

# CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION 2021

SUSTAINABLE BUSINESS REPORT

NH | HOTEL GROUP  
PART OF

MINOR  
HOTELS



NH Collection Copenhagen  
Copenhagen, Denmark



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# OUR PRESENCE IN THE WORLD 2021

Figures as of 12.31.2021  
Including hotels operated under ownership, leasing, management agreements and franchise.



## BUNE

Austria, Belgium, Czech Republic, Denmark, Germany, Hungary, Ireland, Luxembourg, Poland, Rumania, Slovakia, Switzerland, The Netherlands and United Kingdom.

**126**  
hotels

**23,830**  
rooms

**14**  
countries

## BU AMÉRICA

Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Haiti, Mexico and Uruguay.

**55**  
hotels

**7,375**  
rooms

**9**  
countries

## BUSE

Andorra, France, Italy, Portugal, Spain, Tunisia and USA.

**172**  
hotels

**23,858**  
rooms

**7**  
countries

**353**  
HOTELES

**30**  
COUNTRIES

**55,063**  
ROOMS

**11,584\***  
EMPLOYEES

**35** MILLION  
GUESTS

Andorra • Argentina • Austria • Belgium • Brazil • Chile • Colombia • Cuba • Denmark • Czech Republic • Ecuador  
France • Germany • Haiti • Hungary • Ireland • Italy • Luxembourg • Mexico • Poland • Portugal  
Romania • Slovakia • Spain • Switzerland • The Netherlands • Tunisia • United Kingdom • USA • Uruguay

\* Does not include franchise.



# ABOUT THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION





nhow Amsterdam Rai  
Amsterdam, The Netherlands

# ABOUT THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

This Consolidated Non-Financial Information 2021 (hereinafter SNFI or “the Report”) is presented as a separate report and constitutes part of the Consolidated Directors’ Report 2021 of NH Hotel Group. It deals extensively with the Company’s Responsible Business Strategy, NH ROOM4 Sustainable Business, concentrating in a single document:

- The Company’s response to the legal requirements of Act 11/2018, of December 28<sup>th</sup>, 2018, concerning non-financial and diversity reporting, as well as EU directive 2017/C215/01 for reporting its performance in relation to non-financial information.
- The Sustainable Business Report, which follows the standards of the Global Reporting Initiative (GRI).

The SNFI has been drawn up by the Board of Directors of NH Hotel Group on February 24<sup>th</sup>, 2022, and was signed by all its members, with the specifications resulting from the Directors’ Statement of Responsibility for the purposes of the provisions of article 118.2 of Royal Legislative Decree 4/2015, of October 23<sup>rd</sup>, approving the Securities Market Act (Consolidating Act), recording the delegation by certain Board members of other Board members to sign on their behalf.

This Report and the previous Sustainable Business Reports are published in digital format and are available at [www.nhhotelgroup.com](http://www.nhhotelgroup.com)

## CONTENTS

The definition of the contents of the Report is based on matters that are relevant for the activity of NH Hotel Group and its main stakeholders, based on the Materiality Analysis which is updated each year. The Group has different systems for dialoguing with its stakeholders, which are a source of analysis in defining the relevant content to be included in the report. The results of this communication allow mechanisms to be kept active in order to identify needs, as well as aspects of major relevance to include in the Report, and the monitoring of the commitments and success in dealing with the challenges presented in the previous year.

To carry out the Materiality Analysis, the Company’s strategy and objectives, the NH ROOM4 strategy, and material issues at sector level defined by the Sustainable Hospitality Alliance are taken into account, as well as the main social and sustainability trends and the requirements of different reporting and sustainability frameworks, such as the Global Reporting Initiative (GRI) and Act 11/2018 on Non-Financial and Diversity Reporting, which responds to Directive 2014/95/EU of the European Parliament . The complete Materiality Analysis can be consulted in the corresponding section of this Report.

\* European Union. Directive 2014/95/EU of the European Parliament and of the Council, of October 22<sup>nd</sup>, 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.





NH Cancún Airport  
Cancun, Mexico

## SCOPE

This Report sets out the sixteenth Annual Sustainable Business Report of NH Hotel Group. It includes the Group’s activity and main results in 2021, including its performance in the economic, environmental and social sphere.

The Report shows NH Hotel Group’s management of the impacts, both positive and negative, that the Company generates, and its scope therefore contemplates two perimeters: consolidated scope (owned and leased hotels) and corporate scope (hotels under ownership, management and lease). It therefore includes information on all the hotels operated by the Company, in other words, hotels operated under ownership, lease and management.

In the case of information referring to the workforce, full-time equivalent (FTE) figures are included for all types of employees (except Outside Labour, Extra Labour and Trainees) considering hotels under ownership, lease, and management based on the data in NH Hotel Group’s ERP SAP HCM management system.

Where the scope of the information varies from the above criteria, this is indicated in a footnote.

### Geographic presence of NH Hotel Group in 2021

	Consolidated perimeter (owned and leased hotels)	Corporate perimeter* (hotels under ownership, lease and management)
Hotels in the world	301	347
Countries in which there is activity	24	29
Rooms	47,682	54,578
Employees	10,071	11,584

\* Does not include franchises



# EUROPEAN UNION TAXONOMY

## INTRODUCTION

The European Green Deal is Europe’s growth strategy that will improve the health and wellbeing of citizens, make Europe climate neutral by 2050 and protect, conserve and enhance natural capital and biodiversity.

The European Union has taken major steps to build a sustainable financial ecosystem. The EU Taxonomy Regulation, Sustainable Finance Disclosure Regulation and the Benchmarks Regulation form the basis for increasing transparency and providing tools that allow investors to determine which investment opportunities are sustainable.

Regulation (EU) 2020/852 (Taxonomy Regulation), sets out the obligation for entities required to publish non-financial information by virtue of Directive 2014/95/UE (NFRD) to include in their Consolidated statements of non-financial information on their environmental criteria, as set out in Annex I of the Delegated Regulation of July 6, 2021. In particular:

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

The aim of this regulation is to establish the criteria to determine whether an economic activity is considered environmentally sustainable for the purposes of establishing the degree of environmental sustainability of an investment.

For this purpose, NH Hotel Group has analysed all the activities in the taxonomy, among which it has been possible to identify those that are linked to the Company:

- Activity “7.2. Building’s renovations”.
- Activity “7.3. Installation, maintenance and repair of energy-efficient equipment”.

## REVENUE, CAPEX AND OPEX

NH Hotel Group has carried out the classification of its activities according to the criteria established by the most recent version of the European taxonomy (Delegated Regulation (EU) 2021/2178 of the Commission of July 6<sup>th</sup>, 2021) and therefore, none of the eligible activities generates revenue for the company; as a result, the reference indicator related to turnover acquires a value of 0%.

As for CapEx, 6.1% meets the established requisites in relation to climate change mitigation and adaptation.

Finally, in relation to OpEx, it has been determined that the OpEx included in the taxonomy of these activities is not material since it does not exceed 5% of the total 587,210m€, considering the overall personnel and other operating expenses and being the taxonomic OpEx estimated at 27,196m€, as shown in the table of non-capitalized expenses.

### Proportion of eligible and ineligible activities according to taxonomy in Revenue, CapEx and OpEx

	Proportion of eligible economic activities (in %)	Proportion of eligible economic activities (in %)	Total (m€)
Revenue	0	100	746,484
Capital Expenditure (CapEx)	6.1	93.9	134,152
Operating Expenditure (OpEx)	0	100	587,210
<b>Breakdown by activity</b>		<b>Proportion of total eligible CapEx (in %)</b>	<b>Proportion of total CapEx (in %)</b>
7.2. Building renovation		81	4.9
7.3 Installation, maintenance and repair of energy-efficient equipment		19	1.2
<b>Non-capitalised expenses</b>		<b>Total (m€)</b>	<b>Proportion of total OpEx (in %)</b>
Total non-capitalised expenses		587,210	100
Non-capitalised expenses included in the Taxonomy (OpEx denominator)		27,196	4.6

NH Hotel Group’s eligible activities, according to Art. 8 of the Taxonomy Regulation, are managed from the corporate Buildings, Engineering and Maintenance department.

### Eligible activities of NH Hotel Group

Activity description	Economic activity according to taxonomy
Renovation of hotels, including civil construction works for their adaptation, as well as improvement of buildings’ envelopes or refurbishment and remodeling of rooms	7.2 Renovation of existing buildings
Maintenance of boilers, refrigeration equipment, replacement of pipes, ovens, batteries and/or electrical appliances (washing machines, refrigerators, dryers...)	7.3 Installation, maintenance and repair of energy-efficient equipment



For the calculation of the aforementioned indicators, the numerator has been determined based on the control and monitoring records of the 2021 investment budget of the Buildings, Engineering and Maintenance department, and the execution thereof, following the same accounting criteria that govern NH Hotel Group's financial accounting.

For **revenue**: The key indicator referring to revenue is calculated as the proportion of income derived from eligible activities (numerator) to total company revenue (denominator). These revenues correspond to those recognized in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008. The denominator of this key indicator is shown in Note 25.1: "Revenue" of NH Hotel Group's 2021 Consolidated Financial Statements.

For the calculation of the **CapEx** numerator, those activities that meet the eligible criteria according to the taxonomy of the areas involved have been identified first, and the corresponding values have been consolidated. Each eligible activity has only been computed for one area of the company, thus avoiding double accounting of such investments, as indicated in the previous table "Eligible activities of NH Hotel Group".

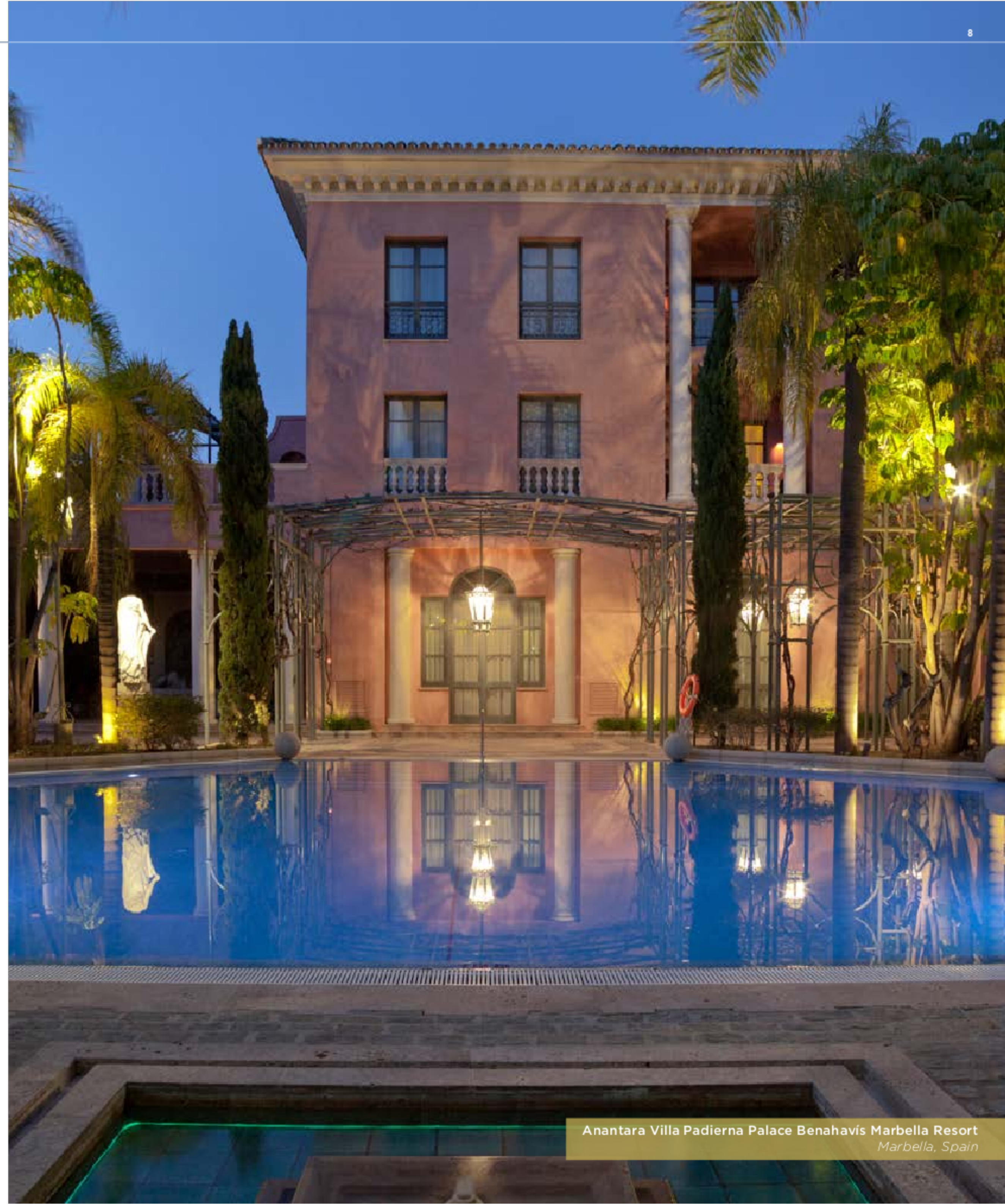
In the case of the denominator, additions to tangible and intangible assets, before amortization and possible new valuations, including those resulting from revaluations and impairments, have been included for the year 2021, excluding changes in reasonable value. Additions to tangible and intangible assets resulting from business combinations, if any, would also have been included, covering costs that are accounted for in accordance with IAS 16 - Property, Plant and Equipment, and IFRS 16 - Leases.

In accordance with our consolidated financial statements, total CapEx is shown in Note 7, Note 8 and Note 10 of the Consolidated Financial Statements 2021.

For **OpEx**: This indicator is defined as the ratio of eligible taxonomic OpEx (numerator) to total taxonomic OpEx (denominator).

This denominator reduces the total operating expenses to non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of property, plant and equipment by NH Hotel Group or a third party to whom activities are outsourced and that are necessary to ensure the continued and effective operation of these assets.

On the other hand, the numerator of this indicator would contain the operating expenses included in the denominator that would be allocated to eligible activities. This key indicator is included in Note 25.4 in the maintenance and cleaning expenses line of NH Hotel Group's 2021 Consolidated Financial Statements.





# CHAIRMAN AND CEO'S MESSAGE





## CHAIRMAN'S MESSAGE

*Dear stakeholders,*

In March 2020, when lockdown started because of the pandemic, I think that absolutely nobody could imagine that two years later we would still be dealing with restrictions on account of a mitigated sixth wave. Neither could anyone have expected that, in barely two years, several vaccines against the disease would have been created, or that a considerable proportion of Spaniards would have already received our booster dose. While the dimension of the health crisis has been the biggest in many decades, so too has been the capacity to respond that we have shown as a truly interconnected global society. The solidarity, hope and responsibility of so many millions of vaccinated individuals around the world have been good news in one of the most severe and devastating health crises in our common world history.

The hotel sector has been one of the hardest hit by the pandemic. Overnight, a key sector for trade, industry and cultural exchange between nations came to a complete standstill all over the world. We had never experienced such a sudden and such a global crisis, not even in the two World Wars last century. For the companies dedicated to this business, the outlook was practically apocalyptic. It did not matter where each company came from or how much it had achieved by the end of 2019. The health crisis crushed us all alike and forced us to pick ourselves up, reflect, prioritise and make the necessary decisions to resist, keep going and try to reinvent ourselves. Without any continuity or the slightest reference, we had to be reborn from intuition, assume the most adverse reality, and take very difficult decisions that would keep us away from the brink and allow us to recover a certain capacity for reaction and survival over time.

As an example, I would like to provide some numbers to help us gauge the seriousness of what happened. According to recent official figures of the Tourism Satellite Account for Spain, drawn up by the National Statistical Institute, in Spain tourist activity in 2020 fell to 61.4 billion euros, almost 58% less than the 154.7 billion obtained in 2019. In terms of GDP, the contribution made by tourism fell from 12.4% to 5.5%, almost seven percentage points less. If we look at forecast made in the Exceltur Tourism Prospects for 2021, last year's activity will total around 87 billion euros, 41% more than 2020, but still 44% below 2019. There are some reasons for hope, such as the fact that in November 2021, international tourist spending in Spain increased to 3.7 billion euros, only 25% below the 5 billion euros recorded in the same month in 2019.

In the international sphere, the situation is extremely similar. According to the [latest edition](#) of the World Tourism Barometer issued by the UN World Tourism Organization, revenues from international tourists in 2021 could be close to 800 million dollars, a slight improvement compared to 2020, but less than half the 1.7 trillion dollars recorded in 2019. Last year, the economic contribution made by tourism was estimated at 1.9 trillion dollars in terms of direct tourist gross domestic product, well below the 3.5 trillion dollars for the year before the pandemic. In this same report, the UNWTO warned that the safe resumption of international tourism will continue to depend to a considerable extent on a coordinated response by countries in terms of travel restrictions, harmonized health and safety protocols and effective communications to help restore consumer confidence.

NH Hotel Group, supported at all times by Minor International, its leading shareholder, has performed exemplarily in these two extremely complicated years. We owe this, first of all, to the efforts and commitment of the more than eleven thousand professionals in the Group's corporate offices and more than 350 hotels. All of them have managed to always adapt to the new health and technological standards, learn and successfully apply the more than seven hundred health measures incorporated into the everyday activity of the hotel business and, above all, assure the safety of the teams, suppliers and guests. While it is always difficult to gain the trust of each guest, in these two years, ensuring







Tivoli Carvoeiro  
Carvoeiro, Portugal

everyone's safety, conveying efficiency, being empathetic and regaining their trust has entailed an extraordinary dedication, resolved with magnificent results and a moving sacrifice.

Maintaining the viability and the future of the business in these two years has also been an extremely challenging task which the management team has overcome with rigour, discipline and clarity of purpose. Preserving liquidity and reducing expenditure were the two major priorities. To achieve them, it has been necessary to make decisions that were as painful as they were inevitable, and thanks to them, the Company has managed to consolidate its position, emerge stronger from the crisis, and save as many jobs as possible in the different countries where we operate. Throughout their history, companies leave a legacy that makes them special and highlights their mission and their results. I am convinced that the control and efforts of the NH Hotel Group management team in these two years will constitute one of the most memorable and meritorious chapters in our company's rich history.

From the Board of Directors, which I am honored to chair, we have tried to help the different teams, while assuring good corporate governance and defending the legitimate interests of the different shareholders and other stakeholders in our Group's activity. There have been numerous initiatives and resolutions, both of the Board and its different Committees. I am especially satisfied with the way in which the holistic refinancing of NH Hotel Group has been managed and approved, including a capital increase and a bond issue. This refinancing also made explicit Minor International's firm commitment to NH Hotel Group by granting a subordinated loan that was subsequently capitalised through the afore-mentioned capital increase approved at the General Shareholders' Meeting.

Finally, I would like to highlight two distinctions awarded to the Group. I am referring to our inclusion, for the third consecutive year, in the Bloomberg Gender Equality Index for our commitment to gender equality policies and the transparency of our performance as a listed company. We are the only Spanish hotel company included in the index, which particularly values our feminine leadership and talent flow, wage equality, inclusive culture, policies against sexual harassment, and our status as a brand committed to women's rights. We have also been recognised, for the second consecutive year, as one of the three most sustainable leaders in the hotel sector according to the S&P Global ranking. These are important distinctions because diversity, equality and sustainability will be decisive aspects when the hotel business fully recovers. A time when, with the dedication and enthusiasm of our professionals, we aspire to continue providing the best service to our customers and return their trust and maximum satisfaction in each of their stays with us.

On behalf of the Board of Directors of NH Hotel Group, thank you.

Alfredo Fernández Agram  
Chairman NH Hotel Group





NH Collection Gran Hotel Calderón  
Barcelona, Spain

## CEO'S MESSAGE

*Dear stakeholders,*

Those of us at NH Hotel Group have every reason to be proud of our work in 2021. In just twelve months we have deployed a wide range of management measures. In addition to the advances in digitalisation and robotisation, which we had been applying since before the pandemic, we have added a very successful cost-saving policy, which has been key to facing these two years of sanitary restrictions.

We also found ourselves in the situation of being the first hotel company to apply a redundancy plan in Spain, at our central services. This was an especially painful measure, but it was completed in a clear agreement with the trade unions and the employees voted in favour of it practically unanimously. It brought stability at a very delicate time for business. Completing this process has allowed the Company to minimise job losses. And we are confident that the recovery that is drawing nearer will enable us to return to being net employers as soon as possible.

At the same time, we carried out a comprehensive restructuring and refinancing of corporate debt. We received two injections of capital: one through the sale and long-term leaseback of the NH Collection Barcelona Gran Hotel Calderón, and another with the capital increase led by our main shareholder, Minor

International. It is a known fact that between 2016 and 2019 NH Hotel Group carried out the greatest debt reduction in its history, down to just 0.6 times EBITDA. 2019 was also the year in which we obtained the highest net income in our history, more than 100 million euros in that year.

Just three months later, in March 2020, the pandemic reduced all these achievements to practically nothing. But in reality, it did not. Having achieved them allowed us to face a devastating, sudden and very deep crisis from a better position. With that prior support, in these two years we have managed to re-apply the same method of debt containment, cash protection and sufficient liquidity. Time will tell whether or not the record results achieved in 2019 have more merit than those achieved in 2021. I have been involved in both, and personally I am even more satisfied with the latter. I will give you one reason: apart from the dramatic effect of the pandemic on the accounts for the last two years, if we were efficient in 2019, we were even more so in 2021.

Of course, the restructuring and refinancing of debt has been an essential milestone in strengthening our corporate future. Every step taken in the past year has been significant. One was the 400 million euros senior secured bond issue completed in June, maturing in July 2026 with an annual coupon of 4%. The capital received was used to redeem the previous senior bond with a value of 357 million euros and maturity in 2023, three years earlier than the current one. In parallel, we had already extended the two credit lines activated. The first one, from the Instituto de Crédito Oficial, for 250 million euros. Also, the Syndicated Credit Line (RCF) for 242 million euros. The maturity of the two was changed from 2023 to 2026, which has freed us from relevant debt maturities until four years from now, leaving us in an extremely solid financial position to undertake the industry recovery.





NH Hannover  
Hannover, Germany

Moreover, last summer we received the express support of Minor International, our main shareholder, through a convertible loan completed through a capital increase for a total of 106 million euros. The operation substantially reinforced the Company's liquidity position. It also gave us the support of all our shareholders. Minor exercised its rights and so did the minority shareholders, with their preferential tranche being oversubscribed by 10.9. This was an important statement of confidence from our shareholders. It also materialised at the height of summer, when the sector recovery data started to consolidate and the way out of the crisis seemed more and more imminent. The steps made to improve liquidity did not stop there. On June 30<sup>th</sup>, our group signed a sale and leaseback deal with LaSalle Investment Management on the NH Collection Barcelona Gran Hotel Calderón. This includes an associated lease for an initial term of 20 years, with two extensions of 20 years up to a total of 60 years.

In 2021, revenues totaled 834 million euros, up 55% compared to the 540 million euros reported in 2020. This evolution is explained by the recovery of business in the second half of the year, following the flexibilization of restrictions in European countries. As a result of the improvement and strict cost control, total net income was -132 million euros compared to -437 million euros in 2020. A highlight is the change in trend since the end of the second quarter of 2021 with the lifting of restrictions in European countries. This operational improvement, together with the efficiency measures implemented by the company, the efforts to control costs and very selective investment, has made it possible to avoid cash drain in the second half of 2021. In addition, as a result of the capital increase and asset rotation, gross borrowing fell to 813 million euros at the end of the year, compared to 998 million euros a year earlier. In turn, the Group's liquidity has also increased, with available liquidity - considering cash, other liquid assets and unused credit facilities - totaling 511 million euros in December 2021, compared to 346 million euros in 2020.

We are certain that the great efforts made in 2021 will bear fruit throughout 2022. During the restrictions of these last two years, the sun and beach model prevailed, although an alternative urban model, with much more quality and differentiation, has gradually been emerging, associated to emblematic cities and which is starting to be a growing trend in both leisure and business travel. Hardly anybody now questions the progressive shift by customers from the previous pattern, perhaps more massive and undifferentiated, towards more qualitative options with stays that are possibly shorter, but more aspirational, in which gastronomy will have more decision-making power and resorts and major urban hotels will be the leading formats in the medium and long term. For NH, this is excellent news because the new tastes match the hotel portfolio, we have been defining in recent years almost down to the last millimeter.

As the recovery takes hold, we expect to be a very active player in a rising market. With our liquidity and financial structure already well established, we are perfectly placed to take advantage of opportunities that may arise. Many international funds and investors have taken positions in the hotel real estate market. They need recognised operators capable of efficient management. We are one of the national and international benchmarks in this field, we already manage many of these hotels and we intend to be even more active in the future. In addition, between now and 2024, we are already planning to open 20 new hotels and 3,400 rooms. These will also be the years of growth and consolidation of the Anantara brand in Europe. It is set to be one of the most relevant and recognised brands in the medium term. We also have significant development plans already in progress, both in the Nordic countries and in Central Europe, and we are activating the cross-branding with Minor to increase our presence in Asia and the Middle East as well.

However, we believe that to take advantage of these opportunities and achieve excellence in our operations, we need to focus on the sustainability of our business. Therefore, as a member of the Spanish Chapter of the United Nations Global Compact Network, NH is committed to continuing to show our contribution to the SDGs (Sustainable Development Goals), focusing especially on those directly related to our activity through the different pages of the Report.

We leave behind two particularly tough years, probably the most challenging in our company's recent history. We have adopted important management measures, applied greater cost control and extending and improving our financing conditions. I am proud of both the results obtained and the opportunities that these efforts will provide from this year onwards. But I must also underline that all these measures would have been meaningless without the excellent performance of all our professionals. They are the ones who have built our future, with two years of exemplary work in central services and in each of our hotels, always on the front line. Their success is also the success of our suppliers, shareholders and customers, who have continued to place their trust in us. If we have come this far, I guarantee that it will be to multiply the quality and distinction of our offer. Our objective is to keep getting better every day to continue to deserve your trust.

Thank you very much,

A handwritten signature in blue ink, appearing to read 'Ramón Aragonés'. The signature is stylized and fluid.

Ramón Aragonés  
CEO NH Hotel Group



# COMPANY'S POST COVID MANAGEMENT





# COMPANY'S POST COVID MANAGEMENT

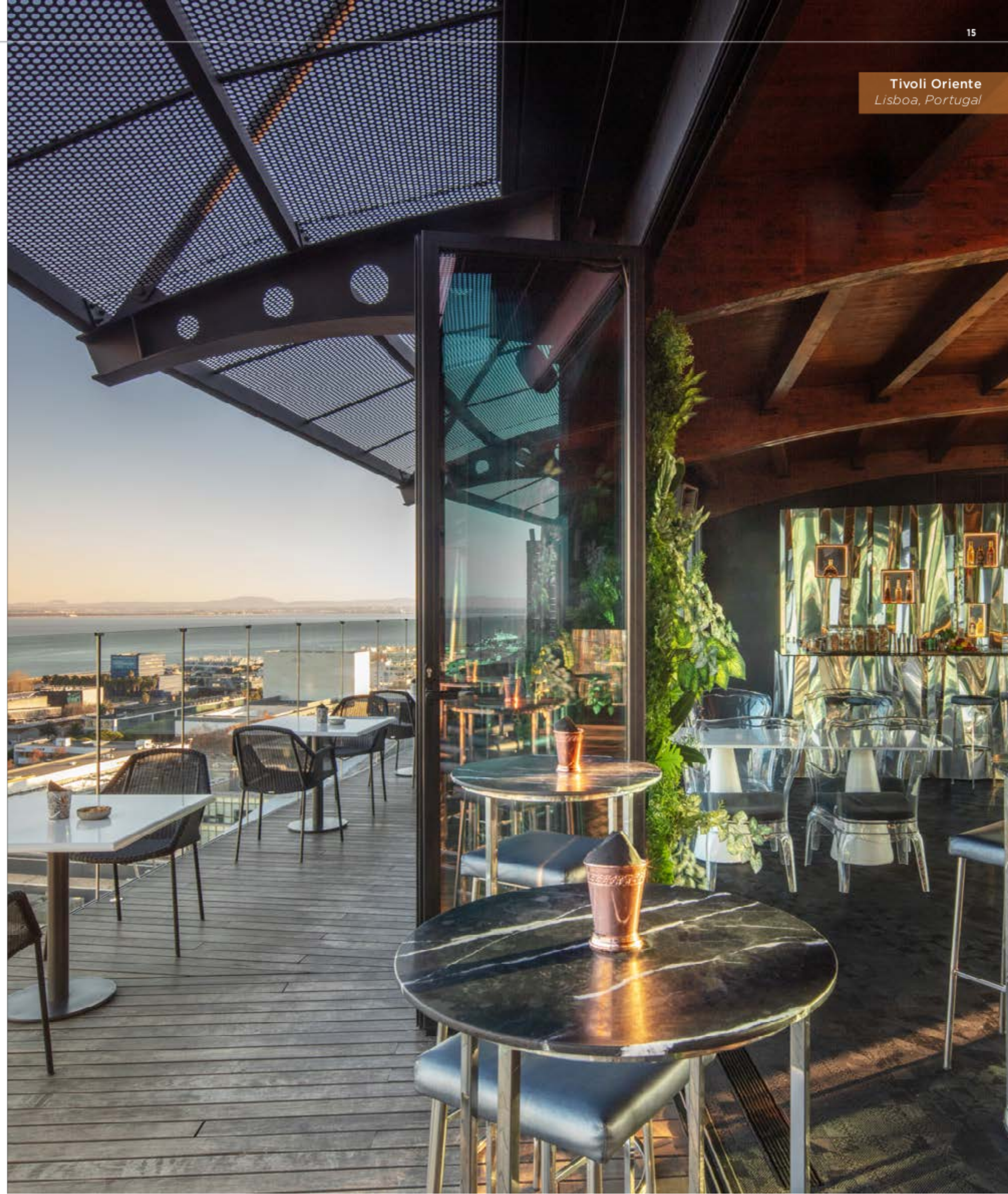
The Company's excellent performance in recent years (pre-covid) has been the result of a process of profound transformation of the Group.

In the first phase of this transformation, which began in 2014, the strategic plan focused on brand segmentation, portfolio optimisation, strong investments in repositioning and systems and a renewed pricing strategy. This took NH Hotel Group to a second phase, starting in 2017, based on the Company's strengths and boosting the key levers of value creation in the business. This Plan set out as priorities driving the Company's revenues and increasing its efficiency, while taking advantage of its strengths for new repositioning opportunities and organic expansion as an additional growth pathway.

With the entry of Minor International as a shareholder, a new phase of opportunities opened up through the creation of a global hotel platform with presence in five continents. Thus, a new era started in which additional opportunities arose, such as:

- The possibility of increasing the current customer base by attracting the growing Asian demand to European markets.
- Economies of scale with commercial partners, travel agents and suppliers.
- The capacity to use a wider range of brands in new geographies, in other words to take NH's brands to Minor's geographies and vice versa.
- Access to the luxury segment with new rebranding opportunities and the opening and signing of deals for new hotels in this segment.
- Promote our segment diversification strategy, integrating the resorts market into our growth pillars.
- Integration of the Tivoli operations in Europe under NH's management.
- Having the best teams, fostering talent exchange.

The Group's commercial strength and its flexible operational and financial structure have enabled it to overcome the major challenges of the past few years.



Tivoli Oriente  
Lisboa, Portugal





nhow Marseille  
Marseille, France

## CONTINGENCY PLAN

At the beginning of the COVID-19 pandemic, hotel demand decreased due to lockdowns, travel restrictions and social distancing, all of which affected mobility.

The gradual rollout of vaccines since early 2021 was the start of the turning point. This, together with the progressive lifting of restrictions in some countries in Europe, made it possible to accelerate the reopening of hotels. As a result, by the end of 2021 almost 90% of the hotels were open, compared to 60% at the beginning of the same year.

As a consequence of the exceptional circumstances occurring after the start of the global pandemic, the Company implemented a number of different measures and plans to adapt the business and assure its sustainability, with the aim of minimising costs, preserving liquidity to cover operational needs and ensuring that the reactivation of the hotel activity would take place efficiently and based on the premise of maximum guarantees regarding health and safety.

During the year, the following cost discipline and control measures continue to be implemented to ensure that operating expenses are minimised and liquidity is preserved:

- **Personnel:** The Group carried out adjustments, temporary suspensions of employment and reductions in working hours and salary in hotels and central offices based on causes of force majeure or production reasons. Some of these processes have continued in 2021. Additionally, a collective dismissal process has been completed in Corporate Services in Spain as part of a global plan. *More information is provided in the Chapter NH ROOM4 People: Employees.*
- **Operational costs:**
  - Negotiations with suppliers to reduce acquisition costs, seek alternative products with a lower cost and obtain improvements in payment terms.
  - Suspension of non-priority third-party advisory services.
  - Significant reduction in marketing and advertising costs.
- **Leases:** The temporary reduction of fixed leases continued during the first half of 2021 and to a lesser extent during the second half of the year after the initial recovery stages.
- **Capital Expenditure:** Execution of CapEx was reduced by more than 50% in 2020 and in 2021 it continued to be limited to around €36.8 million.

- **Reinforcing liquidity:** the Company has proactively carried out a range of initiatives to reinforce the structure of the Group's capital during the year:

- In May, a 100-million-euro investment by Minor International (94% shareholding) was agreed, through a subordinated and unsecured loan, which was received in May and capitalised in September 2021 through a capital increase process addressed at all shareholders. This arrangement provided immediately liquidity and showcased the main shareholder's support towards recovery. This capital increase was approved at the Annual General Meeting held on 30 June. Simultaneously to this capital increase, the Board launched the cash capital increase under the same economic conditions and with pre-emptive subscription rights for the other shareholders to avoid dilutive effects on the shareholdings.
- Also, in the month of May, with the aim of continuing to optimize the debt profile, the maturity of the 250-million-euro syndicated ICO loan was extended from 2023 to 2026.
- In June, NH Hotel Group successfully launched a guaranteed senior bond issue on the market with a value of 400 million euros, maturing in July 2026. The funds obtained have been used to redeem the senior bond for a value of 357 million euros maturing in 2023. The new issue, which was significantly oversubscribed, has an annual coupon of 4%.
- NH Hotel Group has also agreed an extension of its syndicated revolving credit facility (RCF) of 242 million euros, the maturity of which changes from March 2023 to March 2026. The support shown by the financial institutions that participated in this financing should be noted, with the extension of the waiver of the financial covenants throughout the year 2022.
- On 30 June 2021, the sale & leaseback of the NH Collection Barcelona Gran Hotel Calderón hotel was announced for 125.5 million euros with an associated 20-year lease agreement and the option to exercise two additional extensions for NH Hotel Group for a further 20 years each, for a total of 60 years. With this transaction, the Company generated a net accounting capital gain of 46.7 million euro.

