In order to identify vulnerable human rights, a comprehensive analysis of the human rights impacts of the hotel and restaurant sector was carried out, followed by an exercise to relate these impacts to the United Nations Universal Declaration of Human Rights in order to identify, among the 30 human rights, those that are particularly vulnerable in the global scope of the Company's activities.

Once the exercise of relating and identifying the human rights at risk in the Company's sphere was completed, the baseline list of potential human rights risks was developed. For this purpose, various international reference documents on human rights, the commitments contained in Minor International's Human Rights Policy and the basic principles of the Company's Code of Conduct were analysed.

The Company's baseline list of potential human rights risks associates each of the human rights identified as being at risk with different risk scenarios and practices in the Company's operations and value chain that could lead to the materialisation of adverse impacts on vulnerable human rights.

In order to assess the level of inherent potential risk, the intrinsic risk that the materialisation of the identified potential risks would pose to the Company was assessed, without taking into account the measures taken to prevent, manage and/or mitigate each risk, with the variables of severity, scope and remediation. The existence of sanctions or antecedents and media coverage were also analysed. This enabled the level of inherent potential risk to be assessed.

In order for the Company to be diligent in the area of human rights, it was essential to engage with those stakeholders whose human rights could be negatively affected by the Company's activities and its value chain. Four broad categories of key social stakeholders were identified: employees, local communities, customers and business partners.

This process culminated in the publication of the Human Rights Policy, which applies to all of the Company's operations worldwide and involves all companies in the management of business and human rights risks.

Identification of global risks based on the framework of the United Nations Human Rights Council, which is responsible for strengthening the promotion and protection of human rights throughout the world, and for making recommendations in this regard. The aim of the risk analysis was to anticipate the risks to which the Company is exposed by identifying and segmenting them. This was done by 1) identifying the legal and practical framework in the field of human rights in all countries, 2) identifying the social actors and other interest groups with influence in the processes of analysis and evaluation of human rights risks, and 3) drawing up a prevention map by geographical area, which was evaluated and taken into account by the General Managers of the hotels at every stage of their operations.

The aim of this risk analysis was to identify and segment the risks to which the Company is exposed and then to anticipate and address them.

In a second phase, and as part of the development of a Corporate Due Diligence Procedure, a Corporate Guide to Human Rights Due Diligence was developed as a tool to support the application of the Due Diligence Protocol in all of the company's operations. This guide serves as a tool to increase the control and efficiency of processes, mitigate the risk of reputational damage and promote the correct public positioning of the Company.

After sending it to all the Company's hotels, MHE&A carried out an initial self-diagnosis in 2022 by means of an evaluation questionnaire, which was completed by more than 80% of the hotels evaluated. It should be noted that the questionnaire covered issues relating not only to the operation of the business itself, but also to potential risks of infringement that could be faced by customers.

The Company has drawn inspiration from the following international declarations

- UN Universal Declaration of Human Rights (1948).
- UN Guiding Principles on Business and Human Rights.
- OECD Guidelines for Multinational Enterprises (2011).
- Children's rights and business principles.
- ILO Declaration on Fundamental Principles and Rights at Work and its follow-up.
- International Covenant on Civil and Political Rights (1966) and its Optional Protocols.
- International Covenant on Economic, Social and Cultural Rights (1966), including its Optional Protocol.
- International Convention on the Elimination of All Forms of Racial Discrimination (1965).
- Convention on the Elimination of All Forms of Discrimination against Women (1979), including its Optional Protocol.
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984), including its Optional Protocol.
- Convention on the Rights of the Child (1989), including its Optional Protocols.
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990).
- International Convention on the Rights of Persons with Disabilities (2006), including its Optional Protocol.

- International Convention for the Protection of All Persons from Enforced Disappearance (2006).
- United Nations World Tourism Organisation (UNWTO) Framework Convention on Tourism Ethics.
- World Tourism Organisation (UNWTO) Global Code of Ethics for Tourism.
- United Nations Global Compact

The Company then carried out a human rights assessment of all hotels in the portfolio, which was used to monitor the policy and human rights training. In the assessments carried out, Minor Hotels Europe & Americas concluded that the risk of violations was low in all hotels.

As a result of this assessment, the likelihood of human rights violations in the hotels was found to be low and the most sensitive aspects identified were related to the working environment and working conditions.

It was also found that all hotels are aware of the human rights policy and commitments, including the code of conduct or specific policies, although in some cases it has been and continues to be necessary to reinforce these commitments by making them public and providing the necessary training.

As part of the MHE&A commitment, the most significant human rights risks identified in this analysis are included in the Company's risk map under the category of 'compliance' and are currently being monitored and controlled through the appropriate mitigation and/or resolution processes established in the Company's risk management model.

Along these lines, in 2025, the Company will conduct a new human rights assessment with the aim of reinforcing our commitment to best practices in this area. To this end, the questionnaire sent to all hotels in 2021 has been updated, taking into account the most recent international standards and the priority areas identified. This questionnaire will be sent to all hotels in the portfolio, ensuring a comprehensive assessment that will identify opportunities for improvement and continue to strengthen the focus on respect for and promotion of human rights in all the Company's operations.

With the aim of further deepening its due diligence, the Company is analysing the most significant adverse human rights impacts throughout its value chain, with its own operations as the starting point for specific action and mitigation plans where appropriate. To this end, it has consulted its stakeholders through various mechanisms.

Last year, the Company carried out a self-assessment process of key suppliers identified for each region, analysing, among other things, the level of compliance and non-violation of Human Rights. (for more details see *Directive on corporate due diligence for sustainability*). AB2B customers and associations with which the company works were also consulted and asked about their perception of human rights. It should be noted that in 2025 the company will deepen its due diligence processes with third parties, focusing on the protection of human rights, in line with the proposal of the new European Corporate Sustainability Due Diligence Directive (CSDDD).

Compliance with Human Rights

As stated above, in order to ensure compliance with the Human Rights Policy, the Internal Audit Department is in charge of monitoring the principles and rules contained in the Policy and is therefore responsible for analysing any irregularity in this regard.

The Company has a complaints channel to facilitate the reporting of any irregularity, violation or behaviour contrary to ethics, legality and the rules or principles that govern the Company.

Possible human rights violations are managed through the *Whistleblowing Channel* which is managed by an independent third party. The Company also has a procedure for *reporting and dealing with possible breaches of the Code of Conduct and complaints*, which is administered by the Senior Vice President of Internal Audit.

In addition, the Company has established a dedicated external communication channel to report, process and manage supplier complaints (codeofconduct@coperama.com). However, they can also use the company's Corporate Complaints Channel, which is accessible to all users.

Minor Hotels Europe & Americas did not receive any confirmed reports of human rights abuses through these channels during the reporting period. Consequently, none of the complaints received related to violations of the rights of indigenous peoples or operations involving child labour.

As a result, in 2024 the company did not experience any significant impact from a criminal, economic or reputational point of view in relation to compliance and human rights violations. As a result, there was no need to take corrective measures and actions in this respect throughout 2024.

Human Rights Training

Respecting and protecting human rights is part of the culture of Minor Hotels Europe & Americas. The Company is committed to respecting the dignity and rights of all people and works proactively to prevent any abuse related to its activities or those of its employees.

This commitment is reflected in the Code of Conduct, the Human Rights Policy and various internal policies and procedures, such as the mandatory training on these issues for all MHE&A employees. This training promotes knowledge not only of the Human Rights Policy, but also of the due diligence process to identify, prevent, mitigate and report on potential risks and consequences arising from day-to-day activities.

"During 2024, 8,730 hours of training in Human Rights have been given[35]"

Whistleblowing Channel. Whistleblower protection.

Minor Hotels Europe & Americas has established a whistleblowing channel as the main mechanism for reporting and investigating problems related to illegal behaviour or behaviour contrary to its Code of Conduct and other similar corporate documents;

This channel allows any MHE&A employee, manager, board member, supplier, customer or other stakeholder to report any breach of the Code of Conduct, guaranteeing confidentiality and respect at all stages and non-retaliation. Following the entry into force of Act2/2023 of 20 February regulating the protection of persons reporting violations of the law and the fight against corruption, Minor Hotels Europe & Americas has decided to adapt its internal protocol for reporting and managing complaints by implementing a new external platform, in accordance with the legislation in force in each country transposing Directive (EU) 2019/1937 of the European Parliament and of the Council.

Access is public and can be found on the Minor Hotels Europe & Americas website via the following *link*, as well as on the employee portal (New Whistleblowing Platform section) and via corporate email and the internal newsletter (*Tell The World*). Through the latter channel, all team members were informed and trained throughout the year on the use and benefits of the corporate whistleblowing channel.

This is an external and confidential platform that can be used by anyone associated with Minor Hotels Europe & Americas to discuss and report concerns regarding violations of the Code of Conduct (e.g. human rights, discrimination or harassment, risks to health, safety or the environment, accounting and auditing matters, corruption, bribery or conflicts of interest, competition or antitrust violations, falsification of records, fraud or theft, facilitation of tax evasion), while guaranteeing their anonymity.

In order to guarantee the security and confidentiality of the information submitted, Minor Hotels Europe & Americas uses an external application. This platform is WhistleB (Navex), whose servers are not part of the Minor Hotels Europe & Americas website or intranet. It also does not collect the Internet Protocol (IP) address or telephone number of the whistleblower. In this way, any information submitted will be kept confidential in accordance with local legislation. Similarly, Minor Hotels Europe & Americas does not permit retaliation against whistleblowers who report in good faith suspected violations of the Code of Conduct or the law, even if doing so may result in a loss of business for Minor Hotels Europe & Americas. In this way, Minor Hotels Europe & Americas guarantees the objectivity and confidentiality of the complaints received, which are managed by an external platform.

The reports will be managed by the Head of Internal Audit of Minor Hotels Europe & Americas. Minor Hotels Europe & Americas is committed to analysing all complaints received and launching internal investigations where necessary.

Te Company has a *procedure for reporting, handling and resolving violations of the Code of Conduct.* This procedure establishes and regulates the channels of communication for reporting irregularities related to the principles of the Code of Conduct, the Company's Internal Regulations for Conduct in the Securities Markets, the Conflict of Interest Procedure, other internal Company documents or any applicable laws, as well as any issues related to non-compliance with regulatory requirements.

[35] *Includes owned, leased, managed and franchised hotel workforce.*

The above procedure establishes the principles of the ethical lines of communication to be followed, as well as the investigation procedure, which consists of the following stages:

Minor Hotels Europe & Americas does not allow retaliation against whistleblowers who, in good faith, report suspected violations of the Code of Conduct or suspected violations of the law. This protection is in accordance with the provisions of the applicable legislation transposing Directive (EU) 2019/1937 and, in Spain, Act 2/2023 of 20 February 2023, which regulates the protection of persons who report violations of the law and the fight against corruption.

It should be noted that, at the date of publication of this report, there are no ongoing external investigations against Minor Hotels Europe & Americas in relation to the Code of Conduct. However, 49 alleged violations of the Code of Conduct were reported during the year. The main types of alleged breaches received relate to the working environment, the disappearance of small amounts of cash from hotel cash registers and petty theft..

Of these, 20 were not confirmed after investigation, 15 are being investigated in accordance with the procedure for reporting, handling and resolving violations of the Code of Conduct, and 14 were confirmed[36] and the necessary corrective and disciplinary action was taken.

Similarly, a total of 291 inquiries/requests (not related to the complaints section) were received through the above channel, all of which were responded to.

In 2023, out of a total of 65 allegations of non-compliance received, 15 were confirmed. None were related to corruption or human rights violations.

After analysing the inquiries and alleged violations received through the whistleblowing channel, the following results were obtained:

[36] *None of the confirmed cases constitute a violation of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.*

Category of confirmed breaches received through the whistleblowing channel		Number of suspected breaches received	Number of confirmed breaches	Number of breaches confirmed and resolved	Actions taken
Working Environment	Harassment at work (including sexual harassment)	2	1	1	The Company issued written warnings to those involved.
	Discrimination	3	1	1	
	Abuse of authority	11	1	1	
	Others	4			
Fraud	Corruption and bribery	1			The Company applied both outright dismissals and reprimands against those involved. In one case, there were also voluntary resignations.
	Misappropriation of assets	9	4	4	
	Money laundering				
	Conflict of interests	1			
	Others	2	2	1	
Compliance	Human Rights	1			The Company issued written warnings and in two cases there were voluntary resignations.
	Privacy and data protection	5	1	1	
	Failure to comply with the law	4	2	2	
	Others	4	1	1	
Others		2	1	1	The company terminated the contract with a supplier due to the latter's misconduct.

Dissemination and training in ethics and conduct

The Company has an online training tool for all MHE&A team members, through which online courses on different subjects are made available to them, in order to guarantee their correct information, understanding and consequent compliance, including the following courses related to the area of ethics and conduct:

- Code of Conduct
- Crime prevention model (Spain and Italy)
- General Data Protection Regulation
- Prevention of Money Laundering and Terrorist Financing
- Fraud prevention
- Human Rights
- Information Security

The completion of all courses in the aforementioned subjects is duly recorded in the system.

Likewise, all members of the Board of Directors have access to the Talent platform, through which they can access the available courses.

The Company, aware of the importance of promoting and developing an ethical and business culture within the Company, provides compliance training to its employees.

Initiatives relating to Compliance in 2024

During 2024 the dedicated section of the internal newsletter *'Tell The World'* continued to disseminate short compliance information capsules to all team members.

With these monthly information capsules, the Company promotes knowledge and awareness of the importance of compliance in order to further strengthen the Company's ethical business culture.

Training programmes

Compliance training 2024

	Team members (owned and leased hotels)								
	2024				2023				
	Top Manage ment	Middle Manage ment	Staff	Total	Top Manage ment	Middle Manage ment	Staff	Total	Variation (%)
Training in the Code of Conduct									
Number of team members trained	267	1,747	10,509	**12,523**	21	275	3,360	3,060	309.25%
Hours of training	147	1,045	6,918	**8,110**	21	276	3,425	3,114	160.43%
									-
Training in the Criminal Risk Prevention Model									
Number of team members trained	14	136	811	**961**	16	143	880	1,034	-7.06%
Hours of training	30	258	2,001	**2,289**	51	390	2,296	2,732	-16.22%
									-
Training in the Prevention of Money Laundering and Terrorist Financing									
Number of team members trained	42	427	4,538	**5,007**	22	277	3,022	2,781	80.04%
Hours of training	32	322	3,443	**3,796**	17	209	2,315	2,126	78.58%
									-
Anti-fraud training									
Number of team members trained	30	405	5,232	**1,430**	22	264	2,784	2,781	-48.58%
Hours of training	15	205	2,655	**727**	9	119	1,265	1,393	-47.79%
									-
Human Rights Training									
Number of team members trained	33	597	6,243	**6,873**	19	249	2,771	2,750	149.93%
Hours of training	33	619	6,468	**7,120**	10	133	1,539	1,393	411.31%

Compliance training 2024

	Personnel of managed and franchised hotels								
	2024				2023				
	Top Manage ment	Middle Manage ment	Staff	Total	Top Manage ment	Middle Manage ment	Staff	Total	Variation (%)
Training in the Code of Conduct									
Number of team members trained	31	287	2,252	**2,570**	20	246	2,794	3,656	-29.70%
Hours of training	147	176	10,509	**1,857**	20	247	3,360	3,722	-50.10%
									-
Training in the Criminal Risk Prevention Model									
Number of team members trained		23	66	**89**	16	141	877	1,039	-91.43%
Hours of training		31	811	**215**	51	388	880	2,737	-92.14%
									-
Training in the Prevention of Money Laundering and Terrorist Financing									
Number of team members trained	20	80	1,088	**1,188**	21	250	2,510	3,321	-64.23%
Hours of training	15	61	4,538	**918**	16	189	3,022	2,540	-63.86%
									-
Anti-fraud training									
Number of team members trained	16	100	1,314	**1,567**	21	250	2,510	3,070	-48.95%
Hours of training	8	51	5,232	**1,610**	9	119	2,784	1,393	15.62%
									-
Human Rights Training									
Number of team members trained	16	115	1,436	**1,567**	18	235	2,497	3,039	-48.43%
Hours of training	16	116	6,243	**1,610**	9	119	2,771	1,681	-4.20%

G1-2: Management of relationships with suppliers

The Company recognises the impact, risks and opportunities associated with the proper management of its suppliers (included in the material issue of sustainable purchasing) and the importance of having a policy in place to avoid late payment in order to maintain the financial stability of MHE&A and its business partners. It has an internal policy for procurement and payments to suppliers, otherwise certain financial risks could arise that would impact on cash flow and affect MHE&A's ability to operate efficiently and meet its financial obligations. In addition, paying on time strengthens relationships with the aforementioned suppliers and business partners, building trust and credibility. It also avoids potential contractual penalties, which can increase costs. For this reason, the MHE&A Procurement Policy sets out the global framework for payment terms to suppliers. Details of the content of this policy can be found in the *Payment practices and relationship with suppliers.*

The Company's procurement process is managed using approval questionnaires designed to assess suppliers against ESG criteria. These questionnaires ensure that suppliers are aligned with sustainability standards and promote ethical and environmentally friendly practices. In this sense, MHE&A carries out a nomination process for the selection of its main suppliers, in which, among other aspects, ESG issues are evaluated. All information related to this process can be found in the section *'ESG criteria in the selection and evaluation of suppliers - Approval of suppliers'* of this Report.

G1-3: Prevention and detection of corruption and bribery

As a result of its enterprise risk map and reinforced by the double materiality analysis, the Company has concluded that corruption and bribery per se do not represent a potential and inherent risk for MHE&A.

The inherent risk lies in a much broader sense from a fraud perspective. The Fraud Tree, introduced by the ACFE in 1996, is a classification system for categorising instances of occupational fraud in an organisation, dividing them into three distinct blocks: corruption, fraudulent accounts and misappropriation of assets (which may or may not be cash). It is on this last block that MHE&A has focused its risk mitigation efforts, implementing robust measures and internal controls to prevent and detect any attempt to misappropriate assets. In addition, employee training and awareness programmes have been put in place to promote a culture of integrity and transparency within the Company, as outlined below.

Mechanisms responsible for preventing, detecting and addressing issues related to corruption and bribery

Minor Hotels Europe & Americas is committed to conducting its business with complete transparency, honesty, integrity and responsibility, in a reliable manner and always respecting and complying with the laws in force in all the countries in which it operates, as established by its corporate values and principles.

The Company has a zero-tolerance policy towards corruption and bribery. Minor Hotels Europe & Americas has a *Anti-Fraud and Corruption Policy*, as well as its *Policy for the Prevention of Money Laundering and the Financing of Terrorism* of application for all team members, managers and members of the Board of Directors of Minor Hotels Europe & Americas.

In addition, the Company's Criminal Risk Prevention Model includes controls specifically designed to mitigate the risk of corruption in its broadest sense, with regular monitoring of their compliance and effectiveness.

Similarly, MHE&A has an internal monitoring and control system both for the preparation of financial information (ICFR), which is periodically audited, and for criminal risks (MPD).

In addition, the Company has other internal procedures, such as the gift policy or the internal travel policy, all of which contribute to the establishment of controls and processes to mitigate the associated risks.

In this context, it should be noted that the Company has carried out an exercise to identify the areas most exposed to potential fraud. In accordance with the results obtained, it was considered that all team members could be directly or indirectly exposed to potential risks. For this reason, the Company has adopted a conservative position and includes all of them.

Internal Code of Conduct

Approved by the Board of Directors, it sets out the minimum standards to be observed in connection with the purchase and sale of securities, privileged and confidential information and the treatment thereof.

It establishes the appropriate controls and the necessary transparency with a view to the proper management and control by the Company of inside information and its dissemination, market research, treasury stock transactions, personal transactions subject to disclosure, and the preparation or execution of conduct that may involve market manipulation.

Criminal Risk Prevention Model

It describes the principles of crime management and prevention at Minor Hotels Europe & Americas and defines the structure and functioning of the control and monitoring bodies established in the Company, systematising the controls in place to prevent and reduce the risk of crime being committed in the different areas of the company. Some of the risks identified in the prevention model are: corruption, fraud against public finances, money laundering, fraud, disclosure of private information, fraud against the health of employees, among others.

The monitoring, updating and evaluation of controls is carried out periodically by the Compliance Office.

In 2023 and 2024, in collaboration with an external party, the Company carried out a complete review and update of the criminal risk model approved by the MHE&A Board of Directors, with the aim of further strengthening its robustness by updating the inventory of crimes and criminal risks applicable to the Company's activities, improving and standardising the risk assessment methodology and optimising the existing control matrix. This manual is more in line with standard and market practices, having changed the methodology for identifying and assessing risks.

It also introduces the necessary principles to reduce the risk of conflicts of interest.

Conflict of Interest Procedure

It sets out the rules to be followed in situations where the interests of the Company or one of the companies in the Group conflict with the direct or indirect personal interests of directors or persons subject to the conflict of interest rules.

This procedure was updated in 2021 - with the favourable report of the Audit and Control Committee and the approval of the Board of Directors - on the occasion of the changes introduced by Royal Legislative Decree 1/2010, of 2 July, approving the Companies Act (Consolidating Act).

Throughout the 2024 financial year, there has been no need to activate this procedure.

In accordance with the conflict of interest procedure, the Company is removed and disassociated from any investigation in which a member of the investigation team may be involved, thereby ensuring independence throughout the investigation process.

Bodies responsible for preventing, detecting and addressing issues related to corruption and bribery

The Company has various bodies in charge of preventing, detecting and dealing with issues related to corruption. These include:

Compliance Committee

The Compliance Committee, created in 2014, is composed of members of the Management Committee who have sufficient knowledge of the activities of the Minor Hotels Europe & Americas and, at the same time, the necessary authority, autonomy and independence to guarantee the credibility and binding nature of the decisions taken.

This body has the authority to monitor compliance with the key areas of the Compliance System: the Internal Code of Conduct in the Securities Markets, the Conflicts of Interest Procedure, the Code of Conduct and the Corporate Criminal Risk Prevention Model, among others.

The Compliance Committee supervises the management carried out by the Compliance Office and monitors all internal processes and policies implemented in the Company, their observance and compliance. It also has the power to propose disciplinary measures against members of the team in matters within its competence.

It should be noted that the Compliance Committee reports annually to the Board of Directors on the activities carried out in its area, including the development of the Criminal Risk Prevention Model and the areas of regulatory compliance risk that may be applicable to the Company..

During the 2024, financial year (2) meetings of the Compliance Committee were held.

Compliance Office

The Compliance Office, headed by the Head of Compliance and reporting directly to the Chief Legal & Compliance Officer of Minor Hotels Europe & Americas and to the Compliance Committee, is responsible, among other things, for the dissemination and monitoring of compliance with the Code of Conduct, the monitoring and periodic review of the Criminal Risk Prevention Model, the drafting and updating of corporate policies and the monitoring of their compliance, and the management of queries relating to the Code of Conduct.

During the year, Minor Hotels Europe & Americas also provided the head of the Compliance Office with the necessary resources for continuous training in compliance matters.

Audit and Control Committee

The primary function of the Audit and Control Committee is to assist the Board in its oversight and control functions, the most important of which is to ensure the effectiveness of the Company's internal control.

In this sense, its responsibilities include ensuring that the policies and systems established in the area of internal control are effectively applied in the practice of monitoring compliance with internal codes of conduct and other corporate governance rules, as well as the function of periodically monitoring the risk management systems so that the main risks are identified, managed and adequately disclosed following their internal assessment.

In light of the above, any issue related to corruption and bribery detected by either the Compliance Office or the Compliance Committee will be reported to the Audit and Control Committee.

Board of Directors

One of the main functions of the Board of Directors in relation to the Crime Prevention Model is to keep itself informed of the results of the supervision, monitoring and verification activities carried out in relation to the Model. In this regard, it has the power, if it deems it appropriate, to request studies, reports and evaluations related to the Model, in such a way as to promote an attitude of continuous improvement of the MPD.

Training in the fight against corruption and bribery

As mentioned above, the Company takes a broad view of corruption, including all forms of fraud. For this reason, the main training courses offered through the Talent corporate training platform are presented below. These courses are designed to address and mitigate the risk of fraud in its various forms, with a particular focus on asset misappropriation. Through these programmes, MHE&A aims to reinforce a culture of integrity and transparency within the organisation:

Anti-fraud training:

The course aims to raise awareness of fraud within the Company and provide a basic understanding of what fraud is, emphasising that fraud is real and not a hypothetical issue. It will also explain what is considered fraud within Minor Hotels Europe & Americas, emphasising the Company's 'zero tolerance' policy towards fraud and the recommended actions to take in the event of (possible) fraud or fraud-related doubts/concerns. This course is mandatory for all MHE&A team members.

Criminal Risk Prevention Training:

This is mandatory for all MHE&A team members in Spain, Italy and Portugal and is designed to raise awareness of the criminal risks that may arise in the day-to-day running of the business and the measures that Minor Hotels Europe & Americas has taken to mitigate them.

Training in the Prevention of Money Laundering and Terrorist Financing

The aim of this course is to raise awareness of money laundering: identification, prevention and reporting. It is mandatory for all members of Central Services, Hotel Managers (General Managers), Assistant Managers and Department Managers, as well as all members of the Front Office and F&B teams (excluding the kitchen).

As a result of these training programmes, the Company has given a total number of 10,819 training hours for all employees (including leased, owned, managed and franchised hotels).

Hours of training in corruption and bribery 2024 at-risk positions

AMSB*	Top Management	Others at risk functions	Total at-risk functions
2024			
2.8	**100.0**	**10,719.0**	**10,819.0**
2023			
	83.5	7,220.5	7,304.0
Variation (in %)			
	19.76%	48.45%	48.12%

Data for hotel workers in owned, leased, managed and franchised hotels.