These milestones achieved during 2021 reinforce the Company's capital structure and liquidity through a solid financial base with no significant debt maturities until 2026. From this position, NH Hotel Group is ready to face the imminent recovery of the sector from a better financial and capital structure standpoint. In addition, it has enabled the Group to start reducing gross debt in 2021.



NH Venezia Santa Lucia  
Venice, Italy

## FEEL SAFE AT NH

In 2021, NH Hotel Group has continued implementing **"Feel Safe at NH"**, the plan setting out measures backed by experts (SGS) to deal with the health crisis caused by the SARS-CoV-2 coronavirus, which NH Hotel Group designed and implemented in spring 2020 in all its hotels. To ensure the safety of guests and employees, NH put a number of different initiatives into place through this plan and adapted almost 700 operational standards, completely redesigning the guest experience cycle.

In 2021, NH Hotel Group has adapted **"Feel Safe at NH"** in line with the evolution of the pandemic. In fact, in the middle of 2021, as the health situation so permitted, certain pre-pandemic standards were recovered, such as the buffet, or the equipping of rooms including minibar. These steps made it possible to increase the level of quality and guest satisfaction, without compromising our safety levels. The other measures such as signage, social distancing, use of masks, capacity control (according to local regulations), etc. remain in force, assuring correct compliance with health and safety measures for our guests, employees and partners.

This year has also seen the implementation of measures aimed at improving the quality of air in the interior through the installation air purification systems (using HEPA filters) and monitoring CO<sub>2</sub> levels in some of our hotels and workplaces. Scientific evidence has shown that the main route of virus transmission is by aerosols, so it is critical to ensure adequate levels of ventilation and air quality in our buildings.

In 2021, the Committee to manage the risk of COVID-19 has continued to operate, making the necessary adaptations and modifications to the Contingency Plan and the **"Feel Safe at NH"** protocols in line with the evolution of the pandemic.

The NH Hotel Group Joint Prevention Services has continued to provide the necessary advice to all GMs and personnel of NH Hotel Group to ensure correct implementation of the health measures, and has taken responsibility for managing all the cases of COVID recorded among employees, guests and partners (record of cases, identification of close contacts, health Authorities notification, establishment of corrective measures where required, etc.).





# NH HOTEL GROUP BUSINESS MODEL





NH Royal La Boheme  
Bogota, Colombia



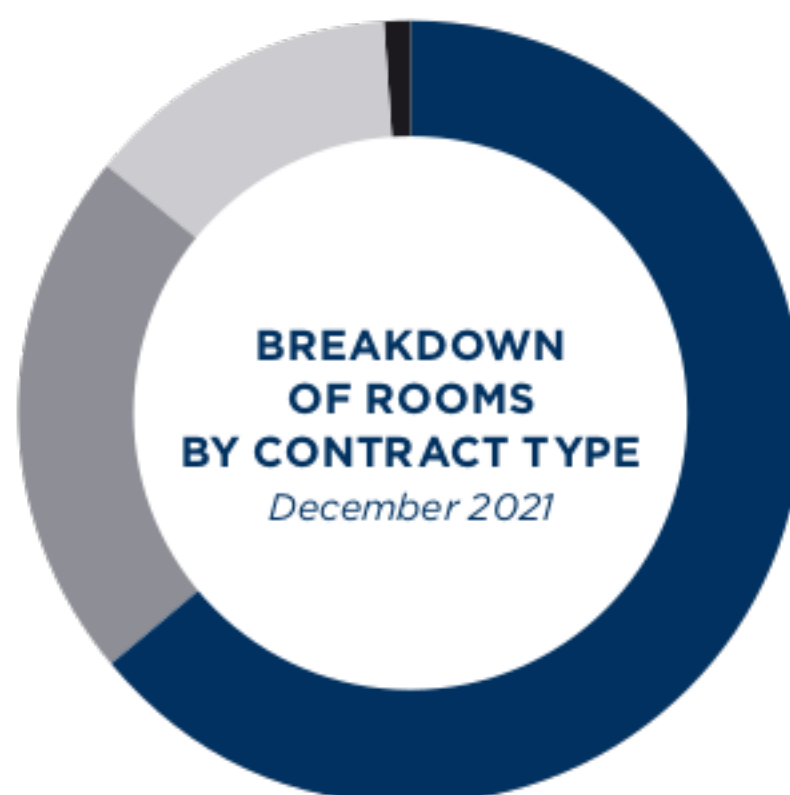
# NH HOTEL GROUP BUSINESS MODEL

NH Hotel Group is a consolidated multinational operator and one of the leading urban hotel chains in the world. At the end of 2021, the Group was present in 30 countries, operating 353 hotels and 55,063 rooms in four continents (Europe, North America, South America and Africa).

The centralised business model allows NH Hotel Group to offer its guests an excellent service in the various hotels in the different regions and geographical areas where it does business.

The corporate head office and regional offices offer the hotels a wide range of functions such as sales, revenue management, booking, marketing, human resources, financial management and systems development.

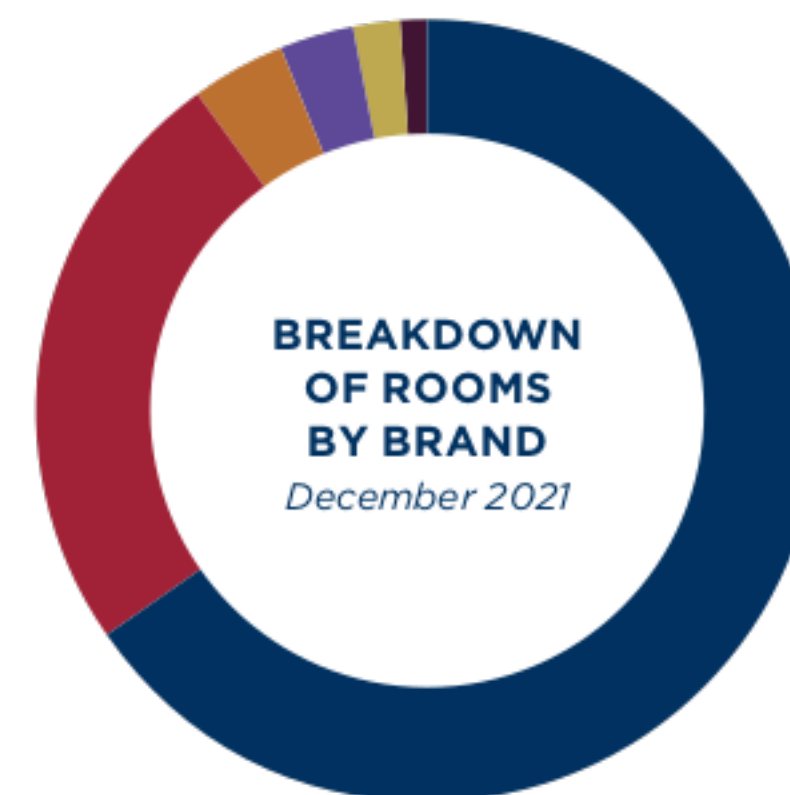
This flexible operational and financial structure has allowed the Group to overcome the significant challenges of 2021, despite the low level of demand. Although the challenges continue in the first few months of 2022, the Group will benefit from the recovery of brand awareness, excellent locations and strong market positioning once the recovery in Europe is underway in the medium term.



- 65% Lease
- 21% Owned
- 13% Managed
- 1% Franchise



- 21% Spain
- 19% Germany
- 15% Italy
- 13% The Netherlands
- 5% Portugal
- 5% Mexico
- 4% Argentina
- 4% Belgium
- 2% Austria
- 2% Colombia
- 2% France
- 8% Others



- 64% NH HOTELS
- 26% NH COLLECTION HOTELS
- 4% TIVOLI HOTELS & RESORTS
- 3% nhow HOTELS
- 2% ANANTARA HOTELS-RESORTS-SPAS
- 1% AVANI Hotels & Resorts



## BREAKDOWN OF THE PORTFOLIO

	Total		Owned		Lease		Management		Franchise	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>NH Hotel Group</b>	<b>353</b>	<b>55,063</b>	<b>72</b>	<b>11,712</b>	<b>227</b>	<b>35,970</b>	<b>46</b>	<b>6,896</b>	<b>6</b>	<b>485</b>
<b>Americas BU</b>	<b>55</b>	<b>7,375</b>	<b>21</b>	<b>2,844</b>	<b>21</b>	<b>2,650</b>	<b>12</b>	<b>1,881</b>	<b>0</b>	<b>0</b>
Argentina	15	2,144	12	1,524	-	-	3	620	-	-
Brazil	1	178	-	-	1	178	-	-	-	-
Chile	5	584	4	499	-	-	1	85	-	-
Colombia	13	1,355	-	-	13	1,355	-	-	-	-
Cuba	2	251	-	-	-	-	2	251	-	-
Ecuador	1	124	-	-	1	124	-	-	-	-
Haiti	1	72	-	-	-	-	1	72	-	-
Mexico	16	2,531	4	685	6	993	5	853	-	-
Uruguay	1	136	1	136	-	-	-	-	-	-
<b>Northern Europe BU</b>	<b>126</b>	<b>23,830</b>	<b>25</b>	<b>4,986</b>	<b>94</b>	<b>17,412</b>	<b>6</b>	<b>1,339</b>	<b>1</b>	<b>93</b>
Austria	7	1,340			7	1,340				
Belgium	13	2,271	7	1,068	6	1,203				
Czech Republic	4	733			1	152	3	581		
Denmark	1	394			1	394				
Germany	55	10,187	5	1,000	50	9,187				
Hungary	3	483			3	483				
Ireland	1	187			1	187				
Luxemburg	1	148	1	148						
Poland	1	93							1	93
Romania	1	83			1	83				
Slovakia	1	117					1	117		
Switzerland	2	260			2	260				
The Netherlands	34	7,223	12	2,770	21	4,002	1	451		
United Kingdom	2	311			1	121	1	190		
<b>Southern Europe BU</b>	<b>172</b>	<b>23,858</b>	<b>26</b>	<b>3,882</b>	<b>112</b>	<b>15,908</b>	<b>28</b>	<b>3,676</b>	<b>5</b>	<b>392</b>
Andorra	1	60					1	60		
France	5	871			4	721	1	150		
Italy	56	8,422	13	1,872	39	5,957	4	593		
Portugal	16	2,753			5	854	11	1,899		
Spain	92	11,371	12	1,722	64	8,376	10	881	5	392
Tunisia	1	93					1	93		
United States	1	288	1	288						
<b>Total Europa</b>	<b>298</b>	<b>47,688</b>	<b>51</b>	<b>8,868</b>	<b>206</b>	<b>33,320</b>	<b>34</b>	<b>5,015</b>	<b>6</b>	<b>485</b>

\* Figures as of December 31<sup>st</sup>, 2021.



NH Collection Palacio de Tepa  
Madrid, Spain





NH Collection Gran Vía  
Madrid, Spain

## KEY FIGURES

### GLOBAL ECONOMIC AND TOURISM CONTEXT

During 2021, as a result of the start of the recovery following the economic crisis generated by the COVID-19 pandemic, the world economy grew by +5.9% compared to a decrease of -3.1% the previous year.

Growth in GDP in 2021 was in line with expectations, reflected the ongoing adaptations of economic activity to the pandemic and the associated restrictions, as well as the continued support of institutions in many countries.

Although the recovery continues, it weakened at times throughout the year, hampered by the increase in infections caused by new variants and by interruptions in supply chains. At the end of the year, as a result of the omicron variant, many countries reintroduced partial lockdowns, impacting the recovery in the global economy.

The four countries that make up the bulk of the Group's sales and results show growth rates in 2021: Spain (+4.9% in 2021 vs. -10.8% in 2020), The Netherlands (+4.5% in 2021 vs. -3.8% in 2020), Germany (+2.7% in 2021 vs. -4.6% in 2020) and Italy (+6.2% in 2021 vs. -8.9% in 2020). On the other hand, growth in Latin America is expected to be +6.8% in 2021 (vs. -6.9% in 2020), as all its economies have continued to suffer the consequences generated by COVID-19.

For the world economy, 2022 begins with some uncertainty in the short term. As the new omicron variant of COVID-19 progresses, countries have once again imposed restrictions on mobility. As a result of the increase in energy prices and disruption in supply, inflation is higher and more widespread than anticipated. Furthermore, the unexpected slowness of the recovery in private consumption has limited the prospects for growth.

Accordingly, the estimate for growth in worldwide economic activity in 2022 is +4.4% (+5.9% in 2021 vs. -3.1% in 2020). More specifically, in the Eurozone growth is forecast at +3.9% in 2022 (+5.2% in 2021 vs. -6.4% in 2020).

Worldwide tourism saw an increase of 4% in 2021, compared to 2020. However, international tourist arrivals remained 72% below the figures for 2019, according to the preliminary estimates of the UNWTO. These are figures that follow on from 2020, the worst year in the annals of tourism.

The rate of recovery continues to be slow and uneven in the different regions of the world, due to the different degrees of mobility restrictions, vaccination rates and consumer confidence. Europe

and the Americas recorded an improvement in 2021 compared to 2020 (+19% and +17% respectively), but both are still 63% below pre-pandemic levels. By sub-region, Southern Mediterranean Europe (+57%) and Central and Eastern Europe (+18%), Central America (+54%) and North America (+17%) also exceeded 2020 levels.

The first issue of the UNWTO Barometer in 2022 shows that the increase in vaccination rates, combined with the fall in travel restrictions due to greater cross-border coordination and new protocols, have helped to release pent-up demand. International tourism showed a moderate increase in the second half of 2021, with arrivals for the six months 62% below pre-pandemic figures.

The recent increase in COVID-19 cases and the omicron variant are going to disrupt recovery and affect confidence until the beginning of 2022, as some countries reintroduce travel prohibitions and restrictions for certain markets. At the same time, vaccine rollout continues to be unequal. A difficult economic environment could exercise additional pressure on the effective recovery of international tourism, with the rise in oil prices, the increase in inflation, the possible rise in interest rates, high volumes of debt and the continuous interruption of supply chains. However, the recovery of tourism that is taking place in many markets, especially in Europe and the Americas, together with widespread rollout of the vaccine and a significant coordinated lifting of restrictions on travel, could help to restore consumer confidence and accelerate the recovery of international tourism in 2022.

While international tourism recovers, domestic tourism continues to boost the sector's recovery in a growing number of destinations, especially those that have large internal markets. According to the experts, domestic tourism and trips close to home will continue to shape tourism in 2022.

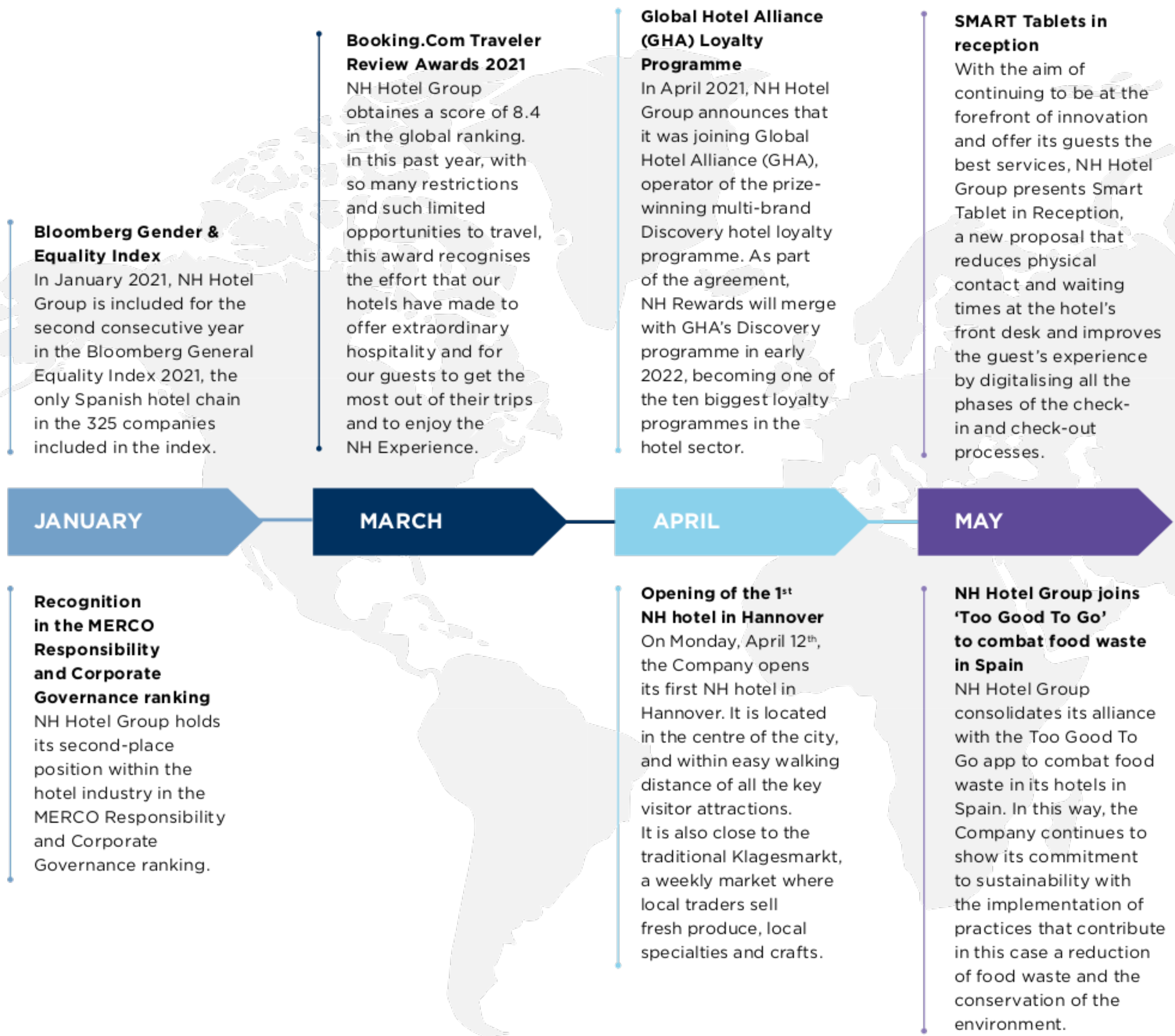
### EVOLUTION OF RESULTS

Revenues in 2021 totaled 746.5 million euros, an increase of 39.2% (+210.3 million euros). Profit for the year attributable to the Parent Company amounted to -133.7 million euros compared to -437.2 million euros in 2020. This increase is explained by the increase in activity following the impact of COVID-19 during the financial year 2021.

With regards to the gross debt situation in this financial year, it decreased from EUR 998.1 million in December 2020 to 813.1 million euros in December 2021. The cash and other liquid assets position as of 31 December 2021 amounts to 243.9 million euros (31 December 2020: 320.9 million euros). This liquidity is supplemented by the syndicated credit line in the amount of 242.0 million euros (fully drawn down at year-end 2020) and credit lines at year-end 2021 in the amount of 25.0 million euros, compared to 25.0 million euros at 31 December 2020.



# MILESTONES 2021



NH Collection New York Madison Avenue  
New York, USA





nhow Brussels  
Brussels, Belgium

nhow  
HOTELS

**NH + Business Programme**

NH+ Business Programme is added to the innovative proposals aimed at companies and professional travellers that NH Hotel Group offers with the aim of adapting to their business needs and boosting business trips.

**Launch of the NH Hotels brand in the Middle East**

NH Hotels, la marca de hoteles urbanos para ocio y negocio de NH Hotel Group, se estrena en la región de Oriente Medio con la apertura del hotel NH Dubai The Palm. La propiedad de nueva construcción con 533 habitaciones, que se encuentra actualmente en las etapas finales de desarrollo, abrirá sus puertas en diciembre y será gestionada por Minor International.

**New nhow Brussels Bloom**

The nhow brand expands with the launch of its 7<sup>th</sup> hotel; an unconventional hotel experience with a different artistic expression on each floor, including one designed by London artist Jessica Thacker.

**Opening of the NH Collection Murano Villa**

From a 16<sup>th</sup>-century monastery to a glass factory and now an extraordinary NH Collection hotel... different realities that share a common factor: people.

JUNE

JULY

AUGUST

SEPTEMBER

**Opening of the new NH Collection Madison Avenue**

NH returns to the Big Apple! We are proud to announce that our NH Collection brand is now part of the city of New York. This completely refurbished hotel on Madison Avenue has 288 rooms, some of them offering magnificent views of the Empire State Building.

**NH Hotels enters the Top 20 of the world's most valuable hotel brands in the Brand Finance ranking**

Brand Finance evaluates the relative strength of brands, based on factors such as investment in marketing, customer perception, employee satisfaction and corporate reputation. In the strength ranking published this year, NH moves up one position to fourth place.

**NH Hotel Group opens its first 5-star hotel in Copenhagen**

On September 1<sup>st</sup>, NH Collection Copenhagen official opened its doors. This five-star hotel, located next to the waters of the bustling Christianshavn, is key for the Company, as it is NH Hotel Group's first hotel in Denmark. The NH Collection Copenhagen has a high level of sustainability: green sedum roof, use of seawater to cool the building, smart lighting and interior climate control, and selection of sustainable materials.







GoXO  
NH Collection Constanza  
Barcelona, Spain

**NH Hotel Group partners with Bioscore to rate the sustainability level of its hotels**

NH Hotel Group and Bioscore sign a global alliance to rate the sustainability of its more than 350 hotels throughout the world. Thanks to this agreement, NH goes a step further in its commitment to sustainability, a strategic value of the Company. Thanks to Bioscore's technology, all NH accommodations can know their sustainability level and make it visible to end-users. NH Hotel Group hotels will be able to include their Bioscore ratings in their sales channels, highlighting their commitment to sustainability and differentiating themselves in the eyes of consumers that use the Bioscore stamp as a new search criterion when booking accommodation.

**NH Hotel Group, one of the most sustainable hotel chains in the world**

NH Hotel Group has been recognised by S&P Global, the prestigious sustainability investment rating specialist, as one of the TOP 3 most sustainable companies in the world within its sector. This recognition is a testament to our sustainability leadership in the industry and confirms the ambition shared with Minor International, a member of the Dow Jones Sustainability Index, which tracks the economic, social and environmental performance of leading sustainability companies worldwide.

**OCTOBER**

**NH Hotel Group launches NHPRO.com**

In its effort to help professionals and offer agile, flexible and efficient solutions, NH Hotel Group has launched NH PRO, an exclusive online platform that centralises all administrative tasks in a single place, offering greater facilities to agencies, companies and event organisers. It is a unique and exclusive digital space that offers the possibility of having personalised solutions when carrying out any management, with the aim of simplifying and facilitating the administrative tasks of professionals, providing them with new functionalities to develop their business, and offering them all the experience of more than 40 years of the Company in the organisation of business trips and planning of MICE events.

**Dabiz Muñoz debuts in Barcelona with the opening of GoXO at the NH Collection Constanza**

With the 'enlightened Goxism' concept, Dabiz Muñoz GoXO Barcelona is home-made haute cuisine that was made to be eaten at home and which can now be enjoyed away from home. This venue, which opened on October 6<sup>th</sup> at the NH Collection Constanza, has an interior dining-room and terrace, but being a result of Dabiz's defiant way of understanding gastronomy, it could not just be another restaurant.

**NOVEMBER**

**Basic sustainability framework accessible to all the hotels in the world**

NH Hotel Group, together with other leader hotel companies, has launched an initiative to establish a common definition of hotel sustainability to boost responsible travel and tourism.

**DECEMBER**

**Launch of new amenities**

NH Hotel Group is firmly committed to sustainability and works to minimise its impact on the environment with the aim of leading the industry in sustainable excellence. The new amenities not only comply with European regulations, but go a step further and are adapted to market and consumer trends by offering a product that respects the environment, with the EU Ecolabel.



## OUR VISION AND CULTURE

### OUR VISION

***One day, whenever anyone contemplates a trip to a city for an overnight stay or meeting, for business or pleasure, they will always ask themselves: “Is there an NH Hotel at my destination?”***

NH Hotel Group places its focus on the guest; they are at the centre of all decisions. This approach allows us to evolve towards a vision oriented towards a culture of service, attention to detail at all times and corporate values that promote sustainability, innovation and responsibility, based on people.

NH Hotel Group wants to be consumers' chosen destination, offering them memorable experiences that exceed their expectations and making them feel special. This vision, which is shared by all the people who make up the Company, serves as a performance and commitment guide, while at the same time seeking to make NH Hotel Group the best option for investors and owners who wish to grow with us, our global and flexible proposal, highly motivated and proud teams, efficient management tools and unique solutions. To maximise the return for shareholders who have placed their trust in NH Hotel Group, the Company offers its investors the best management opportunities as a leading operator in both the urban and business segment.

### OUR CULTURE

The NH Hotel Group culture, inspired on its vision and a clear commitment to customer service, is what has set the Group apart since it started operating in the industry.

The alignment of the Company's culture with its strategy is key for sustainable growth. This culture has allowed the Company to evolve from a management model to a leadership one that incorporates the beliefs that guide the day-to-day activities of all employees, and which are:

- 1. We are obsessed with delivering memorable experiences**
- 2. We are proud to serve**
- 3. We strive to be the best, even if we are not the biggest**
- 4. We are all responsible for our results**
- 5. We care for our people. Our people care for our guests**
- 6. We are active in the communities where we live**
- 7. We are young minded**
- 8. We enjoy what we do... and we do all this with a smile!**

As a reflection of our Company values...

#### **NH COLLECTION MADRID PALACIO DE ARANJUEZ**

The team at the NH Collection Madrid Palacio de Aranjuez discovered that a young guest was a keen collector of hotel swipe cards. They managed to find the card she was missing and placed it in her room with a story that told the tale of a duck's journey in Aranjuez. The girl's mother afterwards sent them a letter of gratitude thanking them for their kindness and consideration. Thanks, team, for making the invisible visible!





## NH HOTEL GROUP STRATEGY

COVID-19 has caused a drastic fall in demand linked to mobility restriction measures, which has led to a focus on efficiency.

Despite the positive effect of vaccination for the recovery of the hotel activity, there is a degree of uncertainty concerning restrictions to mobility at international level. The lifting and harmonization of restrictions to international mobility beyond the European Union is a key factor for the recovery of the hotel sector. The economic recovery in Europe will be key to recover pre-pandemic employment and consumption levels. The increase in the price of supplies and operating costs – most notably labour costs, energy costs and all CPI-linked costs, may play an important role in the profitability of hotel businesses.

Size will be a decisive factor in the recovery as economies of scale allow for greater efficiency in operational management. Fragmentation of the hotel sector in Europe continues to be high and therefore opportunities will arise during the recovery phase for the concentration of the sector to move faster towards more efficient and sustainable business and management models with greater economies of scale.

Minor Hotels and NH Hotel Group have integrated their commercial brands under a single corporate umbrella present in more than 50 countries around the world. Accordingly, a portfolio of more than 500 hotels has been organized under eight brands: Anantara, Avani, Elewana, Oaks, NH Hotels, NH Collection, nhow and Tivoli, completing a wide and diverse range of hotels connected to the needs and wishes of global travellers. Both groups currently share their knowledge base and experience in the sector with the aim of materializing short-term opportunities, leveraging the complementary nature of their hotel portfolios by defining a global commercial strategy, implementing economies of scale with a broader customer base, exploring ways to develop for all the brands across different geographies and with access to a shared talent base. With the entrance of Minor as shareholder at the end of 2018, a new phase of opportunities was opened through the creation of a global hotel platform with presence in six continents.

In 2022, once the Company has greater visibility of the recovery of demand, a long-term strategic planning process will be undertaken. The Company's excellent performance in recent years (pre-covid) has been the result of a process of profound transformation of the Group.

In the first phase of this transformation, which began in 2014, the strategic plan focused on brand segmentation, portfolio optimisation, strong investments in repositioning and systems and a renewed pricing strategy. This took NH Hotel Group to a second phase, starting in 2017, based on the Company's strengths and boosting the key levers of value creation in the business.

This Plan set out as priorities boosting the Company's revenues, increasing its efficiency, while taking advantage of its strengths for new repositioning opportunities and organic expansion as an additional growth pathway.

Business traveller habits may be affected in the short and medium term, which means fewer trips for work-related reasons in light of the gradual adoption of digital solutions and hybrid arrangements, which are determining the evolution of certain segments of business travel.

During the first part of 2021, with the aim of adapting to the new trends in business travel, the Group launched a number of initiatives:

- Extended Stay, with discounts of up to 35% for stays of more than 7 days to work away from home during an extended period.
- Smart Spaces, a new B2B proposal with exclusive spaces to work and organise small business meetings, using all the benefits of our hotels.
- Hybrid Meetings, to boost the value of events by reaching a larger audience in different destinations combining in-person and virtual participants.
- NH+, a new approach of the corporate segment towards SMEs which are the first to resume their activity.

Digitalisation will be key in the evolution of the sector. Through technology and digitalisation, guests' experience is enhanced, and efficiency is increased. The digital component will be key to respond to travellers' safety needs and experience. Technology should be a facilitator that complements the work of our employees, freeing them from administrative tasks so that they can offer a more personalised attention to guests.

It should be noted that NH Hotel Group continues to be at the forefront of innovation. The Group's digital transformation has brought efficiency to processes and systems, increased its capacity for differentiation from the competition, and continued to improve the Company's basic processes. In this regard, one of the great achievements has been centralising all properties and functions in a single integrated system. This allows NH Hotel Group to have a totally integrated digital platform: NH Digital Core Platform. A pioneering technological solution in the sector which has enabled us to integrate the systems of all the Group's hotels and has become the basis on which NH Hotel Group can expand its knowledge of guests, maximise efficiency and innovate on a large scale in all its value areas.

For the first time, hotel companies have encountered difficulties in finding workers, which suggests that the sector must manage to attract talent again through attractive career plans that boost training and work-life balance.







## KEY STRATEGIC INITIATIVES IN 2021

### 1. NH HOTEL GROUP CONSOLIDATES ITS STRATEGIC COMMITMENT TO THE LUXURY SEGMENT

To grow in this high-end brand segment, we will leverage the Anantara brand (6 hotels in operation and one scheduled to open in 2022) and NH Collection (89 hotels in operation and 6 openings scheduled) seeking growth opportunities through strategic alliances with new hotel investors that are seeking to take advantage of the situation of financial weakness of small hotel chains. The incorporation of Boscolo, an Italian luxury company, has allowed us to bring this objective forward in 2020 and 2021 and serve as a lever to continue growing in this segment.

The crisis is forcing many small companies to sell. They will be taken over by funds, which in turn seek reliable managers they are familiar with and know to be specialists in certain types of hotels, and this is where NH is going to have an important opportunity in the future.

### 2. THE ORGANIZATIONAL MODEL EVOLUTION

The efficiency plans undertaken as a result of the exceptional circumstances following the onset of the global pandemic will be preserved in order to continue to ensure business profitability and sustainability, minimising costs and preserving liquidity. Always under the premise of maximum health and safety guarantees.

NH Hotel Group and its talent will be transformed by focusing on business and service delivery, thus achieving greater efficiency and profitability.

### 3. EXPANSION AND PORTFOLIO OPTIMISATION PLAN

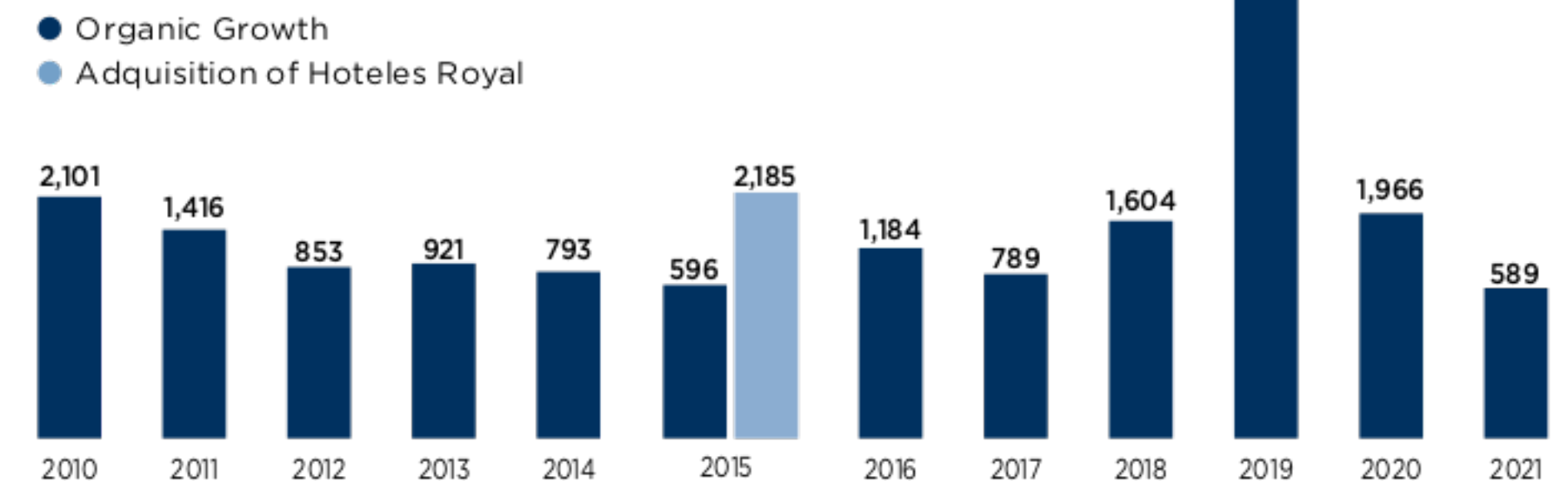
NH Hotel Group highlights its position of financial strength, something that makes it face the recovery in 2022 with optimism. Our ambition as a Group is to continue to grow and to further strengthen our position in tourist destinations and our leadership in the urban sector.

During this financial year, NH Hotel Group has opened three new hotels, in Murano, Hannover and Copenhagen, the latter allowing the Company to enter Denmark for the first time, with a total of 589 rooms.

### Hotels opened between January 1<sup>st</sup> and December 31<sup>st</sup>, 2021

Hotel	Country	City	Category	Rooms
NH Collection Copenhagen	Denmark	Copenhagen	*****	394
NH Collection Murano Villa	Italy	Murano	****	104
NH Hannover	Germany	Hannover	****	91
<b>Total rooms</b>				<b>589</b>

### Evolution of the number of openings and incorporations (In number of rooms)



Looking ahead to 2022, the Company's planned openings will boost the presence of its brands in Europe, Asia and Latin America, and reinforce its position in the luxury segment. The ten properties currently confirmed belong to the NH Collection (3), nhow (1) and NH Hotels (6) brands and reinforce the Company's offer in Italy, Germany, Colombia, Argentina, China, United Arab Emirates, Qatar and Chile.



#### 4. COMMERCIAL EVOLUTION MODEL: BOOSTING BUSINESS ∞

The commercial strategy, based on the **Customer Centric** philosophy, is built on experience, specialisation and the close relationship that has been generated with customers over the years, to offer a service of the highest quality. With this the Company will manage to improve the capacity to evaluate the actual opportunity cost at each time, impacting the Company's global strategy and the acceleration of its growth.

Since 2018 projects have been led for the Company's commercial optimisation and development through the digitalisation of processes and new business approaches such as the acquisition and loyalty of B2B customers which have represented an important new demand channel. In line with this, NH Hotel Group continues with its digital transformation project in the B2B area, with the aim of improving profitability and generating additional demand.

**Boosting Business** is an opportunity to accelerate the Company's business capacity which will guide the evolution for adaptation towards both future and present customers. It is focused on creating new digital tools, boosting growth and strengthening the connection with customers. Adapting the service to the digital era to create new processes, ways of working and identifying development opportunities will make it possible to improve efficiency and offer a much more personalised and quality experience in line with the new needs of customers.

The creation of an optimal model that will allow for the development of synergies (cross-selling) with Minor Hotels to develop more intersecting action plans, adapted to each market, drives the growth of NH Hotel Group in both new and traditional markets, increasing demand and reducing seasonality.

Thus, the cohesion between the service culture that characterises NH Hotel Group and the shift towards digitalisation increases the capacity to identify new opportunities and drive growth as professionals, as leaders and as an organization.

***“For NH Hotel Group, being in the right place at the right time is key”***

From the start of the pandemic, we have analysed the different scenarios of government and/or local restrictions in the different countries in which NH Hotel Group operates, monitoring their evolution and adapting constantly to the timelines or phases of the restrictions.

Our main goal at all times has been to maintain flexibility both in individual and group bookings, adapting to the circumstances of force majeure in each country.



Anantara Sahara Tozeur Resort & Villas  
Tozeur, Túnez



## 5. TRANSFORMATION PLAN

NH Hotel Group continues to believe in innovation and in 2021, despite being a year of great uncertainty, it has maintained the Company's Digital Transformation Project as one of the initiatives of the Strategic Plan to bring efficiency to processes and systems, increase the capacity of differentiation compared to competitors and customer perception, and continue improving the Company's basic processes to align teams, procedures and systems.

The foundation of the Company's Digital Transformation is the "NH Digital Core Platform". A pioneering technological solution in the sector that has made it possible to integrate the systems of all the Group's hotels. It is the foundation on which NH Hotel Group can extend its knowledge of customers, maximise its efficiency and innovate on a large scale in all its areas of value.

Building on this technological foundation, in 2021, despite the uncertainty and limitations faced, we have continued to develop processes and functionalities that have increased the safety of our employees and guests. The response of our technological base has been assured, allowing access to and the correct performance of our systems under both remote and on-site working arrangements.

The most important aspects to highlight in 2021 are:

- Integrated data model that generates total flexibility in obtaining the necessary information to make decisions, such as the advisability of opening or closing hotels or the real demand of all our properties.
- The enhancement of the experience of guests and employees in the current global setting, as it allows us to utilize operational data and to develop and integrate new tools in a quick and straightforward way.

At NH Hotel Group we consider digitalisation to be a key tool in order to offer an extraordinary experience, but always as a complement to the work of our employees who, proud to serve, are those who really make a difference. They are the soul of the Company and digitalisation is a facilitator; and the fact that they go hand in hand is what guarantees the success of our business model.

## SIGNIFICANT PROJECTS IN 2021



### Guest Mobile Service

Digitalisation of hotel information and services on a Progressive Web App (PWA) that can be accessed from any of our guests' devices (cell phone, tablet, laptop), offering them the possibility of having all the information on the hotel on their cell phone: from information on the hotel's facilities and hours, to the possibility of ordering room service or booking a table in the restaurant, requesting additional amenities, etc. An initiative that in addition to supporting the Feel Safe at NH plan by eliminating interactions and guaranteeing information during their stay, generates benefits in terms of sustainability by digitalising all the information.

In 2021 the rollout of the solution in all the Company's hotels was completed, and we have started to analyse the integration of some of the processes with our Hotel Management System with a view to improving our guests' experience and internal efficiency.



### Housekeeping Mobility App

NH Hotel Group has continued to implement and improve a Housekeeping app that optimises management of the department as well as the check-in process. As soon as a room is clean and ready, the hotel's housekeeping staff can confirm this in real time using the app. This represents an optimisation of the check-in process, as the guest has access to the room earlier, with the resulting improvement in their experience. This also represents an improvement by allowing employees to manage room cleaning in an optimal and safer way; not forgetting the reduction in the use of paper and the resulting positive environmental impact. In 2021, in addition to implementing a number of different improvements aimed at enhancing real time communications between cleaning teams and front desk, the rate of rollout of the app has been increased and this feature is currently implemented in 64 hotels.



### Tablets at reception

NH Hotel Group has launched a pilot project in several hotels to include terminals at their front desks, promoting a new check-in and check-out process with a tablet that allows guests to check their bill or even sign their consent without the need for any paper. A more efficient and sustainable process that also provides a digitally stored record of guest signatures and consents. In short, a project that will improve the guest's experience, and the check-in and check-out process. In 2021, it has been implemented in 13 hotels.



### Invoice generation by e-mail

In 2021, a solution has been implemented in all the Company's hotels and locations that allows reception staff to send invoices by e-mail or directly not to print them when our guests tell us that they do not need a hard copy.

With this project, we aim to reduce our environment impact drastically, by eliminating thousands of invoice printouts and at the same time increasing the level of service to our guests by adapting to their needs.



### Digitisation of reports

During this year, the project to digitalise emergency and safety reports in the Company has been completed and implemented. This means improving our environmental impact by eliminating millions of paper prints, optimising the control and supervision process of both hotel managers and the different audit teams (internal and external) as well as notably increasing storage security.

It is worth noting that, thanks to many of these initiatives, the Company has achieved an estimated saving of 14 million paper printouts, which is equivalent to more than 800 tons of paper saved. With the estimated occupancy growth and the deployment of some initiatives in more hotels by 2022, the Company estimates a saving of 20 million.



NH Collection Murano Villa  
Murano, Italy

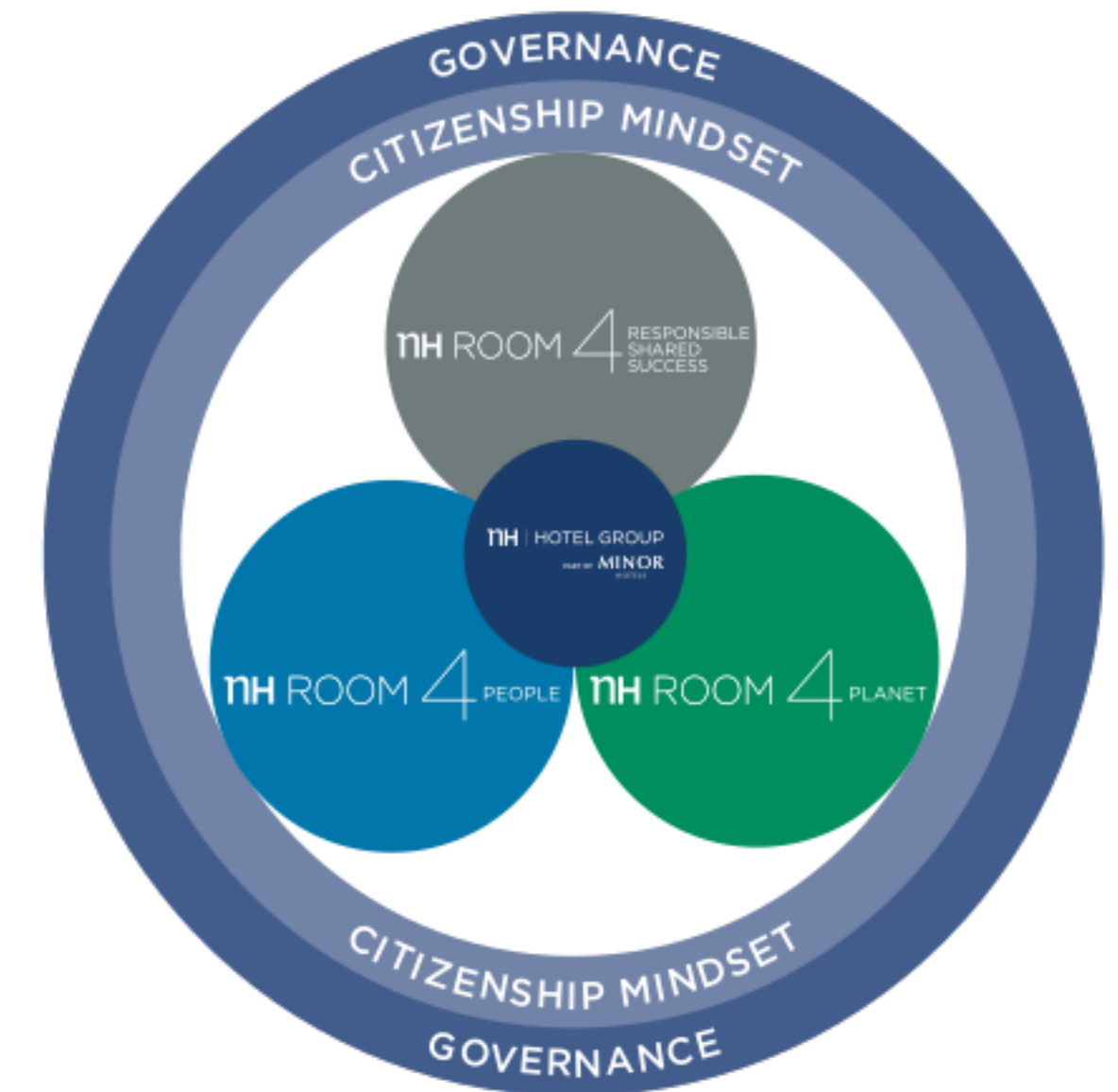


## 6. SUSTAINABLE BUSINESS

The Sustainable Business pillar is an essential lever in NH Hotel Group's business strategy that allows it to advance towards a more responsible and sustainable hotel model that generates wealth for society.

To be recognized as a world leader in excellence and sustainability is the Company's ambition. To achieve it, NH Hotel Group takes a holistic view of sustainable business, and takes an integrated approach to ESG, thanks to its pillars which are NH ROOM4People, NH ROOM4Planet and NH ROOM4 Responsible Shared Success, all of them framed under the premise of corporate governance and a citizenship mindset.

The commitments in this area and the improvement that NH Hotel Group has shown during this year have earned it, for the second year running, the Bronze Class award in the Sustainability Yearbook 2022 published by S&P Global.





# CORPORATE GOVERNANCE AND ETHICAL COMMITMENT



Anantara New York Palace  
Budapest, Hungary



# CORPORATE GOVERNANCE AND ETHICAL COMMITMENT

## CORPORATE GOVERNANCE

The Corporate Governance system of NH Hotel Group is made up of the Bylaws, the Board of Directors' Regulations, the General Shareholders' Meeting Regulations and the Internal Regulations for Conduct on Securities Markets, as well as the other rules, codes, internal procedures and corporate policies approved by the competent bodies of the Company.

This System has been formalised in line with the highest standards of compliance with good practice in corporate governance, as defined by, among others, the Good Governance Code for listed companies (the "Good Governance Code"), approved by a Resolution of the Board of the CNMV on February 18<sup>th</sup>, 2015, and revised in June 2020, which is aligned with the recommendations on good governance of international markets.

## BOARD OF DIRECTORS OF NH HOTEL GROUP

The Board of Directors is the Company's senior management and representation body. It is empowered, within the scope of the corporate object defined in the Bylaws, to carry out any acts of administration or disposal, under any legal title, except those reserved by law or by the Company's Bylaws to the exclusive competence of the General Shareholders' Meeting. Consequently, the Board of Directors is conceived 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 Nominations, Remuneration and Corporate Governance Committee) are expressly reflected in articles 33, 47 and 48 of the Bylaws and articles 5, 25 and 26 of the Board Regulations, among others. At the General Meeting of the Shareholders of NH Hotel Group dated June 30<sup>th</sup>, 2021, and at the meeting of the Board of Directors of NH Hotel Group held on July 28<sup>th</sup>, 2021, the Company approved the amendment of several articles of the Bylaws and of the Board Regulations on the occasion of the reform of Royal Legislative Decree 1/2010, of July 2<sup>nd</sup>, approved the Companies Act (Consolidating Act), in relation to the functions and powers of the Board of Directors and its Committees.

The Board of Directors will discharge its duties in line with the corporate interest, which is understood to be the Company's interest; and in this regard it will act to safeguard the Company's long-term viability and to maximise its value, also weighing the many legitimate public or private interests involved in relation to any business activity.

NH Collection Brussels Centre  
Brussels, Belgium





## NEW DEVELOPMENTS IN THE BOARD AND ITS COMMITTEES IN 2021

In 2021, a number of articles of the Bylaws and of the Board Regulations were amended in relation to the functions and powers of the Board of Directors and its Committees, in order to bring their content into line with Act 5/2021, of April 12<sup>th</sup>, amending the Companies Act (Consolidating Act) approved by Royal Legislative Decree 1/2010, of July 2<sup>nd</sup>, (hereinafter the "LSC"), and other financial regulations, with regard to the fostering of long-term involvement of shareholders in listed companies (hereinafter, "Act 5/2021") and to adapt their content to best practice in corporate governance.

In this regard, the General Shareholders' Meeting held on June 30<sup>th</sup>, 2021, resolved to amend certain articles of the Company's Bylaws, to update them:

- The functions of the **Board of Directors**: its sphere of competence has been extended, to bring it into line with the new features introduced both by Act 11/2018, and by Act 5/2021:
  - Inclusion of "non-financial reporting" as one of the decisions that cannot be delegated.
  - Inclusion of a new definition of "Related-Party Transactions", and decision making in accordance with the provisions introduced by Act 5/2021.
- The functions of the **Nominations, Remuneration and Corporate Governance Committee**: the sphere of competence has been extended, to bring it into line with the new wording of the Good Governance Code for Listed Companies. As a result, certain ESG ("Environmental Social and Governance") tasks have been assigned to the Nominations, Remuneration and Corporate Governance Committee, the powers of which will include:
  - Supervising the application of the general policy in relation to economic and financial, non-financial and corporate reporting, as well as communication with shareholders and investors, proxy advisors and other stakeholders.
  - Evaluation and periodic review of the corporate governance system and the Company's environmental and social policy.
  - Overseeing that the Company's social and environmental practice conforms to the established strategy and policy.

- Supervision and evaluation of the processes for relations with different stakeholders.
- Ensuring that the corporate culture is aligned with its mission and values.
- The Functions of the **Audit and Control Committee**: its sphere of competence has been extended, to bring it into line with the new wording of the Good Governance Code for Listed Companies, attributing the following tasks explicitly to the Audit and Control Committee:
  - Overseeing and evaluating the drawing-up process and the integrity of financial and non-financial information and overseeing the control systems for the management of financial and non-financial risks.
  - New control functions in relation to the external auditor.
  - Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and removal of the head of the internal audit service; proposing the budget for this service; approving or proposing the Board's approval of the internal audit focus and annual work plan, making sure that the activity is mainly focused on the relevant risks (including reputational risks), receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
  - Establishing and overseeing a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report, confidentially, any potentially relevant irregularities, including financial and accounting or any other irregularities related to the company that they observe within the Company or its group. This mechanism should guarantee confidentiality and, in any case, provide for situations in which reports may be made anonymously, respecting the rights of the whistleblower and the reported person.
  - Ensuring in general that the established internal control policies and systems are applied effectively in practice.
  - Overseeing compliance and internal codes of conduct, as well as corporate governance rules.

At its meeting held on July 28<sup>th</sup>, 2021, the Board of Directors resolved to amend certain articles of the Board Regulations, incorporating the new treatment of the approval of related-party transactions, in order to adapt them to the modifications made by Act 5/2021.





## BOARD COMMITTEES

### • Audit and Control Committee

Focused, among other matters, on supervising the effectiveness of the Company's internal control and the process of drawing up and presenting statutory financial information, ensuring the independence and effectiveness of the internal audit function and of the external auditor.

In 2021, Mr. José María Cantero de Montes-Jovellar was appointed as the new chairman of the Audit and Control Committee, replacing Mr. Fernando Lacadena Azpeitia, in compliance with the mandatory rotation established in article 23 of the Board of Directors Regulations.

#### Composition of the Audit and Control Committee

As of December 31<sup>st</sup>, 2021

Name	Position	Category
Mr. José María Cantero de Montes-Jovellar	Chairman	Independent
Mr. Stephen Andrew Chojnacki	Director	Proprietary
Mr. Fernando Lacadena Azpeitia	Director	Independent
Mr. Carlos Ulecia Palacios	Secretary	Non-director

### • Nominations, Remuneration and Corporate Governance Committee

Focused mainly on proposing the appointment of Independent Directors or reporting on the suitability of other directors to be appointed, as well as analyzing and evaluating everything related to remuneration of both Board members and Senior Management, drawing up the corresponding policies. It is also responsible for supervising and controlling compliance with the rules of corporate governance and the policies on environmental, social and economic-financial, non-financial and corporate reporting, proposing to the Board the necessary Reports and Reports.

#### Composition of the Nominations, Remuneration and Corporate Governance Committee

As of December 31<sup>st</sup>, 2021

Name	Position	Category
Mr. José María Cantero de Montes-Jovellar	Chairman	Independent
Mr. Stephen Andrew Chojnacki	Director	Proprietary
Mr. Alfredo Fernández Agras	Director	Independent
Mr. Carlos Ulecia Palacios	Secretary	Non-Director

## Current Board of Directors Composition

### Composition of the Board of Directors

As of December 31<sup>st</sup>, 2021

Name	Position on the Board	Category
Mr. Alfredo Fernández Agras	Chairman	Independent
Mr. Ramón Aragonés Marín	CEO	Executive
Mr. José María Cantero de Montes-Jovellar	Director	Independent
Mr. Kosin Chantikul	Director	Proprietary
Mr. Stephen Andrew Chojnacki	Director	Proprietary
Mr. William Ellwood Heinecke	Director	Proprietary
Mr. Fernando Lacadena Azpeitia	Director	Independent
Mr. Rufino Pérez Fernández	Director	Executive
Mr. Emmanuel Jude Dillipraj Rajakarier	Director	Proprietary
Mr. Carlos Ulecia Palacios	Secretary	Non-Director

The current composition is the result of:

- The reelection of the following Directors:
  - Mr. William Ellwood Heinecke, with the category of Proprietary.
  - Mr. Emmanuel Jude Dillipraj Rajakarier, with the category of Proprietary.
  - Mr. Stephen Andrew Chojnacki, with the category of Proprietary.
  - Mr. José María Cantero de Montes-Jovellar, with the category of Independent; and
  - Mr. Fernando Lacadena Azpeitia, with the category of Independent.
- The ratification of the Director Mr. Rufino Pérez Fernández, with the category of Executive.

The reelections and ratification of these Directors were resolved at the Ordinary Annual General Meeting of the Company held on June 30<sup>th</sup>, 2021.

Between December 31<sup>st</sup>, 2021 and the date of drawing up this Report, there have been no changes in the composition of the Board.

The complete profile of all members of the Board of NH Hotel Group and its committees is public and can be consulted at the Corporate Governance section of the Company's corporate website.





NH Gate One  
Bratislava, Slovakia

## SELECTION POLICY FOR DIRECTOR CANDIDATES

### • Candidate Selection Objectives and Process

On December 22<sup>nd</sup>, 2020, following a favourable report issued by the Nominations, 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 considers the skills, experience, professionalism, suitability, gender, independence, knowledge, qualities, capacities and availability of members of the Board of Directors from time to time. The Nominations, Remuneration and Corporate Governance Committee plays a relevant role in this process.

This Policy seeks to avoid discrimination and ensure that merit is the governing 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 honorability. They must be suitable and prestigious individuals, of recognized 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 in order 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 Group's vision and values.

### • Promotion of Diversity

NH Hotel Group is convinced that diversity in all its facets, 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 it is compatible with the composition of the shareholders and the management body, the Company maintains the intention to comply with the 15<sup>th</sup> Recommendation of the Good Governance Code, so that the number of female members of the Board of Directors represents at least 40% by 2022.

To reach this target, the Nominations, 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.



NH Hotel Group  
Management Committee

## MANAGEMENT COMMITTEE

The NH Hotel Group Management Committee is conceived as a body that guarantees the viability of the business, seeking growth and establishing the Company's strategic framework, developing talent and leadership.

The Management Committee meets on a weekly basis and is made up of the Chief Officers of the different areas:

### Composition of the management committee

As of December 31<sup>st</sup>, 2021

Name	Position
1. Mr. Ramón Aragonés	Chief Executive Officer
2. Mr. Fernando Cordova	Chief People & Sustainable Business Officer
3. Ms. Laia Lahoz	Chief Assets & Development Officer
4. Mr. Isidoro Martínez de la Escalera	Chief Marketing & Communication Officer
5. Mr. Luis Martínez Jurado	Chief Financial Officer
6. Mr. Rufino Pérez	Chief Operations Officer & Global Transformation Leader
7. Mr. Carlos Ulecia	General Counsel & Chief Legal and Compliance Officer
8. Mr. Fernando Vives	Chief Commercial Officer

## SENIOR MANAGEMENT AND BOARD REMUNERATION

The average remuneration of the Management Committee in 2021 is 336,925.46 euros (299,214.83 in 2020 and 578.427 in 2019). This includes fixed salary, vehicle, medical insurance, life insurance and accident insurance. Until July 2021, the Management Committee waived 20% of its fixed salary.

As of December 31<sup>st</sup>, 2021, the Management Committee is made up of 7 men and one woman. The average remuneration per gender is not disclosed for reasons of confidentiality. In 2021, as there were, temporarily, no women on the Board of Directors, no comparison of data is possible.

In accordance with the Directors' Remuneration Policy, the Chairman of the Board of Directors has a fixed annual allowance of 200.000 euros, and the Chairmen of the Audit and Control Committee and the Nominating, Compensation and Corporate Governance Committee have a fixed annual allowance of 90.000 euros. The fixed annual allowance for a member is 50.000 euros, except for the Executive Directors, who do not receive a fixed annual allowance.

For the second consecutive year, due to the crisis deriving from COVID-19, the Board members voluntarily waived 20% of their remuneration from January to April 2021 and 100% of their remuneration in May and June 2021.

The remuneration of Executive Directors is included in the figures shown for the Management Committee as their duties as members of the Board are not remunerated.

Further information on the remunerations *Policies for the Board of Directors* is available in the Annual Corporate Governance Report 2021.



## SHAREHOLDER STRUCTURE

At the end of 2021, the share capital of NH Hotel Group, S.A. totaled € 871,491,340 and was represented by 435,745,670 bearer shares with a par value of 2€ each, fully subscribed and paid in.

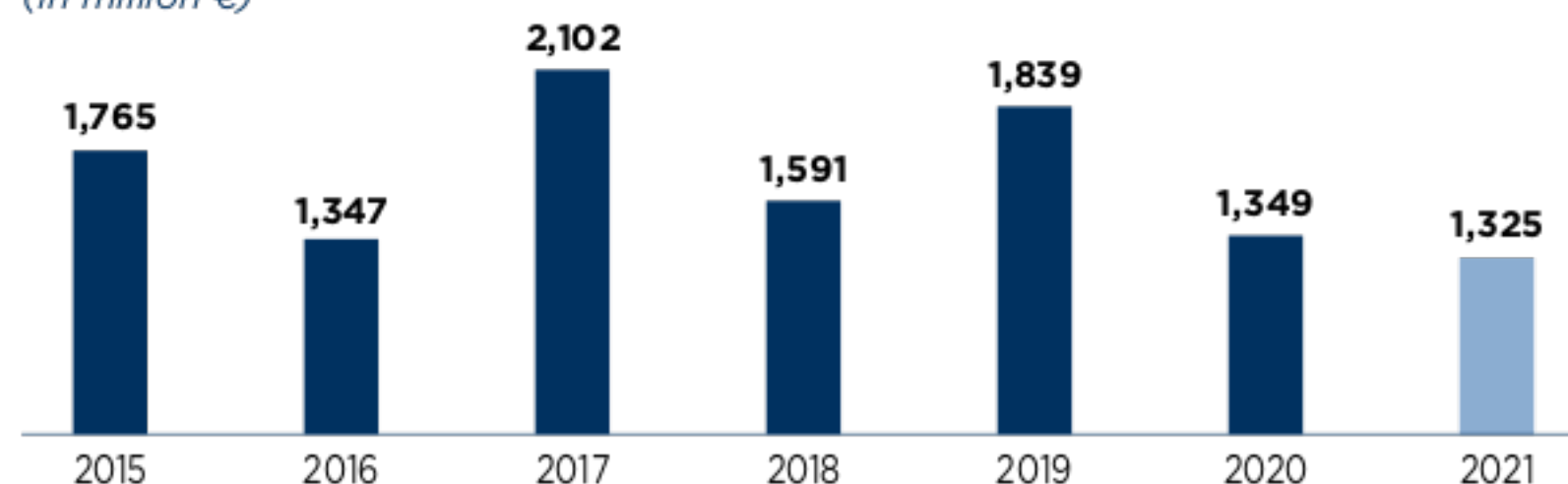
According to the latest notifications received by the Company and the communications sent to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores - CNMV*) before the year end, the most significant shareholders at the end of the year were as follows:

	2021	2020
Minor International Public Company Limited ("MINT")*	94.13%	94.13%

\* MINT is the indirect shareholder through MHG Continental Holding (Singapore) Pte Ltd.

### Capitalisation at the end of each year

(In million €)



## RELATIONS WITH SHAREHOLDERS AND INVESTORS

Throughout 2021, NH Hotel Group has been in permanent contact with the Company's analysts and investors in order to satisfy their needs concerning the Group's general evolution. This contact with the market has taken place through individual meetings and in the participation in investors' conferences organized by various financial institutions and individual call requests.

### Key indicators on relations with shareholders and investors in 2021

Entities that performed analyses of NH Hotel Group	8
Queries from shareholders and investors handled	70
Individual meetings with shareholders and investors	120
Analyst follow-up reports	48

The Company produces consistent and transparent financial information on a regular basis, with the aim of permitting monitoring for the analysis and valuation of the Group.

As a listed company, NH Hotel Group publishes quarterly results for the market. At the time of the half-yearly and annual publications, a call / conference with the market is also carried out, attended on average by 50 participants between investors and analysts.

The quarterly results published detail the following:

- KPIs and drivers of results.
- Evolution by geographical areas.
- Evolution of costs.
- Breakdown of cashflow and financial debt position.

In addition, the Investor Relations department is in permanent contact with the market through calls, trips, investors' conferences ... in order to inform the investment community of the Company's evolution.

Tivoli Palácio de Seteais  
Sintra, Portugal





## COMPLIANCE SYSTEM, ETHICS AND CONDUCT

NH Hotel Group continues to implement measures to foster and highlight the compliance culture and the importance of consolidating an ethical business culture, raising awareness among all employees of the relevance not only of complying with the applicable legislation but also of acting ethically and in accordance with the Company's principles and values.

The aim pursued is that all employees be aware that not only what is done but also how it is done matters, and to this end several measures and tools have been put in place to work on this mission, the most important of which are described below.

NH Hotel Group 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. Key areas covered by the Code include



### CODE OF CONDUCT

NH Hotel Group continues to bolster the compliance function, based fundamentally on the principles and values contained in its Code of Conduct, which is translated into ten languages - six of which are published on the corporate website and intranet - and is applied in all countries where NH Hotel Group operates. In addition, since 2017, through the "My NH" App, the Company's employees can access it from their mobile device. Staff at centers operating under the NH Hotel Group brands also have access to a Practical Guide and a Frequently Asked Questions document.

The purpose of the Code of Conduct is to determine the principles, values and rules that are to govern the conduct and behaviour of each of the professionals and executives of the Group, as well as members of the governing bodies of Group companies and stakeholders that interact with NH Hotel Group. It outlines the professional conduct expected of NH Hotel Group employees, who are committed to acting with integrity, honesty, respect and professionalism in the performance of their duties.

Employees are required to take a training course on the Code of Conduct in order to ensure that they have read and understood it. Completion of this course is recorded in the system.

The Code of Conduct is reviewed periodically by the Compliance Officer to adapt and update its contents when necessary.

The function responsible for monitoring and adapting the Code of Conduct, plans in 2022 to propose to the Board of Directors an update of the Code of Conduct, with the aim of updating, completing and adapting it to new legal requirements and best practices in this area.

In addition to NH Hotel Group's Code of Conduct, there are a series of specific policies shown below:

Purchasing policy	Anti-fraud and corruption policy
Travel policy	Prevention of money laundering and terrorist financing policy
Energy and environment policy	Corporate social responsibility policy
Information security policy	Financial indebtedness policy
Credit policy	Board member selection policy
Corporate tax policy	Risk management policy
Corporate gift policy	Human Rights policy
Shareholder and investor communication Policy	Subsidies policy

### POLICY UPDATES IN 2021

In 2021, The Corporate Policy for the Prevention of Money Laundering and Terrorist Financing was amended and updated. This update was approved by the Board of Directors, after being reviewed and validated by the Compliance Committee and the Audit and Control Committee.

The changes made have fundamentally consisted of two aspects:

- Update of the appendix referring to cash payments, in order to adjust the new thresholds for such payments and adapt them to the legislation of each country, and
- The inclusion of the obligation to provide supporting documentation of the validity of making payments and/or carrying out transactions in cases that are generally not permitted, when they derive from operations in the ordinary course of business and the Company's activity.

For these purposes, work has commenced on establishing an internal corporate process to reinforce the control and validation of this type of transactions.



## INTERNAL RULES OF CONDUCT

These rules establish the minimum standards that apply to the purchase and sale of securities, as well as to privileged and confidential information, and how such information should be handled.

## CRIMINAL RISK PREVENTION MODEL

It describes the principles applicable to the management and prevention of crimes within NH Hotel Group and defines the structure and operation of the control and oversight bodies established within the Company, systematizing existing controls for the purpose of preventing and mitigating the risk of crime in the different areas of the Company.

Monitoring, updating and evaluation of controls is performed periodically by the Compliance Office through the SAP GRC tool.

## PROCEDURE FOR CONFLICTS OF INTEREST

It establishes the rules to be followed in situations in which the interest of the Company or any of the Group companies comes into conflict with the direct or indirect personal interest of the directors or of persons subject to rules governing conflicts of interest.

This procedure was updated in 2021 -with a favourable report from the Audit and Control Committee and the approval of the Board of Directors - as a result of the changes made in Royal Legislative Decree 1/2010, of July 2<sup>nd</sup>, approving the Companies Act (Consolidating Act).

## COMPLIANCE COMMITTEE

Established in 2014, the Compliance Committee is made up of members of the Management Committee and Senior Management who have sufficient knowledge of the activities of NH Hotel Group and at the same time have the necessary authority, autonomy and independence to assure the credibility and binding nature of the decisions made.

This body is responsible for overseeing compliance with the 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 Criminal Risk Prevention Model, among others.

The Compliance Committee 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 authority to take disciplinary measures against employees in relation to matters falling within its scope of competence.

Three meetings of the Compliance Committee were held in 2021.

## COMPLIANCE OFFICE

The Compliance Office, under the leadership of the Compliance Officer, reports directly to the Chief Legal & Compliance Officer of NH Hotel Group and to the Compliance Committee and is responsible for spreading awareness of and monitoring compliance with the Code of Conduct, for monitoring and periodic supervision of the Criminal Risk Prevention Model, for creating and updating corporate policies as well as monitoring compliance with the Model and handling queries regarding the Code of Conduct, among other functions.

Specifically, in 2021 the corporate policy on the prevention of money laundering and terrorist financing has been updated to adjust the new thresholds applicable to cash payments, among other aspects.

Furthermore, in 2021, NH Hotel Group has provided the head of the Compliance Office with the necessary resources for continuous training on compliance.





## WHISTLEBLOWING CHANNEL

NH Hotel Group has enabled a whistleblowing channel that allows employees, managers, members of the administrative bodies, suppliers, customers or any interest group to report any breach of the Code of Conduct, guaranteeing confidentiality and respect in all the phases involved, as well as non-retaliation. Following the entry into force on 17 December 2021 of the new European regulations related to whistleblowing channels, NH Hotel Group has decided to adapt its internal reporting and whistleblowing protocol through the implementation of a new external platform.

The access and e-mail address of the Whistleblowing Channel are available on the NH Hotel Group website and on the intranet. The Internal Audit Manager oversees the management of the Whistleblower Channel.

In addition, NH Hotel Group has defined a procedure for notification and treatment of possible breaches and complaints of the Code of Conduct. The procedure sets out the principles governing the Channel, the description of the parties involved in the complaint, the deadlines and the sanctioning procedure.