**In addition, the COO and CADO completed the IC-A (Institute of Directors-Administrators) certification programme for current and future directors, which establishes, promotes and disseminates corporate governance and best ethical practices, both nationally and internationally.*

METRICS AND TARGETS

G1-4: Incidents of corruption or bribery

During this financial year, the Company has not had any confirmed cases of corruption, in the broadest sense of the definition. However, six cases related to fraud have been identified, which have been committed individually by employees and do not represent institutional practices of the Company. In 5 of these cases, the Company has acted immediately and rigorously, implementing the corresponding corrective and disciplinary measures, as well as reinforcing the control and prevention mechanisms to mitigate any future risk. One of the cases, at the end of the financial year, is still under investigation. It should be noted that the Company has not received any fines or been subject to sanctions related to corruption cases. For more information, please see the *Whistleblower Channel. Whistleblower protection*.

G1-5: Political influence and lobbying activities

Minor Hotels Europe & Americas does not permit the use of funds, property or other company resources to make contributions or offer anything of value to political candidates, political parties or members thereof. Company officers and team members may make political contributions in a personal capacity and participate in political activities outside of work hours, as long as they do not do so on behalf of the Company or implicate the Company in any way. In addition, under no circumstances will the Company reimburse personal contributions made for political purposes. In addition to being prohibited by Company policy, such payments can create problems with the Anti-Corruption Programme.

However, Minor Hotels Europe & Americas is a member of industry associations, chambers of commerce, public or private foundations and associations at global, regional, national and local levels related to its business or the geographic area in which it operates.

In this sense, MHE&A contributes to the sustainable progress and development of the community and environment in which it operates through *sustainable alliances* that promote projects aligned with MHE&A's principles, values and objectives.

G1-6: Payment practices

The management of payment practices is carried out by several Company departments, in particular the administration team and the finance department. From a sustainable purchasing perspective, these aspects are considered key. Therefore, information on the IROs related to suppliers can be found in the section: *Payment practices and relationships with suppliers.*

Targets related to business conduct

The Company is guided by principles of ethics and transparency and sets clear objectives to ensure proper business conduct. It seeks to reinforce a culture of compliance through a code of conduct that promotes honesty and respect in all interactions with stakeholders, both internal and external. It is also committed to integrity in its operations, ensuring regulatory compliance and avoiding any form of corruption or improper practices. The Company is also committed to continuously improving the organisational climate to create a safe, supportive and motivating working environment for all team members.

Anantara Vilamoura
Vilamoura, Portugal

5.3.2

DIGITAL TRANSFORMATION

MINOR HOTELS
EUROPE & AMERICAS

DIGITAL TRANSFORMATION

ESG DIMENSION	Relevant topics 2024	Sub-topics	Sub-Sub-topcis	Description
GOVERNANCE	Digital Transformation	Digitalisation and innovation		Adoption of innovative technologies and processes to improve efficiency, connectivity and adaptability through digitalisation of applications and implemented systems
		Information security and data processing	Cybersecurity Privacy and data protection	Protection of personal and confidential data and information of stakeholders and development of systems and measures to tackle cybersecurity risks

ESG	Sub-topics	Sub-sub-topics	Impacts, risks and opportunities	Key performance indicators	vs. 2023	Impact, Risk and Opportunity Management
G	Digitalisation and innovation		The implementation of new technologies and innovative solutions will help to optimise information management and increase customer loyalty by offering a more personalised service.	■ No. of tablets at reception ■ No. New hotels with Housekeeping Mobile App ■ Total number of tablets at reception	▲ ▲ ▲	■ *Actions and resources related to digital transformation > Digitalisation and innovation*
	Information security and data processing	Cybersecurity Privacy and data protection	The implementation of security and control mechanisms in line with the rules and regulations in force in the locations where the Company operates is crucial for the protection of information. The lack of such mechanisms can pose a significant risk such as data loss, which can have a direct impact on the Company's reputation and operational continuity and its relationships with stakeholders. It is therefore essential to have effective governance frameworks that guarantee the proper use, storage and management of information Furthermore, new applicable regulations pose a challenge for the Company, not only with regard to GDPR or NIS2 but also other guidelines of the European Data Protection Board regarding the use of cookies or the need to have the customer's acceptance in order to send commercial information.. Implementing action plans to reduce or eliminate identified threats, along with effective third-party risk assessment and management procedures, is essential to protect the business from cyber threats. While this may involve an increase in costs due to investment in control tools and mechanisms, such efforts are necessary to mitigate critical risks such as cyberattacks, which could lead to business disruptions, financial losses, compromised confidential information, and a negative financial and reputational impact. A proactive and strategic approach to managing these risks guarantees operational continuity and reinforces trust in the organisation.	■ % team members trained in information security and cybersecurity (PCI, privacy, etc.)	▲	■ *Actions and resources related to digital transformation > Information security and data protection > Cybersecurity*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the processes to identify and assess material digital transformation related impacts, risks and opportunities

Details on the description of the processes to identify and assess material impacts, risks and opportunities in the context of digital transformation can be found in the following section: *ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities.*

Policies related to digital transformation

Details of the policies related to the digital transformation of Minor Hotels Europe & Americas can be found in the following section: *Policies for the management of 'digital transformation'.*

Actions and resources related to digital transformation

As a result of its double materiality analysis, the Company has identified material *IROs related to digital transformation*, particularly in terms of responsible information and data processing management.Therefore, it is crucial to implement advanced analytical tools (BI, AI, Big Data), automate reports and train team members, thus optimising decision-making. In terms of reducing threats, it is necessary to design security policies, carry out regular audits and update technological tools.

In this line, risk management of third parties must be strengthened with specific tools and the establishment of governance frameworks. However, there are also risks, such as the increase in cybersecurity costs, which can be mitigated by prioritising strategic investments. Cyber-attacks, with their financial and reputational impact, require incident response plans and cybersecurity training. In addition, customer loss due to cookie clauses can be managed through clear policies, consent tools and effective communication of the value of shared data. In terms of opportunities, customer loyalty can be increased through innovative solutions such as AI, chatbots and apps, improving the customer experience and consolidating competitive advantage.

Therefore, MHE&A has launched and deepened these initiatives throughout 2024, with the aim of enhancing the positive impacts described above and minimising the negative impacts, as well as avoiding the associated risks and pursuing the identified opportunities.

DIGITALISATION AND INNOVATION

Digitalisation and innovation have a significant impact on the day-to-day operational management of MHE&A. They allow for the optimisation of operations and the improvement of the customer experience, but they also increase vulnerability to cyber-attacks, making it crucial to implement strong cybersecurity measures and privacy policies, as explained below. But such digitisation and innovation not only affect customers and their end users; these technological improvements can also contribute to more sustainable environmental management through energy efficiency and waste reduction, while also improving human resource management through advanced human resource management systems.

For this reason, innovation and digitalisation are treated as a cross-cutting material issue that impacts the other material ESG aspects for the Company. A comprehensive digital transformation strategy not only protects the Company's data and systems, but also improves customer satisfaction and operational efficiency, fostering an environment of trust and sustainable growth.

Minor Hotels Europe & Americas is aware of the global environment in which it operates and the opportunities it has as an operator in a digital world, and wants to be an active part of the change. The Company aims to drive transformation in several areas to provide solutions to the new challenges that are rapidly emerging. As a result, it has incorporated digital transformation into its business strategy as a pillar for growth and value creation.

When it comes to digital transformation, the Company sees it as a driving force and a tool that enables and will enable it to achieve great benefits. Among the most important are improving the customer experience, optimising and reducing operating costs, increasing the efficiency of processes and systems, deepening data analysis, increasing agility in responding to market changes and, above all, significantly boosting the culture of innovation within the organisation.

With this in mind, Minor Hotels Europe & Americas is embarking on an ambitious and challenging process of digital transformation under the motto "Take care of what's important, automate the rest". It should be noted that the Company sees digitalisation as a key tool to offer an exceptional experience, but always as a complement to the work of the team members who are proud to serve and who are the ones who really make the difference. They are the soul of MHE&A and digitalisation is a facilitator; for all these reasons, the Company sees digitalisation as an option, never an exclusion.

This path of digital transformation is driven by the development of new technological skills of the team members, which will accompany them in the execution of their activities, helping them to offer more effective and innovative solutions. In all this, Minor Hotels Europe & Americas is committed to adopting technologies that generate high added value for its stakeholders.

The exponential and global growth of digitalisation in businesses has changed the landscape of cyber threats, as increased interconnectivity brings greater vulnerability. Minor Hotels Europe & Americas prioritises cybersecurity in all of its operations and in its relationships with various stakeholders. The protection of personal data and the security of information of all the Company's stakeholders is of great importance. In order to manage and guarantee the protection of information, it has the necessary structures, security plans and control mechanisms in place, in accordance with the laws and regulations in force in each country in which it operates.

Key innovative projects 2024:

In line with its commitment to innovation and continuous improvement, Minor Hotels Europe & Americas has promoted a series of technology projects aimed at optimising operational efficiency, enhancing the guest experience and strengthening the capabilities of its teams.

These initiatives range from the incorporation of artificial intelligence and automation tools to the implementation of mobile devices and advanced machine learning systems, reflecting their commitment to digitalisation as a key driver of sustainable growth and service excellence.

Some of the digital transformation projects undertaken are detailed below:

1. Inclusion of AI in CRO agents for automatic email translation

The integration of artificial intelligence into Central Reservation Office (CRO) systems has eliminated language barriers, allowing agents to respond quickly and accurately to customers in their native language.

Identified benefits

- Use of advanced machine translation models that guarantee an accurate and contextualised interpretation of the content.
- The AI analyses and translates both requests and responses, ensuring consistency in communication and reducing the dependence on multilingual staff.
- Improved customer experience, as they receive quick responses in their language, strengthening their confidence in the service.

Preliminary results

- Increased agent efficiency by reducing response times.
- Improved customer satisfaction by providing a more personalised service.
- Optimises team members by allowing them to focus on higher value-added tasks.

2. Implementation of tablets for Guest Relations, providing them with mobility

The introduction of tablets for the Guest Relations team has modernised customer interaction, enabling a more agile and dynamic service.

Identified benefits

- Total mobility: Guest Relations staff can move throughout the hotel to assist guests in any area without having to return to a fixed desk.
- Instant access to information: Tablets allow staff to view reservations, customer profiles, special requests, stay history and preferences in real time.
- Personalised request management: Customers can make requests directly from the tablets, which are linked to other departments (housekeeping, F&B, maintenance) for immediate resolution.

Preliminary results

- Significantly improved customer perception of service.
- Increased operational efficiency by reducing waiting times and ensuring personalised service.

3. Microsoft Copilot 365 pilot as an assistant for team members

The pilot implementation of Copilot 365 with selected users has demonstrated the potential of generative artificial intelligence to optimise the daily tasks of team members.

Identified benefits

- Automated creation of documents, emails and presentations based on specific guidelines, reducing the time required to create content.
- It summarises large amounts of information (such as financial reports or customer data), enabling quick and informed decisions.
- Helps schedule meetings, manage calendars and analyse data, improving overall productivity.

Preliminary results

- Team members report a reduction in time spent on repetitive tasks, allowing them to focus on strategic activities.
- Improving the quality of work by getting help with brainstorming and idea generation.

Automation in key areas: financial, commercial and operational

The automation of processes in different areas has reduced the time spent on manual tasks, allowing staff to concentrate on strategic functions. For example:

- Commercial: Requests from groups via the web are automatically translated into forms that are fed directly into the system, reducing the manual time required for quoting.
- Finance: Implementation of RPA (Robotic Process Automation) tools for invoicing, bank reconciliation and reporting.
- Hotels: Automated check-in and check-out with the integration of digital kiosks and simplified billing processes.

Results

- Significant time savings on repetitive tasks.
- Reduced human error by eliminating manual steps.
- Increased agility in customer response and internal management.

5. Implementation of machine learning to calculate the revenue forecast

The adoption of machine learning technologies in the area of revenue management has revolutionised the process of revenue forecasting.

System characteristics

- Machine learning models analyse large volumes of historical data, market trends and external factors (such as local events and seasonal patterns).
- Automatically generate revenue forecasts with a high degree of accuracy, which was previously done manually.
- Simulate scenarios to evaluate the impact of strategic decisions, such as fare adjustments or special promotions.

And as far as hotels are concerned, various innovative projects have also been carried out, such as:

6. Mobile Guest Service

The digitisation of hotel information and services in an accessible Progressive Web App (PWA).

Benefits of the initiative

- More convenience and accessibility for guests: All hotel information and services are available in a Progressive Web App (PWA) accessible from any device.
- Reduce physical interactions: Guests can access services such as room service, reservations and amenity requests without the need for direct interaction.
- Sustainability: Digitising information eliminates the need for paper, reducing environmental impact.
- Improved information security: Data is securely available throughout the guest's stay.
- Integration with internal systems: Since 2022, work has been underway to integrate the PWA with hotel management systems, improving operational efficiency.
- Availability: The tool has been implemented in 324 hotels in the portfolio.

Expected results

- Guests have instant access to services and schedules, optimising their experience.
- Significant reduction in paper consumption and unnecessary interactions.
- Increased operational efficiency through system integration.
- Increased customer satisfaction through easier access to personalised services.
- Reduced human error by eliminating manual steps.

7. FASTPASS

An initiative that allows customers to check in online, choose their room and check out online, giving them full control over their stay.

Benefits of the initiative

- Total guest control over their stay: It allows customers to check in and out online, as well as choose their own room using an interactive floor plan.
- Enhanced customer experience: It offers autonomy and personalisation in the accommodation process.
- Continuous innovation: The integration of technologies such as biometrics, facial recognition and digital keys is being explored to further enhance the experience.
- Reduce waiting times: Avoiding queues at reception and improving the fluidity of the process.
- Adapting to the digital age: Meeting the expectations of the most tech-savvy customers.

Expected results

- Increased customer satisfaction through personalisation and autonomy.
- Faster and more efficient check-in and check-out processes.
- Reduced workload at reception.
- Positioning the brand as innovative and technological.

8. HOUSEKEEPING MOBILITY APP

Application that helps to optimise management of the department.

Benefits of the initiative

- It optimises housekeeping management: The application enables real-time allocation and confirmation of clean and ready rooms.
- Increased mobility and efficiency: Employees can manage their tasks more dynamically and quickly.
- It elliminates inefficient methods: Replaces the use of paper, phone calls and other less practical communication systems.
- Increased security: Improves working conditions by reducing errors and simplifying processes.

Expected results

- Improvement in the operational efficiency of the housekeeping department.
- Reduction in the use of paper and other physical resources.
- Real-time communication between housekeeping and reception, streamlining processes.
- Increased staff satisfaction thanks to modern and functional tools.

9.TABLETS IN RECEPTION

A proposal that allows all the phases of the processes during check-in and check-out to be digitalised.

Benefits of the initiative

- Digitisation of processes: Modernises the check-in and check-out phases, eliminating the need for paper forms.
- Improved customer experience: Offers a more agile, intuitive process aligned with the expectations of guests in the digital age.
- Savings and sustainability: Significant reduction in the use of paper, contributing to a lower environmental impact.
- Staff training: Ensures that operational teams can use the technology efficiently, strengthening their skills.
- Reduction in operational times: Simplifies reception processes, allowing team members to dedicate more time to other key tasks.

Expected results

- Successful implementation in 324 hotels during 2024.
- Training provided to operational teams, improving technology adoption.
- Increased guest satisfaction due to a more modern and seamless experience.
- Greater operational efficiency in check-in and check-out processes.

INFORMATION SECURITY AND DATA PROCESSING

Today, digitalisation is a great source of innovation and social and economic development in the world. And cyber insecurity is the great obstacle to its development. So when we talk about cyber security, we are talking about the security of networks and applications, the protection of information at rest and in transit, the defence of operations and business continuity, the ability to recover from an attack, and the education of end users.

That is why having an *Information Security Policy* is crucial because it protects sensitive information from unauthorised access and cyber-attacks, ensures compliance with legal regulations, and safeguards the organisational reputation. It is also essential for maintaining the integrity, confidentiality and availability of information, as well as for guaranteeing operational stability and the trust of stakeholders.

This policy should be read in conjunction with the *Privacy Policy*. This is essential as it sets out how the company handles and protects the personal information of its users and customers. It ensures that data is collected, stored and used in a secure and ethical manner that complies with data protection laws and regulations. It also helps to build trust among users by assuring them that their information will be treated with confidentiality and respect.

Both policies make it possible to establish the Company's basic commitments for the management of the impacts, risks and opportunities in the field of digital transformation.

The main actions taken by the Company to manage these IROs are set out below, distinguishing between aspects related to cybersecurity and those related to privacy and data protection:

Cybersecurity

Cyber security is essential in the digital age. According to the World Economic Forum (WEF), information security incidents are now one of the biggest risks facing businesses. For this reason, the company focuses on strengthening IT security mechanisms and protocols through policies, standards, procedures and training for team members.

In this line, cybersecurity and GDPR training aims to promote a culture of information security in the company, which will serve to establish the foundations for protecting the company's own confidential information, as well as that of customers, suppliers and other stakeholders.

Minor Hotels Europe & Americas' cybersecurity strategy is under constant review by the Executive Management Team committees that oversee the Company's cybersecurity strategy. In order to achieve the objectives set, a series of initiatives and measures to be implemented are identified and planned to improve the security capabilities of Minor Hotels Europe & Americas and to prevent and/or mitigate any risks that may arise.

The pandemic has led to an increase in remote working and the use of devices outside the secure corporate environment. The volume of cyber attacks has also increased exponentially. As a result, MHE&A continues to work on better monitoring of the entire network with new, more powerful and advanced tools to better control potential inappropriate access, as well as raising awareness among its team members and stakeholders to minimise the risk of these cyber-attacks.

In addition, customers expect their data to be protected and handled ethically. Cybersecurity is integrated into our culture to promote behaviours that protect the company and customer information.

Pact for sustainable cybersecurity and code of good cybersecurity governance

MHE&A has signed the Pact for Sustainable Cybersecurity, promoted by the Spanish Association for the Promotion of Information Security (ISMSForum). In doing so, the Company is adhering to a digital pact to protect individuals and promote the transition to sustainable digitalisation. In addition, the Company has aligned its security policy with the principles set out in the Cybersecurity Code of Good Governance promoted by the CNMV.

Privacy and data protection

In a sector as competitive as the hotel industry, the customer experience is a key differentiator to ensure customer satisfaction and loyalty. Aware that it is a key factor in creating trust, and of the importance of digitalisation in an increasingly globalised world, the Company is committed to the careful management of information.

In line with this commitment, and with the aim of reducing and avoiding the risks associated with this development, Minor Hotels Europe & Americas has put in place mechanisms to protect data privacy and security. In this sense, the Company applies its privacy and information security policy to team members, customers and suppliers.

The Company is constantly evolving and adapting to new requirements and best practices in this area. Since the entry into force of the new data protection regulations in 2018, the Company has continued to adapt its personal data management and control systems to EU Regulation 679/2016 (GDPR) and Act 3/2018 (LOPDGDD). In the area of sensitive data, such as credit cards, the Company has also renewed its PCI-DSS compliance certification and adapted procedures and systems to the new NIS2 regulations. MHE&A's aim is to process the personal data of its customers, team members and suppliers with the maximum guarantees of respect for their privacy and always in compliance with the applicable legal obligations.

For example, the privacy sections of the legal notices have been updated, both on the websites and in the documents provided to customers. The Company has also implemented a number of measures to make these privacy policies and legal notices accessible to customers at all times.

- Express consent is required: For some processing (such as the sending of commercial communications) the consent of customers is required.
- Likewise, the Company offers customers the possibility of exercising the option of voluntary exclusion from the processing of their data through the rights management email account dataprotection@minor-hotels.com.
- Customers can request their right to data portability through the rights management email account. The Company has a form for data portability; however, this is mainly done through the email dataprotection@minor-hotels.com

As part of this adaptation, the Company has implemented an additional information system available to end users so that they can be informed about each of the processing operations carried out by the company. All this is contained in the Minor Hotels Europe & Americas *Privacy Policy*.

Security is integrated throughout the Company and includes profiles from different areas of the business to ensure effective risk management, taking into account the sensitivity and criticality of each environment. In addition, risk indicators are available on the main issues of interest in terms of security, which are used to define and implement action plans aimed at reducing or eliminating the threats identified.

In addition, Minor Hotels Europe & Americas has set up several e-mail addresses for the management of data protection rights, whether they belong to customers, employees and/or suppliers, when personal data is collected, as well as an e-mail address for reporting any type of incident and/or complaint related to data protection. In particular, this last mailbox refers to the mailbox specifically created for the Data Protection Officer.

DATA PROTECTION OFFICER (DPO)

In keeping with its commitment to respect the right to the protection of personal data, Minor Hotels Europe & Americas has appointed a Data Protection Officer. Therefore, all users whose personal data is processed by the Company can submit their complaints or get in touch through the following address:

- E-mail: dpo@minor-hotels.com
- Telephone: +34 91 451 97 18. Headquarters: Calle Santa Engracia 120, 7ª, 28003, Madrid

In those cases in which a security incident is received by the mailbox of the Data Protection Officer, a process of assessment of the notification is initiated, in order to determine if it has scope in the area of protection. If so, the incident is referred to the MHE&A Departments that may be involved, in order to assess the need to make any communication to any Data Protection Control Authority and/or to the interested parties who may have been involved in the incident, keeping a written record of the whole process.

Minor Hotels Europe & Americas, as a Spanish organisation, has designated the Spanish Data Protection Agency as its Data Protection Supervisory Authority, with which it maintains regular contact through the Agency's website.

The Company's employees, as users of confidential data, receive mandatory training on data protection in order to learn how to process data in accordance with the regulations. This training is provided at the beginning of the relationship with the Company, with a record of the training, and is supervised by the Human Resources Department.

As mentioned above, Minor Hotels Europe & Americas has a Data Protection Officer who ensure that customers' data protection rights are always handled by the organisation in accordance with the principles established in the new regulations, and acting as a point of contact for the entire Company to resolve any data protection issues that may arise. Finally, in 2024, the Company continued the project to improve the quality of data within the organisation.

Minor Hotels Europe & Americas has integrated controls related to compliance with these regulations into its compliance model. As a result, the Risk Management and IT departments are ultimately responsible for monitoring these controls, receive all privacy related communications and report regularly to the Audit and Compliance Committee and the Board of Directors.

Compliance is monitored through regular audits to ensure that the Company is fully compliant with the requirements set out in data protection legislation, with a particular focus on the General Data Protection Regulation (GDPR).

Minor Hotels Europe & Americas' Risk Matrix has a pillar called "Compliance" related to data protection (GDPR) and information security with various management and control measures, such as:

- Periodic review and update of the risk map.
- Privacy by Design procedures.
- Creation of the Data Protection Office with the support of specialised consultants.
- GDPR training for team members.
- Existence of a channel for reporting possible data breaches.
- Having a disaster recovery plan in place.

In addition, Minor Hotels Europe & Americas has a procedure for responding to incidents in information systems, which includes roles and responsibilities, steps to be taken to restore the operation of equipment and systems, recovery times, etc.

'A total of 10,232 team members have been trained in Privacy and Data protection, with a total of 14,930 hours of training in this area[37].

[37] *Includes workers of owned, leased, managed and franchised hotels.*

Metrics and targets

Targets related to digital transformation

MHE&A focuses on driving digital transformation in the hotel sector through the implementation of innovative technologies that improve the customer experience, optimise operations and increase efficiency. Its objectives include the digitalisation of key processes, the use of artificial intelligence and data analysis to personalise services, the integration of digital platforms to improve hotel management and the adoption of sustainable solutions that reduce environmental impact. Through these initiatives, the company aims to strengthen its competitiveness in the global market and offer exceptional experiences to its guests.

SUSTAINABILITY NOTES

NOTE 1. PROFILES OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The criterion used by the Company to assess the sustainability skills of its administrative, management and supervisory bodies is based on two approaches: on the one hand, the studies, academic training or certifications obtained by the members of these bodies, in which sustainability information is included, and on the other hand, the practical experience acquired through their responsibilities and performance in the different positions of their professional life.

For example, the Directors who have served as Chief Executive Officer (CEO) have, by virtue of their position, led the validation of the Company's sustainability strategy, ensuring its alignment with the Company's strategic objectives. Similarly, the Directors who are part of the Delegate Committees have participated in the validation of the Non-Financial Information Statement (NFIS) and other sustainability reports in previous years, which has strengthened their practical experience and knowledge in this area.

This approach ensures that the governing bodies have the necessary training and capacity to adequately oversee and manage sustainability issues.

■ Knowledge and/or experience in relation to sustainability issues from the perspective of E (Environmental).

■ Knowledge and/or experience in relation to sustainability issues from the perspective of S (Social).

■ Knowledge and/or experience in relation to sustainability issues from the perspective of G (Governance).

Mr Dillip Rajakarier

Chairman of the Board of Directors
■ ■ ■

Mr Rajakarier graduated in Computer Systems Analysis & Design in Sri Lanka in 1984. He holds a Master's Degree in Business Administration (MBA) in Finance from the United Kingdom, an IOD certificate from the Thai Institute of Directors and is a finalist in CIMA (Chartered Institute of Management Accountants) in the United Kingdom.

He is also a member of the Institute of Management Information Systems in the UK and other institutions and associations such as Fellow Member of the Cost and Executive Accountants (FCEA), Associate of the British Association of Hotel Accountants (ABAHA), Member of the Association of Computer Professionals (MACP) and Member of the Association of Business & Administrative Computing (MABAC) in the UK. Mr Rajakarier is also an Executive Member of the World Travel & Tourism Council (WTTC).

Since 2007, Mr Rajakarier has pursued his professional career with Minor International Public Company Limited as Chief Operating Officer (COO) and Director and Chief Executive Officer (CEO) of Minor Hotel Group Limited. Minor International Public Company Limited is a global company focused on three main businesses: catering, hotel and branded retail. From 2001 to 2007 he was Deputy Chief Financial Officer and Head of Internal Audit at leading operator Orient Express Hotels, Trains & Cruises (Belmond). He has been Group CEO of Minor International Pcl since 1 January 2020.

Mr Ramón Aragonés

Vice-President and CEO of the Board of Directors
■ ■ ■

Mr Aragonés holds a degree in Tourism from the University of Palma de Mallorca and a Masters in International Hotel Management from the International Business School of Hotel and Tourism Management.