The head of Internal Audit is in charge of managing the Complaints Channel, in which confidentiality and respect are guaranteed in all the phases that it entails, as well as non-retaliation. Its procedure is specified in detail in the Code of Conduct.

There are currently no ongoing external investigations against NH Hotel Group related to the Code of Conduct or corruption-related matters.

In 2021, a total of 47 alleged breaches of the Code of Conduct were reported. The pertinent disciplinary measures were applied, and a response was given to all 69 queries received.

After analyzing the queries and alleged breaches reported through the whistleblowing channel or other formal mechanisms of the compliance office, none of them has resulted in a breach under any of the following categories:

Breach category	No. of incidents	Nature	Fines (€)		Number handled through resolution mechanisms	Actions taken by NH
			2021	Cumulative 2017-2021		
Bribery and Corruption	0	NA	0	0	NA	NA
Anti-competition behavior	0	NA	0	0	NA	NA
Environmental regulations	0	NA	0	0	NA	NA
Human rights	0	NA	0	0	NA	NA
Voluntary regulations and/or codes relating to the effects of products and services on health and safety	0	NA	0	0	NA	NA
Voluntary regulations and/or codes relating to information and labelling of products and services	0	NA	0	0	NA	NA
Voluntary regulations and/or codes relating to commercial communications, including advertising, promotion and sponsorship	0	NA	0	0	NA	NA
Complaints received on breaches of customer privacy	0	NA	0	0	NA	NA
Social and economic laws and regulations	0	NA	0	0	NA	NA
Leyes y reglamentos en el ámbito social y económico	0	NA	0	0	NA	NA

In relation to these breach categories, the Company currently has no ongoing investigations initiated in 2021 or prior years and has not had to take any disciplinary action against any employee. Furthermore, it has not had to terminate any contract with any commercial partners due to incidents of corruption or any other type of incident included in the categories mentioned above.





## AWARENESS OF AND TRAINING ON ETHICS AND CONDUCT

The Company has an online training tool for all NH Hotel Group employees with personalised mail through which they are provided with online courses on different matters, to ensure that they are correctly informed of, understand and consequently comply with them. This includes the following courses relating to ethics and conduct:

- Code of Conduct
- Crime Prevention
- General Data Protection Regulation
- Prevention of money laundering and terrorist financing
- Antifraud and corruption
- Human Rights

All courses on the above matters include an exam that measures employees' level of comprehension. NH Hotel Group also has a supervision and control system both for drawing up financial information (ICFR) and for criminal risks (CPM). This system is audited regularly.

## Compliance training 2021

	Consolidated perimeter	Corporate perimeter
	Online	
<b>Training on the Code of Conduct</b>		
Number of employees trained	1,223	1,588
Hours of training	1,295	1,682
<b>Training on Criminal Risk Prevention Model</b>		
Number of employees trained	61	65
Hours of training	183	195
<b>Training on Prevention of Money Laundering and Terrorist Financing</b>		
Number of employees trained	1,260	1,579
Hours of training	997	1,245
<b>Anti-fraud Training</b>		
Number of employees trained	1,166	1,494
Hours of training	611	784
<b>Training on Human Rights*</b>		
Number of employees trained	360	360
Hours of training	360	360

\* Training carried out until January 31<sup>st</sup>, 2022



## TRAINING ON HUMAN RIGHTS

Respect for Human Rights is one of the principles on which the activity is based in all the countries where NH Hotel Group is present. It is also materialized in the development and implementation of a Policy dedicated to respect for Human Rights that strengthens and extends the commitment that is already established in the Company's Code of Conduct.

With the aim of spreading awareness of this commitment and knowledge of Human Rights and of the actions that NH Hotel Group carries out to respect these rights, the "Human Rights" online course is available for Front Offices and General Managers.

Through this course, the Company materializes its own commitment, directly involving this group in the Company, and next year the course will be provided to the rest of the employees, sharing stories and practices that help to understand the crucial role that human rights play in the hotel sector.

With this training, NH Hotel Group promotes knowledge not just of its Human Rights policy, but also of the due diligence process to identify, prevent, mitigate and report potential risks and consequences deriving from the daily actions of employees, suppliers or guests.





Anantara The Marker Dublin  
Dublin, Ireland

### INITIATIVES IN RELATION TO COMPLIANCE IN 2021

During 2021, the internal newsletter *"Tell The World"* has been used to issue capsules of information related to Compliance to all the Company's employees.

Thanks to these information capsules, the Company disseminates and promotes knowledge and awareness to all its employees of the importance of Compliance and to continue reinforcing ethical culture of the Company.

### ZERO TOLERANCE OF CORRUPTION

As previously stated, NH Hotel Group has an Anti-Fraud and Corruption Policy, as well as its Policy for the prevention of Money Laundering and Terrorist Financing, applicable to all employees, executives and members of the Board of Directors of NH Hotel Group. In addition, NH has other internal procedures, such as the Gift Policy, all of which contribute to establishing controls, internal processes and mitigating associated risks.

The Company carries out continuous monitoring and control of the policies and internal procedures. The Crime Prevention Model sets out explicitly the due diligence measures established by the Company, as well as the investigation procedure and response in the event of breach, in accordance with the law concerning the criminal responsibility of legal persons.

As indicated above, the Compliance Committee along with the Compliance Office, is responsible for managing crime prevention and, therefore, for the definition, implementation and supervision of the Crime Prevention Model.



## TAX TRANSPARENCY: PROFITS AND TAXES

The Tax Strategy for NH Hotel Group (available at [nh-hotels.com/corporate](https://nh-hotels.com/corporate) > Corporate Governance > Policies) was approved by the Board of Directors on July 27<sup>th</sup>, 2015, considering that one of the pillars underpinning the entire Group's business strategy should be avoiding or minimising risks, including tax risks.

The strategy is based on complying with tax legislation in all the jurisdictions in which NH Hotel Group is present, applying an interpretation of such legislation that fundamentally has due regard for the spirit and purpose of the laws.

NH Hotel Group S.A. is signed up to the Spanish Tax Agency's Code of Good Tax Practice. 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.

### Monitoring and Control

The Board of Directors, through the CEO and Senior Executives, 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 Group's Audit and Control Committee, which is to oversee the effectiveness of the tax risk management and control systems and provide the pertinent information to the Board periodically.

The Company monitors and follows up its tax policy, complying with the mechanisms established by law, in its tax policy and in the control framework approved by the Board.

## Profits of NH Hotel Group and income tax paid by country (thousands of euros)

Tax Jurisdiction	2021		2020	
	Income / (losses) before Corporate Income Tax	Corporate Income Tax (settlement basis)	Income / (losses) before Corporate Income Tax	Corporate Income Tax (settlement basis)
Argentina	(6,212)	107	(5,501)	968
Austria	(6,143)	0	(24,005)	0
Belgium	(14,316)	525	(20,102)	72
Brazil	(271)	1	(773)	3.86
Chile	(2,070)	179	(3,824)	436
Colombia	(2,681)	(391)	(6,324)	(1,042)
Czech Republic	641	2	(4,012)	5
Denmark	(1,081)	0	(1)	0
Dominican Republic	(124)	0	(587)	0
Ecuador	(283)	14	(241)	155
France	(5,438)	31	(7,367)	0
Germany	(21,591)	723	(105,021)	796
Hungary	(4,040)	0	(3,933)	2
Ireland	(90)	3	(1,890)	0
Italy	7,051	0	(119,095)	516
Luxembourg	(3,635)	0	(9,651)	0
Mexico	(7,999)	61	(10,849)	342
Poland	(9)	0	(12)	0
Portugal	(4,529)	(25)	(7,534)	279
Romania	(9)	10	(329)	12
South Africa	(88)	0	(1,665)	0
Spain	(16,652)	(2,652)	(120,933)	257
Switzerland	2,038	4	(3,011)	0
The Netherlands	(46,096)	821	(50,097)	(10,637)
United Kingdom	(2,119)	0	(1,348)	0
Uruguay	(1,544)	0	(961)	0
USA	(7,967)	143	(6,492)	2
<b>Total countries</b>	<b>(145,257)</b>	<b>(444)</b>	<b>(515,555)</b>	<b>(7,834)</b>

*Income or losses before taxes and the taxes paid per country described above are affected, in some cases, by circumstances such as the sale of assets, the exit 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 as calculated on a settlement basis.*

The following is a breakdown of the net business volumes by country:

Net revenue from business by country	
Tax Jurisdiction	2021
Spain	214,252
Italy	159,542
Germany	112,605
The Netherlands	91,066
Portugal	26,686
Belgium	24,246
Austria	19,545
France	17,722
Mexico	17,484
Colombia	13,266
Hungary	9,675
Argentina	6,421
Others	33,974
<b>Total</b>	<b>746,484</b>

And the tax accrued during the year:

Accrued tax by country	
Tax jurisdiction	2021
The Netherlands	12,746
Mexico	1,912
Portugal	1,643
Ireland	926
Colombia	791
Germany	381
Spain	(1,508)
Argentina	(1,937)
Italy	(6,135)
Others	508
<b>Total</b>	<b>9,327</b>



## RELATIONS WITH GOVERNMENTS AND POLICY INFLUENCE

The Company manages its business in accordance with its corporate values and its ethical and conduct framework. It also ensures strict compliance with ruling legislation in each country.

In relation to local governments, the Company always acts independently of any political power, maintaining transparency in its dealings with public and administrative institutions.

NH Hotel Group is characterised by absolute political neutrality. The Company does not make economic or other contributions to political parties or candidates in elections.

NH Hotel Group does however form part of sectorial organizations or foundations linked to its activity or to the geographical area where it operates. Through its presence in these organizations, the Company aspires to contribute to the progress and development of the places where it is present. *More information is available in the Chapter NH ROOM4 Responsible Shared Success: Sustainable Alliances.*

## CYBERSECURITY

Cybersecurity is vital in the digital age. Information security incidents are currently one of the main risks to which businesses are exposed. Accordingly, at NH Hotel Group we focus on strengthening computer security mechanisms and protocols, through policies, rules, procedures and employee training.

Accordingly, cybersecurity and GDPR training is aimed at fostering a culture of information security in the Company that will serve to establish the bases for the protection of both our confidential information and that of our customers, suppliers and other stakeholders.

NH Hotel Group's strategy in relation to cybersecurity is under constant review in the committees of the Executive Management team that oversees the cybersecurity strategy. To achieve the goals that have been set, a range of initiative and measures are identified and planned, that are to be implemented to improve NH Hotel Group's security capabilities, and also to prevent and/or mitigate any risk that may arise.

On account of the pandemic, working from home has grown and, as a result, the use of devices away from the secure environment of businesses. The volume of cyberattacks has also grown exponentially. For this reason, NH Hotel Group continues to work on greater monitoring of the entire net, with new, more powerful and advanced tools that give greater control over possible improper accesses, as well raising awareness among employees and stakeholders in order to minimise the risk of such cyberattacks.

Guests also expect their data to be kept securely and processed ethically. Cybersecurity is integrated in our culture to promote behavior that protects the Company and our guests' information.





## DATA PRIVACY AND PROTECTION

In a sector as competitive as the hotel business, the customer experience is a critical differential factor to ensure the satisfaction and loyalty of our customers. NH Hotel Group has mechanisms in place to protect data privacy, aware that this is a key aspect in generating trust.

With the entry into force of the new data protection regulations in 2018, NH Hotel Group has continued to adapt its personal data management and control systems to EU Regulation 679/2018 (GDPR) and Spanish Act 3/2018 (LOPDGDD). Regarding sensitive data, such as credit cards, NH has once again renewed its PCI Compliance certification, and has adapted procedures and systems in line with the new PSD2 legislation. NH Hotel Group's intention is to process the personal data of its customers, employees and suppliers with the utmost guarantees of respect for their privacy and always complying with the applicable legal obligations.

Accordingly, the data protection sections of legal disclaimers, both on websites and on documents provided to customers, have been updated. The Company has also implemented a series of measures to make these privacy policies and legal disclaimers accessible to customers at all times.

In the framework of this adaptation, the Company has implemented an additional information system that is available to end customers, so that they can discover each of the types of processing carried out by NH Hotel Group. All of this is set out in the NH Hotel Group privacy policy which can be accessed using the following link: [nh-hoteles.es/politica-privacidad](https://nh-hoteles.es/politica-privacidad)

Security is integrated comprehensively across all areas of the Company, covering profiles from different areas of operation to guarantee effective risk management, with due regard to the sensitive and critical nature of each environment. There are also risk indicators on the main matters of interest regarding security, that serve to define and implement action plans aimed at reducing or eliminating the threats identified.

NH Hotel Group also has several email addresses in place for the management, on the one hand, of the data protection right matters raised, whether pertaining to customers, employees and/or suppliers, when personal data are obtained, and an email address for reporting any kind of incident and/or complaint relating to data protection. Specifically, this last email address is the one created specifically for the Data Protection Officer. When a security matter is reported to the Data Protection Officer's email, a process of evaluation of the notification commences, in order to determine whether it is of relevant scope for protection purposes. If so, the incident is forwarded to the Departments of NH Hotel Group that could be involved, to assess the need for any communication to a Data Protection Supervisory Authority and/or to any data subjects that may have been involved in the incident. A written record is kept of this entire process.

As a Spanish company, the Supervisory Authority in relation to data protection for NH Hotel Group is the Spanish Data Protection Agency, with which relations are conducted habitually using that agency's Online Site.

As far as the Company's employees are concerned, in their capacity as users of personal data, they undergo mandatory training on data protection to ensure that they know how to process data in compliance with the regulations. This training is provided when they join the Company and is noted and supervised by the Human Resources Department.

As mentioned above, NH Hotel Group has a Data Protection Officer, whose duties are not just to comply with the requirements of the new regulations, but also to ensure, among other functions, that customers' rights in relation to data protection are always handled by the organization in accordance with the principles established in the new regulations, and to act as a point of contact throughout the Company to clear up any doubts that may arise in relation to data protection. Finally, NH Hotel Group has continued in 2021 with the improvement project in relation to the quality of data within the organization.

NH Hotel Group has integrated the controls related to compliance with these regulations in its compliance model. Consequently, the risk management and IT departments are ultimately responsible for overseeing these controls, receiving any communication related to information privacy and reporting on a regular basis to the Audit and Compliance Committee and to the Board of Directors.

The Group's compliance is supervised through periodic audits that ensure that NH Hotel Group complies in full with the requisites defined in the legislation on privacy, paying particular attention to the General Data Protection Regulation (GDPR).

The NH Hotel Group risk map contains a pillar called "compliance" linked to data privacy (GDPR) and information security and different management and control measures are in place such as:

- Periodic review and update of the risk matrix.
- "Privacy by Design" procedures.
- Creation of the Data Protection Office with the support of specialist advisors.
- GDPR training for employees.
- Existence of a whistleblowing channel to report possible security breaches related to data protection.
- Existence of a disaster recovery plan.

NH Hotel Group also has a procedure to respond in the event of incidents in the information systems, which includes roles and responsibilities, steps to follow in order to restore operation of equipment and systems, recovery times, etc.

**“1,642 hours of training in privacy and data protection and a total of 1,484 employees trained”**

To date, no sanctioning procedure has been opened that could result in a financial penalty for the Company as a result of a security breach with data protection implications.





NH Collection Guadalajara Providencia  
Guadalajara, Mexico

## PROTECTION OF HUMAN RIGHTS

The principle of respect for and protection of Human Rights is integrated into the culture of NH Hotel Group and is applied to the activities carried on through the professionals, independently of the country or region where the activity is carried out. The Company is committed to complying with Human Rights and works to prevent and manage the risks associated to the breach of such rights. NH Hotel Group's international presence in countries where the defense of human rights needs to be boosted leads us to be transmitters of the concept and to ensure frameworks of relations and management are in place in which the defense of these rights is assured.

### INITIATIVES FOR THE PROTECTION OF HUMAN RIGHTS

NH Hotel Group carries out its activity in a framework of commitment to the society and environment where it operates, and therefore accepts the contents of national and international agreements and treaties, undertaking to promote and comply with them. These commitments will avoid or, as the case may be, mitigate any negative consequences that its activities might cause to Human Rights.

The commitments acquired on subscribing to these international agreements guide the conduct of all the employees in the Company.

Notable among these codes voluntarily accepted by the Company are the UN Global Compact, support and contribution to the Sustainable Development Goals (SDG) and the Global Code of Ethics for Tourism, approved in 1999 by the Assembly of the UN World Tourism Organization (UNWTO). This code comprises 10 principles designed to guide key players in tourist development, aspiring to help to maximise the sector's benefits while minimising its impact on the environment, cultural heritage and local communities.

The Company rejects any tourist activity that might constitute an attack on human rights or human dignity, paying special attention to children. Accordingly, in September 2012 NH Hotel Group joined ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) for the protection of boys, girls and adolescents against sexual exploitation in tourism, also promoted by UNWTO and UNICEF.



## HUMAN RIGHTS POLICY OF NH HOTEL GROUP

In 2020, the Board of Directors approved the NH Hotel Group Human Rights Policy, a document that sets out all the principles and commitments undertaken by the Company in this regard.

The Policy establishes our commitment to respect Human Rights in accordance with the highest international standards and works to PROTECT, RESPECT AND REMEDY (prevent and manage) the risks associated to the breach of such rights.



Health and safety



Protection of Team Members' rights



Freedom of association and collective bargaining



Promotion of equality and inclusion



Child rights and child labour



Slavery, servitude or forced labour



Respect local communities and their environment



Right to freedom of opinion, information and expression



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 NH Hotel Group 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 employees and contractors, in all the countries where the Company is present, in accordance with ruling law in each country.

Relations with all stakeholders the Code 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.

NH Hotel Group emphatically prohibits any 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 or forced labour 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 employees and to training, career opportunities or salary levels, as well as all other aspects of labour relations with employees.

The Code of Conduct also prohibits the imposition on employees of health and safety conditions at work that damage, suppress or restrict their rights as recognized 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 always respected regarding the entry and transit of foreign nationals.

The Code also explicitly states that the exercise of the rights of protest, association, organization and collective bargaining in the framework of the rules regulating each of these fundamental rights and in accordance with international law and practice, in particular, the United Nations Universal Declaration of Human Rights and the principles proclaimed by the International Labour Organization, will not be unduly limited.



## COMPLIANCE IN RELATION TO HUMAN RIGHTS

As described above, in order to guarantee compliance with the Human Rights Policy, the Internal Audit department undertakes to supervise the principles and rules reflected in the Policy and, therefore, is responsible for analyzing any irregularity related to it.

NH Hotel Group has a whistleblowing channel, in order to make it easy to report any possible irregularity, breach or behavior contrary to ethics, law and the rules that govern the Company.

Possible breaches of Human Rights are handled through the Internal Audit department, which is responsible for managing the Group's Whistleblowing Channel ([codeofconduct@nh-hotels.com](mailto:codeofconduct@nh-hotels.com)).

The Company has also put in place a specific external communication channel to report, process and manage incidents reported by suppliers ([codeofconduct@coperama.com](mailto:codeofconduct@coperama.com)). The procedure for reporting and dealing with possible breaches of the Code of Conduct will be managed by the Group's Senior Vice President of Internal Audit.

In 2021, there were no reports relating to a possible breach of human rights.

## HUMAN RIGHTS DUE DILIGENCE

NH Hotel Group continues with its Human Rights Risk Management project which has been implemented in different phases:



- In the first phase, a process was carried out to identify the inherent human rights risks of the Company's global operations; with the subsequent publication of the Policy that includes the commitment to respect and protect the rights identified in the Company.
- In the second phase, a corporate Due Diligence Guide for Human Rights was drawn up, as a support tool in applying the Protocol to all the Company's operations.  
  
This Guide will serve as an instrument to increase the control over and the efficiency of processes, mitigate the risk of reputational damage and favor the correct public positioning of the Company.
- In December 2021, training in Human Rights was launched. Initially, it was sent to the Company's General Managers and Front Office Managers, as these are the groups of employees whose job needs them to be more familiar with possible breaches of Human Rights, both to identify possible situations of risk and to know how to proceed when faced with an incident of this nature.
- In the next phase, an assessment of the residual risk of breach of Human Rights in NH Hotel Group will be carried out, with the aim of defining action plans to mitigate any failure to comply on a case-by-case basis. All the hotels in the portfolio will participate in this analysis. Thanks to this self-assessment, all the public commitments acquired by NH Hotel Group will be covered.

As a result of this commitment, Human Rights risks will be monitored on the Company's risk map in order to traction the pertinent mitigation or resolution processes. With this initiative, situations and activities with the highest (direct or indirect) risk of having a negative impact on these rights will be identified and assessed.





# RISK MANAGEMENT





# RISK MANAGEMENT

Risk management is part of the culture of NH Hotel Group and is integrated across all of the Company's operations.

## RESPONSIBILITY FOR RISK MANAGEMENT

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 2021 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.

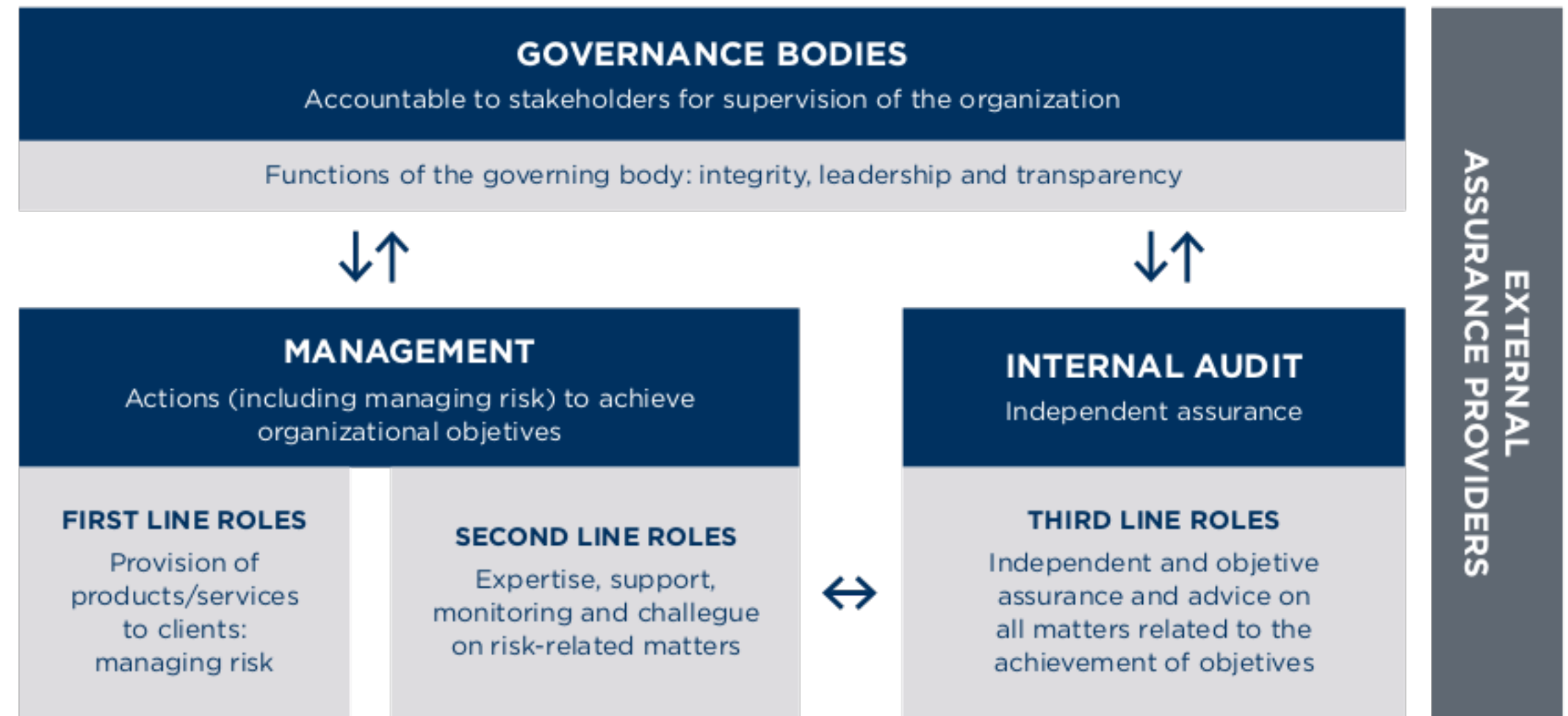
Furthermore, the duties of the Company's Management Committee include risk management and control based on tolerance to risk, assigning responsibility for the main risks, periodic monitoring of their evolution, identification of mitigating actions and the definition of response plans. For these purposes, 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 risk management and control system of NH Hotel Group 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 Business Units and, like the Internal Audit department, is functionally dependent on the Audit and Control Committee.

In line with the above, NH follows the Three Lines of Defense model, updated in July 2020 by the Institute of Internal Auditors (IIA) on a worldwide level.



- First line: provided by the functions (hotels, business units and corporate units) that own the risks and their management (Operations, Sales, Marketing, Sustainable Business, etc.).
- Second line: provided by the functions in charge of overseeing the risks (Risk Management, Compliance, Data Protection, Internal Control, etc.)
- Third line: provided by the internal audit function which provides independent assurance.

The object of the Corporate Risk Management Policy of NH Hotel Group (approved in 2015 by the Board of Directors), and the internal risk manual developing it, is to define the basic principles and the general framework of action for the identification and control of all kind of risks that could affect the companies over which NH Hotel Group has effective control, and to assure alignment with the Company's strategy.



## RISK MANAGEMENT MODEL

The NH Hotel Group risk management model, which has been rolled out both at Group corporate headquarters and in the Business Units, seeks to identify events that could have a negative impact on the attainment of goals of the Company's Strategic Plan, obtaining the highest possible assurance for shareholders and stakeholders, while protecting the Company's interests and its reputation in the short, medium and long term.

The model established for risk management is based on the COSO ERM 2017 integrated framework of Enterprise Risk Management and encompasses a range of methodologies, procedures and support tools, that allow NH Hotel Group to:

- Apply suitable governance in relation to risk management in the Company and promote an appropriate risk management culture.
- 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 the actions plans.





## RISK CATEGORIES AND IDENTIFICATION, SUPERVISION AND MONITORING PROCESS

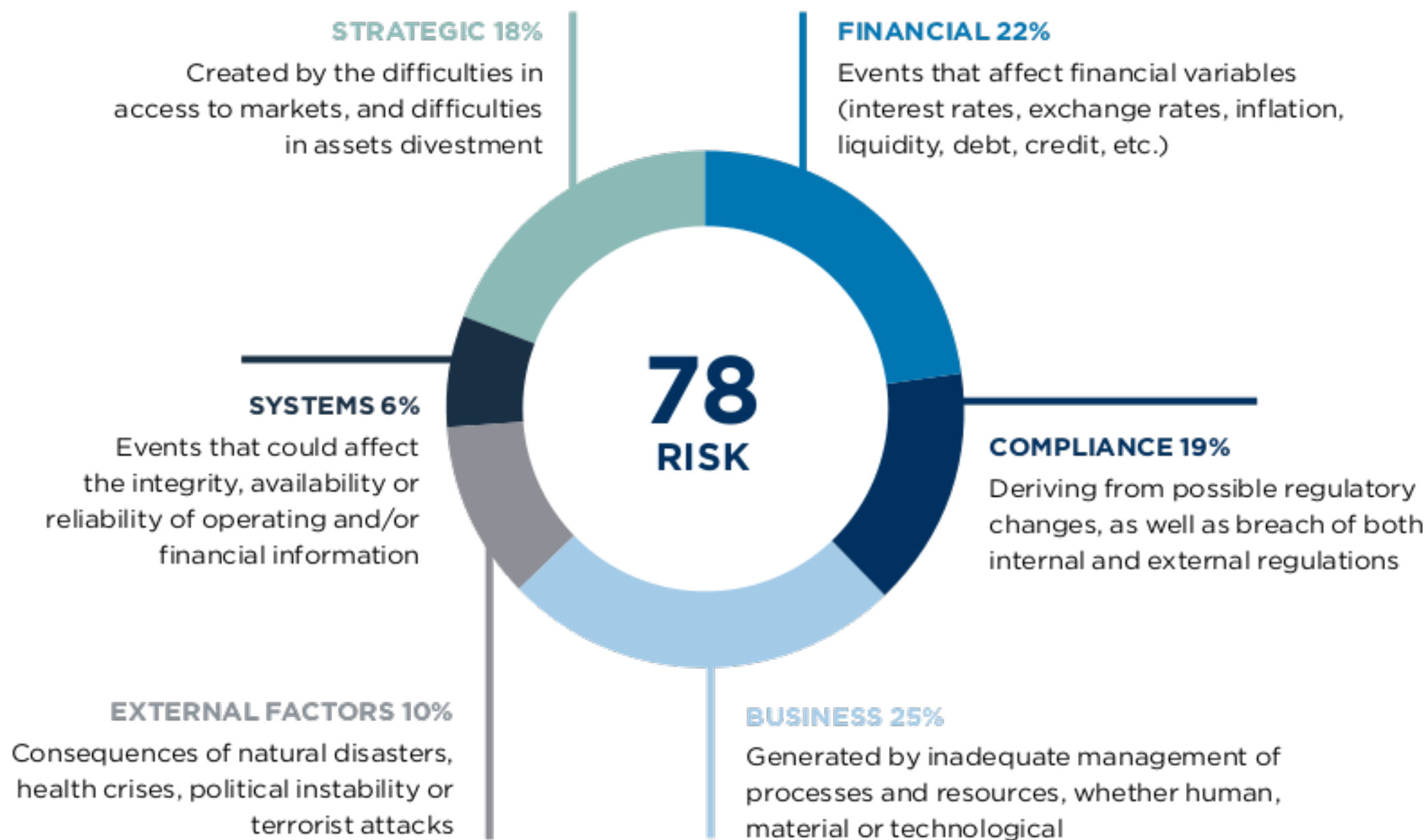
The Group’s Risk Map is updated every year and approved by the Board of Directors, after being reviewed and validated by the Audit and Control Committee. In 2021, the Company has updated its Risk Map through a process in which 28 Senior Executives from all Departments identified and assessed the main risks faced by the Company. The updated map was approved by the Board of Directors at its meeting held on July 28<sup>th</sup>, 2021.

For the main risks in the Risk Map, the Audit and Control Committee receives periodically a report on the implementation status of the previously agreed action plans.

In addition, each of the main risks in the Risk Map is assigned a risk owner, who is a member of the Management Committee.

Every year, when the Risk Map is updated, the Risk Management function undertakes a reassessment of the catalogue of risks, both financial and non-financial. The definitive catalogue is validated with the Senior Executives who participate in the process, as well as 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 the risk owners can report/suggest a new risk to the Risk Office if they consider it necessary.

The six categories into which the risks NH Hotel Group is exposed to are classified are shown below:

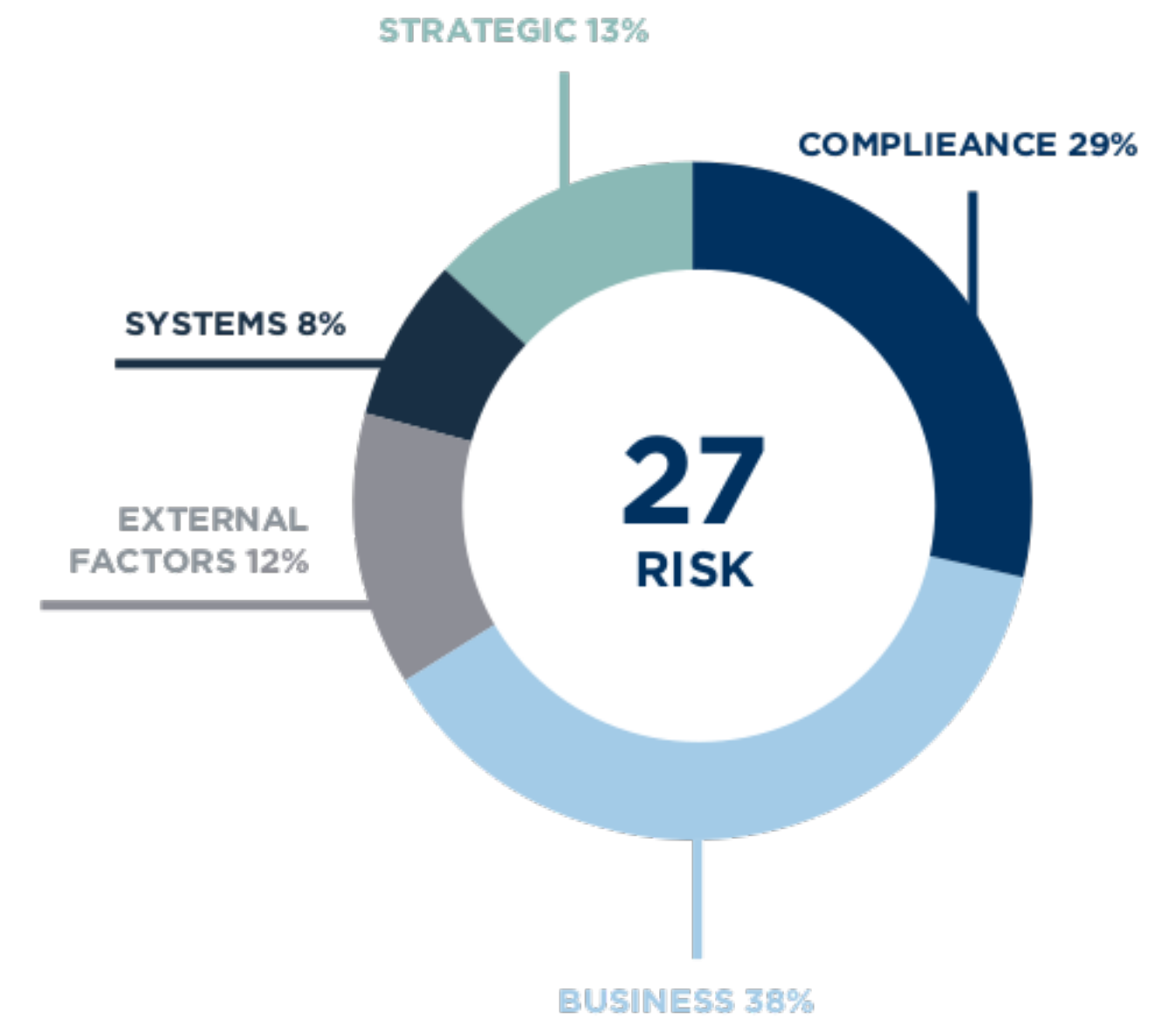


In line with the COSO methodology, NH uses the concepts of inherent and residual risk. Inherent risk is considered to be the risk that exists without considering the mitigating effect of the controls put in place by the Company. Residual risk, however, does consider the effect of these mitigating controls, and is therefore known as the risk level that persists after applying all the control measures in place in NH.