He has developed his professional career for more than twenty years in management and executive positions in companies in the tourism sector.

After holding various positions of responsibility in Spain, Belgium and Venezuela, he was appointed Operations Director of Hesperia Hotels in 1999 and General Manager of the same chain in 2000. Following the integration of Hoteles Hesperia into the NH Hotel Group in 2009, Mr Aragonés was appointed Managing Director of Operations for the Spanish business unit, before being appointed Managing Director of Operations for the entire Group in 2011.

In January 2017, Mr Aragonés was appointed CEO of NH Hotel Group (now Minor Hotels Europe & Americas). From that date until 31 December 2024, in his role as CEO, he has led all areas of the Company and has been responsible for the fulfilment of the strategic plan, the expansion and development of the different business lines and brand consolidation.

Mr Kosin Chantikul

Member of the Board of Directors

Mr Chantikul holds a degree in Economics from Wesleyan University, USA (2000-2004) and has completed the Directors' Certification Programme (DCP) and is a member of the Institute of Directors of Thailand (IOD) (2014).

He started his career at Lehman Brothers as an Associate in the Lehman Brothers Principal Transactions Group (until 2008) and then at Nomura Asia Asset Finance (until 2010). In 2012 he was appointed Investment Director at Boutique Asset Management and between 2013 and 2015 he was Director of Acquisitions for the Minor International PCL group. Since 2015, he has been responsible for investments, mergers and acquisitions for the Minor International Group (Chief Investment Officer).

He has led investments, strategic partnerships and mergers and acquisitions in the hospitality sector on behalf of Minor International PCL and has led transactions in Thailand, Indonesia, Malaysia, Vietnam, Cambodia, Australia, UK, Portugal, Spain, Brazil, Maldives, Seychelles, South Africa, Zambia, Botswana, Lesotho and Mozambique.

Mr Stephen Andrew Chojnacki

Member of the Board of Directors

Member of the Audit and Control Committee

Member of the Appointments, Remuneration and Corporate Governance Committee

Mr Chojnacki holds a degree in Foreign and Economic Relations from the University of Virginia, a JD from the University of Virginia School of Law and has completed the Directors' Certification Programme (DCP) and was a Fellow of the Institute of Directors of Thailand (IOD) (2014).

Mr Chojnacki developed his career with the law firm Linklaters in their New York, Hong Kong and Bangkok offices. He is currently the Chief Commercial Officer and General Counsel of Minor International PLC, a Director of MHG Continental Holding (Singapore) Pte. Ltd. and a director of companies in the Minor Group.

Over the years, he has directed the commercial activities and provided legal advice to the Minor Group. He has carried out numerous mergers and acquisitions with other leading companies in the hospitality sector, with a presence in Portugal, Brazil, China, Vietnam, Indonesia and Africa.

Ms Miriam González-Amézqueta López

Member of the Board of Directors

Chair of the Audit and Control Committee

With a double degree in Law and Economics and Business Studies from the Universidad Pontificia de Comillas (ICADE), Ms González-Azmequeta began her career in 1989 as a financial analyst at Santander Investment S.V.B (BSN), where she worked until 2000. Following the merger of BSN and BCH, she was Director of Equities at the merged broker.

Between 2000 and 2008, she worked at Lehman Brothers International Europe as Managing Director and later as General Manager of the Lehman Brothers Spain office. In this role she was responsible for equities in Spain and Portugal. She was also a member of the European Equities Executive Committee, the Iberia Management Committee, the Integration and Diversity Committee in London, the European Selection and Recruitment Team and the 'Lehman Faculty' as a speaker on internal courses in London and New York, and Chair of the Integration and Diversity Committee for Southern Europe.

Between 2008 and 2011, following the acquisition of Lehman Brothers by Nomura International Europe, she was General Manager of Equities in Spain for European, American and Asian equities.

In 2012 she attended the ISDI Internet Business Senior Management Programme.

In 2013 she founded Alamir Servicios Financieros, a company in which she is a partner, to invest in start-ups, mainly in the fintech sector.

She is currently an independent director on the boards of Deutsche Bank S.A.E, since February 2017, and MIO Group, since June 2021. At the same time, at Deutsche Bank S.A.E., she chairs the risk and remuneration committees and is a member of the audit and nominations committees. At MIO Group, she chairs the Audit Committee and the Appointments and Remuneration Committee. In June 2023, she was appointed as an independent director of Colonial, where she is also a member of the Audit Committee. Since 2023 she has also been an independent director of Minor Hotels Europe & Americas S.A. and chair of its Audit and Control Committee.

Mr William Ellwood Heinecke

Member of the Board of Directors

Mr Heinecke was awarded an Honorary Doctorate of Business Administration in Management by Yonok University, Lampang. He has also completed the Director Certification Programme (DCP) of the Institute of Directors Association of Thailand (IOD).

Mr Heinecke is the founder of Minor International Pcl (MINT) and currently holds the position of Chairman of the Board of Directors of the aforementioned company. The parent company of Minor Hotels. He has led Minor International for almost six decades, during which time he has expanded the company's portfolio of restaurants, hotels and lifestyle brands, transforming what began as a small business into one of the world's largest hotel and lifestyle groups. Mr Heinecke was CEO of Minor International until 2020, when he decided to focus on his role as Chairman of the Board and devote more attention to the Group's long-term strategy and philanthropic endeavours, including the Heinecke Foundation, which supports the education of underprivileged children; the Golden Triangle Asian Elephant Foundation, which seeks to improve the welfare of elephants; and the Mai Khao Marine Turtle Foundation, which helps to rejuvenate the turtle population in Thailand's Sirinat National Marine Park. Mr Heinecke is also a Vice President of the World Travel & Tourism Council (WTTC).

As Chairman of Minor International, Mt Heinecke also oversees one of Asia's largest restaurant companies, Minor Food, with more than 2,500 outlets worldwide under brands such as The Pizza Company, The Coffee Club and Benihana, and Minor Lifestyle, which manages nearly 400 retail outlets.

Mr Heinecke is the author of 'The Entrepreneur - 25 Golden Rules for Global Business Managers'. Under his leadership, Minor Hotels was one of the first pioneers of green hospitality in Southeast Asia and has since established itself as a leader in the development of sustainable tourism.

Ms Laia Lahoz Malpartida

Member of the Board of Directors

With a degree in Law from Pompeu Fabra University and a Masters in International Cooperation from the Autonomous University of Barcelona, she has extensive experience in mergers and acquisitions, asset management and legal matters.

Ms Lahoz began her career at Garrigues Abogados and then moved to the tourism sector in 2004, where she headed the legal department of Hoteles Hesperia.

A few years later, she continued her career as General Manager of Grupo Inversor Hesperia, becoming a member of the Management Committee.

In 2013, following the integration of the Hesperia Hotels chain into the NH Hotel Group a few years earlier, Ms Lahoz was appointed SVP Portfolio Management, where she led the global asset management and revenue negotiation strategy.

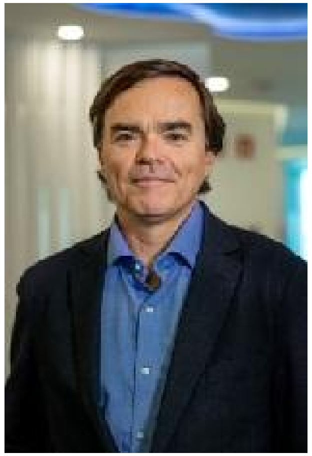
In June 2017, Ms Lahoz was appointed Chief Assets and Development Officer of NH Hotel Group (now Minor Hotels Europe & Americas), becoming a member of the Management Committee and reporting directly to the CEO. In this new role, she continues to lead the company's asset strategy and also assumes responsibility for the global expansion of Minor Hotels Europe & Americas.

Mr Tomás López Fernebrand

Member of the Board of Directors

Member of the Audit and Control Committee

Member of the Appointments, Remuneration and Corporate Governance Committee



Mr. López-Fernebrand holds a law degree from the Universidad Autónoma de Madrid, Spain, and an MBA from Florida International University, Miami, Florida.

He was Senior Vice President, General Counsel & Corporate Secretary of the Amadeus IT Group, Secretary of the Amadeus Board of Directors and a member of the Executive Committee, where he oversaw the legal function and the Risk and Compliance Office, and headed the Industry Affairs unit with global responsibility for government relations, ESG reporting and sustainability programmes.

Mr López Fernebrand joined Amadeus in 1988 as Senior Corporate Counsel and was appointed Associate General Counsel in 1996. He was involved in the establishment of the Amadeus Group's two main subsidiaries: Amadeus Development (France) and Amadeus Data Processing (Germany) and helped to draft the European Code of Conduct for CRSs. On 1 January 1999, Tomas was appointed Vice President and General Counsel. In December 2000, the Board of Directors also appointed him Corporate Secretary, making him the Legal Director of the Amadeus Group. In January 2012, Amadeus promoted Tomás to Senior Vice President, taking on additional responsibilities within the management team. He then took over the management of the Group's Internal Audit and CISO functions.

In 1999 and 2005, he led the Group through the legal and regulatory steps required for the IPO (1999) and the leveraged buyout (2005) with private equity firms BC Partners and Cinven, as well as Air France, Deutsche Lufthansa AG and IBERIA Lineas Aéreas de España. In April 2010, he successfully led the Group's IPO on the Madrid Stock Exchange. He was the first President of the European Travel Technology and Services Association (ETTSA), now EU Travel Tech.

Since April 2022. Tomás is a member of KPMG's Tourism Advisory Board and since mid-January 2023 has been appointed Senior Advisor of the Board of Directors of Travel Technology Research Lid (T2RL), a world leader in complex technology acquisition processes, across the full range of commercial and operational systems required by airlines, and in the development, planning and implementation of profitable distribution strategies. He has been an independent director of Minor Hotels Europe & Americas S.A. since 2023 and is a member of the company's Audit and Control Committee and the Appointments, Remuneration and Corporate Governance Committee.

Mr Rufino Pérez Fernández

Member of the Board of Directors

Mr Pérez holds a degree in Business Studies from the University of Vigo and an Executive MBA in Tourism Business Management from the Instituto de Empresa.

He has spent most of his career in the hotel industry, holding positions such as Head of Internal Audit, Director of Organisation and Systems and Corporate Director of Operations.

Following the integration of Hesperia Hotels into the NH Hotel Group in December 2009, he held the positions of Commercial Director for Spain, Portugal and Andorra and General Manager of the same unit.

In February 2013, he was appointed Chief Commercial Officer of NH Hotel Group, a leading chain with 60,000 rooms in 29 countries, where he was in charge of Sales, Pricing and Revenue Management, Reservations (Individuals and Groups) and Commercial Business Intelligence.

From June 2016 to mid-2017, he was appointed Executive Managing Director of Media, leading the strategies of the company's IT, Human Resources and Purchasing departments worldwide and reporting to the Executive Committee of the Board.

He currently holds the position of Chief Operations Officer and Global Transformation Leader, and in 2024 he obtained the IC-A (Institute of Directors-Administrators) certification with the programme for current and future directors, which establishes, promotes and disseminates corporate governance and best ethical practices, both nationally and internationally.

Ms María Segimón de Manzanos

Member of the Board of Directors

Chair of the Appointments, Remuneration and Corporate Governance Committee

Ms Segimón obtained a degree in Law and Economics from the Universidad Pontifica de Comillas (ICADE) in 1991. She is an expert in commercial law and in advising companies on business strategy, legal strategy and compliance.

She has a multi-sectoral vision in the infrastructure, energy, hotel, real estate and industrial sectors, as a result of holding executive positions and being an owner, executive and independent director in various companies in different sectors, including the real estate sector.

She was a commercial partner and head of the capital markets practice at Clifford Chance and DLA Piper: Director of Corporate Legal Advice at Ferrovial and General Counsel and Compliance Officer at CBRE Global Investors (currently CBRE Investment Management).

In 2012 she completed the Senior Management Programme (PADE) at IESE Business School.

She has also held the following positions Proprietary Director of Habitat Inmobiliaria and Budimex, representing Ferrovial; Executive Director of CBRE Investment Management for Spain and Portugal; Independent Director and Chairman of the Appointments, Remuneration and Corporate Social Responsibility Committee of Hispania Activos Inmobiliarios Socimi, Axiare Patrimonio Socimi and member of the Executive Committee and the Audit and Control Committee of Hispania Activos Inmobiliarios Socimi; Independent Director of Moove Cars Sustainable Transport; Member of the Board of Directors of CBRE for Spain and Portugal; and Member of the Board of the Madrid Bar Association, Chair of its Audit and Control Committee and member of its Appointments and Remuneration Committee.

She is currently Of Counsel for the Spanish law firm Escalona & de Fuentes and a member of the Advisory Board of Proa Comunicación and the Board of Trustees of the FAES Foundation. She has been an Independent Director of Minor Hotels Europe & America S.A. since 2023 and Chair of its Appointment, Remuneration and Corporate Governance Committee.

NOTE 2. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
E	Fight against climate change	Climate change adaptation and mitigation	SBT Plan Development of more sustainable products and assets	Impacts	Effect on the environment as a consequence of the generation of GHG emissions from the use of non-renewable energy sources by hotel complexes	Negative - Actual	Short, medium and long term.	To be a benchmark in sustainability	Company Operations	X	ID 1
					Effect on the environment as a consequence of the generation of scope 3 GHG emissions	Negative - Actual	Short, medium and long term.	To be a benchmark in sustainability	Upstream (suppliers + managed and franchised hotels)		ID 2
					Reduction of GHG emissions as a consequence of the development of a decarbonisation plan	Positive - Actual	Short, medium and long term.	To be a benchmark in sustainability	Company Operations Upstream Downstream	X	ID 3
					Development of innovative initiatives that allow the Company to offer and develop more sustainable products and services with a positive impact on the Company's environmental performance for climate change mitigation and adaptation	Positive - Potential	Short/medium term.	To be a benchmark in sustainability	Company Operations Downstream		ID 4
				Risks	Reputational and economic loss associated with the failure to fulfil commitments made in terms of reducing GHG emissions or the lack of ambition in the fight against climate change		Medium, long term	To be a benchmark in sustainability	Company Operations Upstream Downstream	X	ID 5
					Increased costs due to investment in the design, construction or refurbishment of facilities for climate change adaptation and mitigation		Short/medium term	To be a benchmark in sustainability	Company Operations Upstream (suppliers)		ID 6
				Opportunities	Access to/increase in sources of funding for support of the energy transition and low-carbon technologies		Short/medium term	To be a benchmark in sustainability	Company Operations		ID 7
		Responsible energy management		Impacts	Intensive energy consumption resulting from the operation and maintenance of hotels.	Negative - Actual	Current/ Short term	To be a benchmark in sustainability	Company Operations	X	ID 8
					Energy consumption from non-renewable energy sources, especially those with a higher emission factor.	Negative - Actual	Current/ Short term and medium term	To be a benchmark in sustainability	Company Operations	X	ID 9
					Reducing energy consumption by implementing conservation measures, such as replacing equipment with lower performance than current market efficiency with more efficient equipment.	Positive - Actual	Current/ Short term and medium term	To be a benchmark in sustainability	Company Operations	X	ID 10
					Increasing the value of assets by renovating facilities, extending the life of equipment and improving comfort.	Positive - Potential	Short/medium term	To be a benchmark in sustainability	Company Operations		ID 11
				Risks	Increase in energy prices		Short term	To be a benchmark in sustainability	Company Operations	X	ID 12
					Loss of business opportunities due to inaccurate monitoring of energy consumption data.		Short term	To be a benchmark in sustainability	Company Operations		ID 13

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
E	**Responsible water management**	Water	Water extraction Water consumption	Impacts	Depletion of natural water resources due to intensive water extraction for plant operation, especially in areas of high water stress.	Negative- Actual	Long term		Company operations Upstream (managed and franchised hotels)		ID 14
					Reduced energy consumption by incorporating measures to reduce the demand for hot water. As well as a reduction in the use of pressurised water.	Positive - Actual	Medium term	To be a benchmark in sustainability	Company Operations		ID 15
					Lack of operational control of water use throughout the value chain	Negative - Actual	Medium/long term		Upstream (suppliers + hotels under management and franchises) Company operations Downstream		ID 16
				Risks	Reputational damage due to inaccurate monitoring of water use data		Medium term	To be a benchmark in sustainability	Company operations Upstream (managed and franchised hotels)		ID 17
	Circular economy and waste management	Responsible waste management		Impacts	Ability to separate waste generated in hotels at source for appropriate treatment (recycling, landfill, etc.) by LER waste type.	Positive - Actual	Current/short term	To be a benchmark in sustainability	Upstream Company Operations		ID 18
					Contracting hazardous and non-hazardous waste managers for appropriate treatment by type of waste	Positive - Actual	Current/ Short term and medium term		Upstream Company Operations		ID 19
				Risks	Financial sanctions by the competent authorities in relation to the management and treatment by type of waste generated (ensuring compliance and adapting documentation), in particular derived from extended producer responsibility.		Short/medium term	To be a benchmark in sustainability	Upstream (suppliers) Company operations		ID 20
	Sustainable purchasing	Supplier management	Relationship with suppliers Payment practices	Impacts	Implementing supplier relationship management mechanisms that maximise business unit efficiency in the purchasing process and provide accurate data	Positive - Actual	Current/ Short term and medium term	To be a benchmark in sustainability	Upstream (suppliers + hotels under management and franchises) Company Operations		ID 21
					Correct identification and categorisation of suppliers, which impacts on their effective management, especially critical suppliers	Positive - Actual	Current/short term		Upstream (suppliers + hotels under management and franchises) Company Operations		ID 22
				Risks	Mishandling of information that risks exposing confidential data and information, resulting in financial and reputational loss.		Short/medium/ long term	To be a benchmark in sustainability	Upstream (suppliers + hotels under management and franchises) Company Operations		ID 23
				Opportunities	Competitive advantage in attracting suppliers by adopting payment practices with better conditions than those required by law or by competitors.		Medium/long term	To be a benchmark in sustainability	Upstream (managed and franchised hotels) Company Operations		ID 24
		ESG criteria in the selection and evaluation of suppliers		Impacts	Increasing and ensuring good ESG practices by suppliers through the application of more rigorous approval processes.	Positive - Actual	Current/ Short term and medium term	To be a benchmark in sustainability	Upstream (suppliers + hotels under management and franchises) Company Operations		ID 25
					Achieve a positive impact on the environment by analysing and evaluating suppliers' social and environmental behaviour, including aspects related to human rights.	Positive - Actual	Current/ Short term and medium term		Upstream (suppliers + hotels under management and franchises) Company Operations		ID 26
				Opportunities	Strategic alliances with third parties to identify possible short, medium and long-term risks related to ESG issues in the supply chain.		Medium/long term	To be a benchmark in sustainability	Upstream (suppliers) Company operations		ID 27

ESG	Material topic	Material sub-topic	Material sub- sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
S	Commitment and responsible hiring of team members	Creating quality jobs		Impacts	■ Professional stability for the wellbeing of team members	Positive - Actual	Current/short term	Develop the value proposition for Team Members	Company Operations	X	ID 28
S	Commitment and responsible hiring of team members	Social dialogue and collective bargaining	Social dialogue and freedom of association Collective bargaining	Impacts	■ The existence of collective agreements guarantees the stability and security of the team members as well as respect for human rights and in the relations between the company and the team members.	Positive - Actual	Current	Develop the value proposition for Team Members	Company Operations		ID 29
S	Commitment and responsible hiring of team members	Social dialogue and collective bargaining	Social dialogue and freedom of association Collective bargaining	Impacts	■ Elimination and mitigation of conflicts in the company and in the workplace and the establishment of collaborative relationships between employers and team members	Positive - Actual	Current/ Short term and medium term	Develop the value proposition for Team Members	Company Operations		ID 30
S	Commitment and responsible hiring of team members	Social dialogue and collective bargaining	Social dialogue and freedom of association Collective bargaining	Risks	■ Increase in the cost of the personnel item derived from updates and adjustments to salaries according to the collective agreement		Current/ Short term and medium term	Develop the value proposition for Team Members	Company Operations	X	ID 31
S	Culture of equality, diversity and inclusion of team members	Diversity, integration and inclusion	Gender diversity and equality Inclusion of all vulnerable groups	Impacts	■ Guarantee safe working conditions and environments adapted to the performance of the Team Members	Positive - Actual	Current/ Short term and medium term	To be a benchmark in sustainability	Company Operations		ID 32
S	Culture of equality, diversity and inclusion of team members	Diversity, integration and inclusion	Gender diversity and equality Inclusion of all vulnerable groups	Impacts	■ Promotion of integration and equal treatment among Team Members	Positive - Actual	Current/short term	To be a benchmark in sustainability	Company Operations		ID 33
S	Culture of equality, diversity and inclusion of team members	Equal treatment and opportunities	Equal pay for work of equal value Adequate wages	Impacts	■ Promotion of decent wages and application of measures that facilitate the reconciliation of personal and working life	Positive - Actual	Current/ Short term and medium term	Develop the value proposition for Team Members	Company Operations		ID 34
S	Culture of equality, diversity and inclusion of team members	Equal treatment and opportunities	Equal pay for work of equal value Adequate wages	Impacts	■ Increased productivity and commitment of team members by promoting competitive salaries	Positive - Actual	Current/short term	Develop the value proposition for Team Members	Company Operations		ID 35
S	Health and safety of team members	Health and safety of Team Members		Impacts	■ Development of a corporate health and safety system guaranteeing the well-being of Team Members	Positive - Actual	Short/medium term	Develop the value proposition for Team Members	Company Operations		ID 36
S	Health and safety of team members	Health and safety of Team Members		Risks	■ Decreased efficiency derived from a high rate of workplace absenteeism as a result of accidents		Short/medium term	Develop the value proposition for Team Members	Company Operations		ID 37
S	Health and safety of team members	Team Member wellbeing: flexibility and work-life balance		Impacts	■ Complexity when it comes to finding a work-life balance for workers due to the long working hours	Negative- Actual	Current/ Short term and medium term	Develop the value proposition for Team Members	Company Operations		ID 38

ESG	Material topic	Material sub-topic	Material sub- sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
S	Training, talent management and career development of Team Members	Attracting talent		Impacts	■ Demand for specialised profiles for each position in the hotel and the promotion of professional growth	Positive - Actual	Current/short term	Develop the value proposition for Team Members	Company Operations		ID 39
				Risks	■ Difficulty in finding Team Members due to the volatility of the market and especially of the hotel sector		Current/short term		Company Operations		ID 40
		Team Member Loyalty		Impacts	■ High turnover rate as a result of job dissatisfaction	Negative- Actual	Current/short term	Develop the value proposition for Team Members	Company Operations	X	ID 41
				Risks	■ Increase in operating costs as a result of a high staff turnover rate		Short/medium/ long term		Company Operations	X	ID 42
		Training of Team Members		Impacts	■ Development of training and development programmes to cover the skills gap or the gaps caused by the evolution of the business	Positive - Actual	Short/medium/ long term	Develop the value proposition for Team Members	Company Operations		ID 43
				Risks	■ Loss of market share due to offering a service of inadequate quality as a result of the poor training of team members		Long Term		Company Operations		ID 44
		Talent management and career development		Impacts	■ Mechanisms for communication with team members through surveys and other channels	Positive - Actual	Current/short term	Develop the value proposition for Team Members	Company Operations		ID 45
					■ Talent management through performance evaluations and talent calibration programmes or workplace surveys, among others, which contribute to improving the well-being of workers.	Positive - Actual	Current/short/ medium term		Company Operations		ID 46
				Impacts	■ Development of training and development programmes with the aim of resolving the skills gap or the gaps that have arisen in management and franchise employees due to the evolution of the business.	Positive - Actual	Current/short/ medium term	Develop the value proposition for Team Members	Upstream (Hotel management and franchising)		ID 47
					■ Demand for specific profiles for the different areas of the hotel and to provide professional growth	Positive - Actual	Current/short term		Upstream (Hotel management and franchising)		ID 48
					■ Management of employee talent through performance evaluations and talent calibration programmes or workplace climate surveys, among others, which contribute to improving wellbeing.	Positive - Actual	Current/short/ medium term		Upstream (Hotel management and franchising)		ID 49
				Risks	■ Loss of profitability as a result of offering a service of inadequate quality due to the poor training of staff at managed and franchised hotels		Medium Term	Develop the value proposition for Team Members	Upstream (Hotel management and franchising)		ID 50
					■ Increased costs as a result of a high staff turnover rate in managed and franchised hotels		Current/short term		Upstream (Hotel management and franchising)		ID 51

ESG	Material topic	Material sub-topic	Material sub-sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
S	Customer experience and service quality	Service quality, satisfaction and wellbeing	Visibility and quality perception	Impacts	Provide a better customer service due to the management of incidents through the Single Customer Service Centre	Positive - Actual	Current/short term	The best value proposition for our customers	Company operations Upstream (managed and franchised hotels) Downstream		ID 52
					Key factor when it comes to differentiating ourselves from competitors, services offered such as e-commerce, digitalisation, etc. to improve the experience	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels)		ID 53
					Implement innovative tools that enable a unique and personalised customer experience	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels) Downstream		ID 54
			Information-related impacts	Risks	Lower income due to low customer retention and satisfaction with the low quality of services provided		Long term	The best value proposition for our customers	Company operations Downstream		ID 55
					Loss of customers due to poor customer service management		Short/medium term		Company operations Upstream (managed and franchised hotels) Downstream		ID 56
				Opportunities	Greater advantage in the digital economy: a good customer experience through digital platforms provides a competitive advantage		Short/medium/ long term	The best value proposition for our customers	Company operations Upstream (managed and franchised hotels) Downstream		ID 57
					Customer loyalty by promoting continuous improvement of incident management systems		Current/short/ medium term		Company operations Upstream (managed and franchised hotels) Downstream		ID 58
		Unique and sustainable experiences for the customer	Responsible business model Initiatives to improve the quality of the experience for individual customers	Risks	Loss of customers due to poor commercial strategy, which can lead to failure to meet customer expectations		Medium / long term	The best value proposition for our customers	Company operations Upstream (managed and franchised hotels) Downstream		ID 59
			Initiatives to improve the quality of the experience for business customers	Opportunities	Improve customer satisfaction through impeccable service quality, customer loyalty and trust.		Current/short/ medium term	The best value proposition for our customers	Company operations Upstream (managed and franchised hotels) Downstream		ID 60
		Health and safety of customers	Health and safety measures	Impacts	Implementing and reinforcing existing measures and actions to ensure the health and safety of customers	Positive - Actual	Current/short/ medium term	The best value proposition for our customers	Company operations Upstream (managed and franchised hotels)		ID 61
					Accessibility of hotels to favour the inclusion of people with disabilities, generating tolerant and diverse environments	Positive - Actual	Current/short term		Company operations Upstream (managed and franchised hotels) Downstream		ID 62
			Accessibility	Risks	Increase in operating costs due to the implementation of new health and safety measures for customers		Medium / long term	The best value proposition for our customers	Company Operations		ID 63

ESG	Material topic	Material sub-topic	Material sub- sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
S	Communities	Social action and corporate volunteering		Impacts	The Company's impact on communities through the CSR projects we have in the different countries where we operate	Positive - Actual	Current/short/ medium term	To be a benchmark in sustainability	Company Operations		ID 64
					Contribute to local development wherever we are present	Positive - Actual	Current/short/ medium term		Company Operations		ID 65
		Sustainable alliances		Impacts	Improve the Company's public image through the alliances we have in the different countries where we operate	Positive - Actual	Current/short/ medium term	To be a benchmark in sustainability	Company operations Upstream (managed and franchised hotels)		ID 66
					Access to new agreements/alliances in markets where we operate	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels + suppliers)		ID 67
G	Ethics, transparency and business culture	Corporate governance		Impacts	Promotion of ESG culture due to the inclusion of variable remuneration based on the achievement of objectives.	Positive - Actual	Current/short term	The five strategic pillars	Company Operations		ID 68
					Lack of development of strategies and action plans for the management and remediation of unidentified social, environmental and governance impacts.	Negative- Actual	Current/short/ medium term		Company Operations		ID 69
					A set of rules, principles and procedures designed to regulate the structure and functioning of the organisation's governing bodies, ensuring clear and efficient governance that prevents actions contrary to regulations and internal procedures.	Positive - Actual	Current/short term		Company Operations		ID 70
					Creation of long-term value thanks to the development of a solid good governance policy that seeks to favour the shareholders and the main stakeholders of the Company.	Positive - Actual	Current/short/ medium/long term		Company operations Upstream (managed and franchised hotels + suppliers) Downstream		ID 71
				Opportunities	Reputational improvement derived from the promotion of ESG culture in governing bodies through specific training in sustainability		Medium term	The five strategic pillars	Company operations Upstream (managed and franchised hotels)		ID 72

ESG	Material topic	Material sub-topic	Material sub- sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
G	Ethics, transparency and business culture	Ethics and compliance		Impacts	To promote knowledge and application of the internal code of conduct (code of conduct, internal code of conduct, MHE&A policies and other corporate procedures) for the implementation of business practices aligned with the Company's values.	Positive - Actual	Current/short term	The five strategic pillars	Company operations Upstream (managed and franchised hotels + suppliers) Downstream		ID 73
					Breach of internal codes of conduct (code of conduct, internal codes of conduct, MHE&A policies and other corporate procedures) resulting in damage to society and the environment	Negative- Actual	Current/short/ medium/long-term		Company operations Upstream (managed and franchised hotels + suppliers) Downstream	X	ID 74
					Implementation of measures for the development of actions that promote ethical compliance and actions aligned with the values of MHE&A as set out in the code of conduct and corporate policies	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels + suppliers) Downstream	X	ID 75
					To have a training portal containing up-to-date training courses on the Company's ethics and business culture in order to ensure correct information, understanding and consequent compliance.	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels)	X	ID 76
					Cases of discrimination or other violations of human rights along the value chain due to the absence of mechanisms to promote and monitor the advancement of corporate culture	Negative- Actual	Medium/long term		Company operations Upstream Downstream	X	ID 77
					The absence of solid mechanisms to promote and evaluate compliance with corporate ethical principles among team members and other stakeholders could lead to situations where human rights are violated.	Negative- Actual	Medium/long term		Company operations Upstream Downstream		ID 78
					The absence of measures that prioritise and promote human rights training and awareness could lead to abusive labour practices throughout the value chain.	Negative- Actual	Medium/long term		Company operations Upstream Downstream		ID 79
					Definition of effective controls over criminal risks, including risks related to corruption and bribery	Positive - Actual	Current/short/ medium term		Company Operations	X	ID 80
					Inefficiency of the channel derived from erroneous and incorrect handling of complaints received, leading to a lack of confidence in the channel	Negative- Actual	Current/short/ medium term		Company operations Upstream Downstream		ID 81
					Creation of an anonymous whistleblowing channel free from reprisals that promotes a culture of trust, transparency and credibility for all stakeholders.	Positive - Actual	Current/short term		Company operations Upstream Downstream		ID 82
					Reinforcement of internal controls and effective prevention measures derived from the investigation of potential cases of non-compliance received through the whistleblowing channel	Positive - Actual	Current/short/ medium term		Company Operations		ID 83
				Risks	Reputational risk as a consequence of the violation of human rights at any stage of the value chain		Medium term	The five strategic pillars	Company operations Upstream Downstream		ID 84
				Opportunities	Reduction of future risks as a result of the implementation of measures for the prevention and early detection of potential non-compliance, thanks to the proper management of complaints received and confirmed		Medium term	The five strategic pillars	Company Operations		ID 85

ESG	Material topic	Material sub-topic	Material sub- sub-topic	Impacts, Risks and Opportunities		Positive/ Negative Actual/ Potential	Time horizon	Pillar of the MHE&A strategy	Value chain	OADS 2024 Review	IROS ID
G	Digital transformation	Digitalisation and innovation		Impacts	Improvement in the management and analysis of data for decision-making	Positive - Actual	Current/short/ medium/long term	Digital transformation	Company Operations		ID 86
				Opportunities	Customer loyalty through the implementation of new innovative solutions that reduce waiting times or facilitate the service offered		Short/medium/ long term	Digital transformation	Downstream		ID 87
		Information security and data processing	Cybersecurity	Impacts	Impact due to the implementation of action plans aimed at reducing or eliminating the identified threats	Positive - Actual	Current/short/ medium term	Digital transformation	Company operations Upstream (hotel management and franchises + suppliers) Downstream	X	ID 88
					Third-party risk assessment and management procedures	Positive - Actual	Current/short/ medium term		Company operations Upstream (hotel management and franchises + suppliers) Downstream		ID 89
					Guarantee the correct and effective management of the Company thanks to the necessary security plans and control mechanisms in line with the legislation and regulations in force in each location where it is present, in relation to privacy and data protection.	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels)	X	ID 90
					Establishment of effective governance frameworks for collecting, using, storing and managing information	Positive - Actual	Current/short/ medium term		Company operations Upstream (managed and franchised hotels)		ID 91
			Privacy and data protection	Risks	Increased costs due to investment in tools or control mechanisms to protect against cyberthreats		Short/medium term	Digital transformation	Company Operations		ID 92
					Risk of cyber-attack that can lead to business or system interruption, financial loss and/or the loss of confidential information, with a negative impact on the Company's finances and reputation		Short/medium/ long term		Company operations Upstream (hotel management and franchises + suppliers) Downstream	X	ID 93
					Loss of customers due to the signing of clauses related to cookies or commercial communications		Short/medium/ long term		Company operations Upstream (hotel management and franchises + suppliers) Downstream		ID 94

NOTE 3. TAX TRANSPARENCY : PROFITS AND TAXES

The Tax Strategy of Minor Hotels Europe & Americas (expressed through the Corporate Tax Policy) was approved on 27 July 2015. In July of 2022, the tax policy was updated and approved by the Board of Directors, considering that one of the pillars underpinning the Company's entire business strategy should be avoiding or minimising risks, including task risks.

The strategy is based on complying with tax legislation in all the jurisdictions in which Minor Hotels Europe & Americas is present, applying an interpretation of such legislation that fundamentally has due regard for the spirit and purpose of the laws.

Minor Hotels Europe & Americas S.A. has been signed up to the Spanish Tax Agency's Code of Good Tax Practice since 2016. The purpose of that Code is to promote a reciprocally cooperative relationship between the Tax Agency and the different companies that have signed up to the Code. This relationship is based on the principles of transparency and mutual trust, with the aim of reducing the legal uncertainty to which companies may be exposed with the tax authorities.

Guiding principles of the Tax Strategy

- Compliance with tax legislation in all locations where it is present.
- Prevention and reduction of significant tax risks.
- Collaboration, loyalty and good faith with the Tax Administrations.
- Reporting to the Board of Directors on the main tax implications of transactions, and on any tax inspection processes in which Group companies are involved.
- Not to make use of artificial structures for the purpose of minimising the effective tax burden, nor carry out related-party transactions for the purpose of eroding tax bases or transferring profits to low-taxation territories.
- With regard to international taxation and transfer pricing, the Company will have regard to the conclusions reached by the OECD and G-20's BEPS (Base Erosion and Profit Shifting) Project.
- All related-party transactions are governed by the arm's-length principle for Transfer Pricing and the Code of Conduct on Transfer Pricing Documentation for associated enterprises in the European Union.

Monitoring and control

The Board of Directors, through the CEO and the Management Committee, drives the monitoring by the Group of the application of the principles and good practice concerning tax affairs.

Furthermore, the Board of Directors has the support of the Company's Audit and Control Committee, which oversees the effectiveness of the tax risk management and control systems in place and provides the pertinent information to the Board periodically.

The Company monitors and tracks its tax policy, complying with the mechanisms established by law, in its tax policy and in the control framework approved by the Board.

Profit of Minor Hotels Europe & Americas and income taxes paid by country (in thousands of euros)

Tax jurisdiction	2024		2023	
	Profit / (loss) before corporate income tax	Corporate income tax (cash basis)	Profit / (loss) before corporate income tax	Corporate income tax (cash basis)
Argentina	16,141	(3,445)	13,977	(1,022)
Austria	(7,608)	(1)	(10,793)	–
Belgium	9,814	(4,479)	12,741	(1,217)
Brazil	1,642	(3)	(216)	(4)
Chile	2,002	(264)	2,036	(228)
Colombia	1,827	(112)	957	(84)
Czech Republic	(2,920)	(5)	(3,899)	–
Denmark	(1,689)	–	(1,969)	–
Dominican Republic	(9)	–	(21)	–
Ecuador	(37)	(16)	103	(56)
Finland	(3,065)	–	(156)	–
France	(2,452)	–	(5,540)	216
Germany	(23,086)	175	(30,157)	(563)
Hungary	(1,569)	(531)	(1,918)	(209)
Ireland	(2,177)	(7)	(2,035)	(2)
Italy	102,949	(35,119)	97,223	(9,657)
Luxembourg	(858)	–	(2,611)	–
Mexico	2,240	(129)	3,424	(37)
Netherlands	53,147	(7,911)	45,777	(7,653)
Poland	(19)	–	(24)	–
Portugal	14,317	(4,213)	4,931	365
Romania	(215)	(7)	178	(16)
South Africa	–	–	2,081	–
Spain	114,425	(6,860)	96,619	(8,489)
Switzerland	(4,377)	(3)	(5,194)	(21)
UK	(511)	–	(1,200)	–
Uruguay	45	–	23	–
USA	(923)	–	(11,176)	(1)
Total countries	**267,034**	**(62,931)**	**203,161**	**(28,678)**

Profit (loss) before income tax ' corresponds to the item Net profit (loss) before tax in the Consolidated Income Statement of MHE&A's financial statements.

The profits or losses before taxes and the tax paid per country described above have been affected, in some cases, by circumstances such as the sale of assets, departure of hotels, early depreciation of assets due to repositioning or the situation of hyperinflation in the case of Argentina. It should also be noted that the corporate income tax shown in the above table is the tax determined on a cash basis.

A breakdown of turnover by country is set out below:

Net turnover by country (in thousands of euros)

Tax jurisdiction	2024	2023
Argentina	49,376	31,800
Austria	67,084	55,029
Belgium	91,860	92,160
Colombia	38,429	35,817
France	65,773	53,201
Germany	378,199	349,660
Hungary	43,427	37,933
Italy	489,588	459,740
Mexico	48,874	44,143
Netherlands	328,288	316,561
Portugal	126,066	82,900
Spain	520,634	472,338
Others	170,279	127,713
Total countries	**2,417,875**	**2,158,995**

Corresponds to the item Revenue in the Consolidated Income Statement of MHE&A's Financial Statements.

And the tax accrued during the year:

Tax payable by country (in thousands of euros)

Tax jurisdiction	2024	2023
Argentina	(3,123)	(3,390)
Colombia	(1,646)	(710)
Germany	467	(6,706)
Ireland	269	29
Italy	(27,220)	(28,874)
Mexico	(899)	(3,701)
Netherlands	(14,579)	(10,967)
Portugal	(3,485)	(1,650)
Spain	607	(11,875)
Others	464	(2,472)
Total countries	**(49,144)**	**(70,316)**

Corresponds to the item Income taxes in the Consolidated Income Statement of the MHE&A Financial Statements.

NOTE 4: TABLE OF INDICATORS

As a result of the policy, the following indicators are available for monitoring.

Indicators	2024	2023
PROFILE		
Hotel portfolio	347	350
Number of rooms	55,769	55,626
Number of customers (millions)	4.5	4.3
Subsidies - €m	-3.2	7.6
GOVERNMENT		
No. of Members on the Board of Directors	10	10
No. of external independent directors	3	3
No. of women on the Board of Directors	3	3
Board of Directors' meetings	10	13
HUMAN RIGHTS		
% of hotels that have completed the evaluation	> 80%	> 80%
CONTRIBUTION TO ASSOCIATIONS AND NGOs		
Contribution to associations - €	484,421	501,626
Contribution to sectoral associations - €	375,636	378,932
Contribution to non-profit organisations - €	7,299	13,887

Indicators	2024	2023
UP FOR PLANET		
SUSTAINABLE PRODUCTS AND ASSETS		
Assets with sustainable certifications	218	184
Energy consumption (MWh)	587,614	546,090
Energy ratio (MWh/RN)	0.048	0.047
% Hotels located in areas of water stress	47 %	45 %
Water extraction (m3)	4,127,044	3,783,672
Water ratio (m3/RN)	0.23	0.22
Emissions Scopes 1 y 2 - (market based) - (tCO_2eq)	69,500	83,969
Ratio Emissions Scopes 1 y 2 (market based)- ($kgCO_2eq$)/RN)	5.72	7.23
SUSTAINABLE PROCESSES AND STANDARDS		
% of green electricity consumed	85 %	66 %
Number of hotels with electric chargers	57	72
Number of hotels with bike rental	102	99
Scope 1 emissions - (tCO_2eq)	46,150	43,326
Scope 2 emissions (Market Based) - (tCO_2eq)	23,350	40,627
Scope 3 emissions (tCO_2eq)	356,601	351,959
SUSTAINABLE PURCHASING		
Total number of suppliers	14,438	13,875
Number of active suppliers with signed Codes of Ethics	1,954	1,835
Number of new suppliers with signed Codes of Ethics	175	151
% purchases from local suppliers	89 %	90 %
Annual purchase volume (CapEx+OpEx) - €M	809.8	737.5

Indicators	2024	2023
UP FOR PEOPLE		
TEAM MEMBERS		
FTEs (number of Team Members)	13,380	12,436
% Permanent contracts	84.4 %	82.7 %
Voluntary turnover rate	19.8 %	22.8 %
Non-voluntary turnover rate	16.2 %	13.0 %
% Team Members in a country other than their country of origin	26.3 %	24.5 %
% Women in the workforce	51.2 %	51.0 %
% Women in management positions	46.1 %	45.4 %
% Team Members covered by collective agreement	93.1 %	91.2 %
% Team Members < 30 years old	28.8 %	25.2 %
% Team Members 30 - 50 years old	50.0 %	51.7 %
% Team Members > 50 years old	21.2 %	23.1 %
No. of nationalities	154	150
Team Members with disabilities	127	113
Training		
Hours of training provided	216,877	147,791
Hours of training per Team Member	15.7	11
Safety, health and well-being		
No. of fatal accidents	0	0
Number of accidents with sick leave	363	363
Frequency index for workplace accidents	21.2	21.2
Occupational disease frequency index	1.1	1.1
Severity rate for workplace accidents	0.4	0.4
Severity Index for occupational diseases	0.1	0.1
Absenteeism rate	5.8	4.2

Indicators	2024	2023
CLIENTS		
Customer ratings – Surveys	8.5	8
Customer ratings – Online platforms	8.9	8.9
No. of Customer Care contacts	35,968	30,852
Number of hotels with facilities adapted to special needs	283	283
COMMUNITY		
Social initiatives	111	58
Number of MHE&A volunteers	2,183	1,752
Indirect contribution to social action (€ thousands)	237	227
Contribution NGO rate (€ thousands)	106	78
Referral bonus + Employee rate (€ thousand)	96.5	91.3
Total beneficiaries	17,625	19,680
Hotels with a Heart (HwH)		
Agreements with NGOs	28	43
Free nights' accommodation	1,839	1,590
Beneficiaries HwH	4,816	4,103
MHE&A volunteers (HwH)	114	154
Hotels involved	57	77
Together with Love (TwL)		
Associations involved	138	109
MHE&A volunteers (TwL)	2,069	1,220
Hotels involved	134	79
TwL beneficiaries	12,612	15,358

UP FOR PEOPLE

Our Team Members

Data for Team Members Hotel staff owned and rented. All the information shown in this section corresponds to FTEs (Full Time Equivalents) excluding extra salaried, non-salaried and FTEs from the Brazil region (3 hotels) as detailed information for all the variables shown is not available.

Team Members by Region

	Consolidated perimeter		
	2024	2023	Variation (%)
Headquarters	558	515	8.3%
Americas Region	2,076	1,855	11.9%
Northern Europe Region	5,060	4,754	6.4%
Southern Europe	5,686	5,312	7.0%
Total	**13,380**	**12,436**	**7.6%**

Breakdown of Team Members by age and gender

	2024			2023			Total variation (%)
	Women	Men	Total	Women	Men	Total	
<30 years old	2,097	1,763	3,860	1,695	1,437	3,132	23.2%
between 30-50 years old	3,334	3,351	6,685	3,211	3,220	6,431	4.0%
>50 years old	1,418	1,417	2,835	1,443	1,430	2,873	-1.3%
Total	**6,850**	**6,531**	**13,380**	**6,349**	**6,087**	**12,436**	**7.6%**

The data for the 2022 financial year have been restated according to new age groups, not affecting the reporting of the totality of the data, only its presentation and breakdown.

Breakdown of team members by professional category and gender

	2024			2023			Total variation (in %)
	Women	Men	Total	Women	Men	Total	
Top Management	144	242	387	134	245	379	2.0%
Middle Management	1,015	1,112	2,127	943	1,047	1,990	6.9%
Staff	5,690	5,176	10,866	5,272	4,795	10,067	7.9%
Total	**6,850**	**6,531**	**13,380**	**6,349**	**6,087**	**12,436**	**7.6%**

Breakdown of Team Members by country and gender

	2024			2023			Variation (%)
	Women	Men	Total	Women	Men	Total	
Argentina	306	265	571	284	253	537	6.2%
Austria	192	187	380	146	127	273	39.2%
Belgium	304	255	558	288	245	533	4.7%
Chile	120	81	201	95	69	164	22.8%
Colombia	305	330	635	240	254	494	28.5%
Czech Republic	42	34	76	39	29	68	11.7%
Denmark	42	64	106	33	54	87	21.5%
Ecuador	20	27	46	21	26	46	-0.2%
Finland	14	18	32				-
France	186	179	364	124	158	281	29.5%
Germany	1,022	1,025	2,046	967	983	1,949	5.0%
Hungary	58	42	100	54	41	94	6.5%
Ireland	69	78	148	66	74	140	5.3%
Italy	712	888	1,600	657	814	1,471	8.8%
Luxembourg	20	21	41	21	23	44	-6.9%
Mexico	290	295	585	297	283	580	0.9%
Netherlands	784	706	1,490	763	697	1,461	2.0%
Portugal	353	313	666	321	286	608	9.6%
Romania	20	7	27	18	9	28	-2.1%
Spain	1,887	1,628	3,515	1,800	1,575	3,375	4.2%
Switzerland	28	28	56	41	36	76	-27.2%
Uruguay	19	20	39	17	16	33	17.3%
USA	59	39	98	58	34	92	6.0%
Total	**6,850**	**6,531**	**13,380**	**6,349**	**6,087**	**12,436**	**7.6%**

Breakdown of Team Members by professional category, gender and area of work

	2024			2023			Total variation (%)
	Women	Men	Total	Women	Men	Total	
Central Services and Headquarters:							
Top Management	32	60	92	28	62	90	2.5%
Middle Management	293	216	509	258	186	445	14.4%
Staff	720	409	1,129	694	354	1,047	7.9%
Total	**1,045**	**685**	**1,730**	**980**	**602**	**1,582**	**9.4%**
Hotel							
Top Management	112	182	294	106	183	289	1.8%
Middle Management	722	897	1,619	685	861	1,545	4.8%
Staff	4,970	4,767	9,736	4,578	4,441	9,020	7.9%
Total	**5,804**	**5,846**	**11,649**	**5,369**	**5,485**	**10,854**	**7.3%**

Breakdown of Team Members by age and gender

	2024			2023			Total variation(in %)
	Women	Men	Total	Women	Men	Total	
<30 years	2,097	1,763	3,860	1,695	1,437	3,132	23.2%
between 30-50 years	3,334	3,351	6,685	3,211	3,220	6,431	4.0%
>50 years	1,418	1,417	2,835	1,443	1,430	2,873	-1.3%
Total	**6,850**	**6,531**	**13,380**	**6,349**	**6,087**	**12,436**	**7.6%**

Responsible hiring and commitment

Type of contracts*

	2024	2023	Total variation (in %)
Permanent contracts			
Part Time	**763**	**748**	**2.1%**
- Men	201	198	1.9%
- Women	562	550	2.2%
Full Time	**10,525**	**8,662**	**21.5%**
- Men	5,333	4,890	9.1%
- Women	5,193	4,743	9.5%
Total	**11,289**	**9,410**	**20.0%**
Temporary contracts			
Part Time	**238**	**196**	**21.1%**
- Men	93	75	23.2%
- Women	145	121	19.7%
Full Time	**1,853**	**1,469**	**26.2%**
- Men	904	924	-2.1%
- Women	949	936	1.5%
Total	**2,091**	**1,665**	**25.6%**

** Regarding the interpretation of the data relating to the contract modalities:*
- Retired part-time employees are considered a modality of temporary contracts.
- Partial contracts are a type of contract for both temporary and indefinite contractual modalities.

Type of contract by region and gender

	2024				2023			
	Full time		Part-time		Full time		Part-time	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent contracts								
Argentina	264	302	2	0	252	284	1	0
Austria	169	148	7	22	115	112	5	18
Belgium	225	258	4	21	216	238	4	20
Chile	81	120	0	1	69	94	0	1
Colombia	330	305	0	0	254	240	0	0
Czech Republic	25	23	1	6	22	23	1	5
Denmark	55	34	2	1	51	30	3	2
Ecuador	27	20	0	0	26	21	0	0
Finland	13	10	4	4				
France	148	147	0	0	146	106	0	2
Germany	848	731	26	119	813	715	18	100
Hungary	40	55	0	2	40	50	0	4
Ireland	43	33	36	36	42	31	32	35
Italy	640	445	39	93	567	396	36	90
Luxembourg	20	18	1	2	22	19	1	2
Mexico	288	281	2	3	258	272	18	19
Netherlands	381	310	50	156	399	294	50	163
Portugal	185	211	1	1	135	170	0	1
Romania	7	17	0	2	9	18	0	0
Spain	1,461	1,631	28	85	1,403	1,550	24	70
Switzerland	26	21	0	7	33	24	3	16
Uruguay	20	19	0	0	16	17	0	0
USA	37	54	0	1	34	56	0	1
Total	**5,334**	**5,192**	**201**	**562**	**4,922**	**4,758**	**196**	**550**

Type of contract by region and gender

	2024				2023			
	Full time		Part-time		Full time		Part-time	
	Men	Women	Men	Women	Men	Women	Men	Women
Temporary contracts								
Argentina	1	1	0	1	0	0	0	0
Austria	12	22	0	0	7	16	0	0
Belgium	26	25	1	0	24	29	1	1
Czech Republic	8	11	0	1	6	10	0	1
Denmark	6	7	1	0	0	1	0	0
France	29	38	1	0	12	16	0	0
Germany	141	147	10	25	147	144	4	7
Hungary	1	1	0	0	0	0	0	0
Ireland	0	0	0	0	0	1	0	0
Italy	197	157	13	17	197	153	15	18
Mexico	5	5	0	2	6	6	0	0
Netherlands	227	240	48	78	207	232	42	75
Portugal	128	139	0	1	151	149	0	1
Romania	0	1	0	0	0	0	0	0
Spain	121	152	19	19	134	162	14	17
Switzerland	1	0	0	0	0	0	0	0
USA	1	3	0	0	0	1	0	0
Total	**905**	**948**	**93**	**145**	**892**	**921**	**77**	**121**

Annual average of contract types by gender

	2024			2023		
	Women	Men	Total	Women	Men	Total
Temporary contracts	1,213	1,075	2,288	1,168	1,087	2,255
Permanent contracts	6,038	5,656	11,695	5,588	5,215	10,803
Total	**7,251**	**6,732**	**13,983**	**6,756**	**6,301**	**13,058**
Part-time contracts	1,102	515	1,617	1,034	482	1,516

Annual average of contract types by age

	2024			2023		
	< 30 years old	30 – 50 years	> 50 years	< 30 years old	30 – 50 years	> 50 years
Annual average temporary contracts	1,403	691	193	1,288	762	204
Annual average number of permanent contracts	2,667	6,230	2,798	2,062	5,907	2,834
Total	**4,070**	**6,921**	**2,991**	**3,351**	**6,669**	**3,038**
Annual average of part-time contracts	517	677	423	444	641	430

Annual average of contract modalities by professional category

	2024			2023		
	Top Management	Middle Management	Staff	Top Management	Middle Management	Staff
Annual average temporary contracts	4	79	2,205	1	83	2,171
Annual average number of permanent contracts	394	2,066	9,234	385	1,937	8,482
Total	**398**	**2,146**	**11,439**	**386**	**2,019**	**10,653**
Annual average of part-time contracts	5	86	1,526	6	82	1,427

Team Members covered by collective labour agreement by country (in %)

	2024
Argentina	80%
Austria	100%
Belgium	100%
Chile	–%
Colombia	100%
Czech Republic	–%
Denmark	100%
Ecuador	–%
Finland	100%
France	100%
Germany	100%
Hungary	–%
Ireland	–%
Italy	100%
Luxembourg	100%
Mexico	84%
Netherlands	93%
Portugal	100%
Romania	100%
Spain	100%
Switzerland	100%
Uruguay	78%
USA	73%
Total	**93%**

**Data as of 31/12/2024*

**The countries in which the percentage is 0% is due to the fact that collective agreements do not exist in those countries.*

***In Colombia, the Collective Agreement between the company and the Team Members has been taken into account.*

Training, talent management and professional development

Hours of training by age

	2024	2023	Variation
Face-to-face training			
<30 years old	48,761	26,936	81.0%
30 - 50 years old	65,942	55,309	19.2%
> 50 years old	13,768	13,992	-1.6%
Total face-to-face	**128,472**	**96,237**	**33.5%**
Online training			
<30 years old	38,766	20,943	85.1%
30 - 50 years old	37,855	24,885	52.1%
> 50 years old	11,785	5,726	105.8%
Total online	**88,406**	**51,555**	**71.5%**

Hours of training per Business Unit

	Consolidated perimeter		
	2024	2023	Variation (%)
Face-to-face training			
Americas Region	7,583	28,771	-73.6%
Northern Europe Region	51,209	28,993	76.6%
Southern Europe	29,497	34,958	-15.6%
Total face-to-face	**128,472**	**96,237**	**33.5%**
Online training			
Americas Region	2,609	8,135	-67.9%
Northern Europe Region	11,685	21,633	-46.0%
Southern Europe	38,858	19,948	94.8%
Total Online	**88,406**	**51,555**	**71.5%**
Total Training Hours	**216,877**	**147,791**	**46.7%**

Absenteeism and absenteeism rates

Hours of absenteeism

	2024	2023	Variation (%)
Accidents	71,155	68,432	3.98 %
Diseases	1,259,675	983,727	28.05 %
Total	**1,330,830**	**1,052,159**	**26.49 %**

Absenteeism rate (%)

	2024	2023	Variation (%)
Accidents	0.26	0.27	-3.70 %
Diseases	4.69	3.95	18.83 %
Total	**4.95**	**4.22**	**17.26 %**

NOTE 5. EUROPEAN TAXONOMY

All companies included in the Minor Hotels Europe & Americas's scope of consolidation have been included in the analysis carried out to determine the eligible activities in accordance with the European Commission's taxonomy criteria.