### ESG RISKS

Of the 78 risks identified in the Company’s risk catalogue, an analysis was performed to identify the risks related to ESG (Environmental, Social and Governance) criteria.

As a result, it was determined that 27 out of the 78 risks, 35% of the total, are concerned with Environmental, Social and Governance matters. Most of them come under the categories of “Business” and “Compliance” risks.





## RISK FACTORS AND MANAGEMENT AND CONTROL MEASURES

RISK TREND  
(RT)

Increase



Stable



Decrease

CATEGORY	RISK EVENT	DESCRIPTION OF THE RISK	RT	CONTROL AND MANAGEMENT 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.	↑	<p>Presence in associations in the tourist sector.</p> <p>Presence on committees of sector experts.</p> <p>Institutional relations with various bodies.</p> <p>Presence of specialized HR personnel at the negotiation of collective agreements.</p> <p>Collaboration with HR consultants.</p>
Strategic	Distribution channels (internal and external) and maximization of ADR (average daily rate)	<p>Online travel agencies (OTAs) and distributors continue to increase their market share and NH must put measures in place to counter this by increasing sales through direct channels (Hotel, Website, Central Reservation System) or by renegotiating commissions.</p> <p>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.</p> <p>Finally, it is necessary to ensure that pricing projects are not delayed so that NH can maximise the net ADR. The capacity to negotiate commercial conditions should also be considered.</p>	↑	<p>Existence of a Revenue Management Committee.</p> <p>Optimized budgeting process</p> <p>Periodic analysis of results compared to budget and definition of action plans.</p> <p>Control process over intermediary commissions.</p> <p>Corporate commission policy.</p> <p>Definition of a Strategic Plan aimed at boosting sales through direct channels (Hotel, Website, Central Reservation System).</p> <p>NH Rewards loyalty programme.</p> <p>Analysis of price competitiveness (price parity compared to OTAs and distributors).</p> <p>Technological tools to improve pricing and revenue management.</p> <p>Optimized calculation of net ADR using Business Intelligence techniques.</p> <p>OTA diversification strategy and renegotiation of intermediation costs.</p> <p>Periodic analysis of competitors' results by market using external reports.</p>
	Dependence on city and business segment	Any change in patterns in this segment will affect the Company with a limited possibility of mitigating the effect through other segments.	↑	<p>Existence of an Expansion Committee.</p> <p>Periodic attendance at hotel sector investment conferences.</p> <p>Organization of regular meetings with possible investors to develop hotel projects.</p>
	Inability to find additional growth	Inability to find additional ways of growing 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.	↔	<p>Existence of a documented expansion process (lease and management agreements).</p> <p>Definition of a Strategic Plan aimed at boosting the Company's growth by geographical area, type of contract, brands, segments, etc.</p> <p>Implementation of the Office for Integration with Minor International (principal shareholder).</p> <p>Utilization of Minor to develop the NH brand in the Middle East and the Asia Pacific region.</p>
Compliance	Data privacy (GDPR)	Possible breaches of the General Data Protection (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.	↑	<p>Periodic review and update of the data processing activity matrix for each company in the NH Group</p> <p>"Privacy by Design" procedures.</p> <p>Creation of the Data Protection Office, supported by specialist advisors.</p> <p>Online GDPR training for all employees.</p> <p>Existence of a specific channel for reporting possible security breaches related to data protection.</p> <p>Existence of a Disaster Recovery Plan.</p>



## RISK FACTORS AND MANAGEMENT AND CONTROL MEASURES

RISK TREND  
(RT)

Increase



Stable



Decrease




CATEGORY	RISK EVENT	DESCRIPTION OF THE RISK	RT	CONTROL AND MANAGEMENT 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.		Contract management using a computer tool that covers IFRS16. 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.
	Adverse effects of the exchange rate	NH operates in countries subject to fluctuations in exchange rates (Mexico, Colombia or Argentina) and therefore the financial results could be affected.		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).
	Adverse effects of the inflation rate	NH operates in countries such as Mexico, Colombia or Argentina in which results may be affected by fluctuations in the rate of inflation. Furthermore, some of these economies are hyperinflationary and therefore the most relevant operating costs (e.g. rent and salaries), may be adversely affected.		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.
	Interest rate risk	60% of the Group's financial debt is exposed to fluctuation in interest rates (40% have fixed interest rates). The rise in interest rates will increase the Group's financial expenses, which will affect results and cash flows. As an estimate, an increase in interest rates of 25 basis points would lead to an increase in financial expenses of 1.6 million euros. The rise in interest rates could also increase the cost of refinancing current debt on maturity.	<b>NEW</b>	Assessment of interest rate hedging instruments and reasonability of the economic / commercial terms.
	Reduction in available credit facilities due to concentration in the banking system	Difficulties in increasing financial instruments as bank security and WK (confirming) instruments to match the current size and future growth opportunities.	<b>NEW</b>	Continuous dialog with banks and financial institutions to identify new partners and find the best financing arrangement for NH. Continuous dialog 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). Analyze 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 ESG positioning may help diversify financing products.



# RISK FACTORS AND MANAGEMENT AND CONTROL MEASURES

**RISK TREND (RT)**

 Increase
  Stable
  Decrease




CATEGORY	RISK EVENT	DESCRIPTION OF THE RISK	RT	CONTROL AND MANAGEMENT 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 NH's revenues and profitability, and slow the Company's future growth.		Definition of a Commercial Strategic Plan aimed at diversification and strengthening of segments. Operational optimisation and efficiency projects Asset Repositioning Strategy.
	Geopolitical risks (terrorism and political instability)	NH operates in countries where there is a risk of suffering terrorist attacks. This could cause a reduction in sales due to the "panic effect" on tourism. It could impact travel/tourism patterns in the affected areas and lead to an increase in insurance premiums and in security costs. The occurrence of a terrorist attack could cause damage to one or more NH properties the value of which is not fully covered by the current insurance policy.  NH 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 possible lawsuits against NH in courts in the USA (Cuba, Sotocaribe, etc.).		Existence of a communication protocol in the event of a crisis. Existence of a Business Continuity Plan and a Disaster Recovery Plan. Quarterly analysis of the economic and geopolitical situation in regions where NH operates and assessment of the impact on the Company's operations. Existence of an Executive Risk Committee. Documented Risk and Insurance Management process.
	New competitors in the tourist sector	The use and popularity of collaborative economic service providers, such as Airbnb, has grown enormously in recent years. These companies compete against traditional suppliers of accommodation such as hotels or hostels and could impact demand for such traditional types of accommodation or even force traditional accommodation models to modify their business model or their cost structure in order to compete effectively. The uncertainty in the regulator's behaviour and attitude towards these new accommodation models also has to be considered.  Furthermore, NH is subject to intense competition from other hotel chains, and from specialist or independent hotel operators. The increase in hotel supply in some of the main cities where NH 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 NH's market share.		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 Pro website).



# RISK FACTORS AND MANAGEMENT AND CONTROL MEASURES

**RISK TREND (RT)**

 Increase
  Stable
  Decrease

CATEGORY	RISK EVENT	DESCRIPTION OF THE RISK	RT	CONTROL AND MANAGEMENT MEASURES
Systems	Cyberattacks	<p>The number of cyberattacks continues to increase significantly as the attacks become more sophisticated and the methods of attack diversify. The damage deriving from such incidents may lead to financial losses or the loss of intellectual property, which makes it necessary to reinforce the current strategies for the mitigation of cyber risks.</p> <p>Cyberattacks could cause a loss of sensitive information of the business or customers (including credit card data), business interruptions, lawsuits deriving from system interruption, and other costs and liabilities.</p>		<p>Existence of a corporate Security Policy.</p> <p>Periodic intrusion testing to detect vulnerabilities in systems and communications.</p> <p>Perimeter security measures.</p> <p>Periodic analysis of malware, viruses, etc.</p> <p>Cybersecurity awareness campaigns.</p> <p>Online training in cybersecurity for all employees (mandatory).</p> <p>Information Security Management System based on international standards.</p> <p>Annual audit by an external firm of compliance with PCI-DSS regulations.</p>
	Inability to keep up with technology	<p>NH's current operations and its technological infrastructure may not be capable of meeting performance expectations in relation to quality, business operations, cost and innovation as effectively as our competitors, especially competitors that were "born in the digital age" and have a low cost structure for their operations, or even competitors with a long history and larger operations.</p> <p>Accordingly, NH needs to keep up to date in relation to the technological developments necessary to support its operations and its business adequately and compete effectively.</p> <p>Finally, the inability of NH's systems and processes to meet the Company's demands and the speed of its growth must also be taken into account, as well as the difficulty in having the necessary resources to face this challenge.</p>		<p>Existence of periodic controls to monitor the performance of NH's technological platforms.</p> <p>Recurring analysis to ensure that versions of the systems are kept up to date.</p> <p>Attendance at events and meetings with suppliers and specialist consultants to keep abreast of new technological developments.</p> <p>Analysis of business and technological requirements and coordination between departments in projects for the integration of hotels in the portfolio.</p> <p>Performance analysis of the customer booking process on the NH website and using the mobile app.</p> <p>Recurring review of the NH web download time on mobile and desktop devices.</p> <p>FastPass initiative, combination of three innovative services: Online Check-in, Choose Your Room and Online Check-out.</p> <p>Existence of a Digital Evolution Plan (DER).</p>
	SAP/website crashes	<p>NH is currently operating with SAP systems both in back-office and front-office. If there is a crash in SAP, NH might not be able to bill its customers or might have to stop the activity of the administration department. Furthermore, NH's revenues depend on the success and availability of the website.</p>		<p>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.</p> <p>The measures detailed above for the risk of cyberattacks (intrusion testing, perimeter security, analysis of malware and viruses, etc.).</p>





## EMERGING RISKS AND NEW CHALLENGES

Emerging risks are risks that are expected to have a significant impact on the Company's operations and, therefore, on its financial results in the future (long term, 3 to 5 or more years), although in some cases they may have already started to impact NH Hotel Group's business now.

Accordingly, during the periodic process of supervision and monitoring of risks in the Executive Risk Committee and in the Audit and Control Committee, as well as during the annual risk identification and assessment process, the Company has adequate mechanisms to ensure that emerging risks and new challenges are taken into consideration and given an adequate response. The result of this analysis is reflected in the corporate Risk Map which is submitted annually to the Board of Directors for approval.

Additionally, risk owners can report any emerging risks or new risks detected at any time, so that the Risk Office can proceed to analyze and consider them.

The emerging risks that the Company has already detected and on the monitoring and analysis, impact assessment and mitigation of which it is working, are described below:

### EMERGING RISKS IDENTIFIED IN 2021



**Risks related to social behaviour patterns** | Collaborative economy, changing customer preferences, demographic changes

Considering the changes in consumer behaviour (with a shift towards self-service options and apartment and house swaps) and the arrival of new market players whose offers and business models alter the codes of the hotel industry, NH Hotel Group needs to expand its offer to diversify the opportunities proposed to travellers and meet their expectations better, while attracting new guests. If the Group does not detect new consumer behaviour and does not respond quickly by offering suitable experiences to its guests, its market share and level of activity could be adversely affected, with a negative impact on both revenues and net income.

The Group responds to these changes by adapting its products and services to the new generations and new businesses. The Group has an Innovation Committee dedicated to exploring new business and innovation opportunities to strengthen the Group's experience when it comes to offering specific disruptive solutions to guests and preparing growth in the future.

To take advantage of the growing attractiveness for the market of distinctive brands with a strong personality, which offer an excellent work environment for urban nomads and an ideal meeting place, the Group has also opted to redouble its efforts to expand its nhow brand in one of the fastest-growing segments in the hotel industry, referred to as "lifestyle".





### Technological risks | Cyberattacks, information security, technological innovation

The Group's business is based on a variety of processes and software that support both employees and guests when they book their stays. Some of these processes and apps depend on complex information systems and IT infrastructure to collect, process and store growing quantities of operational and strategic data which are essential to support the value creation process. These data, which are collected, sorted and processed directly by the Group or by external service providers, may suffer accidental or malicious damage. The Group's systems could suffer directly or indirectly the consequences of viruses, service refusal or other attacks, hardware or software technical breakdowns, sabotage, intrusion or piracy that have a negative effect on the availability and integrity of data as well as the confidentiality of such data. These threats may also arise internally due to malicious intent, errors or caused by possible obsolescence of infrastructures. Whatever their origin, any alteration, theft, disclosure or unavailability of the Group's data could have a negative impact on the attainment of its strategic objectives.

Assuring the security, protection and availability of strategic data is a priority for the Company. The Information Systems Security Department has the task of protecting the entire infrastructure, the IT systems and software needed for the group's Operations. Its function consists of:

- Preventing intruder access, viruses and attacks through the administration of all the dedicated system hardware and software security and conducting intrusion tests,
- Carrying out awareness-raising campaigns and training for employees (for example, alerting on phishing risks).

As far as payment methods are concerned, every year the Company renews its PCI DSS certification, a key factor in the prevention of risks that affect guests' bank data.

In addition, NH Hotel Group has a business continuity plan to guarantee the continuity of operations and preserve data confidentiality.



### Risks related to climate change | Natural disasters, extreme weather phenomena, regulatory

In most of the countries where NH operates, the Group is exposed to the risk of extreme natural events (such as earthquakes, floods, snowfall and cyclones) the frequency and / or gravity of which may be amplified by climate change.

The occurrence of any such event could have a direct or indirect impact on guests and employees, but also on the Group's business and assets, adversely affecting its activity and compromising its financial situation.

Protecting guests and employees is a priority for the Group. For this reason, permanent or temporary protection measures are implemented as soon as these risks are identified, such as evacuating hotels in accordance with the Group's procedures. For seismic risks in particular, drills are carried out periodically by the teams in the countries identified (such as Mexico), so that they can respond efficiently in the event of an earthquake.

Furthermore, regulatory changes such as the European Union Green Deal and the Fit for 55 package of measures to adapt European legislation to its climate goals will have an impact for the Company both in terms of investments and in the renovation of hotels or the acquisition of new hotels.

Aware of the effects of climate change, and with the aim of managing operating costs more efficiently, the Group is taking measures to limit the carbon emissions generated by its operations and its entire value chain. More information on NH Hotel Group's climate strategy can be found in the section NH ROOM4 Planet.







**Certain geopolitical risks** | Terrorism, change in economic cycle, political uncertainty and, to a lesser extent, Brexit

The evolution of the geopolitical situation exposes the Group to the risk of terrorist attacks, among others, in the countries where NH operates. The occurrence of such events could have a direct or indirect impact on guests, employees, business and assets, and have a negative effect on the attainment of the Company's strategic objectives. Furthermore, acts of terrorism, political unrest or the outbreak of war would affect tourism and the Group's business (by causing a fall in the number of guests, closure of hotels and abandoned development projects) in the regions in questions, as well as threatening the safety of employees.

Protecting guests and employees is a priority for the Group. To protect them effectively against the main threats identified, the Group has developed a safety and protection strategy aligned with the severity of the estimated risks. The strategy is based on organization, a monitoring system and security measures that evolve in line with the evolution of each situation. These measures are designed to guarantee the safety of employees, guests and assets, while also assuring the continuity of operations. In the event of an alert, the internal crisis management system is activated immediately to guarantee the safety of our guests and employees. Damage to property is covered by the Group's insurance programme.



**Risks deriving from external factors** | Pandemics, strikes, both internal (hotel personnel) and external (e.g. air traffic controllers)

The Group's operations may be affected by epidemics in the regions where it welcomes guests or by worldwide epidemics. In the last 24 months, NH Hotel Group, like all the hotel companies in the world, has suffered the consequences of the COVID-19 pandemic which has caused a fall in the hotel occupancy rate and in events due to the health restrictions in place in all countries. Revenues have been negatively affected even though the group has contingency and business continuity plans that partially mitigate the fall in revenue while contributing to assure the health and safety of its guests and employees.



nhow Milan  
Milano, Italy



# NH ROOM 4 SUSTAINABLE BUSINESS







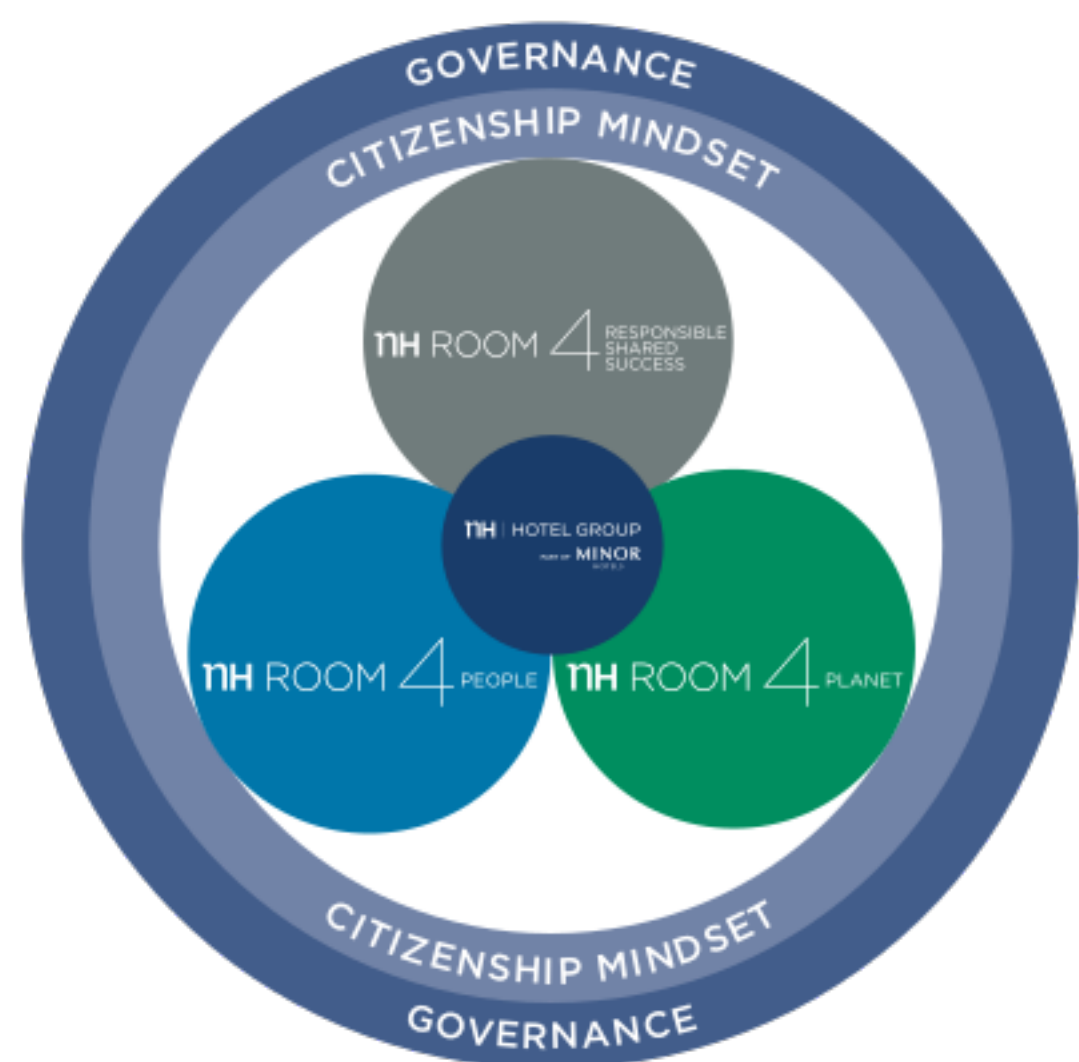
NH Hotel Group carries out its hotel activity with the ambition of spearheading responsible behavior, creating shared value at the economic, social and environmental level wherever it is present. With this philosophy, in 2021 the Company has continued with its strategy, in which one of the pillars is **NH ROOM4 Sustainable Business**, which is a key part of the Company's global strategy.

The strategic vision of **NH ROOM4 Sustainable Business** is in turn based on three fundamental management levers: **NH ROOM4 People**, **NH ROOM4 Planet** and **NH ROOM4 Responsible Shared Success**, all in the framework of the same premise of **sustainable and ethical principles, culture of responsibility** and **civic spirit**.

Convinced that it is going in the right direction to achieve its next goals regarding sustainability, the Company is aligned with the Sustainable Development Goals (SDG) to which it can contribute and is therefore committed to continuing to create long-term value globally, in the context of Agenda 2030.

## NH ROOM4 SUSTAINABLE BUSINESS MODEL

For NH Hotel Group, the strategy is based on "NH ROOM4 a better world". In line with this strategy, management of the Company's corporate responsibility, **NH ROOM4 Sustainable Business**, is articulated around three lines of action: **NH ROOM4 People**, **NH ROOM4 Planet** and **NH ROOM4 Responsible Shared Success**:



NH Hotel Group promotes internal professional development and creates social projects in the communities where it is present.



NH Hotel Group is committed to the environment and shows this through sustainable products, reducing consumption and the fight against climate change.



NH Hotel Group conveys human rights and ethical business principles in the way it works throughout its value chain: customers, owners and suppliers, promoting responsible alliances.

### GOVERNANCE

**Management of the Sustainable Strategy**  
Organizational structure focused on Sustainable Business, to ensure implementation of the strategy.

**Accountability**  
Reporting on sustainability and sustainable business as an opportunity for continuous improvement and monitoring and demand for transparency.

**Corporate Governance & Compliance**  
With the aim of conveying the ethical and responsible business principles and the commitment to Human Rights that guide the way NH Hotel Group works.

### CITIZENSHIP MINDSET

In their everyday activity, **each employee** can do things in the most sustainable way with a citizenship mindset.

Activation of a **fluid communication style** and the recognition of the responsible and sustainable commitment by employees.

**Volunteering** is the key to the rollout of the sustainable business commitment with employees. Without their participation, no initiative would have the desired impact. NH Hotel Group is made up of people who are passionate about service, and that is its strength.



## NH ROOM 4 PEOPLE

### Employees

Promotion of equality of opportunities to be recognized as a leading company in diversity.

### Community

**Hotels with a heart** - Continuing to use the potential of NH Hotel Group as a hotel chain to provide accommodation for hospitalized children and their families.

**Youth employment** - Investment in training and career support for young people, especially those who are in an underprivileged situation.



## NH ROOM 4 PLANET

### Climate Change

The fight against climate change at the core of strategic planning at business level and for NH Hotel Group's risk management.

### Energy and water

Increasing and improving production with green energy with on-site facilities, renewable energy sources and water optimisation.

### Waste and Circular Economy

Working with suppliers to create opportunities and synergies in circular economy.



## NH ROOM 4 RESPONSIBLE SHARED SUCCESS

### Customers

Providing a unique experience and innovative range of services and involving customers in NH Hotel Group's sustainable and responsible projects.

### Suppliers

Establishing effective dialog with suppliers to develop innovative and sustainable solutions.

Continuing to increase social and environmental criteria in selecting partners.

### Alliances

Promoting long-term alliances with all kinds of organizations: other companies, public administrations, nonprofit organizations, multilateral bodies...


















NH Collection Amsterdam Flower Market  
Amsterdam, The Netherlands



# NH HOTEL GROUP AND THE 2030 AGENDA

For the purpose of focusing the business model on a hotel model that is committed to sustainable development, through the Sustainable Business Strategy NH Hotel Group generates value for the different stakeholders in the places where it is present. In this context, the Company has impact and a capacity for influence in a total of 12 Sustainable Development Goals and supports the goal of the Paris Agreement to combat climate change. NH Hotel Group has performed an analysis of the agenda's contribution to the SDG, which in turn has allowed us to identify which goals are more relevant for the Company, both on account of its activity, commitments and strategic focus and on account of different external factors considered.

Sustainable Business Strategy Pillar	Related SDG	Key indicators in 2021
		<ul style="list-style-type: none"> <li>• Protocol <i>Feel Safe At NH</i></li> <li>• Remote working conditions 'Hybrid Model'</li> <li>• <b>WITH YOU Programme</b> supports the well-being of the team members</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>372,611 mil €</b> training investment</li> <li>• <b>74,759</b> training hours to our employees</li> <li>• <b>8.5</b> of training per Employee</li> </ul>
		<ul style="list-style-type: none"> <li>• Presence in the <b>Bloomberg Gender Equality Index</b></li> <li>• <b>51%</b> of the total workforce are women</li> <li>• <b>44%</b> of women in directive positions</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>295,9 M€</b> Purchasing volume*</li> <li>• Salaries and wages: <b>191.7 M€</b></li> <li>• Social Security charges: <b>48.8 M€</b></li> </ul>
		<ul style="list-style-type: none"> <li>• <b>344 hotels</b> with modifications for accessibility</li> <li>• <b>85</b> disabled employees</li> <li>• <b>More than 790 hours</b> spent in social volunteering</li> <li>• <b>55</b> social projects</li> <li>• <b>More than 6,422</b> beneficiaries</li> <li>• <b>More than 600</b> voluntarios</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>-33%</b> reduction in water extraction**</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>62%</b> of all electricity consumed annually comes from renewable energy sources</li> <li>• <b>100%</b> of green electricity sources in the hotels of South of Europe</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>161 certified hotels</b></li> <li>• <b>48</b> hotels with charging stations installed for electric cars</li> <li>• <b>26</b> hotels with rent a bike services</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>Responsible Purchasing Policy</b></li> <li>• <b>1,756</b> suppliers have signed the Code of Conduct</li> <li>• <b>83%</b> of purchases are to local suppliers</li> <li>• <b>67%</b> purchases from approved suppliers</li> </ul>
		<ul style="list-style-type: none"> <li>• Establishment of SBTi approved objectives (<b>Science Based Targets</b>)</li> <li>• Eradication of single-use plastic (14 million plastic bottles eliminated per year)</li> <li>• <b>-6%</b> reduction of carbon footprint **</li> <li>• <b>-0.13%</b> reduction of energy consumption**</li> <li>• <b>1.6 M€</b> investment in energy efficiency related projects</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>Part of the UN Global Compact</b></li> <li>• <b>Presence in FTSE4Good index</b></li> </ul>
		<ul style="list-style-type: none"> <li>• <b>Basic Sustainability Framework</b> launch in partnership with other hotel chains</li> <li>• Collaboration with <b>99</b> foundations and ONGs</li> </ul>

\* Excluding expenses for leases paid, commissions and volume discounts on sales and supplies, among others.

\*\* Reduction compared to 2019 in absolute terms. The atypical operation of the hotels during most of the year translates to reductions not reflecting the actual performance of the environmental data.







NH Collection Copenhagen  
Copenhagen, Denmark

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

In 2021, NH Hotel Group participated voluntarily for the third time in the Corporate Sustainability Assessment (CSA) 2021 carried out by the sustainable investment agency S&P Global. The assessment generates a world ranking in sustainable performance by companies in different sectors.

The Company has taken third place in the ranking, standing out as one of the most sustainable leaders in the sector compared to the companies included in the Dow Jones Sustainability Index. This result consolidates NH Hotel Group as one of the benchmark companies for sustainability in the industry worldwide and confirms NH Hotel Group's strong position in social, environmental and economic performance.

NH Hotel Group, which has had an excellent performance in terms of sustainability in recent years, will continue to build a Responsible Business, one of the pillars of the Company's strategy.

**PRESENCE OF NH HOTEL GROUP IN SUSTAINABILITY INDEXES AND RANKINGS**



NH Hotel Group has achieved the third place among the most sustainable hotels in the world, thus consolidating its position as one of the benchmark companies in sustainability in the industry worldwide, after being assessed for a second year by S&P Global, the sustainable investment agency that assesses the companies that make up the Dow Jones Sustainability Index.

The commitments in this field and the improvement that NH Hotel Group has shown during this year have earned it a Bronze Class award in the S&P Global Sustainability Yearbook 2022.



NH Hotel Group has been included for the third time in the Bloomberg gender-equality index 2022 and is the only Spanish hotel company among the 380 companies included in the index.

The Company has obtained its best results in salary equality and parity, thanks to its compensation policies based on gender equality and on the fight against the pay gap. This has confirmed aspects that were already known, such as the positive presence of women at all levels of responsibility in the Company.



Since 2013, NH Hotel Group has been included in the FTSE4GOOD index and renews its presence year after year, thanks to the responsible management of the business and the improvements made. The index was created by the London Stock Exchange to help investors integrate environmental, social and corporate governance (ESG) factors in decision making.



Carbon Disclosure Project recognizes the efforts made by leading global companies in the battle against climate change. In the last report dated December 2021, NH Hotel Group obtained a rating of B in the annual ranking. With this rating, NH Hotel Group once again sees recognition of its pioneering vision to place sustainability as a strategic value that has acted as lever for value across the Group for more than a decade.



## MATERIALITY ANALYSIS

The materiality analysis is key in NH Hotel Group’s Corporate Responsibility management process, both for reporting purposes and in defining the strategy and initiatives and in establishing dialog with stakeholders.

The objectives of the update of the materiality analysis are as follows:

- Comply with the requisites of the non-financial reporting directive.
- Determine the relevant aspects to guide the Company’s Corporate Responsibility strategy.
- Respond to the requisites of the Global Reporting Initiative for sustainability reporting.
- Identify the expectations of stakeholders as the basis for reputation management.

In 2021, NH Hotel Group has updated this analysis in order to define the contents of this Report and prioritize the relevant matters, based on the Materiality Study for 2020. This process involves the following phases:

### UPDATING RELEVANT MATTERS

Material matters are identified based on an analysis of internal and external sources that have made it possible to determine a preliminary list of relevant matters for NH Hotel Group and for its stakeholders.

The materiality analysis has allowed us to identify the most relevant matters for each of our stakeholders, defining the essential areas or aspects for drawing up this report, the coverage of which makes it possible to assess the Company’s performance in these areas. As far as the quality of the information is concerned, our aim is always to convey a balance, reflecting both positive and negative aspects of our performance throughout 2021 in the key materiality areas identified. Accordingly, we publish this information in a precise, detailed, clear, comprehensible and reliable way, offering our stakeholders the evolution over time of the material matters so that they can be aware of this information and compare it with other companies or industries.

For this year’s update, 25 material matters have been identified based on an analysis of the current context, ESG criteria, analysis of global trends, the standards of the Global Reporting Initiative (GRI) and the United Nations 2030 Agenda. As a new feature, and in line with the current circumstances in which the Company finds itself, an analysis of trends that shows the impact of the matters in the short, medium and long term has been included.

<b>Strategy and priorities for NH Hotel Group</b>	<ul style="list-style-type: none"> <li>- Company Strategy.</li> <li>- Sustainable Business Strategy.</li> <li>- NH Hotel Group Materiality 2020.</li> <li>- Consolidated Statement of Non-Financial Information- Sustainable Business Report 2020.</li> </ul>
<b>Sustainable Development Goals – SDG</b>	<ul style="list-style-type: none"> <li>- SDG in which NH Hotel Group has a direct and indirect impact and its specific goals.</li> </ul>
<b>Prescribers and trends in the sector</b>	<ul style="list-style-type: none"> <li>- Key sustainability goals defined by the International Tourism Partnership (ITP)</li> <li>- SASB Materiality Map*</li> <li>- Sustainability Yearbook 2021 issued by S&amp;P Global.</li> <li>- Carbon Disclosure Project (CDP) ranking – Climate Change</li> </ul>

Subsequently, a semantic review of the matters is carried out with the aim of linking similar concepts or areas and integrating them in the terms of NH Hotel Group and the hotel sector’s business approach. The matters have been grouped according to the different pillars of the Sustainable Business Strategy.

SUSTAINABLE BUSINESS PILLARS	NH HOTEL GROUP RELEVANT MATTERS 2021
<b>Governance</b>	<ol style="list-style-type: none"> <li>1. Sustainable financial growth</li> <li>2. Regulatory environment</li> <li>3. Recovery plan</li> <li>4. Corporate governance, business ethics and transparency</li> <li>5. Cybersecurity and data protection</li> <li>6. Protection of Human and Labour Rights</li> <li>7. Management of financial, non-financial and emerging risks</li> <li>8. Innovation and technology</li> <li>9. Communication channels and dialog with stakeholders</li> </ol>
<b>NH ROOM4 People</b>	<ol style="list-style-type: none"> <li>10. Talent, training and professional development</li> <li>11. Culture of equality, diversity and inclusion</li> <li>12. Employee engagement</li> <li>13. Safety, health and wellbeing</li> <li>14. Corporate volunteering</li> <li>15. Positive impact on the local community and culture</li> <li>16. Promotion of youth employment</li> </ol>
<b>NH ROOM4 Planet</b>	<ol style="list-style-type: none"> <li>17. Fight against climate change</li> <li>18. Responsible management of natural resources and biodiversity</li> <li>19. Sustainable hotel services</li> <li>20. Waste management and circular economy</li> </ol>
<b>NH ROOM4 Responsible Shared Success</b>	<ol style="list-style-type: none"> <li>21. Sustainable alliances</li> <li>22. Responsible and local supply chain</li> <li>23. Unique experiences for customers</li> <li>24. Service quality and satisfaction</li> <li>25. Fostering sustainability among customers</li> </ol>



### PRIORITISATION

The material matters are prioritized on the basis of two variables:

- **Impact on the business.** Importance of each matter in NH Hotel Group’s business activity, taking into account the strategy, trends in the sector, sectorial and sustainability prescribers, and the evaluation of the different areas of the Company that have relations with stakeholders, such as Communication and CSR, Human Resources, Environment or Procurement. As indicated above, this year an additional variable has been added showing the future relevance -more, the same, less relevance- of each of the matters in the next five years.
- **Impact on stakeholders.** Importance of each matter among the different stakeholders based on the available information of NH Hotel Group, trends and social concerns, the UN Sustainable Development Goals –SDG–, and the conversation in the media on these matters.