The information is presented in accordance with the templates set out in Annex V of Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, amending Annex II of Commission Delegated Regulation (EU) 2021/2178.

In this sense, the requirements related to environmental objectives are presented as additional information to what is reported in the chapter on the European Union Taxonomy of Sustainable Activities:

Turnover

Financial year 2024	2024			Substantial contribution criterion						Criteria for the absence of significant harm ('Do no significant harm')									
Economic activities	Codes	Turnover (€)	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum Guarantees	Proportion of turnover that conforms to the taxonomy (A.1.) or is eligible according to the taxonomy (A.2), year 2023	Enabling activity category	Transition activity category
A. ACTIVITIES ELIGIBLE ACCORDING TO THE TAXONOMY																			
A1. Environmentally sustainable activities (which conform to the Taxonomy).																			
Turnover from environmentally sustainable activities (that conform to the taxonomy) (A.1)		€0.00	—%	—%	—%	—%	—%	—%	—%	S	S	S	S	S	S	S	—%		
Of which: enabling		€0.00	—%	—%	—%	—%	—%	—%	—%	S	S	S	S	S	S	S	—%	F	
Of which: transition		€0.00	—%	—%						S	S	S	S	S	S	S	—%		T
A.2 Eligible activities according to taxonomy but not environmentally sustainable (activities that do not conform to taxonomy)																			
Hotels, holiday resorts, campsites and similar accommodation	BIO 2.1	€123,548,229.53	5.110%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								**3.097%**		
Turnover from activities that are eligible according to the taxonomy but are not environmentally sustainable (activities that do not fit the taxonomy) (A.2)		**€123,548,229.53**	**5.110%**	**—%**	**—%**	**—%**	**—%**	**—%**	**5.110%**								**3.097%**		
Total (A.1 + A.2). Turnover from activities eligible according to the taxonomy		€123,548,229.53	5.110%	**– %**	**– %**	**– %**	**– %**	**– %**	5.110%								**3.097%**		
B. NON-ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
Turnover from activities not eligible according to the taxonomy		€2,294,326,770.47	94.890%																
Total (A+B)		**€2,417,875,000**	**100%**																

CapEx

Financial year 2024	2024			Substantial contribution criterion						Criteria for the absence of significant harm ('Do no significant harm').									
Economic activities	Codes	CapEx (€)	Proportion of CapEx, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of CapEx that conforms to the taxonomy (A.1.) or is eligible according to the taxonomy (A.2), year 2023	Enabling activity category	Transition activity category
A. ACTIVITIES ELIGIBLE ACCORDING TO THE TAXONOMY																			
A1. Environmentally sustainable activities (which conform to the taxonomy)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	€4,434,044.46	1.372%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	1.402%	F	
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings	CCM 7.5	€2,439,780.44	0.755%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.501%	F	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€176,427.70	0.055%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.137%	F	
CapEx of environmentally sustainable activities (which conform to the taxonomy) (A.1)		**€7,050,252.60**	**2.182%**	**2.182%**	**–%**	**–%**	**–%**	**–%**	**–%**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**2.040%**		
Of which: enabling		€7,050,252.60	2.182%	2.182%	–%	–%	–%	–%	–%	S	S	S	S	S	S	S	2.040%	F	
Of which: transition		€0.00	–%	–%						S	S	S	S	S	S	S			T
A.2 Eligible activities according to taxonomy but not environmentally sustainable (activities that do not conform to taxonomy)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	€19,281,068.13	5.967%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.305%		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings	CCM 7.5	€0.00	–%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€0.00	–%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–%		
Hotels, holiday resorts, campsites and similar accommodation**	BIO 2.1	€7,208,989.03	2.231%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								1.809%		
CapEx of activities that are eligible according to the taxonomy but are not environmentally sustainable (activities that do not fit the taxonomy) (A.2)		**€26,490,057.165**	**8.199%**	**5.967%**	**–%**	**–%**	**–%**	**–%**	**2.231%**								**4.114%**		
Total (A.1+A.2). CapEx of eligible activities according to the taxonomy		**€33,540,309.77**	**10.381%**	**8.149%**	**–%**	**–%**	**–%**	**–%**	**2.231%**								**6.154%**		
B. NON-ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
CapEx of activities not eligible according to the taxonomy (B)		€289,563,690.23	89.619%																
Total (A+B)		**€323,104,000.00**	**100%**																

OpEx

Financial year 2024	2024			Substantial contribution criteria						Criteria for the absence of significant harm									
Economic activities	**Codes**	**OpEx (€)**	**Proportion of OpEx, year 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum guarantees**	**Proportion of OpEx that conforms to the taxonomy (A.1.) or is eligible according to the taxonomy (A.2),**	**Enabling activity category**	**Transition activity category**
A. ACTIVITIES ELIGIBLE ACCORDING TO THE TAXONOMY																			
A.1. Environmentally sustainable activities (which conform to the taxonomy)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	€832,758.69	1.298%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	1.809%	F	
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings	CCM 7.5	€29,715.25	0.046%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.032%	F	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€301.77	–%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.007%	F	
OpEx of environmentally sustainable activities (which conform to the taxonomy) (A.1)		**€862,775.71**	**1.345%**	**1.345%**	**0.00%**	**—%**	**—%**	**—%**	**—%**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**1.848%**		
Of which: enabling		€862,775.71	1.345%	1.345%	–%	–%	–%	–%	–%	S	S	S	S	S	S	S	1.848%	F	
Of which: transition		€0.00	–%	–%						S	S	S	S	S	S	S			T
A.2 Eligible activities according to taxonomy but not environmentally sustainable (activities that do not conform to taxonomy)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	€5,387,624.41	8.397%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.896%		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings	CCM 7.5	€192,246.09	0.300%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.106%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	€1,952.35	0.003%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.021%		
Hotels, holiday resorts, campsites and similar accommodation**	BIO 2.1	€1,642,894.07	2.561%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								2.827%		
OpEx of activities that are eligible according to the taxonomy but are not environmentally sustainable (activities that do not conform to the taxonomy) (A.2)		**€7,224,716.93**	**11.260%**	**8.699%**	**—%**	**—%**	**—%**	**—%**	**2.561%**								**8.849%**		
Total (A.1+A.2). OpEx of eligible activities according to taxonomy		**€8,087,492.64**	**12.605%**	**10.044%**	**–%**	**–%**	**–%**	**–%**	**2.561%**								**10.697%**		
B. NON-ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
OpEx of activities not eligible according to the taxonomy (B)		€56,075,507.36	87.395%																
Total (A+B)		**€64,163,000.00**	**100%**																

Proportion of turnover/total turnover

	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	–%	–%
CCA	–%	–%
WTR	–%	–%
CE	–%	–%
PPC	–%	–%
BIO	–%	**5.110%**

Share of CapEx/total CapEx

	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	**2.182%**	**5.967%**
CCA	–%	–%
WTR	–%	–%
CE	–%	–%
PPC	–%	–%
BIO	–%	**2.231%**

Share of OpEx/total OpEx

	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	**1.345%**	8.699%
CCA	–%	–%
WTR	–%	–%
CE	–%	–%
PPC	–%	–%
BIO	–%	2.561%

Note:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Pollution control and protection (CE)
- Transition to a circular economy (PPC)
- Protection and restoration of ecosystems and biodiversity (BIO)

Nuclear energy activities

The company conducts, finances or has exposures to research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with a minimum of fuel cycle waste.	NO
The company conducts, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	NO
The company carries out, finances or has exposures to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating purposes or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO

Fossil gas activities

The company carries out, finances or has exposures to the construction or operation of electricity generation facilities producing electricity from gaseous fossil fuels.	NO
The company carries out, finances or has exposures to the construction or operation of electricity generation facilities producing electricity from gaseous fossil fuels.	NO
The company carries out, finances or has exposures to the construction, refurbishment and operation of heat generation facilities producing heat/cooling from gaseous fossil fuels.	NO

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Jerez de la Frontera, Spain

NOTE 6. RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

Areas	Recommendations	
Governance	Describe the board's oversight of climate change risks and opportunities.	The Board is responsible for the long-term management of Minor Hotels Europe & Americas . The Board has the authority to approve the Company's strategy, which includes the Sustainable Business Pillar, defined as a plan to be prepared to operate in a decarbonised world. All climate-related issues that the company needs to manage are included in this strategic pillar.
	Describe the role of senior management in assessing and managing climate change risks and opportunities.	The Executive Sustainability Committee, co-chaired by the Chief Assets and Development Officer and the Chief People and Sustainable Business Officer, is responsible for providing strategic guidance on the management of ESG issues, including climate-related issues.
Strategy	Describe the risks and opportunities related to climate change that the organisation has identified in the short, medium and long term.	Minor Hotels Europe & Americas has analysed the climate risks and opportunities that are expected to materialise and that could impact the Company in 4 time frames (current, short, medium and long term). To determine the relevance of the risks and opportunities, the Company considers its presence in terms of the volume of hotels owned or leased, its contribution to results and its strategic relevance.
	Describe the impact of climate change risks and opportunities on the organisation's business, strategy and financial planning.	For the risks and opportunities identified, the Company has analysed where in its value chain they may have an impact: on its supply chain, its own infrastructure or its services, as well as their financial impact.
	Describe the resilience of the organisation's strategy under different climate scenarios, including a 2°C or lower scenario.	The assessment of risks and opportunities carried out includes an analysis of climate scenarios considering different pathways that include both physical and socio-economic factors, such as Representative Concentration Pathway (RCP), Shared Socioeconomic Pathways (SSP) or International Energy Agency (IEA). The selected scenarios take into account the limitation of temperature to 2°C or less, but also their general characteristics such as typology, diversity, extent, etc. The scenario chosen for the analysis of climate risks and opportunities, SSP1 - RCP2.6, was selected based on the MHE&A's commitments to reduce carbon emissions and become a zero net emissions Company, the TCFD recommendation to select at least one 2°C or lower scenario, and the IPCC recommendations.
Risk Management	Describe the organisation's processes for identifying and assessing risks related to climate change.	In order to identify the climate risks and opportunities that may affect Minor Hotels Europe & Americas, the Company first defines the universe of risks and opportunities based on climate scenarios and the identification of impacts within its value chain. This defined universe of risks and opportunities is assessed through a normative and cartographic analysis of the climate variations expected to occur in the selected scenario in 2050. In this assessment, impact values, probability of occurrence and time horizon have been assigned according to Minor Hotels Europe & Americas Group's risk management model.
	Describe the organisation's processes for managing risks related to climate change.	Following the Company's risk management model, appropriate responses and controls are designed for the risks identified and assessed, with the aim of achieving an acceptable level of risk for the business. If the level of risk, after the controls and actions taken to mitigate it, is not within the level that the Company is prepared to accept, additional actions will be required to reduce the level of risk to an acceptable level.
	Describe how the processes for identifying, assessing and managing risks related to climate change are integrated into the organisation's overall risk management.	The methodology followed is aligned with Minor Hotels Europe & Americas' risk management model, based on the Enterprise Risk Management Methodology ("ERM"). In order to determine the magnitude of the impact of the risks and opportunities identified, the inherent potential impact and the probability of occurrence were also assessed, following the Corporate Risk Scale. This allows for the integration of climate risk into the Corporate Risk Map

Areas	Recommendations	
Metrics and targets	Report on the metrics used by the organisation to assess climate change risks and opportunities in line with its strategy and risk management process.	The entire Executive Committee has variables linked to the achievement of the annual net emissions targets defined in the SBT Plan 2030. In addition, all key functions responsible for activating the levers of the SBT Plan 2030 have related targets as part of their variable remuneration.
	Report on Scope 1, Scope 2 and, where relevant, Scope 3 greenhouse gas (GHG) emissions and associated risks.	The Company's carbon footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol "A Corporate Accounting and Reporting Standard (Revised Edition)" using the operational control approach and its supplement Corporate Value Chain (Scope 3) Standard.
	Describe the organisation's targets for managing climate change related risks and opportunities and its performance against these targets.	Minor Hotels Europe & Americas' efforts to combat climate change are part of the "SBT 2030 Plan". This plan sets out the levers for action to achieve the updated target of reducing absolute Scope 1 and 2 greenhouse gas emissions by 46.2 by 2030 compared to 2019. This new reduction target set by the company extends the previous commitment, set in 2018, to reduce total greenhouse gas emissions by at least 20% by 2030. Both the strategy underpinning the UP FOR PLANET pillar and the SBT plan have been approved by the Company's Management Committee and are known to the Board of Directors. In addition, the Company has committed to reducing absolute scope 1, 2 and 3 GHG emission by 90% by 2050 compared to 2019. These targets are in line with the goal of limiting global warming to no more than 1.5ºC. In particular, Scopes 1 and 2 are in line with the 1.5ºC trajectory for 2030 and 2050, while Scope 3 is only in line for 2050. The Science Based Target Initiative, SBTi, has reviewed both the 2030 reduction targets and the target of zero net emissions by 2050.

NOTE 7: TABLE OF CONTENTS ACT 11/2018 ON NON-FINANCIAL INFORMATION AND DIVERSITY

Areas	Contents	Associated framework	Section title
Global	The consolidated non-financial statement and the sustainability information shall include the information necessary to understand: * the evolution, * the results and the situation of the Company, as well as the impact of its activities, at least in terms of * environmental issues * social issues * respect for human rights * respect for the fight against corruption and bribery * as well as human resources issues, including any measures taken to promote the principle of equal treatment and opportunities for women and men, non-discrimination and the integration of persons with disabilities and universal accessibility.		Chapter 5: CONSOLIDATED NON-FINANCIAL AND SUSTAINABILITY STATEMENT
Business Model	A brief description of the Company's business model, including 1.) its business environment, 2.) its organisation and structure, 3.) the markets in which it operates, 4.) its objectives and strategies, 5.) the main factors and trends that may affect its future development.	ESRS 2, MDR-P; E1-2, E1-4; E2-1, E2-3; E3-1, E3-3; E4-2, E4-4; E5-1, E5-3; S1-1, S1-5; S2-1, S2-5; S3-3, S3-5; S4-1, S4-5; G1-1	ESRS 2. General information; SBM-1. Business Model, Value Chain and Strategy
Policies	A description of the policies applied by the Company with respect to these matters, including 1.) the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts 2.) the audit and control procedures, including what measures have been adopted.	ESRS 2 - Policies MDR-P; ESRS G1-1	Section: ESRS 2. General Information > GOV-4: Due Diligence Statement Section: 5.3 Governance > ESRS 1. Business Conduct > G1-1– Business conduct policies and corporate culture
Results of the policies	The results of these policies, which should include key indicators of relevant non-financial results that allow 1.) monitor and evaluate progress and 2.) facilitate comparability between companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.	ESRS 2 - Policies MDR-P	Chapter 5. CONSOLIDATED NON-FINANCIAL AND SUSTAINABILITY STATEMENT Section: ESRS 2. General Information > Section: MDR-P Policies MDR-P – Policies adopted to manage material sustainability matters
Short-, medium- and long-term risks	The main risks associated with these issues in relation to the Company's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have an adverse impact in these areas, and * how the group manages these risks, * an explanation of the procedures used to identify and assess these risks in accordance with national, European or international reference frameworks for each issue. * Information must be provided on the impacts identified, with a breakdown of these impacts, in particular on the main short, medium and long term risks.	ESRS 2 GOV 5; ESRS 2 IRO-1, SBM-3	Section ESRS 2. General Information > GOV-5: Risk management and internal controls over sustainability reporting; IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities; IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities
KPIs	Non-financial key performance indicators that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability. # In order to facilitate the comparison of information, both over time and between entities, nonfinancial key performance indicator standards that can be generally applied and that comply with the European Commission's guidelines in this area and the standards of the Global Reporting Initiative shall be used, and the national, European or international framework used for each subject shall be mentioned in the report. #Key non-financial performance indicators should be applied to each section of the nonfinancial information statement. #These indicators must be useful, taking into account the specific circumstances and consistent with the parameters used in its internal risk management and assessment procedures. # In any case, the information presented must be accurate, comparable and verifiable.		Chapter 5: CONSOLIDATED NON-FINANCIAL AND SUSTAINABILITY STATEMENT NOTE 4: TABLE OF INDICATORS

Areas	Contents	Associated framework	Section title
Environmental Issues	**Global Environment**		
	1.Detailed information on the current and foreseeable effects of the Company's activities on the environment and, where appropriate, health and safety; 2. environmental assessment procedures or certification; 3. The resources devoted to the prevention of environmental risks; 4. The application of the precautionary principle, the amount of provisions and guarantees for environmental risks	1) ESRS SBM-3; E1-9; E2-6; E3-5; E4-6; E5-6. 2) GRI 3-3 3) E1-3; E2-2; E3-2; E4-3; E5-2; GOV-1. 4) E1-1; E1-3; E2-2; E3-2; E4-3; E5-2	Section: ESRS 2. General Information > SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model; GOV-1: The role of the administrative, management and supervisory bodies Section: 5.1 5.1 ENVIRONMENTAL INFORMATION > UP FOR PLANET> ESRS E1-9; E2-6; E3-5; E4-6; E5-6; E1-3; E2-2; E3-2; E4-3; E5-2; E1-1; E1-3.
	Pollution		
	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment; 2*. Taking into account any form of activity-specific air pollution, including noise and light pollution*.	1) ESRS E1-1, E1-3 2) ESRS E2-2	Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: Introduction Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: ESRS E1. Climate Change > E1-1: Transition plan for climate change mitigation; E1-3: Actions and resources in relation to climate change policies
	Light pollution and noise have not been considered an environmental impact for Minor Hotels Europe & Americas.For more details: IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement		
	Circular economy and waste prevention and management		
	Circular economy	ESRS E5-2	Section.5.1 Environmental information > UP FOR PLANET. Section: ESRS E5-2 – Actions and resources related to resource use and circular economy
	Waste: waste prevention, recycling, reuse, other forms of recovery and disposal measures;	ESRS E5-2	Section.5.1 Environmental information > UP FOR PLANET. Section: ESRS E5-2 – Actions and resources related to resource use and circular economy
	Actions to combat food waste.	GRI 3-3	Section: 5.1 Environmental information > UP FOR PLANET. Section: ESRS E5-2 – Actions and resources related to resource use and circular economy > Progress towards more circular products > Fight against food waste

Areas	Contents	Associated framework	Section title
Environmental Issues	**Sustainable use of resources**		
	Water consumption and water supply in accordance with local limitations;	ESRS E3-4	Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: ESRS E3. Water and Marine Resources > E3-4: Water consumption
	Consumption of raw materials and measures taken to improve the efficiency of their use*;	ESRS E5-2 and E5-4	
	**The consumption of raw materials is not material for Minor Hotels Europe & Americas. For more details see section:The consumption of raw materials is not material for Minor Hotels Europe & Americas. For more details see section: IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement*		
	Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energy.	ESRS E1-1, E1-3 and E1-5	Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: ESRS E1. Climate Change > E1-3: Actions and resources in relation to climate change policies; E1-5: Energy consumption and mix; E1-1: Transition plan for climate change mitigation
	Climate Change		
	The important elements of greenhouse gas emissions generated as a result of the Company's activities, including the use of the goods and services it produces;	ESRS E1-6	Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: ESRS E1. Climate Change > E1-1: Transition plan for climate change mitigation; E1-3: Actions and resources in relation to climate change policies
	The measures adopted to adapt to the consequences of climate change;	ESRS E1-1 and E1-3	Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: ESRS E1. Climate Change > E1-1: Transition plan for climate change mitigation; E1-3: Actions and resources in relation to climate change policies
	The voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose.	ESRS E1-4	Section: 5.1 Environmental Information > UP FOR PLANET. Subsection: ESRS E1. Climate Change > E1-4: Targets related to climate change mitigation and adaptation
	Protection of biodiversity*		
	Measures taken to preserve or restore biodiversity; Impacts caused by activities or operations in protected areas.	ESRS E-4-3 ESRS 2 and SBM-3	
	**Biodiversity is not material for the Company. For more details see section: IRO-2: Disclosure requirements established in ESRS covered by MHEA's Sustainability Statement*		

Areas	Contents	Associated framework	Section title
Social and personnel issues	**Employment**		
	Total number and distribution of employees by sex, age, country and professional classification;	ESRS S1-6 GRI 2-7, 405-1	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-6: Characteristics of the undertaking's employees
	Total number and distribution of employment contract modalities;	ESRS S1-6	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-6: Characteristics of the undertaking's employees
	Annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification;	GRI 405-1	NOTE 4: TABLE OF INDICATORS
	Number of dismissals by sex, age and professional classification;	ESRS S1-6	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE >S1-6: Characteristics of the undertaking's employees
	Average remuneration and its evolution broken down by sex, age and professional classification or equal value;	ESRS S1-16	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-16: Compensation metrics (pay gap and total compensation)
	Wage gap, the remuneration of equal jobs or the average in society,	ESRS S1-16	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-16: Compensation metrics (pay gap and total compensation) and Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-16: Compensation metrics (pay gap and total compensation)
	The average remuneration of directors and managers, including variable remuneration, allowances, compensation, payments to long-term savings schemes and any other payment broken down by sex,	GRI 405-2	Section: ESRS 2. General information. Subsection: GOV-1: Role of governance bodies > Remuneration of senior management and the board of directors
	Implementation of work disconnection policies,	ESRS S1-1	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-15: Work-life balance metrics
	Employees with disabilities.	ESRS S1-12	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-12: Persons with disabilities

Areas	Contents	Associated framework	Section title
Social and Employee issues	**Work organisation**		
	Universal accessibility for people with disabilities 3	ESRS S1-1 and S1-15	Section: 5.2 Social information > UP FOR PEOPLE. Section: ESRS S1 - OWN WORKFORCE > S1-12: Persons with disabilities
	Number of hours of absenteeism	GRI 403-9 and 403-10	NOTE 4: TABLE OF INDICATORS
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents.	ESRS S1-15	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: NS1 - OWN WORKFORCE > S1-15: Work-life balance parameters
	Health and safety		
	Health and safety conditions at work;	S1-14: Health and safety parameters	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-14: Health and safety parameters
	Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees;	ESRS S1-8: Collective bargaining coverage and social dialogue	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-8: Collective bargaining coverage and social dialogue
	Percentage of employees covered by collective agreements by country;	ESRS S1-8: Collective bargaining coverage and social dialogue	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-8: Collective bargaining coverage and social dialogue
	The coverage of collective agreements, particularly in relation to occupational health and safety	S1-2: Processes for engaging with own workers and workers' representatives about impacts	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-8: Collective bargaining coverage and social dialogue
	Mechanisms and procedures available to the Company to promote the involvement of employees in the management of the Company with regard to information, consultation and participation.	ESRS S1-8: Collective bargaining coverage and social dialogue	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own workforce >S1-2: Processes for engaging with own workers and workers' representatives about impacts; S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns
	Training		
	Policies implemented in relation to training;	ESRS S1-13: Training and skills development metrics	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-13: Training and skills development metrics
	The total number of training hours per professional category.	ESRS S1-13: Training and skills development metrics	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-13: Training and skills development metrics

Areas	Contents	Associated framework	Section title
Social and Employee issues	**Universal accessibility for people with disabilities**		Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own workforce > S1-9: Diversity metrics; S1-12: Persons with disabilities
	Equality		
	Measures adopted to promote equal treatment and opportunities between women and men;	ESRS S1-4 and S1-9	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-9: Diversity metrics; S1-16: Compensation metrics (pay gap and total compensation)
	Equality plans (Chapter III of Organic Act 3/2007, of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities;	ESRS S1-4 and S1-9	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-9: Diversity metrics
	The policy against all types of discrimination and, where appropriate, diversity management.	ESRS S1-1 and S1-9	Section: 5.2 Social Information > UP FOR PEOPLE. Subsection: ESRS S1. Own Workforce > S1-1: Policies related to own workforce; S1-9: Diversity metrics. Section 5.3. Governance. Subsection: ESRS G1: Business Conduct > Corporate Culture > Code of Conduct; Protection of Human and Labour Rights

Areas	Contents	Associated framework	Section title
Human Rights	Implementation of human rights due diligence procedures Prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress potential abuses;	ESRS 2 GOV-4, S1-4; S2-4; S3-4; S4-4	Section 5.3. Governance. Subsection ESRS G1: Business conduct > Corporate Culture > Protection of Human and Labour Rights
	Complaints of human rights violations;	ESRS S1-17	Section 5.3. Governance. Subsection: ESRS G1: Business Conduct > Corporate Culture > Code of Conduct; Protection of Human and Labour Rights Section 5.2 Social Information> UP FOR PEOPLE. Subsection: S1-17: Incidents, complaints and severe human rights impacts
	Promotion and enforcement of the provisions of the International Labour Organisation's core conventions related to respect for freedom of association and the right to collective bargaining;	ESRS S-1 and S2-1	Section 5.3. Governance. Section: ESRS G1: Business Conduct > Corporate Culture > Code of Conduct; Protection of Human and Labour Rights
	The elimination of discrimination in employment and occupation;	ESRS S-1 and S2-1	Section 5.3. Governance. Subsection: ESRS G1: Business Conduct > Corporate Culture > Code of Conduct; Protection of Human and Labour Rights Section 5.2 Social Information> UP FOR PEOPLE. Subsection: S1-9: Diversity metrics
	The elimination of forced or compulsory labour;	ESRS S-1 and S2-1	Section 5.3. Governance. Section: ESRS G1: Business Conduct > Corporate Culture > Code of Conduct; Protection of Human and Labour Rights
	The effective abolition of child labour.	ESRS S-1 and S2-1	Section 5.3. Governance. Section: ESRS G1: Business Conduct > Corporate Culture > Code of Conduct; Protection of Human and Labour Rights
Corruption and bribery	Measures taken to prevent corruption and bribery;	ESRS G1-3	Section 5.3. Governance. Section: ESRS G1: Business conduct > G1-3: Prevention and detection of corruption and bribery
	Measures to combat money laundering	ESRS G1-3	Section 5.3. Governance. Section: ESRS G1: Business conduct > G1-3: Prevention and detection of corruption and bribery
	Contributions to foundations and non-profit organisations.	GRI 413-1	Section 5.3. Governance. Section: ESRS G1: Business conduct > G1-5: Political influence and lobbying

Areas	Contents	Associated framework	Section title
Society	**The Company's commitments to sustainable development**		
	The impact of the Company's activity on employment and local development;	Specific information of the entity according to ESRS	Section 5.2. Social information > UP FOR PEOPLE. Subsection: Communities > Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities and effectiveness of those actions
	The impact of the Company's activity on local populations and the territory;	Specific information of the entity according to ESRS	Section 5.2. Social information > UP FOR PEOPLE. Subsection: Communities > Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities and effectiveness of those actions > Social action and corporate volunteering
	The relationships maintained with actors in the local communities and the forms of dialogue with them;	Specific information of the entity according to ESRS	Section 5.2. Social information > UP FOR PEOPLE. Subsection: Communities Section 5.1. General information > ESRS 2. General information > SBM-2: Interests and views of stakeholders
	Association or sponsorship actions.	GRI 413-1	Section 5.2. Social information > UP FOR PEOPLE. Subsection: Communities > Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities and effectiveness of those actions > Sustainable partnerships

Areas	Contents	Associated framework	Section title
Society	**Subcontracting and suppliers**		
	* The inclusion of social, gender equality and environmental issues in procurement policy; * Consideration of the social and environmental responsibility of suppliers and subcontractors;	ESRS S2-1, S2-2, S2-3 S2-4 and G1-2	Section: 5.3 Environmental information. Subsection: UP FOR PLANET > Sustainable purchasing > Policies relating to sustainable purchasing; Actions and resources relating to sustainable purchasing > Supplier management; ESG criteria in supplier selection
	Supervision and audit systems and the results of these.	GRI 308-1 and 414-1	Section: 5.3 Environmental information. Subsection: UP FOR PLANET > Sustainable purchasing > Policies relating to sustainable purchasing; Actions and resources relating to sustainable purchasing > ESG criteria in the selection of suppliers
	Consumers		
	Measures for consumer health and safety;	ESRS S4-4	Section: 5.2 Social information. Subsection: ESRS S4. Consumers and end users > S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end users and the effectiveness of those actions > Customer Health and Safety
	Complaint systems, complaints received and their resolution.	ESRS S4-3:, S4-4 and S4-5	Section: 5.2 Social information. Subsection: ESRS S4. Consumers and end users > S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users and the effectiveness of those actions > Information-related impacts
	Tax information		
	Profits obtained country by country Taxes on profits paid	GRI 207-4 and 201-4	NOTE 3. Tax Transparency. Profits and taxes
	Public subsidies received		The total amount for public subsidies accrued during the financial year was (3,171,079) euros
Other relevant indicators	**Corporate Governance**	ESRS 2 GOV-1	Section: ESRS 2. General Information. Sections: GOV-1: The role of the administrative, management and supervisory bodies;
	Digital transformation	Specific information of the entity according to ESRS	Section: 5.3 Governance. Subsection: Digital transformation
Eligibility and alignment of business activities with the European Taxonomy		Proprietary methodology based on compliance with EU Regulation 2020/852.	Section: 5.3 Environmental Information. Subsection: UP FOR PLANET> European Union Taxonomy of Sustainable Activities NOTE 5. EUROPEAN TAXONOMY

NOTE 8. INDEPENDENT VERIFICATION REPORT

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This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Limited assurance report issued by a practitioner on the Consolidated Statement of Non-Financial information and Sustainability Information

To the shareholders of Minor Hotels Europe & Americas, S.A. at the request of management:

Limited assurance conclusion

Pursuant to Article 49 of the Code of Commerce, we verified, under a limited assurance scope , the accompanying Consolidated Statement of Non-Financial Information (hereinafter "NFIS") for the year ended 31 December 2024 of Minor Hotels Europe & Americas, S.A. (hereinafter the parent company) and subsidiaries (hereinafter the Group), which forms part of the Group's consolidated management report.

The Non-financial Information Statement includes information in addition to that required by current commercial regulations on non-financial information, specifically, the Sustainability Information prepared by the Group for the year ended 31 December 2024 (hereinafter, the Sustainability Information) in accordance with the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, on the reporting of sustainability information by companies (CSRD). This sustainability information has also been subject to limited assurance.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) the Group's Statement of Non-Financial Information for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with current commercial regulations and following the selected criteria of the European Sustainability Reporting Standards (ESRS), as well as those other criteria described as mentioned for each topic in the table included in Note 7 of that Statement;

b) the sustainability information as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in attached section BP-1, including:

- That the description provided of the process for identifying the sustainability information included in the section IRO-1 is consistent with the process in place and identifies the material information to be disclosed in accordance with ESRS requirements.
- ESRS compliance.

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- Compliance of the disclosure requirements, included in the subsection "EU Taxonomy for sustainable activities " of the environment section of the sustainability information with Article 8 of 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 investments.

Basis for conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Action Guidelines 47 and 56 issued by Spain's Institute of Auditors on assurance engagements regarding non-financial information and considering the contents of the note published by Spain's Institute of Accountants and Auditors dated 18 December 2024 (hereinafter generally accepted professional standards).

In a limited assurance engagement, the procedures applied are less extensive than in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is less than the level of assurance that would have been obtained if a reasonable assurance engagement had been performed.

Our responsibilities under these standards are described in more detail in the *Practitioner's Responsibilities* section of our report.

We have complied with the independence requirements 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 (the IESBA Code), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management (ISQM) 1 which requires firms to design, implement and operate a quality management system which includes policies and designed to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and adequate to provide a basis for our conclusion.

Responsibilities of the parent company's directors

The preparation of the NFIS included in the Group's consolidated management report, as well as its content, is the responsibility of the directors of Minor Hotels Europe & Americas, S.A. The NFIS has been prepared in accordance with prevailing commercial regulations and following the selected ESRS criteria, as well as those other criteria described in accordance with what is mentioned for each topic in the table included in Note 7 of that Statement.

This responsibility also encompasses the design, implementation and maintenance of the internal control considered necessary to ensure that the NFIS is free from material misstatement due to fraud or error.

The directors of Minor Hotels Europe & Americas, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which they obtain the necessary information to prepare the NFIS.

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With regard to sustainability reporting, the parent company's directors are responsible for developing and implementing a process to identify the information to be included in the sustainability reporting in accordance with the CSRD, ESRS and as set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, and disclose information about this process in the sustainability reporting itself in the section IRO-1. This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its relationship with stakeholders, with regard to the Group's impacts on people and the environment;
- identifying the actual and potential impacts (both negative and positive), as well as the risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial results, cash flows, access to finance or cost of capital over the short, medium or long term;
- assessing the materiality of identified impacts, risks and opportunities; and
- making assumptions and estimates that are reasonable under the circumstances.

The parent company's directors are also responsible for the preparation of the sustainability information, including the information identified through the process, in accordance with the applied sustainability reporting framework, including compliance with the CSRD, compliance with the ESRS and compliance with the disclosure requirements, included in the subsection "Taxonomy of EU sustainable activities" of the environment section of the sustainability reporting with the provisions of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the parent company's directors consider relevant to enable the preparation of sustainability information that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for reporting sustainability information and making assumptions and estimates that are reasonable in the circumstances about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with the ESRS, the parent company's directors are required to prepare prospective information based on assumptions and hypotheses, which are to be included in the sustainability information, about events that may occur in the future, as well as possible future actions, if any, that the Group could take. Actual results may differ significantly from estimates since they refer to the future and future events often do not occur as expected.

In determining sustainability disclosures, the parent company's directors interpret legal and other terms that are not clearly defined and may be interpreted differently by others, including regulatory compliance with such interpretations and, consequently, they are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and sustainability disclosures are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report containing our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we apply our professional judgment and maintain an attitude of professional scepticism throughout the engagement. In addition:

- We design and implement procedures to assess whether the process for identifying the information to be included in both NFIS and the sustainability reporting is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed in accordance with ESRS requirements.

- We apply procedures on risks, including obtaining an understanding of the internal controls relevant to the engagement in order to identify the disclosures that are most likely to be materially misstated, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.

- We design and implement procedures that respond to the disclosures included in both the NFIS and sustainability information where material misstatements are likely to arise. The risk of not detecting material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations or the override of internal control.

Summary of work performed

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and scope of the procedures selected depend on professional judgment, including the identification of the disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and sustainability information.

Our work consisted of enquiries of Management and various units and components that were involved in the preparation of the NFIS, the review of the processes for compiling and validating the information presented in the NFIS and the application of certain analytical procedures and review sampling tests, as described below:

In relation to the NFIS assurance process:

- Meetings with Group personnel to understand the business model, policies and management approaches applied and the main risks related thereto, and obtain the information required for the external review.

- Analysis of the scope, materiality and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the "Impact, risk and opportunity management" section, taking into account the content required under prevailing commercial legislation.

- Analysis of the procedures used to compile and validate the information presented in the NFIS for 2024.

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- Review of information concerning risks, policies and management approaches applied in relation to material matters presented in the NFIS for 2024.

- Verification, through sample testing, of the information regarding the content of the NFIS for 2024 and its adequate compilation using data obtained through information sources.

In relation to the sustainability information assurance process:

- Making enquiries of the Group's personnel:

  - in order to understand the business model, policies and management approaches applied and the main risks related thereto, and obtain the information required for the external review.

  - in order to understand the origin of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and the review of the Group's internal documentation on its process;

- Obtaining, through enquiries of Group personnel, an understanding of the entity's processes for collecting, validating and reporting information relevant to the preparation of its sustainability information.

- Evaluation of the consistency of the evidence obtained from our procedures on the process implemented by the Group for determining the information to be included in the sustainability information with the description of the process included in such information, as well as evaluation of whether the aforementioned process implemented by the Group enables the material information for disclosure to be identified according to ESRS requirements.

- Evaluating whether all the information identified in the Process implemented by the Group for determining the information to be included in the sustainability reporting is actually included.

- Evaluating the consistency of the structure and presentation of the sustainability information with ESRS and the rest of the regulatory framework for sustainability reporting applicable to the Group.

- Making enquiries of relevant personnel and performing analytical procedures on information disclosed in the sustainability reporting, considering where material misstatements are likely to arise due to fraud or error.

- Performing, where appropriate, substantive procedures on a sampling basis on the information disclosed in the selected sustainability reporting, considering where material misstatements are likely to arise due to fraud or error.

- Obtaining, if applicable, the reports issued by accredited independent third parties appended to the consolidated management report in response to the requirements of European regulations and, in relation to the information to which they refer and in accordance with generally accepted professional standards, verifying exclusively the practitioner's accreditation and that the scope of the report issued is aligned with that required by European regulations.

- Obtaining, where appropriate, the documents including reference information, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verifying exclusively that the documents to which the reference information included refers meet the conditions described in the ESRS for including reference information in sustainability reporting.

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Minor Hotels Europe & Americas, S.A. and subsidiaries

- Obtaining a letter of representation from the parent company's directors and management regarding the NFIS and sustainability information.

Other information

The parent company's directors are responsible for other information. The other information comprises the consolidated financial statements and other information included in the consolidated management report, but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and appended to the consolidated management report.

Our assurance report does not cover the other information and we do not express any form of assurance conclusion thereon.

With regard to our assurance engagement regarding the sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Information which may be indicative that the sustainability is materially misstated.

PricewaterhouseCoopers Auditores S.L.

Original in Spanish signed by Raúl Llorente Adrián

13 February 2025

Anantara Grand Hotel Krasnapolsky Amsterdam
Amsterdam, The Netherlands

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ANNUAL CORPORATE GOVERNANCE REPORT

MINOR HOTELS
EUROPE & AMERICAS

Annual Corporate Governance Report 2024

The Annual Corporate Governance report, which is a part of this consolidated management report, was prepared according to the provisions of article 49.4 of the Commercial Code. In addition, the report will be available from publication of these accounts on Companies's corporate web site (https://www.nh-hoteles.com/corporate/) and on the CNMV web site (www.cnmv.es).

NH Collection, Barbizon Palace

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ANNUAL REMUNERATION REPORT

MINOR HOTELS
EUROPE & AMERICAS

7. Annual Report on Remuneration of Directors of Listed Public Limited Companies

Standard form and statistics of the Annual Directors' Remuneration Report, according to Circular 4/2013 issued by the Spanish Securities and Exchange Commission (CNMV)

IDENTIFICATION DETAILS OF THE ISSUER

END DATE OF THE REFERENCE FINANCIAL YEAR 31/12/2024

Tax Identification Code (CIF): A28027944

Company name:

MINOR HOTELS EUROPE & AMERICAS

Registered office:

Calle Santa Engracia 120

28003, Madrid

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

***A.1.1** Explain the current directors' remuneration policy applicable to the current year. To the extent that it is relevant, certain information may be included related to the remuneration policy approved by the General Shareholders' Meeting, providing that these references are clear, specific and explicit.*

The specific determinations as the board may have made for the current year must be described in accordance with the provisions in the contracts signed with the executive officers and with the remuneration policy approved by the General Shareholders' Meeting, regarding the directors' remuneration both in their positions as such and for the executive duties they perform. In any case, at least the following aspects must be reported:

> *a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.*
>
> *b) Specification and, where applicable, an explanation about whether comparable companies have been taken into account in order to determine the company's remuneration policy.*
>
> *c) Information about whether any external advisors took part in this process and, if so, their identity.*
>
> *d) Procedures set forth in the current remuneration policy for the directors in order to apply temporary exceptions to the policy, the conditions under which such exceptions can be applied and the components that may be subject to exceptions according to the policy.*

General Principles and Grounds

The Directors' Remuneration Policy for Minor Hotels Europe & Americas ., (hereinafter referred to as "MHE&A", the "Company" or the "Group") for the three-year period 2024-2026 was approved by the Board of Directors at its meeting held on 22 May 2023 and submitted for a binding ballot as a separate item on the agenda at the General Shareholders' Meeting held on 29 June 2023.

The basic aim of the Remuneration Policy is to reward the commitment, responsibility and talent of MHE&A's Directors, always taking into consideration the economic situation, the Company's earnings, the Group's strategy and best market practices.

The Remuneration Policy is in line with the previous Policy, including the same principles and remuneration elements, while taking into account the economic environment, the results obtained in the last exercises, the Group's strategy, the best market practices as well as the corporate governance recommendations.

According to the foregoing, the principles that govern the Remuneration Policy are as follows:

- Alignment with the investors: The design of the Remuneration Policy is regularly reviewed to ensure it is aligned with achieving earnings and creating value for the shareholder.
- Proportionality: The remuneration is in a suitable proportion to the Company's features and business model.
- Balance: The Directors' remuneration should strike a balance between the different components of the remuneration.
- Suitability: The Remuneration Policy of the Non-Executive Directors is adapted to the composition of the Board and the amounts are sufficient to remunerate the Directors' qualifications, the time they spend on their duties and their responsibility, guaranteeing their required loyalty and allegiance to the Company, but without compromising its members' independence.
- Non-discrimination: MHE&A's Remuneration Policy respects non-discrimination due to gender, age, culture, religion or race.
- Alignment with the strategy: The Directors' remuneration must be consistent with the Group's strategy, including any remuneration components that may be necessary for such purpose. It must also contribute to the Company's long-term interests and sustainability.
- Transparency: The information published about the remuneration is in line with the best corporate governance practices.

Pursuant to the provisions in Article 42 of MHE&A's Articles of Association and Article 36 of the Board of Directors' Regulations, regarding the remuneration components contained in the Remuneration Policy, MHE&A differentiates between the Remuneration Policy applicable to Non-Executive Directors, in which their joint supervisory and decision-making duties are remunerated, and the Policy applicable to Executive Directors, which rewards the senior management duties they perform, as shown below:

- The remuneration components for Non-Executive Directors are as follows:
  - A fixed annual amount that depends on the post or posts the directors hold on the Board or on its committees.
  - Fees for attending the Board of Directors' committee meetings. The total annual amount for this item will vary depending on the number of meetings held by each committee and the Director attending them.
- The remuneration components for Executive Directors are as follows:
  - Fixed remuneration, sufficient for their services and the duties they perform.
  - Short and long-term variable remuneration linked to the Company's earnings and creating value for the shareholder.
  - Remuneration in kind.

Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

The Company's main bodies involved in determining and approving the Remuneration Policy are as follows:

- The General Shareholders' Meeting:

  According to the Spanish Capital Companies Act, the General Shareholders' Meeting is competent for approving the following matters related to the Directors' remuneration:

  - The Remuneration Policy at least every three years.
  - Possible amendments to the Remuneration Policy in force from time to time.
  - The maximum amount of the annual remuneration payable to all the Directors in their positions as such.
  - The remuneration system, including the award of shares or stock options or share-linked remuneration.
  - The Annual Remuneration Report (advisory ballot).

- The Board of Directors:

  This is the competent body for proposing the Remuneration Policy to the General Shareholders' Meeting. The Board is also responsible for adopting resolutions related to the Directors' remuneration within the scope of the Articles of Association and the Remuneration Policy.

  Moreover, the Board of Directors determines the basic terms and conditions for the contracts, including the remuneration for the executives who directly report to the Board or any of its members.

  The Board of Directors is informed of all the actions performed by the Appointment, Remuneration and Corporate Governance Committee, as explained below, and provides it with the relevant documents in order to be informed of such actions to perform its duties.

  As a precautionary measure, in order to avoid any conflict of interests, at the Board's meetings that deal with proposals related to the specific remuneration of the Executive Directors, the latter may not be present nor take part in the deliberations or decision-making process.

- The Appointment, Remuneration and Corporate Governance Committee, (hereinafter referred to as the "ARCGC"):

  This is the main body for determining and applying the Remuneration Policy. In this respect, the ARCGC is competent to propose the Directors' Remuneration Policy and the remuneration for those who perform senior management duties directly reporting to the Board, Executive Committees or Executive Directors, and the individual remuneration and other contractual terms and conditions for the Executive Directors, and to ensure such terms and conditions are observed.

  Notwithstanding the competences attributed by the Regulation of the Board of Directors, the ARCGC performs the following duties:

  - Determining the Policy:

  - It proposes to the Board of Directors the distribution, among the different components, of the maximum remuneration amount approved by the General Shareholders' Meeting for the Directors in their positions as such.
  - It determines and proposes to the Board of Directors the amount and, if need be, the adjustment of the Executive Directors' fixed remuneration.
- Applying the Policy:
  - Every year it proposes to the Board of Directors the objectives for the annual variable remuneration and the relevant cycle for the multi-year variable remuneration applicable to the Executive Directors.
  - It assesses achievement of the objectives after the end of the performance period for the short- and long-term variable remuneration and proposes to the Board of Directors the amount or number of shares to be received by the Executive Directors.
- Reviewing the Policy
  - It reviews the amount of the various remuneration components for the Directors in their positions as such; bearing in mind market practices and submits its conclusions to the Board of Directors.
  - It reviews the structure and level of the Executive Directors' remuneration to ensure it is competitive, taking into account the market conditions.
- Transparency of the Policy
  - The ARCGC decides on the contents of the Annual Directors' Remuneration Report and proposes it to the Board of Directors for its final approval.

Information on whether any external advisors took part in this process and, if so, their identity details.

WTW has provided advice to the ARCGC on drawing up this Annual Directors' Remuneration Report.

Procedures set forth in the current remuneration policy for the directors in order to apply temporary exceptions to the policy, the conditions under which such exceptions can be applied and the components that may be subject to exceptions according to the policy.

The Remuneration Policy does not include any procedure for temporary exceptions to application thereof.

A.1.2 Explain the relative importance of the variable remuneration components vis-à-vis the fixed components (remuneration mix) and the criteria and objectives taken into consideration to determine them and ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, specify the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the company's long-term goals, values and interests, which must include, as the case may be, mention of the measures taken to ensure that the company's long-term earnings are taken into account in the remuneration policy, the measures adopted in relation to the categories of staff whose professional activities have a significant impact on the company's risk profile and the measures in place to avoid conflicts of interest.

Furthermore, specify whether the company has established any period for the accrual or vesting of certain variable remuneration components, in cash, shares or other financial instruments, a deferral period in the payment of amounts or award of accrued and vested financial instruments, or whether any clause has been agreed to reduce the deferred remuneration not yet vested or obliging the director to return the remuneration received when such remuneration was based on figures that have since been clearly shown to be inaccurate.

The remuneration mix:

The Non-Executive Directors receive remuneration based on the best corporate governance practices. Such remuneration only consists of a fixed amount and attendance fees, with no amount being payable whatsoever for variable remuneration.

On the other side, the total remuneration of the Executive Directors is mainly composed of (i) fixed remuneration, (ii) annual variable remuneration and (iii) multi-year variable remuneration. The Executive Directors are currently the Chief Operations Officer ("COO") and the Chief Assets and Development Officer ("CADO").

In this respect, in 2025 the percentage that the ordinary (annual and multi-year) variable remuneration represents of the total remuneration, in a situation in which 100% of the objectives are achieved ("target scenario") and maximum achievement ("maximum scenario"), is approximately as follows:

- COO: 47.4% (target scenario) - 54.4% (maximum scenario).
- CADO: 47.4% (target scenario) - 54.4% (maximum scenario).

Measures adopted to adapt the Remuneration Policy to the company's long-term goals, values and interests. Reference to the measures adopted to guarantee that the company's long-term earnings are taken into account in the remuneration policy.

The measures adopted by the Company related to the remuneration system to reduce exposure to excessive risks and to adapt it to the Company's long-term goals, values and interests are as follows:

a) Balance in the total remuneration:

The remuneration package of the Executive Directors includes short- and long-term variable parts, both parts being balanced. In this respect, the relative weight of the long-term variable remuneration, in annual terms, is equivalent to that of the short-term variable remuneration.

b) Formulating the variable remuneration objectives:

The variable remuneration is linked to the achievement of a combination of predetermined objectives, which are economic-financial, value creation, non-financial and/or ESG (Environmental, Social and Governance). In addition, through performance evaluation, the sustainability of the Company is promoted though the evaluation of form and procedure, other than results.

Economic-financial and value creation targets may include, for example, EBITDA, Recurring Net Profit, Revenues, return and/or cost efficiency metrics at the Company level. In addition, strategic indicators associated with the specific position of each Executive Director may be included, such as Revenues, EBITDA, ESG metrics or other strategic indicators.

Regarding the short-term variable remuneration, the ARCGC is responsible for proposing the objectives at the beginning of each year, and for proposing the evaluation of their fulfillment at the end of it.

The variable components of the remuneration are designed with sufficient flexibility so that no amount whatsoever is payable if the minimum objectives are not achieved.

In addition, in order for the short-term or long-term variable remuneration to be accrued, the Group's Recurrent Net Profit must be positive, if not, no remuneration is payable.