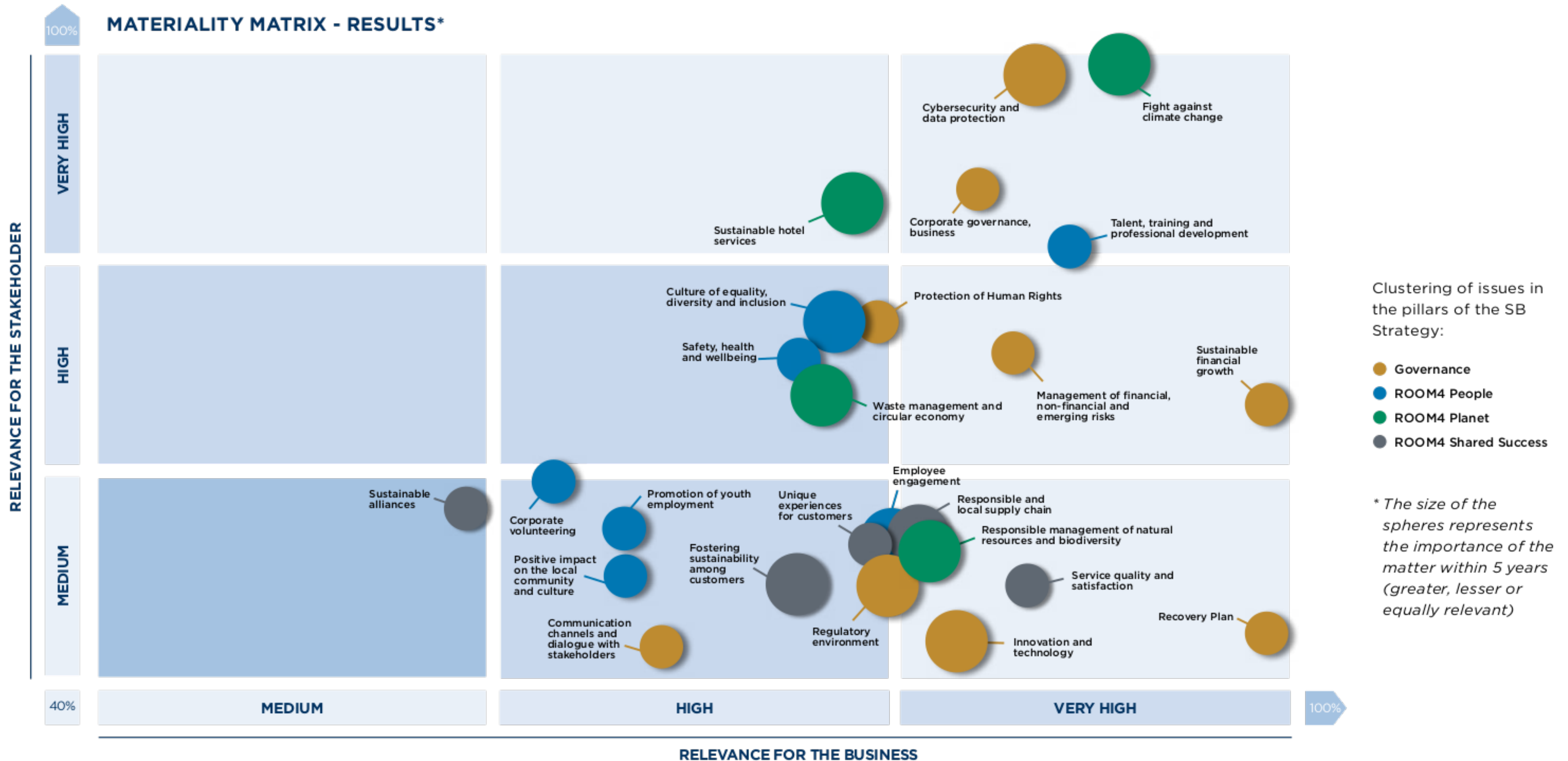
### VALIDATION AND MATERIALITY MATRIX

The prioritization is validated internally by the Sustainable Business Area of NH Hotel Group, with the aim of comparing the relevance of the material matters and their importance in relation to the business goals.

The analysis of the results has taken into account both an internal and an external weighting. This prioritization is used to draw up the Materiality Matrix for the Consolidated Statement of Non-Financial Information - Sustainable Business Report 2021, in line with the two axes of relevance:

- Impact on the business.
- Impact for external stakeholders.

As indicated above, this year a third variable has been added, indicating whether each matter will be more or less relevant in the next 5 years.





NH Essen  
Essen, Germany



**nH** ROOM 4 RESPONSIBLE  
SHARED  
SUCCESS

## NH ROOM4 RESPONSIBLE SHARED SUCCESS: CUSTOMERS

**NH Hotel Group provides an excellent service offering an innovative range of services, and invites its customers to participate and get involved in ethical, social and environmental commitments. In its commitment to sustainability, NH Hotel Group seeks to include and involve customers in its Sustainable Business initiatives, whether by generating opportunities for social contribution or by promoting environmentally responsible behaviour.**

### FEEL SAFE AT NH

At NH Hotel Group we want our guests to continue enjoying our hotels and having unforgettable experiences, and we have therefore created Feel Safe At NH, a set of measures certified by safety experts, which have been implemented in all our hotels so that our guests, employees and suppliers can continue to enjoy all our destinations, with no worries.

To ensure the safety of guests and employees, the Company has put a number of different initiatives into place and has adapted almost 700 standards, completely redesigning the guest experience cycle.

Feel Safe at NH reviews the entire way our hotels operate and concentrates all the initiatives under 10 lines of action that respond to our guests' needs in the new social reality caused by COVID-19. From the cleaning and disinfection processes for each space in the hotel, through new digital solutions, processes and protocols for food and beverage management, social distancing rules, to air and water purification control, the measures in the plan cover all aspects that allow hotels to be reopened with maximum guarantees for the safety of guests and employees.

Each of the Company's establishments will have a designated health and safety officer in the new Feel Safe at NH operating process. This person will be responsible for leading the implementation of the plan, and for employee training and, finally, will be responsible for controlling ecological and responsible use of protection equipment.



## NH EXPERIENCE

As a Company strategy, NH Hotel Group has identified the need to believe in the intrinsic value of each of its brands. It therefore seeks to pursue maximum efficiency in media investments and an improvement in the customer experience with the development of Guest Intelligence analysis tools, detecting the “moments of truth” and providing support to an experience undergoing continuous redesign and implementation, as well as monitoring acceptance. In recent years, as a result of the Company’s new business strategy, the quality bases that characterize NH Hotel Group have been laid down.

This year has been notable for the progress made in digitalisation, with the focus on improving both the efficiency of internal processes and the guest experience, as well as offering technological solutions to existing processes (which allow guests to reduce physical interactions with hotel personnel if they wish), while at the same time we contribute to the Company’s sustainability commitment.

### PRINCIPAL INITIATIVES IN 2021

#### Instant Booking Tool

This project allows instant reservation of meeting rooms for up to 20 people.

For the customer it is a fast, easy and transparent process. As far as internal processes are concerned, we eliminate the management of this type of reserves from the GEM. The reservation is done on the web and generates a booking file directly in TMS.

We currently have a LIVE (NHC Berlin Friedrichstrasse) and we will be working on rollout during the first quarter of 2022.

#### Duetto autopilot

Duetto is a novel system that helps manage income. Based on the pickup forecast / historical figures, it makes pricing recommendations, with the aim of optimizing revenues.

Thanks to autopilot, recommendations are launched automatically to TMS and connected channels 3 times a day. This optimizes revenues, reduces the workload of revenue managers and improves the time to market.

#### Mobile Guest Service

Digitalisation of the hotel information and services on a PWA (Progressive Web App) that can be accessed from any guest mobile device (cellphone, Tablet, PC) offering guests the possibility of having all the information on the hotel on their cell phone; from information on the hotel’s facilities and hours, to the possibility of ordering room service or booking a table in the restaurant, requesting additional amenities, etc.

An initiative that generates benefits in terms of sustainability by digitalising all the information. This service is currently available in more than 317 hotels, in 25 different countries.



NH Collection Eurobuilding  
Madrid, Spain





NH Collection Taormina  
Taormina, Italy

Other notable experiences:

- **FASTPASS:** the main purpose of this initiative has been to offer guests the possibility of using three innovative services, namely Online Check-in, Choose Your Room and Online Check-out, that give guests all the control over their stay.

The added value has been the inclusion of the "Choose your Room" option, which gives guests the option of choosing their room by exploring the hotel's architectonic plan, improving the guests' experience.

The online check-in and online check-out features also allow us to digitalize both processes, reducing the use of paper and giving our guests the possibility of carrying out both interactions conveniently from their smartphone.

The roadmap for **FASTPASS** for 2022 rests on two major levers: on one hand, increasing the volume of use of this service and, therefore, continuing with the goal of reducing paper consumption (by incorporating reservations made through third parties, creating new channels so that guests can access these services ...), and on the other hand, improving the user experience (by offering the possibility of upgrading their room, booking other services or adding new payment methods). In addition to this, in the future there are plans to integrate the digital key into the fast pass (which will let guests open the door to their room with their cellphone) and for this purpose the best mobile key solution for this development will be analyzed.

- **Tablets in Reception:** With the aim of continuing to be at the forefront of innovation and offer its guests the best services, NH Hotel Group presents Smart Tablet in Reception, a new proposal that reduces physical contact and waiting times at hotel reception, improving the

guest's experience by digitalising all the phases of check-in and check-out processes. These processes have been redefined with a clear focus on improving these touchpoints, at both operational and experience level.

This project lets guests complete the check-in and check-out processes using a tablet connected to our PMS, which:

- Facilitates the review of their booking information, contact or billing information, without the need to print paper, and correcting any errors at the same time.
- Offers the possibility of updating the GDPR policy and NH Rewards on the tablet.
- Enables signing of the registration and police (if applicable) documents using this device (digital signature).
- Digitalises the check-in and check-out processes.

With Tablets in Reception, we achieve the following goals:

- Improving the guest experience.
- Paperless processes.
- Improving the quality of our CRM and improving NH Rewards capture.
- Digitalising the customer data storage process (GDPR/Police).
- Improving the efficiency of these processes.

A preliminary implementation of the project has been carried out in 2021 in order to detect and implement improvements in the process. After that, a rollout phase has been defined for 2022 which will allow us to advance in the consolidation of the defined goals, as well as continuing to improve the usability of the project. A pilot programme to give this feature mobility has also been planned, that will let the check-in and check-out processes be carried out in different parts of the hotel.



- **Pet friendly:** a complete experience for guests who travel with their pets. This new operational promise for pets offers our guests the certainty that travelling to an NH hotel with their pet is possible and convenient, which is especially relevant nowadays in light of the growing number of people who decide to travel with their pet. We offer a standardized pet policy all over the world, making our hotel chain pet friendly.
- **Room Office:** The Company offers the possibility of renting one of our spacious and comfortable rooms to use as an office. Offering a quiet space, with all the necessary equipment: office chair, WiFi, private bathroom, television, and the possibility of contracting additional services such as beverages, lunch or any other F&B service. This initiative also offers the usual hotel facilities for holding meetings or work sessions such as the meeting rooms.
- **City Connection:** an initiative that lets our guests access the lobbies of all our other hotels in the city and enjoy some of our services and public areas, giving an added value mainly to our leisure guests. The aim is to improve the travel experience when staying at NH, offering our guests the possibility of having convenient stopping places all over the city (to rest, use the Wi-Fi connection, have a drink, leave luggage ...) and enjoying any service at any NH hotel in that city.
- **PressReader:** in the framework of the goals of reducing paper consumption and improving our guests' experience, we have introduced PressReader, a digital platform that offers our guests unlimited access to national and international newspapers and magazines during their stay, replacing print media with a digital alternative.

## SMART SPACES

Smart Spaces is NH Hotel Group's new B2B proposal. Exclusive spaces to work and hold small business meetings in unique locations, mainly hotel lobbies and meeting rooms, with all the amenities and services of the Company's medium and high-end category hotels.

Smart Spaces lets you work all day in a relaxed way in a safe and exclusive environment, organizing the meeting with an exclusive package of services, including unlimited Wi-Fi, cloakroom at reception, laser printer, 2 courtesy bottles of water and HD monitor with webcam. This value proposal means guests can work conveniently from our hotels, reducing commutes, travel and expenses.

In the framework of this initiative, exploring in more depth the new work trends that have arisen in the last few years, NH Hotel Group also consolidated the NH Room Office concept in the America Business Unit, specifically in the NH Collection Bogotá Teleport Royal as a pilot. Months later, after the success of this innovative proposal, the Company has extended NH Room Office to other countries in the Americas and Europe.

Video calls, preparing presentations or giving online training courses... working from home is not the best solution for every task. That is why the Company offers the possibility of renting a quiet hotel room with a pleasant workspace, from a half-day upwards. This new concept lets guests work with all the necessary equipment and maintain distancing without having to be in a business center or go to the office.



NH Collection Amsterdam Doelen  
Amsterdam, The Netherlands



### EXTENDED STAYS

This consist of an extended stay package that guarantees the best offer for the use of all the amenities of our hotels, for stays of 7 nights or more. This type of value proposal is designed for travellers who need or prefer to stay in a destination and hotel for long-term projects, saving the expense of recurring long-distance trips.

### FULL BUYOUT

This NH Hotel Group option lets an entire hotel or only part of it be booked for the personal use of a company or guest. A totally personalised service that will guarantee privacy, safety and, above all, a memorable experience.

### OUTDOOR SPACES

Spectacular spaces and areas for open-air events where guests recover their energy and enjoy the views, whether participating in a corporate activity or a creative session with the team, a reception or social event. Ranging from terraces with views of the mountains, cityscapes or the sea to rooftops, gardens and pools, finding the perfect place to organize a meeting or event, respecting the safety measures established in recent times by the health authorities.

### A BUSINESS PROGRAM

NH+ Business Programme is a programme created to support businesses with exclusive benefits, a programme that supports the recovery of the businesses affected by the years of pandemic. The more nights stayed at the Company’s hotels; the more advantages are available. Among others, with NH+, depending on the category and by booking through NH’s professional website (NHPRO.com), businesses can obtain a discount of up to 25% on accommodation in the group’s hotels, discounts on parking, premium Wi-Fi service, late check-out or early check-in.

### NH PRO

The NHPRO.com online platform is a unique digital space exclusively for business travellers, the purpose of which is to simplify and facilitate administrative tasks and offer professional new capabilities for their business. Among other features, it can be used to consult information on what NH Hotel Group has to offer for the B2B segment, access special rates, manage travel bookings or plan events. The launch of this tool is part of the accelerated digitalisation initiatives of NH’s value proposal to help our customers save time and resources.



NH Andorra la Vella  
Andorra la Vella, Andorra



## GASTRONOMIC INNOVATION

NH Hotel Group is firmly committed to high quality gastronomy, innovation and the application of the latest trends in the sector, and therefore the Company is constantly in the process of innovating and developing exclusive gastronomic standards. However, in 2021, due to the impact of COVID-19 on the F&B area, innovation has focused on actions and standards that help to protect our guests, increase food safety, improve sustainability and support those who have been most adversely affected by the pandemic.

Local regulations on measures to deal with the virus have defined the types of services available in each region or country, and therefore the Company's traditional standards have been adapted to these regulations and to the recommendation of WHO (World Health Organization). These adaptations have involved several innovative processes that allow NH to maintain differentiation, improve the guest experience in limited services and the application of new techniques or services.

The processes in which innovative proposals have been applied in the context of COVID-19 and which were implemented in 2020 have been maintained:

- **F&B Mobile Guest Service**, developing a mobile app through which customers can see all available services, place orders or book a space in restaurants.
- **The Box**, adaptation of the room breakfast service, with an attractive presentation and increased hygiene guarantees.
- **Breakfast NH**, adaptation of the famous NH breakfast to the new regulations in force and for which 3 service models have been developed (à la carte, assisted buffet service or mono-packed buffet), which adapt to local regulations in each case while maintaining the traditional values of our breakfasts, a warm welcome, use of local products, variety and healthy food.
- **M&E**, adaptation of the entire range of food and beverages offered to the new requirements in order to assure safety and hygiene at our events.
- **Take-away service**, creation of a new service adapted to the mobility circumstances, for lunches and dinners, during periods of restrictions for restaurant.
- **Business and Individual Delivery Menus**, with delivery to offices and homes on special dates.



NH Collection Eurobuilding  
Madrid, Spain



Paco Roncero, (2 estrellas Michelin)  
NH Collection Casino de Madrid  
Madrid, Spain



NH Collection Grand Hotel Krasnapolsky  
Amsterdam, The Netherlands



Chris Naylor, (1 Michelin star - Vermeer)  
NH Collection Barbizon Palace  
Amsterdam, The Netherlands

It should be noted that in 2021, due to the damage caused by the pandemic, NH Hotel Group has undertaken, as far as F&B is concerned, to improve sustainability and support groups of people that have been especially impacted by COVID-19. Some examples of the new actions taken are:

- Improvement in sustainability in F&B by creating a new process which increases the efficiency of resource management and use of surplus kitchen production. This has involved collaborating with a number of food start-ups that reuse the food products that have not been consumed in the hotel.

NH Hotel Group offers exceptional cuisine under chefs holding a total of 8 Michelin stars, who in some cases have adapted their services to the COVID-19 situation with new proposals:

- **Dabiz Muñoz**, 3 Michelin stars, with DiverXO at NH Collection Eurobuilding. During 2021, Goxo, the chef's new concept, debuted at the NH Collection Barcelona Constanza.
- **Paco Roncero**, 2 Michelin stars with La Terraza del Casino. This year he has reinvented his Workshop concept by creating a unique conceptual space featuring multisensorial gastronomy and sustainability (*Paco Roncero Taller*).
- **Chris Naylor**, 1 Michelin star with Vermeer at NH Collection Barbizon Palace, creation of the delivery service for Michelin star in the Netherlands.
- **Randy Karman**, 1 estrella Michelin, con White Room en NH Collection Grand Hotel Krasnapolsky.
- **Marcos Morán**, (1 Michelin star) consulting chef at Hispania Brussels, NH Collection Grand Sablon.



### EVOLUTION OF QUALITY MEASUREMENT TOOLS IN 2021

An essential part of the customer experience continuous improvement process is monitoring perceived quality and the action plans that have been put in place. A significant example of a measurement tool is Quality Focus Online, which makes it possible to monitor customer reviews through internal and online channels.

The main improvements in the tool in 2021 include internal improvements in usability, improving the content of some of the tabs to help view at the same time global NPS (Net Promoter Score) data and competition data of all the hotels. In addition, aware of the importance that Google is gaining in recent years, the option of responding to the Questions and Answers section directly from the tool has been included, which allows us to respond to all customers and improve our presence in Google maps.

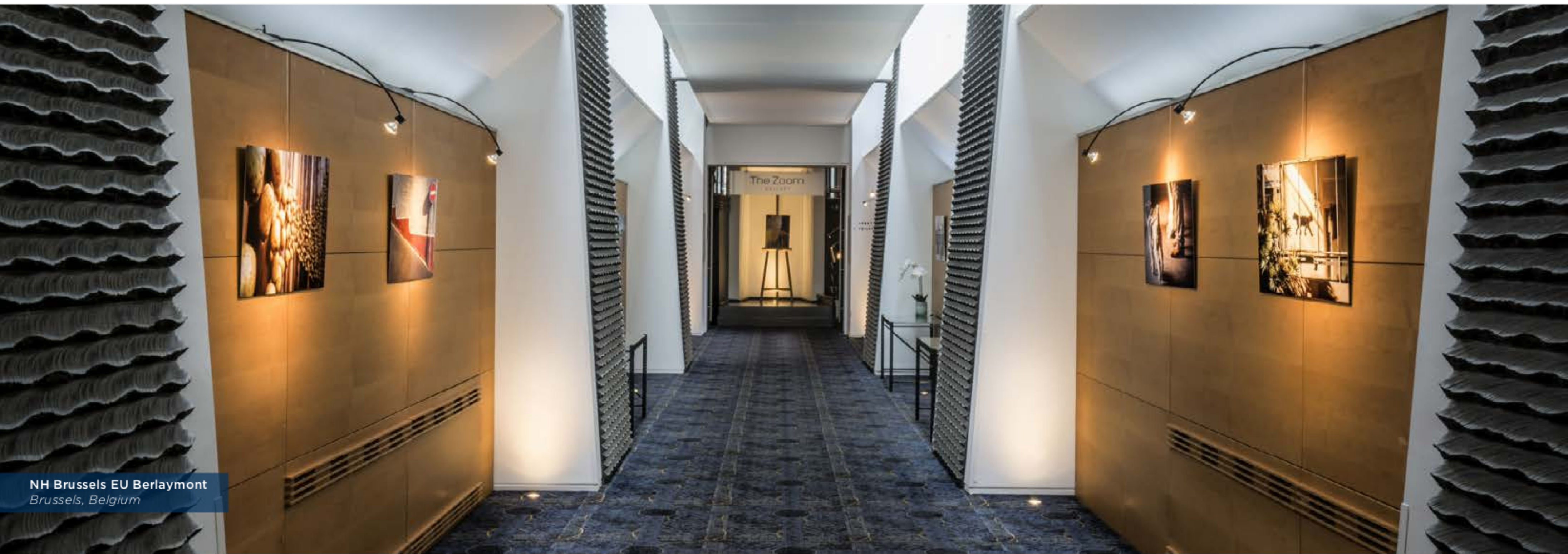
Furthermore, to maintain the Company’s high standards in relation to quality and customer satisfaction and maintain maximum assurance of safety for guests and employees, this year the checklist created on 2020 has continued to be used, through which the Health & Safety Managers, designated in the Feel Safe plan to be responsible for verifying and managing the plan in each hotel in each Business Unit of NH Hotel Group, carry out the corresponding checks in each establishment and identify areas for improvement, in order to implement the necessary corrective actions.

To carry out these controls, as well as the customer experience quality visits that local quality teams have resumed this year, we continue to use the existing quality tool, the smartphone app called Iristrace.

Furthermore, with the intention of understanding its guests better every day, the Company has continued to use the services of Trust You, a semantic analysis tool that makes it possible to have greater visibility of what customers are saying about NH Hotel Group and which has helped to identify the main areas for improvement both in terms of service and product.

#### Key quality indicators

	2021	2020	Difference (in %)
<b>NH Hotel Group survey rating (scale of 1 to 10)</b>			
General	8.6	8.7	-1.1
Service	9.1	9.2	-1.1
No. of NH Survey Ratings *	84,218	62,920	33.8
<b>Online survey rating (scale of 1 to 10)</b>			
General	8.3	8.4	-1.2
Service	8.9	8.9	0.2
No. of online survey ratings	312,562	268,878	16.2



NH Brussels EU Berlaymont  
Brussels, Belgium



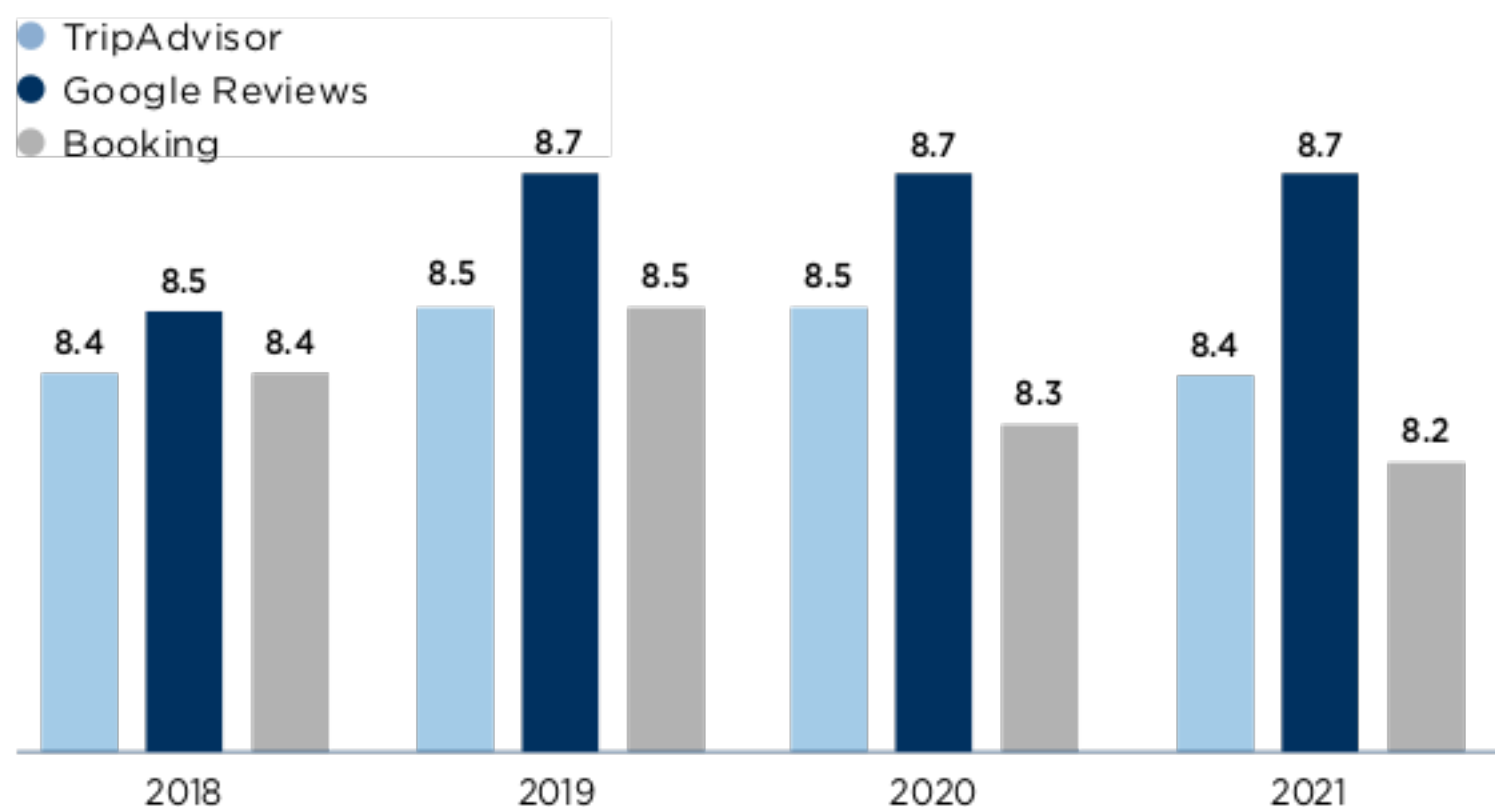
### IMPACTS ON VISIBILITY AND PERCEPTION OF QUALITY

As a new feature in 2021, NH Hotel Group has developed an internal tool which tries to predict which areas have the most impact on the guest experience, based on the different scores given to the sub-categories (room, cleanliness, food and beverages ...) in the internal satisfaction survey.

The idea arose with the aim of creating predictive patterns that could generate percentages of influence of each of the sub-categories evaluated. These percentages of influence also allow the hotels to prioritize which sub-category matters most to the guest when determining the overall rating of a hotel, prioritizing these sub-categories in their operational action plans.

The overall perception of the Company's quality has decreased by 0.1 points compared to last year and continues to be affected by the health crisis and the constant restrictions in each country. The overall score fell to 8.4 at the end of 2021 (-0.1 vs 2020). In relation to the overall score from online reviews, it has fallen to 8.3 (-0.1 compared to the previous year). A slight fall has also been seen in 2021 in the Booking.com and TripAdvisor ratings with a fall of -0.1 compared to the previous year.

#### VISIBILITY OF NH HOTEL GROUP HOTELS ON TRIPADVISOR AND GOOGLE 2018-2021



By brand, the impact is also in line with the overall ratings, with the main brands obtaining scores of NH Hotels 8.3 (the same as 2020) and NH Collection 8.6 (-0.2 compared to 2020). The nhow brand has increased its rating with a score for the year of 8.6 (+0.1 compared to 2020).

### SINGLE CUSTOMER SERVICE CENTER TOOLS

The Single Customer Service Center provides support to hotels and to customers. It combines Customer Care, NH Rewards and the VIP Desk and has continued to consolidate its service in 2021, extending its capacity for response and improving the level of service.

<p><b>SAP module: TMS4 Customer Care</b></p>	<p>This is a module that lets any interaction with customers be recorded, from the time the complaint is received. Customers can manage their complaints through multiple channels: email, telephone, website, hotels, social media...</p> <p>The types of contact range from comments or suggestions to complaints, congratulations, requests, claims or technical incidents.</p>
<p><b>Quality Focus</b></p>	<p>Every week data is drawn from the satisfaction surveys received, identifying those that will be managed by Customer Care.</p> <p>Depending on the type of comment received, the type of response varies from direct interaction with the customer, by email or telephone, to a standard email response for neutral and positive comments.</p>
<p><b>Zendesk</b></p>	<p>This is a tool that lets customers send private comments on Social Media (Facebook, Twitter) and a reply is sent to the customer on the same platform or, in some cases, we tell the customer to send all comments to the Customer Care email address if more information is required to handle their query, complaint or any other comment.</p>

In 2021, the Customer Care area handled a total of 24,025 contacts from the Customer Care Center (whether congratulations, requests, suggestions, complaints...); this represents an increase of approximately 13,851 contacts compared to 2020.

It should be noted that in 2021 NH Hotel Group has had to face a very complex situation because of COVID-19, which has forced the Company to the partial/total closure of many hotels and to handle many more claims or incidents, but also seen the gradual reopening of many hotels. In addition, the different quarantines established have not permitted many of our customers to travel and all the restrictions that are still in place in some countries have considerably limited travel.

This year there has been a considerable increase in the number of contacts, in many cases caused by the mobility restrictions referred to above and the requests from customers to modify the expiry of their NH Rewards points.

Complaints are handled by sending a letter of apology, response by the hotel or the legal department. Sometimes, compensation has been given -in the form of a discount voucher, free NH Rewards points, free room upgrade, etc. Responses have been given within the established time in most cases, except on certain occasions where there have been upticks in emails received (in relation to cancellations/modifications caused by force majeure, refunds, or simply asking for information) which have had a negative effect on the response time. However, the Company continues to focus on customers and customer satisfaction.

In addition to the tools referred to above, the Company also has official complaints forms in accordance with ruling legislation in each country.



**Contacts received by Customer Care\***

	2021		2020**	
	Number	% of total	Number	% of total
<b>Direct contacts (SAP)</b>				
Comments/Suggestions	420	2.2%	524	6.1%
Congratulations	16	0.1%	26	0.3%
Technical incidents	397	2.1%	4	-
Complaints	3,811	19.8%	955	11.2%
Claims	978	5.1%	2,199	25.8%
Requests	13,666	70.9%	4,822	56.5%
<b>Total</b>	<b>19,288</b>		<b>8,530</b>	
<b>Customer survey contacts (Quality Focus)</b>				
Comments/Suggestions	392	8.3%	704	14.5%
Congratulations	1	0.0%	27	0.6%
Technical incidents	1	0.0%	0	-
Complaints	12	0.3%	549	11.3%
Claims	203	4.3%	60	1.2%
Requests	130	2.7%	304	6.3%
Mailing - automatic reply	3,998	84.4%	3,219	66.2%
<b>Total Customer Survey contacts</b>	<b>4,737</b>		<b>4,863</b>	
<b>Total Customer Care contacts</b>	<b>24,025</b>		<b>13,393</b>	
<b>Total Complaints</b>	<b>3,823</b>		<b>1,504</b>	

\* The scope of this data includes owned, leased and managed hotels, as many of the complaints and grievances received cannot be assigned to a hotel.  
 \*\* FY20 totals have been recalculated due to a new consolidation criterion.

**Complaints received by solution provided**

Solution	Consolidated perimeter		Corporate perimeter ***	
	2021	2020	2021	2020
Reply to suggestion/request/comments	8,044	3,996	9,173	5,400
NH Rewards points	847	1,282	963	1,381
Letter of apology	717	1,329	822	1,513
Response from the hotel	332	714	418	869
Refund	48	551	52	620
Discount voucher	191	163	208	203
Letter of thanks	13	10	13	13
Free upgrade	6	9	6	9
Free night	1	5	1	5
Free breakfast	1	3	1	3
Response from legal department	1	1	1	1
Other	42	44	47	56
Error*	20	39	30	48
None**	25	12	27	13
<b>Total</b>	<b>10,288</b>	<b>8,158</b>	<b>11,762</b>	<b>10,134</b>

\* Duplications.  
 \*\* Technical incidents - solution provided by IT.  
 \*\*\* Includes comments on internal policies, reservations and other services that depend on HQ and not on any hotel.





## COMMUNICATION WITH CUSTOMERS

In its commitment to sustainability, NH Hotel Group seeks to include and engage customers in its sustainable initiatives, whether by generating opportunities to contribute socially or by promoting environmentally responsible behaviour.

Direct contact with customers is key in order to offer them personalised services and make their experience with NH better and better. In 2021, more than 92.4 million emails were sent to customers.

### Responsible guests

NH Hotel Group seeks to include and engage its customers in its sustainable initiatives, whether by generating opportunities to contribute socially or by promoting environmentally responsible behaviour.

To respond both to the challenges presented by the pandemic and to the rapid digitalisation and need to save the use of printed material, guests are invited to use the Mobile Guest Service digital app using QR codes to obtain information on the hotel's services, communicate their needs to hotel staff or make reservations in the hotel restaurants during their stay.

NH Hotel Group has extended its "Green Stay" initiative to most of its hotels, a new service that is applied in hotels in the northern and southern Europe business units. Through this initiative, the Company offers guests who stay for more than one night the option of declining the room cleaning service, contributing to savings in water, energy and other resources. As a reward for these guests, the hotel offers them a voucher for a free drink for each day they participate in this initiative.

Communication materials concerning rooms and bathrooms have also been updated and have added QR codes referring to the use of towels and articles of personal use. This contributes to energy savings and at the same time promotes a faster, more transparent and effective digital communication.