Measures adopted by the company to reduce exposure to excessive risks and avoid conflicts of interest and claw-back clauses that reduce the deferred remuneration or oblige the director to reimburse the remuneration received.

a) Ex-post adjustments to Executive Directors' remuneration:

In the event that certain circumstances occur that show the targets have not been achieved, even if a posteriori, according to a proposal made by the ARCGC, the Board may claim the return of all or part of the long-term variable remuneration already paid (claw-back). These clauses will be applicable to all the Beneficiaries and will be applicable for two years, counted from the date the Measurement Period ends. Specifically, repayment of the long-term variable remuneration already paid may be required in the following cases, among others:

I. Reformulation of the Company's financial statements without this being based on changes in the applicable accounting standards or interpretations.

II. Sanctions imposed on the Beneficiary due to serious breaches of the code of conduct and other applicable internal regulations.

III. When the settlement and payment of the incentive was partially or fully based on information that is clearly shown a posteriori to be seriously false or inaccurate.

b) Adjustments to the variable remuneration:

Under exceptional circumstances caused by extraordinary internal or external factors or events, the ARCGC may propose to the Board of Directors adjustments of the components, criteria, thresholds and limits of the annual or multi-year variable remuneration.

c) Measures to avoid conflicts of interest:

At the Board's meetings that deal with proposals related to the specific remuneration of the Executive Directors, the latter may not be present or take part in the deliberations or decision-making process.

Regarding measures to avoid conflicts of interest by the Directors, according to the Spanish Capital Companies Act, Articles 29-33 of the Board of Directors' Regulations include the obligations of the Directors related to their duties of diligence, allegiance, confidentiality, loyalty and prohibition of competition.

A.1.3. State the amount and nature of the fixed components that are expected to be accrued during the year by the directors in their positions as such.

The maximum amount of the remuneration that could be payable every year by the Company to all its Directors, in their positions as such, is €800,000, such amount being approved at the Ordinary General Shareholders' Meeting held on 19th April 2024, however such limit may be changed at the General Shareholders' Meeting to be held in 2025 (on the date this Report is drawn up, it is not expected this will occur).

The remuneration system of the Non-Executive Directors for their supervisory and joint decision-making duties, as specified above in this Report, consists of an annual fixed amount and fees for attending the meetings of the Board of Directors and its committees.

In this respect, the amounts planned for the aforementioned components in 2025 will be as follows:

- Annual fixed amount:
  - The Chair of the Board of Directors: €200,000. No amount will be payable for fees to attend the meetings of the Board or the Committees.
  - The Vice Chair of the Board of Directors: €90,000. No amount will be payable for fees to attend the meetings of the Board or the Committees.
  - The Chairs of the Audit Committee and/or the ARCGC: €90,000. No amount will be payable for fees to attend the committee meetings that they chair.
  - The other members of the Board of Directors: €50,000 for each Director.
- Attendance fees:
  - Fees for attending the Audit and Supervisory Committee Meetings: €1,000.
  - Fees for attending the ARCGC Meetings: €1,000.

However, the Proprietary Directors representing the shareholder, Minor International PLC, have waived payment of the aforementioned remuneration.

The amounts payable to the Non-Executive Directors may vary from year to year within the maximum amounts approved by the General Shareholders' Meeting with the prior approval of the Board of Directors. In this respect, additional remuneration may be granted if any Director is required to spend additional time over a certain period of time.

On the other hand, the Executive Directors will not be entitled to receive the aforementioned remuneration.

A.1.4. State the amount and nature of the fixed components that will be accrued during the year due to the Executive Officers performing their senior management duties.

According to the Articles of Association, the Executive Directors are entitled to receive remuneration for the executive duties they perform, apart from their duties as Directors, within the scope of their labour or commercial relationship with the Company. Such remuneration includes both their executive duties and their duties as Director.

The amount of the aforementioned fixed remuneration planned for each of the Executive Directors in 2025 amounts to €441,000 for the COO and €385,875 for the CADO. These amounts have not experienced an increase compared with the previous year.

A.1.5. Amount and nature of any component of remuneration in kind that will be accrued during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Directors do not receive any remuneration in kind due to being members of the Board of Directors.

The Executive Directors are beneficiaries of a health care insurance policy for them and their first-degree relatives, a life and accident insurance policy and a company car. It is estimated that the cost for this remuneration in 2025 will amount to €18.548 for the COO and €9.671 for the CADO. However, the final amount could vary depending on the changes taking place in the prices or premiums of the aforementioned remuneration.

A.1.6. Specify the amount and nature of the variable components, differentiating between those established in the short- and long-term. Financial and non-financial parameters, including among these the social, environmental and climate change parameters selected to determine the variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance at the end of the year with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied related to the time required and methods used for verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Specify the range, in monetary terms, of the different variable components according to the level of achievement of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The Executive Directors are the only members of the Board of Directors that are entitled to be paid variable remuneration. The Executive Directors' variable remuneration is structured as additional and supplementary to their fixed remuneration and it consists of a short-term annual variable and a long-term variable. This compensation is contingent and non-consolidable.

The main features of the variable remuneration components for the Executive Directors are described below:

1. ANNUAL VARIABLE REMUNERATION

The short-term variable remuneration is linked to achieving the corporate goals determined by the ARCGC and approved by the Board of Directors at the beginning of each financial year.

The functioning of the annual variable remuneration for the Company's Executive Directors is the same as for the Company's other employees. It is determined based on the Management by Objectives Programme (MBO) for the following purposes:

1. To reward performance, bearing in mind achievement of the Company's quantitative goals.
2. To link achievement of the annual objectives set by the Company to its medium- and long-term strategy.
3. To align the individual objectives with the Company's goals.

The ARCGC approved the following objectives for the Executive Directors with their corresponding weightings for the financial year 2025:

- 50% Corporate Goals:
    - 25% Group's recurrent EBITDA.
    - 25% Group's recurrent Net Profit.
- 10% Performance assessment.
- 40% of strategic indicators related to the position.

The functioning of each of the aforementioned objectives is described below, along with the specified scales of achievement:

1. **Group recurrent EBITDA/ Net Profit:** The goal initially set for the Group's recurrent EBITDA/ Recurrent Net Profit is compared with the Group's actual recurrent EBITDA/ Recurrent Net Profit, determining the following pay-out levels established based on the scale of achievement:
    - If the level of achievement of the Group's recurrent EBITDA/ Recurrent Net Profit goal is lower than 90%, no amount whatsoever is payable for this target.
    - From 90% to 120%, a linear formula will be applied:
        - Below 100%: each percentage point below the budget will result in a 5% decrease in achievement level.
        - Above 100% and up to 104.99%: each percentage point above the budget will result in a 1% increase in achievement level.
    - A Recurrent EBITDA/Recurrent Net Profit after taxes equal to 105% will result in an achievement level of 106%.
        - Above 105%, each percentage point exceeding the budget will increase the achievement level by 1.6%.
    - A maximum limit of 120% is set, equivalent to a maximum achievement level of 130%.
2. **Performance assessment:** The performance assessment system for the Executive Directors has the same structure as for other employees. In order to promote the Company's sustainability, the performance assessment is included in the annual variable remuneration by evaluating the system and procedures apart from the earnings obtained. Performance will be evaluated according to the following scale consisting of five levels: Underperforming, Needs Improvement, Good, Very Good and Outstanding. Each one of the levels will be equivalent to a percentage of achievement of the target according to the following scheme:
    - "Underperforming". Equivalent to 0% achievement.
    - "Needs Improvement". Equivalent to 50% achievement.
    - "Good". Equivalent to 100% achievement.
    - "Very Good". Equivalent to 125% achievement.
    - "Outstanding". Equivalent to 200% achievement.
3. **Individual Objectives (indicators related to the post):** Maximum achievement is set for the rest of the objectives that could imply up to 125% of the target payment level for this. These individual objectives include an objective related to the reduction of net CO_2 emissions.

The ARCGC determines the specific amount payable depending on the achievement level of the objectives.

In addition, in order to guarantee that the annual variable remuneration is aligned with the Company's earnings, the Group's Recurrent Net Profit acts as a "key target". In this respect, in order to accrue annual variable remuneration, the Group's recurrent Net Profit must be positive, otherwise no remuneration will be payable.

The target annual variable remuneration is set at 45% of the COO's and the CADO's fixed remuneration (€198,450 and €173,644 respectively), providing 100% of the targets set by the Board of Directors are achieved.

The maximum amount the Executive Directors can receive, if the maximum score is obtained in the performance assessment and a maximum percentage is obtained in their individual objectives, is 135% for the two Directors, equivalent to €267,907.5 for the COO and €234,419.4 for the CADO, notwithstanding the fact that, in accordance with the Remuneration Policy, these amounts may reach up to 150% of the target amount in certain scenarios.

If the aforementioned minimum targets are not achieved, the Executive Directors will not be paid any amount whatsoever as variable remuneration.

In order to calculate the amount of the annual variable remuneration, the ARCGC will first and foremost consider the individual level of achievement and weighting of each of the objectives and subsequently the level of overall achievement of the objectives as a whole, along with the key goal for the Group's Recurrent Net Profit. This assessment is conducted based on the results audited by the Company's external auditor. Both for determining the objectives and assessment of their being achieved, the Committee also takes into consideration any associated risk and can rely on the support of the Audit and Supervisory Committee.

In this respect, any positive or negative economic impact caused by extraordinary events that could distort the findings of the assessment are disregarded and the quality of the long-term earnings and any associated risk in the proposal for annual variable remuneration are taken into consideration.

The annual variable remuneration will be fully paid in cash, providing the targets set for such purpose are achieved. This remuneration will not be paid until the ARCGC has carried out the aforementioned actions in the first quarter of the year.

2. LONG-TERM INCENTIVE PLANS

Long Term Incentive Plan 2022-2026:

The Company implemented the Long-Term Incentive Plan 2022-2026 ("Performance Cash Plan") in 2022. This plan grants a cash amount to be paid out if the targets set in this respect are achieved. The plan was proposed to the Board and was approved on 24 February 2022.

The term of the Plan was five years, divided into three cycles of three years each one:

1. First cycle 2022-2024 whose payment takes place in the current financial year 2025 and whose settlement is explained in point B.7.

2. Second cycle 2023-2025 whose payment will take place in 2026. The characteristics of this cycle can be found in the 2023 Annual Remuneration Report.

3. Third cycle 2024-2026 whose payment will take place in 2027. The characteristics of this cycle can be found in the 2024 Annual Remuneration Report.

In 2025, the Company plans to implement a new cycle with similar characteristics to the previously mentioned cycles. That is, a cash amount will be granted to be paid in 2028 if the objectives set for a three-year measurement period (2025-2027) are met.

The main characteristics of this new cycle applicable to the Executive Directors are developed below:

Purpose: To reward the achievement of Minor Hotels Europe & Americas long-term strategic goals and the creation of sustainable value for the shareholder.

Amount: The target incentive is expected to amount to 45% of the fixed compensation for both the COO and the CADO (€198,450 and €173,644, respectively), provided that 100% of the objectives set by the Board of Directors are achieved

The maximum amount of the incentive can be up to 130% of the target amount, i.e. 59% of the fixed remuneration for the COO and the CADO (€257,985 and €225,737 respectively), notwithstanding the fact that, in accordance with the Remuneration Policy, these amounts may reach up to 150% of the target amount in certain scenarios

Performance period: Years 2025, 2026 and 2027.

Objectives: 50% of the incentive will be linked to the Group's recurrent EBITDA for the financial years 2025, 2026 and 2027 and the other 50% of the incentive will be linked to the Group's recurrent Net Profit for the financial years 2025, 2026 and 2027.

Performance Scale: The incentive for the new cycle 2025-2027 is determined as follows:

- If the level of achievement of the Group's recurrent EBITDA/ Recurrent Net Profit goal is lower than 90%, no amount whatsoever is payable for this target.

From 90% to 120%, a linear formula will be applied:

- Below 100%: each percentage point below the budget will result in a 5% decrease in achievement level.

- Above 100% and up to 104.99%: each percentage point above the budget will result in a 1% increase in achievement level.

A Recurrent EBITDA/Recurrent Net Profit after taxes equal to 105% will result in an achievement level of 106%.

- Above 105%, each percentage point exceeding the budget will increase the achievement level by 1.6%.

- A maximum limit of 120% is set, equivalent to a maximum achievement level of 130%.

Functioning: The ARCGC will consider the level of achievement of the recurrent EBITDA/Net Profit goal based on the results audited by the Company's external auditor in each of the cycles included in the target performance period. Both for determining the objectives and assessment of them being achieved, the Committee also takes into consideration any associated risk and can rely on the support of the Audit and Supervisory Committee.

In this respect, any positive or negative economic impact caused by extraordinary events that could distort the findings of the assessment are disregarded and the quality of the long-term earnings and any associated risk in the proposal for incentive payable is taken into consideration.

The incentive 2025-2027, will be fully paid in cash, providing that the targets set for such purpose are achieved. This remuneration will not be notified as fulfilled until the ARCGC has carried out the aforementioned actions in the first quarter of the year 2028.

A.1.7. State the main features of the long-term savings schemes. Among other information, specify the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that must be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or compensation for early termination or dismissal, or related to the termination of the contractual relationship, according to the stipulated terms, between the company and the director.

Specify whether the accrual or vesting of any of the long-term savings plans is linked to achieving certain targets or parameters related to the director's short- or long-term performance.

The Company does not plan to undertake any obligation or commitment whatsoever with the Directors in 2025 related to pensions, retirement or similar items.

A.1.8. Any other type of payment or compensation for early termination or dismissal, or related to the termination of the contractual relationship, according to the stipulated terms, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contractual term or loyalty, which entitles the director to any kind of remuneration.

The Company's Directors, in their positions as such, are not entitled to any severance pay or compensation in the event of dismissal or resignation from their posts.

The terms and conditions included in the Executive Directors' commercial contracts in this respect are described below:

- **COO:** The COO is not entitled to receive any severance pay whatsoever if the Company decides to terminate his contract by virtue of a resolution adopted by the General Shareholders' Meeting or the Board of Directors, which implies the COO being dismissed from his post as Executive Director, however his seniority in the position is acknowledged for all purposes (even for the purpose of severance pay that could be applicable in the event of termination) in the previous labour relationship between the parties, which will be resumed after the aforementioned termination of the commercial relationship.

  If the Company refuses to reinstate the COO in his previous labour relationship, the COO will be entitled to severance pay, according to the applicable labour regulations, and his acknowledged seniority, the Company undertaking to pay him severance pay at least equivalent to one year of his fixed salary and the last variable remuneration he received. In order to calculate the severance pay that could be received by the COO in the event of termination of his ordinary labour relationship, the basis for the severance pay will be calculated regarding the whole remuneration paid and received thereby in the twelve months prior to such termination, even if it were payable by virtue of a commercial relationship.

  However, if the termination of the commercial relationship between the parties is due to serious and wilful breach of the Executive Director's essential obligations and this is ruled by the competent court, all rights to receive any kind of severance pay will be deemed null and void.

- **CADO:** Is not entitled to receive any severance pay whatsoever due to her dismissal as a Director by virtue of a resolution adopted at the General Shareholders' Meeting or the Board of Directors, due to her resignation, mutual agreement or because her term of office has expired. However, her seniority in the post will be acknowledged for all purposes (even for the purpose of severance pay that could be applicable in the event of dismissal) in the previous labour relationship between the parties, which will be resumed after the aforementioned termination of the commercial relationship, unless the termination of the commercial relationship between the parties is due to serious and willful breach of the Executive Director's essential obligations and this is ruled by the competent court.

If, at the time of termination of the commercial contract (and apart from the aforementioned exception), the Company refuses to reinstate the Executive Director or CADO in her previous labour relationship as Chief Asset and Development Officer, this fact will be considered unfair dismissal and the Executive Director or CADO will be entitled to the relevant severance pay according to applicable labour regulations and the Company must undertake to pay her at least an amount of severance pay equivalent to one year of her fixed salary and the last variable remuneration she received.

In order to calculate the severance pay that could be received by the CADO in the event of termination of her ordinary labour relationship, after termination of her commercial relationship regulated by such contract, the basis for the severance pay will be calculated regarding the whole remuneration paid and received thereby in the twelve months prior to such termination, even if it were payable by virtue of a commercial relationship.

A.1.9. Specify the conditions that the contracts of the Executive Officers performing senior management duties should contain. Among other things, information must be provided on the duration, limits on amounts of compensation, minimum contractual term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to contractual bonuses, as well as compensation or golden parachute clauses in the event of early termination of the contractual relationship between the company and the executive officer. Include, inter alia, the clauses or agreements related to non-competition, exclusivity, minimum contractual terms and loyalty and post-contractual non-competition, unless these have been explained in the previous section.

The contract of MHE&A's Executive Directors is of a commercial nature and includes the duties and obligations they undertake within the scope of their posts and their remuneration.

The most significant clauses in their contracts are described below:

- Indefinite term.
- Full-time commitment and non-competition. During the period of provision of services, they may not, without the prior consent of the Company, have a direct or indirect interest of any kind with companies that have activities that compete with or are similar to or are related to the Company's activities or that are suppliers and/or customers of MHE&A. Teaching activities that may be carried out by Executive Directors on a part-time basis are excluded from the previous point

The gross annual fixed remuneration of the Executive Directors already includes compensation for the non-competition clause.

- The Executive Directors must provide at least two months' prior notice of their decision to terminate their commercial relationship with the Company and may choose to renew their ordinary labour relationship.
- Severance pay: See the previous section.
- Confidential information: During the valid term of the commercial agreement and after the termination thereof for any reason, the Executive Directors must not indirectly or directly disclose or disseminate to third parties not associated with MHE&A any commercial or industrial secrets, processes, methods, information or data related to the activities, business or finances of MEHA or any company in its Group, making every effort to prevent, if need be, publication of such information and all that is related to activities and future plans both of Minor Hotels Europe & Americas and any of its enterprises.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year as consideration for services rendered other than those inherent in their position.

The Directors have not received any other supplementary remuneration for services apart from those inherent to their posts and that have not already been described in this Report.

A.1.11. Specify any other remuneration components, such as those related to the company granting the director advances, loans or guarantees or any other remuneration.

It is not expected to grant to the Directors any advances, loans, guarantees or other remuneration.

A.1.12. Specify the nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the previous sections, whether paid by the company or by another enterprise in the group.

It is not planned for the Directors to receive, any other supplementary remuneration for services apart from those inherent to their posts and that have not already been described in this Report.

A.2. Explain any significant change in the remuneration policy applicable to the current year resulting from the following:

- A new policy or an amendment to a policy already approved by the General Shareholders' Meeting.
- Significant changes in the specific determinations established by the Board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting that this annual report will be subject to and for which it is proposed they will be applicable in the current year.

Up to the date this report is published, no significant changes have been made to the Remuneration Policy that could seriously affect the Remuneration Policy for this year.

I. Specify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.nh-hotels.com/corporate/assets/uploads/files-accionistas/2023/en/4._nh_politica_remuneraciones_consejeros_2024-2026_eng.pdf

II. Taking into account the data provided in Section B.4, explain how the votes of the shareholders at the General Shareholders' Meeting have been taken into account to which the annual report on remuneration for the previous year was submitted on an advisory basis.

The last General Shareholders' Meeting held on 19 April 2024 approved the Annual Directors' Remuneration Report with 99.98% of the votes.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED LAST YEAR

B.1.1. Explain the process used to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information must include the role played by the remuneration committee, the decisions adopted by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process for applying the remuneration policy last year.

Process used to apply the Remuneration Policy

The main bodies of the Company that are involved in applying the Company's Remuneration Policy are the General Shareholders' Meeting, the Board of Directors and the ARCGC.

The role played by the ARCGC

The ARCGC is the competent body for proposing the Directors' Remuneration Policy and the remuneration for those who perform senior management duties, directly reporting to the Board, Executive Committees or Executive Directors, and the individual remuneration and other contractual terms and conditions for the Executive Directors, and for ensuring such terms and conditions are met.

As explained in the Remuneration Policy, the ARCGC may hold meetings to correctly fulfil its duties as often as (i) considered necessary by its Chair, (ii) required by the Board of Directors or (iii) requested by two or more of its members with voting rights. The ARCGC held 5 meetings in 2024.

The items related to remuneration that were discussed by the ARCGC in 2024 are explained below:

- Proposal and approval of the Annual Directors' Remuneration Report for the financial year 2023.
- Proposal and approval of the settlement of the biennial Long-Term Incentive that began on January 1, 2022 and ended on December 31, 2023.
- Proposal and approval of the launch of the third and last cycle of the Long-Term Variable Remuneration Plan 2022-2026, which began on 1 January 2024.
- Proposal and approval of the salary review for the Executive Directors for 2024. Assessment and approval of the annual variable remuneration for Executive Directors due to the 2023 results.
- Approval of the objectives linked to the annual variable remuneration of the Executive Directors in 2024.

Composition of the ARCGC

According to Article 47 of the Articles of Association, the Committee must be comprised of a minimum of three and a maximum of six Directors and must only consist of Non-Executive Directors appointed by the Board of Directors, at least two of which must be Independent Directors.

On 31 December 2023, the Committee was composed of three non-executive members, two of whom were Independent Directors:

- Mrs. María Segimón de Manzanos; Chair and Independent Director since 29/06/2023.
- Mr. Stephen Andrew Chojnacki; Member and Independent Director since 21/06/2018.
- Mr. Tomás López Fernebrand; Member and Proprietary Director since 29/06/2023.

B.1.2. Explain any changes in the procedure established for application of the remuneration policy that have occurred during the year.

There has been no deviation from the procedure established in the Remuneration Policy. All the remuneration elements accrued by the Directors in 2024 are included in the Remuneration Policy and their amounts have been determined in accordance with the corresponding procedures.

B.1.3. Specify whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company believes that these exceptions have been necessary to serve the company's long-term interests and sustainability as a whole or to ensure its viability. Similarly, quantify the impact that application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions to the Remuneration Policy were applied in 2024.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the company's long-term goals, values and interests, including a reference to the measures adopted to ensure that the company's long-term earnings have been taken into consideration in the remuneration accrued and to ensure that an appropriate balance has been achieved between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

The actions carried out by the Company related to the remuneration system to reduce exposure to excessive risks and to adapt it to the Company's long-term goals, values and interests have been in line with those explained in sections A.1.6 and A.1.7 of this Report. It is explained below how these actions were carried out in 2024:

A) Claw-back clauses:

The conditions governing the first 2022-2024 cycle of the 2022-2026 Long-Term Variable Remuneration Plan, which expired on 31 December 2024, included the claw-back clauses described in section A.1.2

B) Formulation of the variable remuneration objectives:

A binary scheme was applied to the variable remuneration accrued in 2024 so that failure to achieve the Group's positive Recurrent Net Profit resulted in a 0% pay-out.

The objectives determined for the annual variable remuneration for 2024, as described in section B.7, by the Board of Directors for the Executive Directors, according to a proposal made by the ARCGC, are also aligned with the Company's strategic priorities. Moreover, the Company's sustainability is promoted through the performance assessment by evaluating the system and procedures, apart from the Company's earnings.

C) Balance of the total remuneration:

The remuneration package of the Executive Directors includes short- and long-term variable parts, both parts being balanced.

In this respect, the percentage that the (annual and multi-year) variable remuneration represented of the total remuneration in 2024, in a situation in which 100% of the targets were achieved, was approximately 56.5% for the CEO and 47.4% for the COO and the CADO. In the event of achievement above the target level, both short- and long-term variable remuneration had maximum amounts established in the Remuneration Policy in force in 2024.

Lastly, the variable remuneration accrued in 2024 was the following:

- The short-term variable remuneration was 123.5%, 119.6% and 118.1% for the CEO, COO and CADO respectively.
- In relation to multi-year variable remuneration, the first cycle of the 2022-2026 Long-Term Incentive Plan, which began on 1 January 2022 and ended on 31 December 2024, was completed in 2024, with a final achievement of the objectives of 113.62%.

B.3. Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, provide information about the link between the remuneration obtained by the directors and the earnings or other performance measures of the company in the short- and long-term, explaining, if applicable, how variations in the company's performance have influenced changes in the directors' remuneration, including any accrued remuneration payment that has been deferred, and how such remuneration contributes to the company's short- and long-term earnings.

The components included in the Directors' remuneration package in the financial year 2024 are summarized below. Similarly, the details of these components can be found in the following paragraphs of this section:

Remuneration of the Non-Executive Directors:

In 2024, the Non-Executive Directors' remuneration consisted of fixed amounts and fees for attending the meetings, as explained in section B.5.

The maximum gross annual amount payable to the Directors in their positions as members of the Board of Directors observed the limit stipulated by the General Shareholders' Meeting held on 19 April 2024 (€800,000), a total of €241,000 being paid out as fixed remuneration and attendance fees.

Executive Directors:

The remuneration items of the Executive Directors in 2024 were as follows:

- **CEO:**
  - Fixed remuneration: €771,750.
  - Short-term variable remuneration accrued in 2024: €619,396.9, bearing in mind an overall achievement level of the targets of 123.5%. The settlement of the variable remuneration accrued in 2024 will be approved and paid in the first quarter of 2025.
  - Long-term variable (First cycle of the Long-Term Incentive 2022-2026 that began on 1 January 2022 and ended on 31 December 2024): €516,986 gross, considering an overall degree of achievement of the objectives of 113.62%. Additionally, due to his termination as Executive Director on December 31 2024, the CEO has accrued the proportional part of the ongoing 2022-2026 Long-Term Incentive cycles in force on that date. This amount amounts to €558,342.45.
  - Other remuneration (company vehicle, medical insurance and life and accident insurance): €28,936. In addition, the CEO accrued a loyalty bonus established in the collective agreement that has amounted to €9,519.6.
- **COO:**
  - Fixed remuneration: €441,000.
  - Short-term variable remuneration accrued in 2024: €237,263 bearing in mind an overall achievement level of the targets of 119.6%. The settlement of the variable remuneration accrued in 2024 will be approved and paid in the first quarter of 2025.
  - Long-term variable compensation (First cycle of the Long-Term Incentive 2022-2026 that began on 1 January 2022 and ended on 31 December 2024): €204,522 gross, taking into account an overall degree of achievement of the objectives of 113.62%.
  - Other remuneration (company car, health care insurance policy and life and accident insurance policy): €19,221. The COO has chosen to receive economic compensation instead of a company car.
- **CADO:**
  - Fixed remuneration: €385,875.
  - Short-term variable remuneration accrued in 2024: €205,030 bearing in mind an overall achievement level of the targets of 118.08%. The settlement of the variable remuneration accrued in 2024 will be approved and paid in the first quarter of 2025.
  - Long-term variable compensation (First cycle of the Long-Term Incentive 2022-2026 that began on 1 January 2022 and ended on 31 December 2024): €178,957 gross, taking into account an overall degree of achievement of the objectives of 113.62%.
  - Other remuneration (company car, health care insurance policy and life and accident insurance policy): €10,822

A breakdown of the level of achievement of the targets for the annual variable remuneration is provided in section B.7.

As explained in the previous sections, the Executive Directors are not paid any additional remuneration for their positions as members of the Board of Directors.

In addition, the Executive Directors' remuneration package contributes to the Company's sustainable performance to the extent that a positive Net Profit is required for the annual variable remuneration to be accrued.

B.4. ***Provide information about the result of the advisory ballot on remuneration for the previous year held at the General Shareholders' Meeting, specifying the number of votes in favour, votes against, abstentions and blank votes:***

	Number	% of total
Votes cast	418,959,137	95.2%

	Number	% of votes cast
Votes against	992,411	0.24%
Votes in favour	417,965,664	99.76%
Blank votes	0	0.00%
Abstentions	1,062	0.00%

Remarks

B.5. Explain how the fixed components accrued and vested during the year by the directors were determined, in their positions as such, their relative proportion with regard to each director and how they changed compared with the previous year:

The Directors, in their positions as such, who received fixed remuneration in 2024 were Non-Executive Directors that do not represent the shareholder, Minor International PLC. Such Non-Executive Directors waived all remuneration payable to them due to being members of the Board of Directors.

The remuneration effectively received in the financial year 2024 was as follows:

- Annual fixed amount:
  - Chair of the Audit Committee: €90,000.
  - Chair of the ARCGC: €90,000.
  - Member of the Board: €50,000.
- Attendance fees of the members:
  - Fees for attending the Audit and Supervisory Committee Meetings: €1,000 per meeting.
  - Fees for attending the ARCGC Meetings: €1,000 per meeting.

B.6. Explain how the salaries accrued and vested by each of the Executive Officers over the past financial year for performing their management duties were determined and how they changed compared with the previous year.

The CEO's fixed remuneration for performing his senior management duties last year amounted to €771,750 in accordance with the Remuneration Policy. This remuneration means a 5% increase compared to 2023.
The COO's fixed remuneration for performing his senior management duties in 2024 amounted to €441,000. This remuneration means a 5% increase compared to 2023.

The CADO's fixed remuneration for performing his senior management duties in 2024 amounted to €385,875. This remuneration means a 5% increase compared to 2023.

As mentioned above, the Executive Directors are not paid any remuneration whatsoever for their positions as Directors.

B.7. Explain the nature and the main features of the variable components in the remuneration systems accrued and vested last year.

In particular:

a) ***Specify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors last year, including information on their scope, date of approval, date of implementation, any applicable vesting conditions, periods of accrual and validity, criteria used to evaluate performance and how this affected the calculation of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the stipulated conditions and criteria, explaining the criteria and factors applied in regard to the time required and the methods for verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.***

b) ***In the case of share options and other financial instruments, the general features of each plan must include information about the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.***

c) ***Each director that is a beneficiary of remuneration schemes or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).***

d) ***Information must be provided about any periods for accrual, vesting or deferral of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.***

Explain the short-term variable components in the remuneration systems

As explained above, the only Directors entitled to payment of variable remuneration are those assigned executive duties.

An overall framework for the annual variable remuneration of Executive Directors was agreed at the ARCGC meeting held on 7 February 2024. The features of this annual variable remuneration were outlined in section A.1.6 of 2023's Annual Remuneration Report.

The details about the process to calculate the aforementioned amounts are provided below.

1. Level of achievement of the targets

- **CEO:** The level of achievement of the targets was as follows:
  - EBITDA (weighting of 25%): The level of achievement was between target and maximum.
  - Recurrent Net-profit (weighting of 25%): The level of achievement was at the maximum.
  - Performance evaluation (weighting of 10%): The level of achievement was at the maximum.
  - Individual objectives (weighting of 40%): The level of achievement was between the target level and the maximum.
- **COO:** The level of achievement of the targets was as follows:
  - EBITDA (weighting of 25%): The level of achievement was between target and maximum.
  - Recurrent Net-profit (weighting of 25%): The level of achievement was at the maximum.
  - Performance evaluation (weighting of 10%): The level of achievement was at the maximum.
  - Individual objectives (weighting of 40%): The level of achievement was between the target level and the maximum.
- **CADO:** The level of achievement of the targets was as follows
  - EBITDA (weighting of 25%): The level of achievement was between target and maximum.
  - Recurrent Net-profit (weighting of 25%): The level of achievement was at the maximum.
  - Performance evaluation (weighting of 10%): The level of achievement was at the maximum.
  - Individual objectives (weighting of 40%): The level of achievement was between the target level and the maximum.

2. Key target

In 2024, the Company's Recurring Net Profit has been positive. As indicated in previous sections of this report, it is essential that this indicator is positive in order to accrue annual variable remuneration.

3. Calculating the annual variable remuneration

Bearing in mind the target amount of variable remuneration, (65% of the fixed remuneration for the CEO and 45% for the COO and the CADO), and that the overall level of achievement of the targets was 123.48% (CEO), 119.56% (COO) and 118.08% (CADO), the Board of Directors, at a proposal of the ARCGC, agreed on 13 February 2025 the following amounts:

- **CEO:** €619,396.90.
- **COO:** €237,262.853
- **CADO:** €205,029.86.

Explain the long-term variable components in the remuneration systems

The main characteristics of the first cycle of the 2022-2026 Long-Term Incentive Plan that ended on December 31, 2024, as well as the final amounts accrued, are developed below:

Purpose: Reward the fulfilment of the Company's long-term strategic objectives and the creation of sustainable value for shareholders.

Amount: The target incentive for the first cycle amounted to 65% of the fixed remuneration for the CEO (€455,000), 45% of the fixed remuneration for the COO (€180,000) and the CADO (€157,500, the result of multiplying 45% by €350,000, which is the annual fixed remuneration of the CADO in force in 2022), in the event of achieving 100% compliance with the objectives established by the Board of Directors.

Performance period: Years 2022, 2023 and 2024.

Targets: 100% of the incentive will be linked to the Group's recurring EBITDA for fiscal years 2022, 2023 and 2024. However, the Group's recurring Net Profit must be positive in each of the aforementioned years in order to vest the full incentive. Otherwise, the portion of the target incentive linked to the year in which the recurring Net Profit target has not been met will be forfeited.

Achievement scales: The Incentive is set as follows:

- If the level of achievement of the Group’s recurrent EBITDA goal is lower than 90%, no amount whatsoever is payable for the incentive.
- If the level of achievement of the Group's recurrent EBITDA goal is between 90% and 100%, 100% of the incentive will be payable.
- If the level of achievement of the Group’s recurrent EBITDA goal is 120% or higher, a maximum of 120% of the incentive will be payable.

When the achievement level of the target is between 100% and 120%, the level of achievement of the Group’s recurrent EBITDA will be calculated by linear interpolation.

Achievement level:

- 2022: Maximum level.
- 2023: Between target and maximum.
- 2024: Between target and maximum.

The ARCGC has considered the degree of compliance with the recurring EBITDA target based on the results audited by the Company's external auditor in each of the years included in the measurement period. Both for the establishment of the objectives and for the evaluation of their compliance, the Committee also considers any associated risks and can count on the support of the Audit and Control Committee.

In this regard, the economic effects, positive or negative, derived from extraordinary events that shall introduce distortions in the evaluation results are eliminated and the quality of the results in the long-term and any associated risks will be considered in the incentive proposal to be paid.

Incentive amount:

The overall achievement rate was 113.62%.

In view of the above, the amounts granted were as follows:

- CEO: €516,986.
- COO: €204,522.
- CADO: €178,957.

The incentive will be paid in full in cash during the first quarter of 2025.

Clawback: This Plan provides for a clawback clause, the basic conditions of which have been previously reported.

On the other hand, due to his termination as executive director on December 31, 2024, the CEO has accrued the proportional part of the cycles of the 2022-2026 Long-Term Incentive Plan in force on that date, which amount to the following amounts:

- Second cycle 2023-2025: €366,967.74 as a result of prorating by two thirds the target incentive of €477,750 and multiplying by a percentage of achievement of 115.22%. This percentage is the result of applying the scale of achievement described in the annual report on remuneration presented in 2023. In this regard, both in 2023 and 2024, compliance with the target level of EBITDA and Net Profit has been exceeded (in the case of the latter, a maximum level was reached).
- Third cycle 2024-2026: €191,374.71 as a result of prorating by one third the target incentive of €501,637.5 and multiplied by a percentage of achievement of 114.45%, due to the level of compliance between target and maximum for EBITDA and maximum for Net Profit.

B.8. Specify whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or claw-back clauses, why they were implemented and the years to which they refer.

No clause of this kind was applied in 2024.

B.9. Explain the main features of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefits, whether financed in whole or in part by the company or through internal or external contributions, specifying the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights are vested in favour of the directors and their compatibility with any type of severance pay for early termination or cessation of the contractual relationship between the company and the director.

In 2024, the Company did not undertake any obligation or commitment related to pensions, retirement or similar items.

B.10. *Explain, where applicable, the severance pay or any other type of payment for early termination, whether at the company's or the director's initiative, or due to termination of the contract, according to the terms stipulated therein, accrued and/or received by directors last year.*

The Company has not undertaken any commitment or obligation for any severance payment or other payments due to early termination, whether at the Company's or the Director's initiative, or due to termination of the contract.

B.11. *Specify whether there have been any significant changes in the contracts of persons performing senior management duties, such as Executive Officers, and, if so, explain such changes. In addition, explain the main terms and conditions of the new contracts signed with Executive Officers during the year, unless these have already been explained in Section A.1.*

In 2024, no changes were made to the Executive Directors' contracts.

B.12. *Explain any supplementary remuneration accrued by directors as consideration for rendering services other than those inherent in their positions.*

The Remuneration Policy does not include any supplementary remuneration other than that previously specified.

On the date this Report is issued, there was no supplementary remuneration payable to the Directors as consideration for services rendered other than those related to their posts.

B.13. *Explain any remuneration payable for advances, loans or guarantees granted, specifying the interest rate, their key features and any amounts reimbursed, as well as the obligations undertaken on their behalf as a guarantee.*

The Remuneration Policy does not include any possibility to grant advances, loans or guarantees to the Directors.

On the date this Report is issued, no advances, loans or guarantees have been granted to any of the Directors.

B.14. *List the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.*

The Directors, in their positions as such, do not receive remuneration in kind.

The Executive Directors accrued the following remuneration in kind for performing their executive duties:

- A health care insurance policy for each Executive Director and their first-degree relatives.
- A life insurance policy with insured capital of €2,315,250 (CEO), €1,323,000 (COO) and €1,157,625 (CADO).
- An accident insurance policy with insured capital of €2,315,250 (CEO), €1,323,000 (COO) and €1,157,625 (CADO).
- A company car in the case of the CEO and the CADO. The COO has chosen to receive economic compensation instead of a company car.

The amount for such remuneration is:

- CEO: €28,936.47
- COO: €19,220.67 (including the supplied vehicle)
- CADO: €10,821.97

B.15. *Explain the remuneration accrued by any director due to payments made by the listed company to a third company in which the director renders services when the purpose of these payments is to remunerate the director's services to the company.*

On the date this Report is approved, no amounts have been paid to third-party enterprises due to possible services being rendered by the Directors.

B.16. *Explain and detail the amounts accrued in the year related to any other remuneration item other than those set forth above, whatever its nature or the group enterprise that pays it may be, including all benefits in any form, such as when it is considered a related-party transaction or, in particular, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been taken into account, if applicable, that do not imply remuneration to the director or consideration for performing his/her executive duties and whether or not it has been considered appropriate to be included among the amounts accrued under the "Other items" heading in Section C.*

Due to the termination of his employment relationship, which was suspended as of December 31, 2024, the CEO accrued a loyalty bonus established in the applicable collective agreement. This retention bonus, amounting to €9,519.60, was determined based on the employee's years of service with the Company and age.

C. LIST OF INDIVIDUAL REMUNERATION PAYABLE TO EACH DIRECTOR

NAME:	TYPE:	Period of accrual in year 2024
MR. RAMÓN ARAGONÉS MARÍN	Executive Director	From 01/01/2024 to 31/12/2024
MR. RUFINO PEREZ FERNÁNDEZ	Executive Director	From 01/01/2024 to 31/12/2024
MRS. MIRIAM GONZALEZ-AMEZQUETA LOPEZ	Independent Director	From 01/01/2024 to 31/12/2024
MRS. MARIA SEGIMON DE MANZANOS	Independent Director	From 01/01/2024 to 31/12/2024
MR. TOMAS LOPEZ FERNEBRAND	Independent Director	From 01/01/2024 to 31/12/2024
MR. DILLIP RAJAKARIER	Proprietary Chairman	From 01/01/2024 to 31/12/2024
MR. STEPHEN ANDREW CHOJNACKI	Proprietary Director	From 01/01/2024 to 31/12/2024
MR. WILLIAM ELLWOOD HEINECKE	Proprietary Director	From 01/01/2024 to 31/12/2024
MR. KOSIN CHANTIKUL	Proprietary Director	From 01/01/2024 to 31/12/2024
MRS. LAIA LAHOZ MALPARTIDA	Executive Director	From 01/01/2024 to 31/12/2024

C.1 Complete the following tables regarding the individual remuneration of each director accrued during the financial year (including the remuneration paid for performing their executive duties).

a) Remuneration of the company, object of this report

i) Remuneration accruing in cash (in thousands of euros)

Name	Fixed Remuneration	Fees	Remuneration for membership of Board's Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2024	Total in 2023
Mr. Ramón Aragonés Marín	-	-	-	772	619	828	-	25	2,244	2,173
Mr. Rufino Pérez Fernández	-	-	-	441	237	335	-	17	1,030	979
Mrs. Laia Lahoz Malpartida	-	-	-	386	205	269	-	9	869	846
Mrs. Miriam Gonzalez-Amezqueta Lopez	90	-	-	-	-	-	-	-	90	45
Mrs. María Segimón de Manzanos	90	-	-	-	-	-	-	-	90	45
Mr. Tomás López Fernebrand	50	11	-	-	-	-	-	-	61	31
Mr. Emmanuel Jude Dillipraj Rajakarier	-	-	-	-	-	-	-	-	-	-
Mr. Stephen Andrew Chojnacki	-	-	-	-	-	-	-	-	-	-
Mr. William Ellwood Heinecke	-	-	-	-	-	-	-	-	-	-
Mr. Kosin Chantikul	-	-	-	-	-	-	-	-	-	-

Remarks:

The Proprietary Directors representing the shareholder Minor International PLC have waived receiving remuneration.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

		Financial instruments at start of 2023		Financial instruments granted in 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial Instruments at end 2023	
Name	Name of plan	No, of instruments	No. of Shares	No, of instruments	No. of equivalent Shares	No, of instruments	No. of equivalent Shares / vested shares	Price of vested shares	Gross profit from shares awarded or vested financial instruments (in thousands of €)	No, of instruments	No, of instruments	No. of equivalent Shares
-	-	-	-	-	-	-	-	-	-	-	-	-

Remarks:

No award of shared-based remuneration was granted or accrued in 2024 nor is any planned for 2025.

iii) Long-term saving schemes

Name	Remuneration by vesting savings scheme rights	
	Year 2024	Ejercicio 2023
-	-	-

Name	Contribution by the company during the year (in thousands of €)				Amount of accumulated funds (in thousands of €)			
	Vested economic savings scheme rights		Non-vested economic savings scheme rights		Vested economic savings scheme rights		Non-vested economic savings scheme rights	
	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023
-	-	-	-	-	-	-	-	-

Remarks

In 2024, the Company did not undertake any commitment or obligation related to pensions, retirement or similar items.

iv) Details of other items

Name	Item	Amount of Remuneration
Mr. Ramón Aragonés Marín	Premiums of Life and Accident Insurance Policy	13
Mr. Rufino Pérez Fernández	Premiums of Life and Accident Insurance Policy	2
Mrs. Laia Lahoz Malpartida	Premiums of Life and Accident Insurance Policy	1
Mrs. Miriam Gonzalez-Amezqueta Lopez	-	-
Mrs. María Segimón de Manzanos	-	-
Mr. Tomás López Fernebrand	-	-
Mr. Emmanuel Jude Dillipraj Rajakarier	-	-
Mr. Stephen Andrew Chojnacki	-	-
Mr. William Ellwood Heinecke	-	-
Mr. Kosin Chantikul	-	-

b) Remuneration paid to the directors of the listed company for seats on the boards of other subsidiary companies

i) Remuneration in cash (thousands of euros)

Name	Fixed remuneration	Per diem expenses	Remuneration for membership of Board's Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance Pay	Other items	Total in 2024	Total in 2023
-	-	-	-	-	-	-	-	-	-	-

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of Plan	Financial instruments start of 2024		Financial items awarded in 2024		Financial instruments vested during the year				Instruments measured but not exercised	Financial instruments at end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	Price of the vested shares	Gross profit from shares awarded or vested financial instruments (in thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
-	-	-	-	-	-	-	-	-	-	-	-	-

iii) Long term saving schemes

Name	Remuneration by vesting savings scheme rights	
	Year 2024	Year 2023
Without data	-	-

	Contribution by the company during the year (in thousand of €				Amount of accumulated funds (in thousands of €)			
	Vested economic savings scheme rights		Non-vested economic savings scheme rights		Vested economic savings scheme rights		Non-vested economic savings scheme rights	
Name	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023
Without data	-	-	-	-	-	-	-	-

iv) Detail of other items

Name	Item	Amount of Remuneration
-	-	-

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accrued in the Company					Remuneration accrued in Group companies					
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration for saving systems	Other items of remuneration	Total FY2024 company	Total cash remunerati on	Gross profit form vested shares or financial instruments	Remuneration for savings systems	Other items of remuneration	Total FY2024 company	Total FY2024 company + Group
Mr. Ramón Aragonés Marín	2,244	-	-	13	2,257	-	-	-	-	-	**2,257**
Mr. Rufino Pérez Fernández	1,030	-	-	2	1,032	-	-	-	-	-	**1,032**
Mrs. Laia Lahoz Malpartida	869	-	-	1	870	-	-	-	-	-	**870**
Mrs. Miriam Gonzalez-Amezqueta Lopez	90	-	-	-	90	-	-	-	-	-	**90**
Mrs. María Segimón de Manzanos	90	-	-	-	90	-	-	-	-	-	**90**
Mr. Tomás López Fernebrand	61	-	-	-	61	-	-	-	-	-	**61**
Mr. Emmanuel Jude Dillipraj Rajakarier	-	-	-	-	-	-	-	-	-	-	**-**
Mr. Stephen Andrew Chojnacki	-	-	-	-	-	-	-	-	-	-	**-**
Mr. William Ellwood Heinecke	-	-	-	-	-	-	-	-	-	-	**-**
Mr. Kosin Chantikul	-	-	-	-	-	-	-	-	-	-	**-**
TOTAL	**4,384**	**-**	**-**	**17**	**4,401**	**-**	**-**	**-**	**-**	**-**	**4,401**

Remarks:

The Proprietary Directors representing the shareholder Minor International PLC have waived receiving remuneration.

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2024	% Variation 2024/2023	Year 2023	% Variation 2023/2022	Year 2022	% Variation 2022/2021	Year 2021	% Variation 2021/2020	Year 2020
Executive Directors									
Mr. Rufino Pérez Fernández	1,032	5.22	981	56.21	628	44.68	434	176.43	157
Mr. Ramón Aragonés Marín	2,257	3.37	2,184	67.98	1,300	56.63	830	20.46	689
Mrs. Laia Lahoz Malpartida	870	2.84	847	205.55	277	–	–	–	–
External Directors									
Mrs. Miriam Gonzalez-Amezqueta Lopez	90	100	45	–	–	–	–	–	–
Mrs. María Segimón de Manzanos	90	100	45	–	–	–	–	–	–
Mr. Tomás López Fernebrand	61	96.77	31	–	–	–	–	–	–
Mr. Emmanuel Jude Dillipraj Rajakarier	0	–	0	–	0	–	0	–	0
Mr. Stephen Andrew Chojnacki	0	–	0	–	0	–	0	–	0
Mr. William Ellwood Heinecke	0	–	0	–	0	–	0	–	0
Mr. Kosin Chantikul	0	–	0	–	0	–	0	–	0
Company consolidated results	**272,213**	**33.99**	**203,161**	**30.56**	**155,610**	**2.07**	**-145,257**	**71.82**	**-515,489**
Average employee remuneration	**35**	**2.54**	**34**	**5.43**	**33**	**50.75**	**22**	**13.67**	**19**

Remarks:

- Mr. William Ellwood Heinecke, Mr. Emmanual Jude Dillip Rajakarier, Mr. Stephen Andrew Chojnacki and Mr. Kosin Chantikul: The Proprietary Directors representing the shareholder Minor International PLC waived receiving remuneration.
- Calculations: In order to calculate the employees' average remuneration, the average workforce and the amount specified in "Wages, salaries and similar", "Severance Pay", "Contributions to pension plans and similar" and "Other social expenses" in section 24.3 "Staff expenses" have been used (excluding social charges) of the Autonomous Communities.
- % variation 2024/2023: The amount for 2023 for the Directors Ms. Miriam Gonzalez-Amezqueta Lopez, Ms. María Segimón de Manzanos, and Mr. Tomás López Fernebrand corresponds to the period since their appointment in June 2023.

D. OTHER INFORMATION OF INTEREST

If there are any relevant issues related to the Directors' remuneration that you have not been able to explain in the previous sections of this report but that are necessary to provide more comprehensive information with full grounds for the company's remuneration structure and practices regarding its Directors, please list them briefly.

This annual remuneration report was approved at the company's Board of Directors' Meeting held on 13/02/2025.

State whether any Director has voted against or abstained from approving this report.

[ ] Yes

[x] No

nhow London
London, United Kingdom

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EVENTS AFTER THE END OF THE REPORTING PERIOD

MINOR HOTELS
EUROPE & AMERICAS

8. Events after the reporting period

The following significant events have occurred since 31 December 2024:

- On 31 January 2025, the company 'Minor Luxury Hotels Vilamoura S.A.' was sold. It was classified as available for sale at the end of the financial year, with no negative impact on the consolidated income statement.

DECLARATION OF RESPONSIBILITY OF THE DIRECTORS FOR THE PURPOSES OF THE PROVISIONS OF ARTICLE 99 OF LAW 6/2023, OF MARCH 17, ON STOCK MARKETS AND INVESTMENTS SERVICES.

The Directors of Minor Hotels Europe & Americas, S.A. declare that, to the best of their knowledge, the Consolidated Financial Statements and the Consolidated Management Report, which includes the Consolidated non-Financial Information and Sustainability Information, the Annual Corporate Governance Report (which is presented in a separate document for reference) and the Annual Report on Directors' Remuneration, prepared in accordance with the applicable accounting principles, give a true and fair view of the assets, liabilities, financial position and profit or loss of Minor Hotels Europe & Americas, S.A. and of the companies included in the consolidation taken as a whole, and that the management report includes a fair analysis of the information required, and of the companies included in the consolidation, taken as a whole, and that the management report includes a fair analysis of the required information.

In compliance with the provisions of article 253 of the Companies Act (Consolidating Act), the Directors of Minor Hotels Europe & Americas, S.A., proceed to sign the Annual Accounts and Management Report, corresponding to the year ended 31 December 2024 of Minor Hotels Europe & Americas, S.A. and Subsidiary Companies.

Mr. EMMANUEL JUDE DILLIPRAJ RAJAKARIER	**Mr. RAMÓN ARAGONÉS MARÍN**
Mr. KOSIN KENNETH CHANTIKUL	**Mr. STEPHEN ANDREW CHOJNACKI**
Ms. MIRIAM GONZÁLEZ-AMÉZQUETA LÓPEZ	**Mr. WILLIAM ELLWOOD HEINECKE**
Ms. LAIA LAHOZ MALPARTIDA	**Mr. TOMÁS LÓPEZ FERNEBRAND**
Mr. RUFINO PÉREZ FERNÁNDEZ	**Ms. MARIA SEGIMÓN DE MANZANOS**

CERTIFICATION issued by the Secretary of the Board of Directors, to record that the previous Declaration of Responsibility has been signed by all the members of the Board of Directors in accordance with the Annual Accounts corresponding to the 2024 financial year of Minor Hotels Europe & Americas, S.A. and Dependent Companies, which have been formulated at the Board of Directors meeting held on 13 February 2025, including the stamping of the signature together with the respective name and surname of the signing Director.

It is hereby stated that Mr Ramón Aragonés Marín affixes his signature in the name and on behalf of (i) the Proprietary Directors Mr. Emmanuel Jude Dillipraj Rajakarier, Mr. Kosin Chantikul, Mr. Stephen Andrew Chojnacki and Mr. William Ellwood Heinecke, (ii) the Executive Director Ms. Laia Lahoz Malpartida and (iii) the Independent Director Mr. Tomás López Fernebrand.

Mr. William Ellwood Heinecke delegated his representation and vote at the aforesaid Board meeting to Mr. Stephen Andrew Chojnacki by express delegation.

Ms. Laia Lahoz Malpartida delegated her representation and vote at the aforesaid Board meeting to Mr Ramón Aragonés by express delegation.

Mr Emmanuel Jude Dillipraj Rajakarier, Mr Kosin Chantikul, Mr Stephen Andrew Chojnacki and Mr. Tomás López Fernebrand personally attended by videoconference, and during the Board meeting expressly authorised Mr Ramón Aragonés Marín to sign as many documents as may be necessary with regard to the formulation of the Annual Accounts.

To all of which I attest.

Madrid, 13 February 2025.

Carlos Ulecia Palacios
Secretary of the Board of Directors

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