In F&B areas, the hotels continue to promote the recovery of cork, a sustainable and recyclable material, through displays and specific units so that both employees and guests can contribute to this action which has been developed in the framework of Cork2Cork. More information is provided in the Chapter NH ROOM4 Planet.



nhow Berlin  
Berlin, Germany

### Improvement in direct sales channels

Throughout 2021, business growth generated through the NH Hotel Group website continues and extraordinary results were obtained, with year-on-year growth of more than 50%. Furthermore, if we compare with the results for 2019 (in an attempt to isolate the impact of COVID-19), the months of July to November even showed some growth, due to the reduction in restrictions.

The effect of the pandemic in 2021 and the mobility restrictions and travel regulations issued by each country have had a significant effect on travel patterns, both in the B2C and B2B segment, affecting all regions, channels, brands and domains. The B2B segment underwent some acceleration after summer, which was subsequently affected with the arrival of the omicron variant. In contrast, the B2C segment has gained in importance and a more dynamic recovery has been observed in the direct web channel than the recovery experienced by intermediated channels. All this has meant that the contribution of the web channel to NH Hotel Group's total sales reached an all-time high, equivalent to 15.96%, exceeding the contribution in 2020 by 2.13pp and in 2019 by 4.38pp. It is also worth highlighting the importance of the web channel, which at year-end accounted for more than 26% of the Company's total sales in the B2C segment.

NH Hotel Group uses direct and indirect channels to market its products. The direct channels include the Hotels, the Call Center and the web. In 2021, the latter has helped to market products through 37 sites and microsites, using 17 languages and/or language localizations.

As well as innovating, our spirit is being able to adapt and personalise the experiences of millions of customers who visit us through the web and app. This personalisation, combined with the systematic application of techniques to improve conversion and usability, with more than 200 experiments in 2021, have allowed us to obtain double-figure improvements in conversion in certain periods, even in such a uniquely difficult year as this one.



# NH REWARDS

## Programa NH Rewards - Global Hotel Alliance

NH Rewards has more than 10 million members and is one of the most complete loyalty programmes globally.

Through its four categories (Blue, Silver, Gold and Platinum), the Company's programme recognizes and rewards the loyalty of habitual customers on each stay with benefits that range from earning points -equivalent to euros- that can be redeemed for free nights or extra services in the hotel with no date restrictions. NH Rewards also offers flexibility by allowing payment using points and cash, special price conditions, exclusive privileges when booking through the website ...as well as a range of differential services that enhance the experience in hotels of all NH Hotel Group's brands.

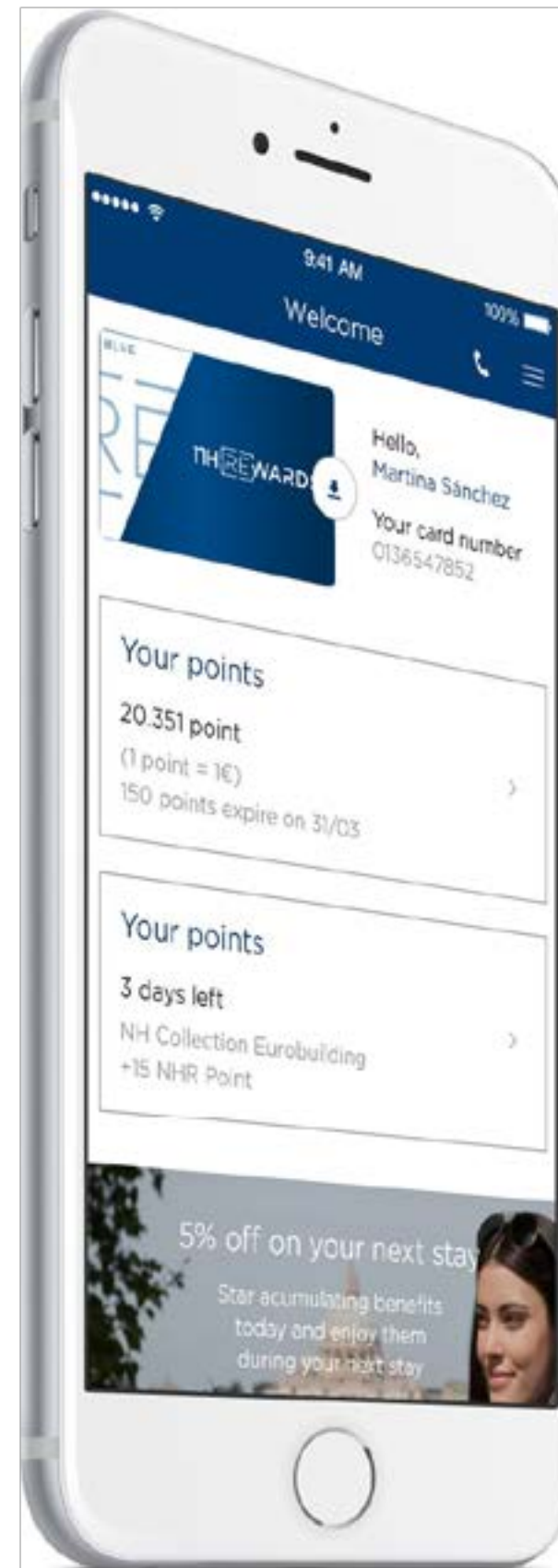
NH Rewards is an important sales lever, as members contribute to 32% of the Company's total nights, and recurring customers and programme members are those who have most contributed to the recovery in bookings, during the pandemic. The incentive of obtaining extra points stimulates booking on direct channels, to the extent that 70% of NH's web bookings are made by members of the NH Rewards programme, whose spending and frequency of visits is also higher than guests who are not members.

In 2021 NH Hotel Group announced that it was joining Global Hotel Alliance (GHA), the operator of the award-winning multi-brand Discovery hotel loyalty programme. As part of the agreement, NH Rewards will participate in GHA's Discovery programme in 2022, this joining one of the ten biggest loyalty programmes in the hotel sector.

### NH Hotel Group app

The NH Hotel Group app and its approach go beyond being a basic service tool for customers.

In line with the Company's innovative spirit, the mobile app is used as a key differential tool and as a laboratory, to then launch new concepts massively on multiple devices, such as the launch of the **FASTPASS** service described above.





## CUSTOMER HEALTH AND SAFETY

NH Hotel Group has continued to implement the hygiene and cleaning protocols in its hotels established in the **Feel Safe at NH** Contingency Plan in line with the indications of the World Health Organization, following local regulations and taking inspiration from medical practice. These protocols were reviewed and validated by SGS (Société Générale de Surveillance), world leader in inspection, verification and certification services.

NH Hotel Group also maintains its commitment to guarantee food health and safety at global level, in each of its hotels and restaurants. Thus, the Company ensures that all food preparation and service procedures comply with international regulations on hazard analysis and critical control points (HACCP) for food and beverages. Finally, the kitchens and kitchen equipment are cleaned following hospital protocols, to assure proper disinfection and decontamination at all times. For this purpose, the Company has an international agreement with an external company specializing in food health and safety (Diversey), which audits, verifies and guarantees compliance with these regulations, as well as the mandatory legal registrations, laboratory analysis of food, continuous training of personnel in relation to food health and safety and specific hygiene manuals for each establishment.

These processes are audited continuously in all NH Hotel Group restaurants and kitchens. All hotels undergo periodic food health controls conducted by Diversey and any failure by a supplier means, without going into criminal consequences, that the supplier in question must correct it or face automatic rescission of the contract with NH Hotel Group.



## CUSTOMER HEALTH AND SAFETY MEASURES

<b>Prevention of legionnaires' disease</b>	Cleaning, tests, analyses, etc. are performed in accordance with local legislation.
<b>Analysis of safety of water supply for human consumption</b>	Annual testing at different consumption and accumulation points of the hotel.
<b>Indoor Air Quality (IAQ) Testing</b>	Indoor Air Quality tests are carried out in some hotels.
<b>Maintenance of elevators</b>	All elevators undergo monthly maintenance and every two years they are subject to legal inspections by an authorized entity.
<b>Maintenance of fire protection installations</b>	Fire protection installations undergo quarterly maintenance, in addition to the periodic legal inspections carried out by an authorized entity.
<b>Maintenance of boiler rooms and heating and air-conditioning installations</b>	Boiler rooms and heating and air-conditioning installations undergo monthly maintenance.
<b>Maintenance of low voltage installations</b>	These installations undergo annual maintenance, in addition to legal inspections that are carried out every five years by an authorized entity.
<b>Maintenance of high voltage installations</b>	These installations undergo annual maintenance, in addition to the corresponding legal inspections carried out every three years by an authorized entity.
<b>Cleaning of kitchen hoods, ducts and extractor fan</b>	Every year, all kitchen hoods, extractor ducts and fans are cleaned to prevent possible fires in the hotel kitchens.
<b>Automatic fire extinguishing systems in kitchen</b>	Automatic extinguishing systems have been installed in the hotel kitchens.
<b>Contracts for disinfection, fumigation and pest and rodent control</b>	Disinfection, fumigation and pest and rodent control procedures are carried out to avoid and prevent possible infections or infestations in the hotels.
<b>Maintenance of automatic doors</b>	The maintenance of automatic doors ensures that they will work in the event of evacuation to prevent injury and accidental entrapment.
<b>Light curtains in elevator doors</b>	Incorporation of light curtains in elevator doors to prevent the doors from hitting people as they enter elevators.

### Feel Safe at NH

The following measures have been implemented in NH Hotel Group so that guests can enjoy a comfortable and safe stay and operate at the highest possible level of responsibility and performance:

- Health inspection certificates.
- Advanced digital services.
- Enhanced cleaning and disinfection protocols.
- Food and beverages service adapted to the current situation.
- Safe distancing rules.
- Personal protection equipment and protocols.
- Water purification and air quality protocols.
- Advisory service.
- Health and safety protocols for employees.
- Hotel Health and Safety Manager.



### HOTELS THAT ARE MORE ACCESSIBLE EVERY DAY

As a result of NH Hotel Group’s commitment to diversity, inclusion and accessibility for its guests, there are 344 hotels distributed over all the Business Units that have elements adapted to special needs. NH Hotel Group continues to work towards making all the Company’s hotels accessible.

**“99% of our hotels have some kind of accessibility element”**

NH Hotel Group is also committed to the full integration in work of people with disabilities through responsible purchases from Special Employment Centers as suppliers of laundry services. The share that purchases from Special Employment Centers represented in 2021 was 6,2%. (Estimated with respect to the workforce in Spain, together with the Special Employment Center employees comparable to NH Hotel Group purchases).

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
Number of hotels with elements adapted to special needs	301	301	0,0	344	349	-1,4
Number of hotels with disabled access elevators	253	256	-1,2	287	299	-4,0
Number of hotels with disabled parking	210	207	1,4	240	246	-2,4
Number of hotels with public areas adapted for people with a physical disability	276	276	0,0	311	320	-2,8
Number of rooms adapted for people with a physical disability	745	837	-11,0	835	933	-11,0



NH Collection Santiago  
A Coruña, Spain



# NH ROOM4 RESPONSIBLE SHARED SUCCESS

## NH ROOM4 RESPONSIBLE SHARED SUCCESS: RESPONSIBLE VALUE CHAIN

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

**295.9 M€\***

ANNUAL PURCHASE VOLUME (OPEX + CAPEX) IN 2021

+12% compared to 2020

**240 M€**

TOTAL VOLUME OPEX IN 2021

+22% compared to 2020

**Purchase volume per Business Unit (CapEx + OpEx)\* (in millions of euros)**

	2021	2020	Difference (in %)
BU América	14.5	15.5	-6.5
BUNE	124	106.9	16.0
BUSE	157.4	142.3	10.6
<b>Total</b>	<b>295.9</b>	<b>264.7</b>	<b>11.8</b>

\* Excluding expenses in respect of leases paid, commissions and volume discounts on sales and supplies, among others.

**Purchase volume per type of service (in millions of euros)**

	2021	2020	Difference (in %)
Food and Beverages	51.2	39.4	29.9
OSE (Operating expenses)	188.9	156.9	20.4
CapEx	55.8	68.4	-18.4

From the beginning of this worldwide pandemic, strategic procurement management has ceased to prioritize effectiveness in price negotiation exclusively, over other factors. This crisis has led NH Hotel Group to perform an ongoing analysis of current suppliers, verifying the traceability of their products and their components, and demanding production flexibility, to assure supply and the sustainability of their products.

All NH Hotel Group suppliers, both approved and not approved, are required to abide by the exceptional anti-COVID-19 safety and disinfection measures for the delivery of goods and provision of services in our hotels.







NH Palazzo Moscova  
Milano, Italy

## PROCUREMENT POLICY

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

The Procurement Policy contributes to reinforcing:

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

As indicated in the NH Hotel Group Procurement Policy, all services or products included in categories that may be tendered by Coperama form part of the Procurement Perimeter. Of the total OpEx purchasing volume, the Procurement Perimeter covers 94% of the hotels in the consolidated perimeter of NH Hotel Group.

The Procurement Perimeter is periodically reviewed by NH Hotel Group and Coperama in order to ensure that it is always adapted to the Company's needs.

Regarding OpEx:

**224.6 M€**  
Total volume  
procurement perimeter

**151.1 M€**  
Volume of approved purchases  
in the procurement perimeter

**67.3%**  
Approved procurement in  
the procurement perimeter



## HOMOLOGATION OF SUPPLIERS

The selection of suppliers, as well as the working relationship with them, is based on transparency, honesty and ethics with the clear objective of guaranteeing an excellent service, efficient and with quality

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

### 1. Tender

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



Before hotels and offices begin the purchasing process, an homologation process is carried out to generate a database of suppliers that have been evaluated and that meet NH Hotel Group's requirements in economic and quality matters, as well as in ESG.

Through tenders, Coperama seeks the most efficient supplier in terms of quality, price and service. The phases of the tenders are:

- RFP (Request For Proposal): tender documents.
- RFI (Request For Information): request for technical information and elimination phase.
- RFQ (Request For Quotation): request for economic quotation.

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

In order to ensure a responsible operation and achieve long-term relationships with suppliers, Coperama has updated its RFI, expanding the ESG criteria in its responsible purchasing process, increasing the weight of the score in the Sustainability questions, and thus prioritizing 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 Code of Conduct, by which NH Hotel Group is governed.

Throughout the process, special focus is placed on sustainability, to try to mitigate possible negative impacts on the environment, while mitigating the risks inherent in the operation of our supply chain.

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

### 2. Contract

The winning supplier will sign the Coperama Homologation Contract, which contains, among other documents, the Coperama Supplier Code of Conduct and the NH Hotel Group Code of Conduct. The signature of this contract grants the supplier the status of Approved Supplier.

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

The breach by the supplier of any of the clauses of the Homologation Contract, as well as of any of its terms or annexes (e.g., NH Hotel Group Code of Conduct or the Coperama Supplier Code of Conduct) will lead to an automatic termination of the contract, giving rise to the possibility of taking legal action against the supplier.

**1,756**  
Approved suppliers  
Have signed the Code of Conduct  
signed currently in force

**169**  
new suppliers  
signed to Code of Conduct  
in 2021

During 2021, a total of 169 new suppliers globally adhered to the NH Hotel Group Code of Conduct and the Coperama Code of Conduct. Thus, in 2021 the number of active suppliers with signed codes reached a total of 1,756, compared to 1,816 last year, down 3%.





Tivoli Marina Vilamoura  
Vilamoura, Portugal

## SUPPLIER MANAGEMENT

NH Hotel Group is focusing its efforts on achieving sustainable management throughout the entire supply chain. The supplier management Model seeks to have the best suppliers available through business procedures that guarantee transparency and equality of conditions for the different bidders. The Company offers a win-win model for all parties with a commitment to a long-term relationship. The supplier's rating is the requisite necessary in order to participate in procurement processes and is obtained as a result of the approval process.

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

Hotels that consolidate have different monitoring indicators to control purchases from approved suppliers within the Procurement Perimeter.

In 2021, the goals have not been met in all Business Units because of the worldwide pandemic and the need for hotels to adapt to current demand.

**67%**  
Approved procurement  
(OpEx + capex)

**91%**  
Approved procurement  
goal in 2021

**83%**  
of procurement  
volume in 2021 is  
from local suppliers\*

**95%**  
of total purchase  
concentrated in the  
european business units

**10,256**  
total suppliers\*\*

**9,215**  
local suppliers\*

\* Accounted for all suppliers with billing during 2021.

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

### Number of suppliers per Business Unit\*

	2021	2020	Difference (in %)
BU America	1,901	2,266	-16.1
BUNE	3,991	4,442	-10.2
BUSE	4,492	4,647	-3.3
<b>Total</b>	<b>10,384</b>	<b>11,355</b>	<b>-8.6</b>

\* The sum of the number of suppliers differs from the total number of suppliers as the same supplier may serve more than one Business Unit

### Other relevant responsible value chain figures (in €)

	2021
Total approved procurement volume (OpEx) at global level	154,077,689
Total approved procurement volume (CapEx) at global level	12,939,599



## RISK MANAGEMENT IN THE SUPPLY CHAIN: CRITICAL SUPPLIERS

**24%**

Procurement volume from critical suppliers

**400**

Critical suppliers identified

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

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

The selection of these suppliers must be carried out using the highest quality standards, which will be established by the RFP (Request for Proposal) document, with technical questions. For this initial assessment, specific documentation must 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.

A new development in 2021 has been the creation of a self-assessment questionnaire for suppliers. NH Hotel Group's main suppliers have to complete a questionnaire each year on ESG criteria established by the Company. This self-assessment questionnaire will allow suppliers to provide additional information for consideration related to ESG criteria. Based on the results, the Company will implement any adjustments and improvements it considers necessary. This analysis will let NH Hotel Group focus its progress in reducing Scope 3 emissions, and in this regard, it is working side by side with its suppliers to reduce its commitment of 20% by 2030.

Subsequently, as part of the Homologation Contract, the SLA (Service Level Agreement) is applied which determines the service level parameters and penalizes any deviation in the service offered by the supplier. 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 2021 no such case has arisen in any of the Business Units.







## NH ROOM4 RESPONSIBLE SHARED SUCCESS: SUSTAINABLE ALLIANCES

NH hotel group promotes strategic alliances and collaborations in sustainability. the company is aware of the importance of collaboration between institutions to comply with the sustainable development agenda. for this reason, the company establishes alliances on the basis of common principles, values and objectives with different organisations, whether public or private, and at a global, regional, national and local level.

### DIALOGUE WITH STAKEHOLDERS

The Company considers stakeholders to be the individuals or social groups affected by the Company's present or future actions. This definition includes both stakeholders that are part of the Company's value chain: shareholders, employees, investors, customers and suppliers, who are considered to be partners in the business, and external parties: administrations, governments, the media, business sector, trade unions and society as a whole, starting with the local communities where the Company carries out its business.

The opinion and needs of stakeholders are of great relevance for NH Hotel Group as they combine efforts to achieve common goals. In this regard, clear and continuous two-way communication with all of them is key.

NH Hotel Group holds a constant and fluid dialogue with its stakeholders, and gets involved in local communities, through multiple channels and formats, with the aim of keeping the Company up to date about new demands and needs, as well as of responding better to stakeholders' concerns and opinions.



NH Collection Antwerp Centre  
Antwerp, Belgium

STAKEHOLDER	DIALOGUE AND PARTICIPATION MECHANISMS
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Satisfaction surveys</li> <li>• Social media</li> <li>• NH Rewards loyalty programme</li> <li>• Campaigns or corporate videos</li> <li>• Advertising actions</li> <li>• Email for claims, complaints and suggestions</li> <li>• Webinars</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Satisfaction / climate surveys</li> <li>• Internal communication: Newsletters, Town Hall talks, intranet, MyNH App, sundry communications.</li> <li>• Time For You (TFY)</li> <li>• Consolidated Statement of Non-Financial Information</li> </ul>
<b>Community and nonprofit entities</b>	<ul style="list-style-type: none"> <li>• Organization of and participation in different forums, meetings, conferences, events, etc.</li> <li>• Advertising and media</li> <li>• Regular meetings and direct communication with different social organizations</li> <li>• Internal communication platform</li> <li>• Volunteering actions</li> <li>• Consolidated Statement of Non-Financial Information</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Direct communication and face-to-face meetings</li> <li>• Advertising and media</li> <li>• Supplier approval platform with CSR criteria</li> <li>• Consolidated Statement of Non-Financial Information</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• General Shareholders' Meeting</li> <li>• Newsletters</li> <li>• Proxy Advisors</li> <li>• Roadshows</li> <li>• Website</li> <li>• Consolidated Statement of Non-Financial Information</li> </ul>
<b>Public Administration</b>	<ul style="list-style-type: none"> <li>• Institutional relations</li> <li>• Sector associations</li> <li>• Agreements and tender processes</li> </ul>



## RELATIONS WITH ASSOCIATIONS

As well as the positive impact of its activity as such, by providing a service to cities and their tourists, NH Hotel Group contributes to the community by forming part of associations, chambers of commerce or foundations that promote concerns and encourage projects to attain shared goals.

### NOTABLE ASSOCIATIONS IN 2021

Throughout this year, with the aim of boosting an institutional positioning of leadership, useful and suited to the present context, NH Hotel Group has continued with the strategy of establishing and maintaining close relationships with associations whose principal goals are aligned with the Company's, and that promote and defend a responsible business development that creates opportunities, a sustainable tourism and the continued training of the professionals, among others. For their relevance, this notably includes NH Hotel Group's participation in the UN Global Compact, the UN World Tourism Organization, Exceltur and the CEOE (Spanish Confederation of Business Organizations).



#### UN Global Compact

NH Hotel Group has been signed up to the UN Global Compact since 2006 and regards its 10 principles and the Sustainable Development Goals as the framework of reference to design the strategy and management of the Company's Corporate Responsibility.

#### UN World Tourism Organization

The UNWTO is the United Nations agency responsible for promoting responsible, sustainable and universally accessible tourism, promoting tourism as a driver of economic growth, inclusive development and environmental sustainability. Until leaving in September 2021, NH was part of the working group supporting the SDG.



#### Spanish Confederation of Business Organizations

Founded in 1977, the Spanish Confederation of Business Organizations (CEOE) brings together voluntarily two million businesses and self-employed individuals from all sectors of activity, who join CEOE through more than 4,500 grassroots associations. It is noted for always favoring dialogue and negotiation with both sides of the labour market, respecting the interests of its members. NH Hotel Group collaborates in the organization's Sustainable Development and Ecological Transition Commission and its Business Social Responsibility Commission.

#### Exceltur

This association is the result of the personal commitment of a very significant group of leaders and heads of the principal Spanish tourist companies, who in January 2002 got together to form this nonprofit association, motivated by their firm conviction to drive two major goals - lines of action:



- To promote greater socio-economic recognition of what tourism contributes and represents as the principal sector of the Spanish economy.
- And to encourage the highest levels of competitiveness to consolidate leadership and profitable and sustainable growth of the tourism activity in Spain, in light of the significant and growing challenges and opportunities that the future holds for us.

#### Sustainable Hospitality Alliance

Sustainable Hospitality Alliance, formerly International Tourism Partnership (ITP), is a world platform that brings together leading international players from the tourism sector with the aim of sharing and implementing practices that will ensure sustainable behaviour in tourist management. The agreement in these areas aims to complement the companies' individual goals, believing that the most significant impact in these matters of responsibility, which are the most urgent issues facing the industry at present, can only be achieved through collaboration and by working together. NH Hotel Group was part of this platform until 2020 and hopes to rejoin it in future years.



The Company is part of these different associations so that it is kept well-informed at all times and in order to achieve the goals it has set. NH is also a member of 27 professional associations in key areas for the sustainable performance of its activity (audit, marketing, communication, hotel management...) the fundamental aim of which is to favor the development of values such as innovation, continuous training and relations between members of each specific profession.

#### Basic Sustainability framework

NH Hotel Group, in conjunction with other hotel companies, launched an initiative to establish a common definition of hotel sustainability to promote responsible travel and tourism.



The Basic Sustainability Framework will offer a common starting point for the sustainability of hotels, which will be accessible to all players in the hotel industry throughout the world, regardless of whether they belong to a major international group or are independent hotels. Offering this basis for common understanding to all the hotels in the world, with actions that have a positive effect on the planet and on people, will generate a real change by stimulating demand for responsible travel.

In the coming months, the hotel groups that participate in this initiative will work in close collaboration with the World Travel & Tourism Council, the Sustainable Hospitality Alliance and the principal stakeholders to finalize essential sustainability actions that will have a demonstrable positive effect, and will collaborate to share suitable tools and practice with the other members and with the industry in general, to ensure that all hotels start the evolution towards the goals of the COP21 Paris Agreement.





NH Collection Plaza Santiago  
Santiago de Chile, Chile

## NH HOTEL GROUP'S CONTRIBUTION TO ASSOCIATIONS IN 2021

### Contribution to associations in 2021 (in €)

	2021	2020
Sector associations	198,342	82,782
Non-profit foundations or associations	39,051	6,819
Chambers of commerce and business associations	68,388	3,938
Cultural associations	9,055	21,990
Associations related to the environment	31,104	1,000
<b>Total</b>	<b>345,940</b>	<b>116,528</b>

As a result of the strict contingency plans implemented in 2020 to protect the Company's sustainability in the face of the COVID crisis, investment in membership fees and associations was cut drastically. However, throughout 2021, NH has made an effort to rebuild these relationships and responsibly renew memberships whenever possible. This reactivation, undertaken following the company's ethical principles, explains the notable difference between membership fees 2020 and 2021.

In 2021, NH Hotel Group made a total contribution of € 345,940, distributed among sectorial, cultural, social and environmental associations and chambers of commerce.

Participation in all of them responds to two key objectives of the Group in this regard: to promote sustainable tourism and responsible business opportunities both locally and internationally.

NH Hotel Group promotes and fosters sustainable tourism aligned with the Company's values, and for this reason we collaborate with a number of different associations in order to advance towards this goal. This includes, notably, the Company's participation in the UN World Tourism Organization and in the UN Global Compact.

In relation to the second key objective, it is worth highlighting that NH Hotel Group's is a member of more than 25 regional hotel associations and almost 20 Chambers of Commerce located mainly in Latin America, where its local activity is a fundamental value when it comes to supporting the promotion of sound and solvent tourism activity in the city in which they are located. Due to the nature of our activity, we are aware of the great work that we can do with our young people in this field, offering them opportunities to work in the sector and promoting stable employment.

Main areas of interest for NH Hotel Group	2021
Sustainable tourism	€ 45,291
Promotion of local and international relations and responsible business opportunities	€ 300,648



# NH ROOM4 PEOPLE

**“Our employees: ambassadors of our values, make the Company’s achievements possible”**

## NH ROOM4 PEOPLE: EMPLOYEES

NH Hotel Group cares for its employees and seeks their commitment to and involvement with the Company’s sustainable business, so that it is integrated in their daily activities. All this through fluid communication and recognizing their responsible commitment.

In NH Hotel Group’s business strategy, the corporate culture is key. The Company considers its human capital to be its principal asset and understands that in order to build a corporate culture of leadership, it is essential to manage the attraction and development of talent, and also to sustain their motivation and their pride in belonging to NH Hotel Group.

In 2021, in a particularly sensitive context in terms of health and economic circumstances, the Company focused on three fundamental aspects of team member management:

- Connecting with them, keeping them always informed about the reality of the company and ensuring two-way communication through the Managers.
- Caring for and guaranteeing their safety, health and well-being.
- Respond as a business partner to the demands of the business.

Along these lines, the leaders of the different areas worked with their teams on adapting to the different circumstances that arose during 2021, including the transition to on-site reincorporation, managing their morale, commitment and performance, on top of trying to respond to the different personal and professional realities.

During 2021, the Company had to carry out a global workforce adjustment, adapted to the reality of each country and business operation, always with the maxim of protecting long-term employment as much as possible, and adjusting personnel costs to the Company’s reality. Departure processes were communicated individually, trying to actively listen to each employee, respecting and valuing the work done during the period of time of belonging to NH Hotel Group. Likewise, the Human Resources department carried out a “reboarding” of the employees who remained in the Company, encouraging active listening and empathy in these difficult moments, working to favour a good adaptation to this new reality.

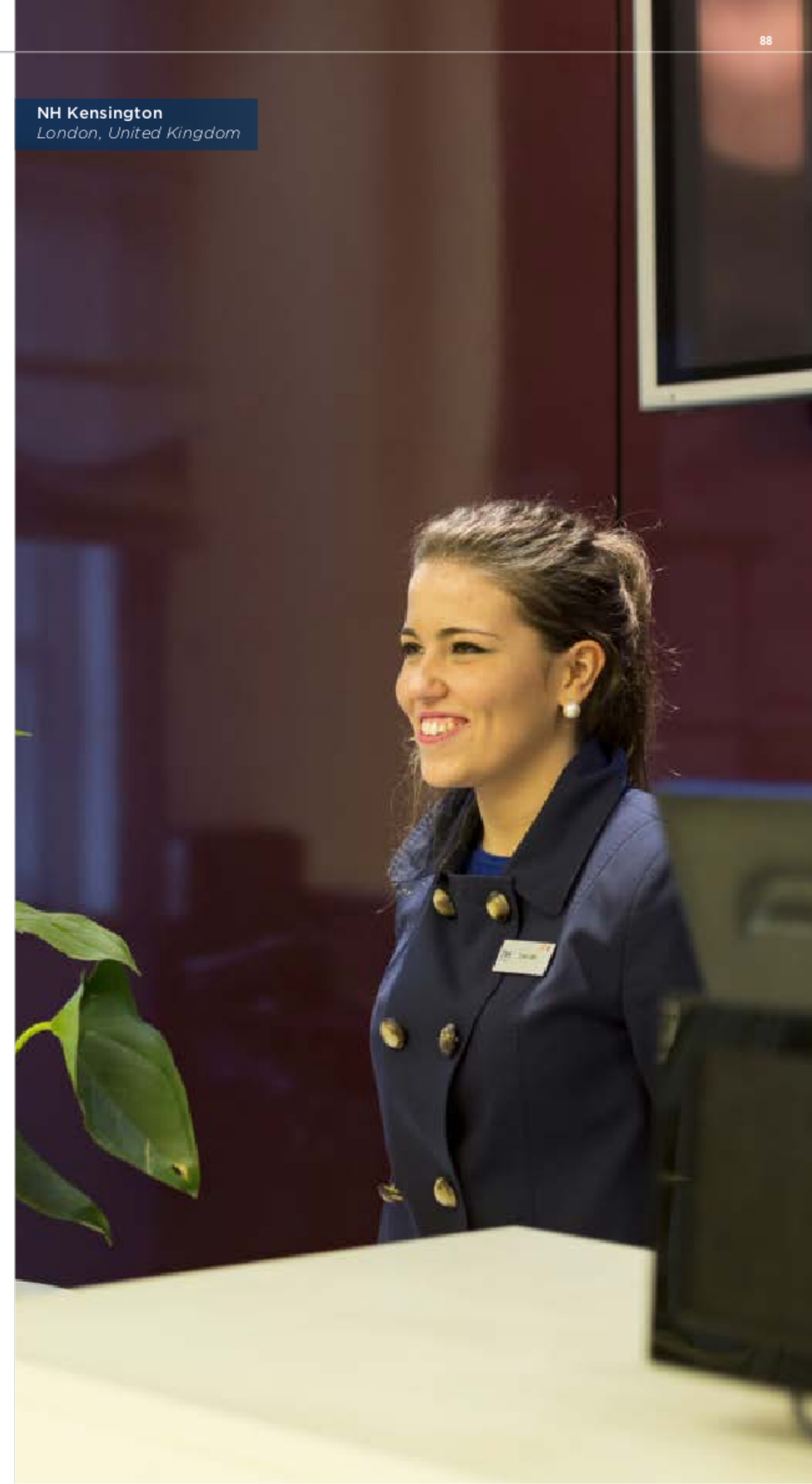
Even in this unfavourable context, NH Hotel Group has maintained its corporate culture and commitment to its values, in line with its People strategy, and from the conviction that consistency is key to sustaining the credibility and trust of its team members- the Company’s greatest asset.

Against this backdrop, throughout 2021, NH Hotel Group continued with its **“With You”** initiative with the aim of taking care of its employees in such complex times. This initiative is an internal engagement project designed to provide teams with tools, advice and training resources to reinforce key competencies during this stage, not only at a professional level but also to improve their personal well-being. Under **“With You”**, and among other actions, NH employees have received content aimed at managing stress, have had access to digital kiosks at no cost, have had access to language classes and have been able to pick up office supplies to improve their remote working experience.

In 2021 the Company has resumed very relevant pre-pandemic processes within the ‘People strategy’, such as the MBO and the Time For You - Mid Year Review, as well as talent calibrations and training programmes, adapted to the new reality of the Company.

NH Hotel Group has continued to take care of its teams and give them tools to best manage the stress and uncertainty from the pandemic during 2021, focusing on identifying, developing and retaining talent. The Company will continue to reinforce engagement, creating optimal work environments to maximise the contribution of its employees.

NH Kensington  
London, United Kingdom





## PEOPLE STRATEGY

This year has still been seriously affected by the COVID-19 crisis and, consequently, the Company's Human Resources Strategic Plan has had to be completely adapted to the reality of the business and employees.

Even in these circumstances, NH Hotel Group did, however, maintain throughout the year the focus on its strategic pillars, ensuring that it continues to uphold its long-term vision, but adapting the initiative launched so that they made sense and were useful in the complex individual, social and company context of the pandemic.



### GLOBAL LEADERSHIP AND TALENT MANAGEMENT

Continuing to drive and convey leadership within NH Hotel Group, focusing efforts and investment on internal talent that has the potential to make a difference in the Company's strategy and become role models in our culture.



### TOP PERFORMANCE

Being recognized as a model high-performance team in which all employees are encouraged to develop and do their best and in which high performance is differentiated, recognized and rewarded.



### BEST PLACE TO WORK

Making our employees the best brand ambassadors, based on their high level of commitment, and increasing the recognition of NH Hotel Group as one of the best companies to work for.



### TRANSFORMATION AND NEW TECHNOLOGIES

Seeking, assessing and taking advantage of opportunities to evolve and develop our working environment to make it more agile, connected and productive, and to acquire advanced predictive analytical skills, through clear policies and processes, keeping promises proactively, supporting, developing and implementing the NH Hotel Group operational model, and controlling staff costs and related budgetary items.

The main projects developed in each strategic pillar are described below:

## STRATEGIC LINES OF WORK OF HUMAN RESOURCES IN 2021



### GLOBAL LEADERSHIP AND TALENT MANAGEMENT

Providing support to managers in the management of their teams in extraordinary circumstances:

- Communication of labour measures,
- Handling difficult conversations,
- Team leadership in challenging times)

Resumption of the talent management process, improving the model and updating the talent matrix in critical groups.

Building risk maps in terms of talent.

Monitoring key position development and succession plans.

Resumption of internal development programmes (Becoming a GM, Becoming a HoD)



### TOP PERFORMANCE

Contingency plan in terms of personnel costs, adapting them to the reality of the business.

Monitoring and control of personnel costs; optimisation of the labour tools put in place by each Government.

Promoting feedback conversations, resuming the internal performance assessment process (TFY).

Rollout of training in new tools for key teams (Business Intelligence, Revenue Management, Brand Center). Design and adaptation of training itineraries for employees of new brands in the NH portfolio (Anantara)



### BEST PLACE TO WORK

Initiatives to sustain engagement and a sense of belonging to NH Hotel Group in all employees.

Launch of training contents and access to learning platforms, to boost self-development in all employees.

Relaunch of the Internal Communication newsletters (Tell the World) and generation of virtual spaces providing information on the reality and results of the Company.

Launch of reboarding programmes to support the reopening of both hotels and central offices.

Definition of the guiding principles for hybrid working in NH Hotel Group.

Relaunch of internal recognition programmes (Memorable Dates).



## OUR HUMAN CAPITAL

All information relating to employees corresponds to average workforce figures, obtained on the basis of full-time equivalent (FTE) figures for all types of employees (except Outside Labour, Extra Labour and Trainees) considering hotels under ownership, lease, and management included in NH Hotel Group's ERP SAP HCM management system.

At the end of 2021, NH Hotel Group has 10,071 employees located in 29 countries, of whom 51% are women and 49% are men.

### Employees per Business Unit

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
Central Offices and CRO	408	518	-21.1	408	518	-21.1
BU America	1,372	4,407	-14.0	1,665	2,006	-17.0
BUNE	4,056	4,591	-8.0	4,431	4,896	-9.5
BUSE	4,235	1,596	-7.8	5,080	5,430	-6.5
<b>Total</b>	<b>10,071</b>	<b>11,112</b>	<b>-9.4</b>	<b>11,584</b>	<b>12,850</b>	<b>-9.9</b>

During 2021, the number of employees decreased by almost 10% as a result of non-renewals of temporary contracts, fewer new hires, and voluntary and non-voluntary departures due to the downturn in operations.

### Breakdown of employees by country

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
Argentina	345	340	1.5	429	423	1.4
Austria	230	261	-11.9	230	261	-11.9
Belgium	505	570	-11.4	505	570	-11.4
Chile	127	149	-14.8	139	163	-14.7
Colombia	369	468	-21.2	369	468	-21.2
Cuba	0	0	0.0	0	1	-100.0
Czech Republic	52	0	NA	187	166	12.7
Denmark	24	0	NA	24	0	NA
Ecuador	47	54	-13.0	47	54	-13.0
France	132	131	0.8	132	131	0.8
Germany	1,708	1,923	-11.2	1,708	1,923	-11.2
Hungary	56	27	107.4	56	27	107.4
Ireland	118	69	71.0	118	69	71.0
Italy	1,178	1,164	1.2	1,181	1,165	1.4
Luxembourg	36	37	-2.7	36	37	-2.7
México	458	553	-17.2	654	867	-24.6
Portugal	340	511	-33.5	1,067	1,229	-13.2
Romania	19	29	-34.5	27	51	-47.1
Slovakia	0	0	0.0	45	55	-18.2
Spain	2,948	3,291	-10.4	3,063	3,411	-10.2
Switzerland	60	62	-3.2	60	62	-3.2
The Netherlands	1,229	1,406	-12.6	1,395	1,624	-14.1
UK	19	25	-24.0	40	52	-23.1
Uruguay	28	31	-9.7	28	31	-9.7
USA	45	12	275.0	45	12	275.0
<b>Total</b>	<b>10,071</b>	<b>11,112</b>	<b>-9.4</b>	<b>11,584</b>	<b>12,850</b>	<b>-9.9</b>





**NH Collection Fori Imperiali**  
Rome, Italy



#### Breakdown of employees by gender

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
Women	5,123	5,689	-9.9	5,875	6,551	-10.3
Men	4,948	5,423	-8.8	5,709	6,299	-9.4
<b>Total</b>	<b>10,071</b>	<b>11,112</b>	<b>-9.4</b>	<b>11,584</b>	<b>12,850</b>	<b>-9.9</b>

#### Desglose de empleados por edad

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
Under 25	721	1,011	-28.7	826	1,185	-30.3
Between 25 and 40	4,120	4,905	-16.0	4,787	5,695	-15.9
Over 40	5,230	5,196	0.7	5,970	5,970	0
<b>Total</b>	<b>10,071</b>	<b>11,112</b>	<b>-9.4</b>	<b>11,584</b>	<b>12,850</b>	<b>-9.9</b>

#### Breakdown of employees by professional category

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
<b>CENTRAL SERVICES</b>						
Top Management	83	93	-10.8	85	93	-8.6
Middle Management	386	472	-18.2	408	472	-13.6
Staff	797	1,091	-26.9	860	1,091	-21.2
<b>Total</b>	<b>1,266</b>	<b>1,656</b>	<b>-23.6</b>	<b>1,352</b>	<b>1,656</b>	<b>-18.4</b>
<b>HOTEL</b>						
Top Management	282	289	-2.4	310	320	-3.1
Middle Management	1,411	1,445	-2.4	1,585	1,634	-3.0
Staff	7,113	7,722	-7.9	8,336	9,240	-9.8
<b>Total</b>	<b>8,805</b>	<b>9,456</b>	<b>-6.9</b>	<b>10,231</b>	<b>11,194</b>	<b>-8.6</b>
<b>TOTAL</b>						
Top Management	365	382	-4.5	395	413	-6.6
Middle Management	1,797	1,917	-6.3	1,993	2,106	-5.4
Staff	7,909	8,813	-10.3	9,196	10,331	-11.0
<b>Total</b>	<b>10,071</b>	<b>11,112</b>	<b>-9.4</b>	<b>11,584</b>	<b>12,850</b>	<b>-9.9</b>

The categories into which all the information is detailed are as follows:

• **Top Management:**

- Central Services/Corporate Offices: Chief Officer, Senior Vice President, Vice President, Senior Director and Regional Director.
- Hotel: Manager and Deputy.

• **Middle Management:**

- Central Services/Corporate Offices: Director and Manager.
- Hotel: Department heads.

• **Staff:**

- Central Services/Corporate Offices: Executive, Staff and Assistant.
- Hotel: All other hotel positions.



## QUALITY JOB CREATION AND TALENT RETENTION

NH Hotel Group's commitment to job stability can be clearly seen in the high percentage of employees with indefinite contracts. The Company fosters job stability, especially for women and those under 40 years old. 2,936 new hires were made in 2021, of which 66% are employees under 35 years of age and 53% are women.

Accordingly, in 2021, 91% of average contracts of women are indefinite (+4% compared to 2020) and 90% of average contracts of employees between 25 and 40 years old have indefinite contracts (+5% compared to 2020).

The average for contracts has been calculated by dividing the total contract days per category of each employee by the total number of days in the year.

### Annual average types of contracts

	Consolidated perimeter		
	2021	2020	Difference (in %)
Temporary contracts	1,033	1,585	-34.8
Indefinite contracts	9,532	10,192	-6.5
<b>Total</b>	<b>10,565</b>	<b>11,777</b>	<b>-10.3</b>
Part-time contracts	1,237	1,342	-7.8
Indefinite part-time contracts	1,070	1,096	-2.3
Temporary part-time contracts	167	246	-32.1
<b>Women</b>			
Temporary contracts	512	796	-35.7
Indefinite contracts	4,959	5,345	-7.2
<b>Total</b>	<b>5,471</b>	<b>6,140</b>	<b>-10.9</b>
Part-time contracts	890	958	-7.1
<b>Men</b>			
Temporary contracts	521	789	-33.9
Indefinite contracts	4,573	4,848	-5.7
<b>Total</b>	<b>5,094</b>	<b>5,637</b>	<b>-9.6</b>
Part-time contracts	347	384	-9.6

*Part-time contracts are a type of contract for both temporary and indefinite contracts.  
Part-time retired employees are considered to be a type of temporary contract.*

### Annual average types of contracts by age

	Consolidated perimeter					
	2021			2020		
	< 25	25 - 40	> 40	< 25	25 - 40	> 40
Annual average temporary contracts	364	438	231	549	740	296
Annual average indefinite contracts	422	3,818	5,291	585	4,342	5,265
<b>Total</b>	<b>787</b>	<b>4,256</b>	<b>5,522</b>	<b>1,134</b>	<b>5,082</b>	<b>5,561</b>
Annual average part-time contracts	134	379	724	176	424	741

### Annual average types of contracts by professional category

	Consolidated perimeter					
	2021			2020		
	Top Management	Middle Management	Staff	Top Management	Middle Management	Staff
Annual average temporary contracts	2	35	997	4	54	1,527
Annual average indefinite contracts	379	1,774	7,379	398	1,885	7,909
<b>Total</b>	<b>381</b>	<b>1,809</b>	<b>8,375</b>	<b>402</b>	<b>1,939</b>	<b>9,436</b>
Annual average part-time contracts	7	56	1,175	7	62	1,274

### Number of contracts

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
<b>Indefinite contracts</b>						
Part-time	739	726	1.8	764	754	1.3
Full-time	8,410	8,968	-6.2	9,600	10,262	-6.5
<b>Total</b>	<b>9,149</b>	<b>9,694</b>	<b>-5.6</b>	<b>10,364</b>	<b>11,016</b>	<b>-5.9</b>
<b>Temporary contracts</b>						
Part-time	80	126	-36.5	88	140	-37.1
Full-time	842	1,282	-34.3	1,132	1,683	-32.7
<b>Total</b>	<b>922</b>	<b>1,408</b>	<b>-34.5</b>	<b>1,219</b>	<b>1,823</b>	<b>-33.1</b>



## CULTURE OF DIVERSITY, EQUALITY AND INCLUSION

NH Hotel Group 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, a fundamental pillar of NH Hotel Group's corporate culture is also based on diversity, equality and inclusion.

Thus, the Company's 10,071 employees in 2021 are of 133 different nationalities and 22% of them work in countries that are different to their country of origin. Furthermore, 51% of the total workforce are women, who hold 44% of the total management posts.

**133**  
different nationalities

**22%**  
work in different countries to their country of origin

**51%**  
of workforce are women

**44%**  
management posts held by women

As far as age is concerned, in 2021 the percentage of employees over 40 years old is almost 52%, while those aged between 25 and 40 represent 41%, while those under 25 represented 7%.

In 2021 the workforce also included 85 disabled employees, who represent 0.8% of the global workforce. Additionally, NH Hotel Group is committed to the integration into work of disabled persons through responsible outsourcing from Special Employment Centers as providers of laundry services. Outsourcing from Special Employment Centers in 2021 represented 8.4% (estimated with respect to the workforce in Spain, together with Special Employment Center employees associated to NH Hotel Group procurement).

### Equality and diversity

	Consolidated perimeter		Corporate perimeter	
	2021	2020	2021	2020
Average number of employees	10,071	11,112	11,584	12,850
Indefinite contracts	90%	87%	89%	86%
Average turnover	21%	20%	21%	22%
Number of nationalities	133	132	134	133
Immigrants	23%	22%	22%	22%
Women on the workforce	51%	51%	51%	51%
Women in management	44%	44%	44%	44%
Age under 25	7%	9%	7%	9%
Age between 25 and 40	41%	44%	41%	44%
Age over 40	52%	47%	52%	47%
Disabled employees	85	89	ND	ND

Through its Code of Conduct, NH Hotel Group formalizes its commitment to promote non-discrimination on account 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 to equality of opportunities among them.

The policies and actions relating to selection, hiring, training and internal promotion of employees are based on criteria of capacity, competence and professional merits.

## NH Hotel Group, recognized for promoting equality and diversity



### Bloomberg Gender & Equality

In January 2022, NH Hotel Group was included for the third time in the Bloomberg Gender Equality Index 2022. The Company is the only hotel company out of the Spanish companies that appear in the index. This international index, which includes almost 6,000 companies in 45 countries, measures the commitment and contribution in terms of transparency of gender information and promotion of equality. NH Hotel Group sees this inclusion as an opportunity to continue working towards diversity and inclusion globally.





## Equality Plan

In July 2010, NH Hotel Group signed its Equality Plan with representatives of the workers. To draw up this plan, the Company carried out an exhaustive diagnosis of the situation and position of men and women, which confirmed that NH Hotel Group in Spain had a high presence of women, and a high number of female executives present in the organization.

After this positive first assessment, work was done on an action plan with specific measures in different areas of access to the company, hiring, promotion, training, remuneration, work-life balance, occupational health, communication and awareness-raising that would make it possible to eliminate or correct inequalities in these areas.

The document also included a series of measures to ensure the protection of women who have been victims of gender violence: giving them priority in hiring, monitoring any cases of gender violence that arise and the measures taken, and informing the workforce of the rights of women in this situation.

In order to guarantee compliance with the objectives set out and the execution of the actions established in the Plan, a Monitoring and Evaluation Committee was also created, made up, on a parity basis, of representatives of the company and of the signatory trade union organizations.

This Plan has enabled the Company to develop mechanisms that will facilitate greater female representation throughout the organization's hierarchical structure. It was also the starting point for the development of the guidelines that define the Company in terms of its commitment to equality, focused not just on gender difference, but on different nationalities, age, sexual orientation, ethnicity, beliefs, religion, disabilities...This is also recognized in the NH Hotel Group Code of Conduct.

The work carried out made it possible to replicate the diversity and equality diagnostic and assessment process in other countries, creating action plans on this matter in all Business Units.

In January 2020, the committee to conduct negotiations with the leading trade unions in Spain was created to work on the Company's II **Equality Plan**. The COVID-19 crisis meant that the negotiations and development of the Plan had to be postponed. In 2021, we have made progress in negotiating the new Plan with the aim of completing an agreement in the first four months of 2022.

### PROTOCOL AGAINST SEXUAL HARASSMENT

As a complement to the Plan, and to facilitate its implementation and raise awareness in employees, it includes a Protocol for the prevention and treatment of situations of sexual harassment and harassment, as well as a manual for non-sexist use of language.

## A team with the same opportunities

The salary of women in NH Hotel Group in 2021 represents 90% of the gross hourly salary for men; with the average gross hourly salary being €16.08 for men and €14.55 for women.

The pay gap has been calculated by comparing remuneration between equivalent professional categories, giving as a result the average salary of women compared to men. In other words, categories that carry out the same function or have the same position.

The overall figure for the pay gap is obtained by weighing the gaps obtained in the comparison between average remuneration (considering fixed and variable remuneration paid) received by the professionals in each category for the number of professionals in that category.

### Ratio of women's salary compared to men by professional category (in %)

	Consolidated perimeter	
	2021	2020
Top Management	77	75
Middle Management	96	97
Staff	101	102
<b>Total</b>	<b>90</b>	<b>91</b>

This analysis of the pay gap has served to identify that the gap increases in Top Management, especially due to the lower presence of women in this category.

This situation offers a great opportunity to carry out an analysis in more depth of the different groups, not just women, and establish as a priority the continuation of a long-term project of real management of all aspects of employee diversity and support professional development within the Company. NH Hotel Group will continue working to adopt the most suitable measures to eliminate this gap.

### Average remuneration\* by gender and professional category (in euros)

	Consolidated perimeter					
	2021		2020		Difference (in %)	
	Women	Men	Women	Men	Women	Men
Top Management	75,350	97,445	73,634	97,871	2.3	-0.4
Middle Management	38,916	40,412	38,390	39,412	1.4	2.5
Staff	23,092	22,961	22,843	22,478	1.1	2.1
<b>Total</b>	<b>26,181</b>	<b>28,950</b>	<b>25,798</b>	<b>28,453</b>	<b>1.5</b>	<b>1.7</b>

\* The figure for remuneration reflects the gross fixed annual salary plus variable salary for the previous year and does not take into account temporary salary reductions.

### Average remuneration\* by age (in euros)

	Consolidated perimeter		
	2020	2020	Difference (in %)
Under 25	18,930	18,855	0.4
Between 25 and 40	25,654	25,331	1.3
Over 40	31,314	31,187	0.4

\* The figure for remuneration reflects the gross fixed annual salary plus variable salary for the previous year and does not take into account temporary salary reductions.



## THE NH HOTEL GROUP REMUNERATION MODEL

The remuneration policy applied by NH Hotel Group has no gender bias. The annual fixed cash remuneration and variable remuneration, the two fundamental 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 attainment of annual targets, which are fundamentally quantitative, and are shared by professionals who perform their activities in the same functional areas.

NH Hotel Group's success depends, to a great extent, on the attainment of individual and collective targets by the professionals who are part of the Company. The purpose of variable remuneration in the Company is:

- To align individual and collective targets with the group's global strategy
- To measure what is done (employees' individual and collective contribution to the Company's results) and how it is done (performance assessment)
- To reinforce the importance and NH Hotel Group's commitment to the principles of non-discrimination and equality of opportunity

In Spain, the Company offers a flexible remuneration plan that allows its beneficiaries to apply part of their remuneration to transport tickets, childcare vouchers, the purchase of vacation days, restaurant card, medical insurance or external training, benefiting in this way from special prices and tax advantages.

## EMPLOYEE ENGAGEMENT

In terms of engagement, and with the aim of supporting employees in the challenging months that lay ahead both on the personal and professional level, a new global initiative was created: **"With You"**.

Through this initiative, from the start of the pandemic communications were launched to all employees with tips and resources to help them care for their wellbeing, foster their self-development and keep connected. These communications were launched through the different corporate channels (email, MyNH app, Intranet, WhatsApp), in order to reach as many employees as possible.

Also, as part of this initiative, a special edition of messages was launched addressed to managers to help strengthen their leadership in times of uncertainty.

Additionally, a reboarding plan was designed for hotel and offices employees, to welcome them back to work, whether they had been inactive or returned to the office after a long period of remote working. This plan had a strong local character:

- In the Southern Europe Business Unit, HR members offered teams webinars aimed at helping them manage pandemic fatigue, plus a multitude of one-on-one meetings and focus groups with employees to learn about their needs at these times; also, recognition initiatives, special events and solidarity challenges were launched. All of this culminated in a common agenda full of activities that took place on the same day in all hotels and business unit offices: "The Re-Start Day".
- In the Northern Europe Business Unit, different communications were created for a plan called "We Care for Our People", consisting of 6 actions that were taken to each hotel in the business unit: 'Make them feel special', 'Reconnect' or 'Thank you', among others.
- In HQ, a series of actions were designed to be developed by managers with the aim of helping their teams in the transition to their on-site reincorporation, managing their mood, commitment and performance, trying to respond to the different realities to be managed (people with a long period of inactivity, teleworking, etc.). Meetings were planned at different levels - individual, team and with general management - as well as at work center level. In addition, a "catch-up" communication was prepared. It included the main milestones achieved by NH in 2020.

On the other hand, in light of the exceptional circumstances of the year, and in order to have the participation of the highest possible number of active employees, it was decided to postpone the biennial **Employee Engagement Survey** until 2022.





## PERFORMANCE MANAGEMENT – TIME FOR YOU (TFY)

At NH Hotel Group the performance management process is a key and consolidated element of our leadership culture, carried out through Time for You.

The evaluation of the performance and skills of the NH Hotel Group professionals allows us to know our internal talent in order to guide their training and professional development more effectively. The evaluation serves to identify the strengths and the areas for development of professionals in the performance of their work, which form the basis on which the different development plans are defined. The results of these evaluations are linked to their professional development and the increase in their variable remuneration.

It is aimed at all permanent employees who have at least 3 months' service in the Company.

Performance in qualitative terms, **how** goals are achieved, is assessed through skills that effectively guide employees' training and professional development. Through TFY, employees' strengths and areas for development in the performance of their work are identified, and based on the areas for improvement identified, the various development plans are defined. In addition, the overall evaluation obtained has an impact on other human resources processes such as internal selection or talent processes or in variable remuneration.

In 2021, the formal mid-year review was carried out again, as a clear sign of a return to normal. At this important time of year, employees were invited to make this conversation a genuine moment of connection with the manager/team, encouraging them to share openly their feelings, perceptions, lessons learned and areas of concern.

The internal communication campaign is based around making this moment a "verification of reality and an opportunity to reconnect", reflecting on how reality has changed. But ever more important, how OUR reality has changed: personally, and professionally.



The Human Resources team designed specific training at corporate level through Webinars, which were deployed locally by the Human Resources teams, taking advantage of the opportunity to open a space for dialogue with all managers. In these webinars, specific guidelines were given and at the end, managers were given a "conversation card" with the keys so that the "Midyear" conversation could become a moment of reconnection with the team.

Once again, the importance of this process in our leadership culture was seen, with a similar percentage participation to before the pandemic (86%).

In December, the Annual Review process was launched, recovering the normal spirit of TFY based on feedback and development, as key tools to grow within the Company.

Although for another year, the pandemic had continued to condition our day-to-day professional and personal life, this year was also a year of extraordinary efforts, major challenges and adaptation to constant changes.

For all these reasons, the approach of this key process also had to be exceptional and was even more focused than ever on looking to the future and developing based on the experiences we have lived through during the year.

Consequently, TFY2021 was adapted to this approach and had the following characteristics:

- There were no gradings in terms of skills or a general rating and attention was focused exclusively on feedback, development and career.
- Training aimed at managers, explaining to them what had change in the process compared to the standard process and how to focus the conversation so that it would service as a tool for commitment, motivation and team development was drawn up at corporate level and rolled out locally by the Human Resources team.
- At the end of this training, a "conversation card" with the main messages explained in the webinar was also handed out.

The level of participation by target employees in 2021 was of 92%

## TALENT MANAGEMENT

NH Hotel Group has implemented a process to help identify and develop talent by looking not just at sustained performance over time but also at the potential and ambition of the people who have key positions in the Company.

During the second half of 2021, the talent identification and development process resumed, looking not only at sustained performance over time, but also at the potential and ambition of the individuals who hold key positions in the Company.

In this way, NH Hotel Group assures adequate preparation of key roles for the future, even in such challenging times as the present. The overall objective is to create a mindset of talent in leaders at all levels, starting with the top 100 executives in the Company and continuing with Managers and Heads of Department in hotels and Directors and Managers in central services.



## TRAINING: NH UNIVERSITY

NH Hotel Group is committed to the professional development and training of all its employees as a way to put into practice the philosophy that inspires its customer service vocation. All face-to-face and online training projects are managed through the corporate university, NH University.

Every year the training curriculum is adapted so that the people who work at NH Hotel Group can continue to refresh both their technical knowledge and their skills.

In 2021, projects that had to be put on hold because of the pandemic have been taken up again, such as the Internal Development programme. One of the department's main goals is to continue offering employees the necessary training for their professional development using safe methods and increasing, therefore, the number of hours of training through platforms like Teams or online formats such as videos, infographics, etc. Due to the reactivation of the business, both the investment and the number of participants has increased compared to 2020.

Online training through the GoodHabitx platform has also become consolidated, promoting the courses it offers through the monthly launch of a calendar that marks important dates with related training. This international training platform is focused on making training fun, different and tailored personally to each participant, and makes it possible to learn in the way best adapted to each person. More than 800 employees have received training over more than 3.600 hours.

The total number of hours of training, both face-to-face and online, in 2021 was 74,759 through 990 training programmes. NH University has trained 8,733 employees, representing 75% of the total workforce.

Face-to-face training, which also includes training through webinars, represented 58% of the training hours, with 151 internal training providers leading the sessions.

**€ 372,611**  
Total investment  
in training in 2021

**74,759\***  
Hours of face-to-face and  
online training given

**76,234**  
participants in  
**990**  
programmes

**8,733**  
team members  
trained

\* The total number of hours of training includes 424 hours through the "GHA - Discovery in a box" training platform in which the hotels of the Anantara, Avani and Tivoli brands received training on new features of the loyalty programme. The hours are included in the corporate perimeter, as many of these hotels have management contracts.



Tivoli Lagos  
Lagos, Portugal



**Training**

	Consolidated perimeter		Corporate perimeter	
	2021	2020	2021	2020
Hours per employee trained (face-to-face)	12.7	10.2	13	11.8
Hours per employee trained (e-learning)	3.7	3.9	4	4.2
Total hours per FTE	6.2	4.8	6.5	5.4
Total hours per employee trained	8.3	8	8.5	8.9

**Training hours by Business Unit**

	Consolidated perimeter			Corporate perimeter		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
<b>Face to face training</b>						
Corporate	3,077	868	254.5	3,077	868	254.5
BU America	20,363	12,085	68.5	20,861	15,690	33.0
BUNE	3,883	5,843	-33.5	4,297	6,318	-32.0
BUSE	10,418	13,814	-24.6	14,832	20,763	-28.6
<b>Total face to face</b>	<b>37,740</b>	<b>32,610</b>	<b>15.7</b>	<b>43,067</b>	<b>43,638</b>	<b>-1.3</b>
<b>Online training</b>						
Corporate	425	919	-53.8	425	919	-53.8
BU America	4,584	2,842	61.3	5,974	3,601	65.9
BUNE	12,517	7,381	69.6	13,124	8,393	56.4
BUSE	7,182	9,176	-21.7	11,745	12,351	-4.9
<b>Total Online</b>	<b>24,708</b>	<b>20,318</b>	<b>21.6</b>	<b>31,268</b>	<b>25,264</b>	<b>23.8</b>
<b>Total training hours</b>	<b>62,449</b>	<b>52,928</b>	<b>18.0</b>	<b>74,335</b>	<b>68,902</b>	<b>7.9</b>

**Employee training hours by professional category**

	Consolidated perimeter				Corporate perimeter			
	2021		2020		2021		2020	
	Face-to-face	Online	Face-to-face	Online	Face-to-face	Online	Face-to-face	Online
Top Management	3,294	1,030	2,520	660	3,537	1,251	2,823	755
Middle Management	8,273	4,236	8,387	3,007	8,767	5,468	9,975	3,624
Staff	26,173	19,442	21,703	16,651	30,763	24,549	30,840	20,885
<b>Total</b>	<b>37,740</b>	<b>24,708</b>	<b>32,610</b>	<b>20,318</b>	<b>43,067</b>	<b>31,268</b>	<b>43,638</b>	<b>25,264</b>

**Training hours by department**

	Consolidated perimeter		Corporate perimeter	
	2021	2020	2021	2020
Administration	773	464	1,117	856
Food and Beverages	16,122	11,129	18,550	15,043
Management	5,113	3,371	5,923	3,999
Maintenance	2,701	1,197	3,026	1,799
Housekeeping	5,529	2,049	6,436	2,880
Reception	16,675	9,315	19,155	12,600
Reservations	9,078	1,126	12,771	1,591
Revenue Management	641	649	654	659
Central Services	3,003	1,484	3,140	1,662
Sales	2,367	1,707	2,889	2,127
Others	446	120	675	423
<b>Total</b>	<b>62,449</b>	<b>32,611</b>	<b>74,335</b>	<b>43,639</b>

**TRAINING IN HEALTH AND SAFETY**

Training courses on occupational risks depend on the legislation in each country, and we therefore have a wide-ranging catalogue of training on this matter, from Food Handling to basic notions of First Aid. Additionally, this year the programmes have had to focus basically on the coronavirus, what it is, how to identify the symptoms and what to do in the event of infection of an employee or a guest.

In 2021, training has continued to be given, although to a lesser extent than last year, on the Feel Safe at NH measures to ensure they are implemented effectively and guarantee that all the members of our team are familiar with them and know how to apply them in their everyday work.

As well as this, a specific itinerary has been defined for the new Health and Safety Managers in communication skills, influence, effective meetings or change management, among others.

**Occupational Health and Safety training hours**

	Consolidated perimeter		Corporate perimeter	
	Face-to-face training	Online training	Face-to-face training	Online training
Number of employees trained	980	992	1,008	1,425
Number of programmes	106	49	109	50
Training hours	5,585	1,427	5,716	2,345



Anantara Vilamoura  
Vilamoura, Portugal



## CORPORATE TRAINING

### Training for new Anantara brand hotels

NH University has worked on a training itinerary for all the team members of hotels that changed to the Anantara brand.

The itinerary includes training on the brand and a review of the new standards and procedures for all employees and specific training for hotel managers which has involved visiting several Anantara brand properties with the aim of understanding how the brand vision is reached in the different properties, sharing good practice and experience, finding out how the standards can be adapted to the reality of each hotel and promoting networking among the hotels.

In the first quarter of 2022, the Anantara managers will participate in a workshop to learn in depth about the brand strategy in Europe, share what they have learned on the prior visit and continue to make this brand a reality in Europe.

### Training in Environmental Awareness

At NH Hotel Group we are committed to efficient management of the resources where our hotels are located and we strive to prevent and anticipate possible environmental contingencies. For this reason, NH University has launched the Environmental Awareness course in the 7 corporate languages which is compulsory for all employees, setting out the guidelines that we must all follow to comply with the principles established in our Environmental and Energy Policy.

The training will continue to be given to all employees who join the Company and must be completed within 30 days.

Since the launch of the course,

**2,997**

hours have been completed by

**3,734** employees

### Training in Human Rights

In December 2021 the Human Rights course was launched, through the NH Talent platform, to General Managers and Front Office Managers. The training is also available for all employees who wish to be familiar with this corporate policy through NH University's corporate catalogue. In forthcoming months it will be extended to the rest of the workforce, and the aim is that all the Company's employees take the course.

With this training, NH Hotel Group promotes awareness not only of its Human Rights policy but also of the due diligence process to identify, prevent, mitigate and report potential risks and consequences deriving from the daily actions of employees, suppliers or customers.

Since the launch of the course,

**360** employees have  
completed the training

### Training in Commercial Systematics

The commercial area has offered virtual training sessions on commercial systematics, looking at the following subjects:

- Review of the functionalities of the C4C tool through two webinar training sessions in Spain and English.
- Overview of Commercial Systematic, also in 2 webinar sessions in English, with a duration of 1.5 hours each.
- The evaluation and negotiation processes, also with 2 webinar sessions in English, with a duration of 1 hour.
- Standard Operating Processes of Commercial Systematics, online training that created a compulsory itinerary with the 10 most important processes, designed in 10-15-minute-long capsules.

In total **201** participants  
received training in 2021






NH Porta Rossa  
Florence, Italy

## SOUTHERN EUROPE BUSINESS UNIT TRAININGS

### Leadership development programmes:

• **Becoming a General Manager – Italian edition:**

On October 6<sup>th</sup>, the new Becoming a GM programme officially started. After the nomination, selection and assessment stage, three Heads of Department have started their development programme to become Hotel Managers. The journey of our three potential GMs will be very full: in addition to the training part (face-to-face and hybrid), an itinerary has been created involving coaching, regular assessment of skills, thematic webinars and other development actions.




**SKILLS DEVELOPED**

- Active listening and feedback;
- Empathy and influence;
- Assertive communication;
- Active leadership and resilience;
- Lateral thinking and continuous improvement;
- Emotional intelligence and humility.

• **New HoD Training (Spain):**

This new development and leadership programme is focused on training employees who want to be heads of department with the aim of covering the needs for these positions in Spain. Following a selection phase, 10 participants start a 6-month-long adventure through an itinerary led by the Training and Development area in conjunction with Operations. During the first month, parties undergo immersion in cross-cutting areas and departments of the hotels and are involved in a full week of skills training focusing on both technical and management matters. In the second phase, lasting 2 months, participants move to a hotel and fulfil the same role, but participate in a special work project. The last step will enable participants to obtain the final certificate: they will move again to another teaching hotel and will spend 3 months with a Head of Department who acts as tutor and will gradually give them more responsibilities in the role. If the final assessment is positive, they will be ready to become Heads of Department (HODs) as soon as a post is available.




**SKILLS DEVELOPED**

- Active listening and feedback;
- Empathy and influence;
- Assertive communication;
- Active leadership and resilience;
- Lateral thinking and continuous improvement;
- Emotional intelligence and humility.

• **Leadership training programme:**

A development programme consisting of 6 webinars on leadership skills. The aim of the project is to help Heads of Department to position themselves as leaders.



**SKILLS DEVELOPED**

- Active listening and feedback;
- Empathy and influence;
- Assertive communication;
- Active leadership and resilience;
- Lateral thinking and continuous improvement;
- Emotional intelligence and humility.



### Service Training programme:

The goal of this training, consisting of 9 webinars, is to help team members understand how to offer an excellent service through actions that add value to guests' experience



**SKILLS DEVELOPED**

- Consistence,
- Integrity,
- Continuous improvement,
- Humility,
- Communication,
- Positive body language,
- Commitment,
- Sense of urgency,
- Empathy,
- Active listening,
- Stress management,
- Teamwork,
- Resilience,
- Emotional intelligence.

### Language training:

English and Spanish classes given on Zoom to team members to improve their basic conversational skills in each of the two languages.



**SKILLS DEVELOPED**

- Languages,
- Continuous improvement.

### Luxury Workshop:

A two-day training course designed to prepare team members to offer the WOW factor that characterises a luxury service. Very interactive training on who to stand out in our business and how to personalise our interactions with each guest.



**SKILLS DEVELOPED**

- Positive body language,
- Commitment,
- Teamwork,
- Continuous improvement,
- Empathy,
- Active listening

### AMERICAS BUSINESS UNIT TRAINING

#### In your Shoes programme:

Training focused on ensuring that teams are connected not just in the context of their job, but also emotionally and based on empathy with the operational reality of each of the hotels, helping to understand the operational and administrative challenges of the parties involved, detect shortcomings and needs between the parties, strengthen dialogue channels and recognize the impact of administrative requests in the operation.



**SKILLS DEVELOPED**

- Empathy,
- Active listening,
- Stress management,
- Teamwork,
- Resilience,
- Emotional intelligence.



nhow London  
London, United Kingdom

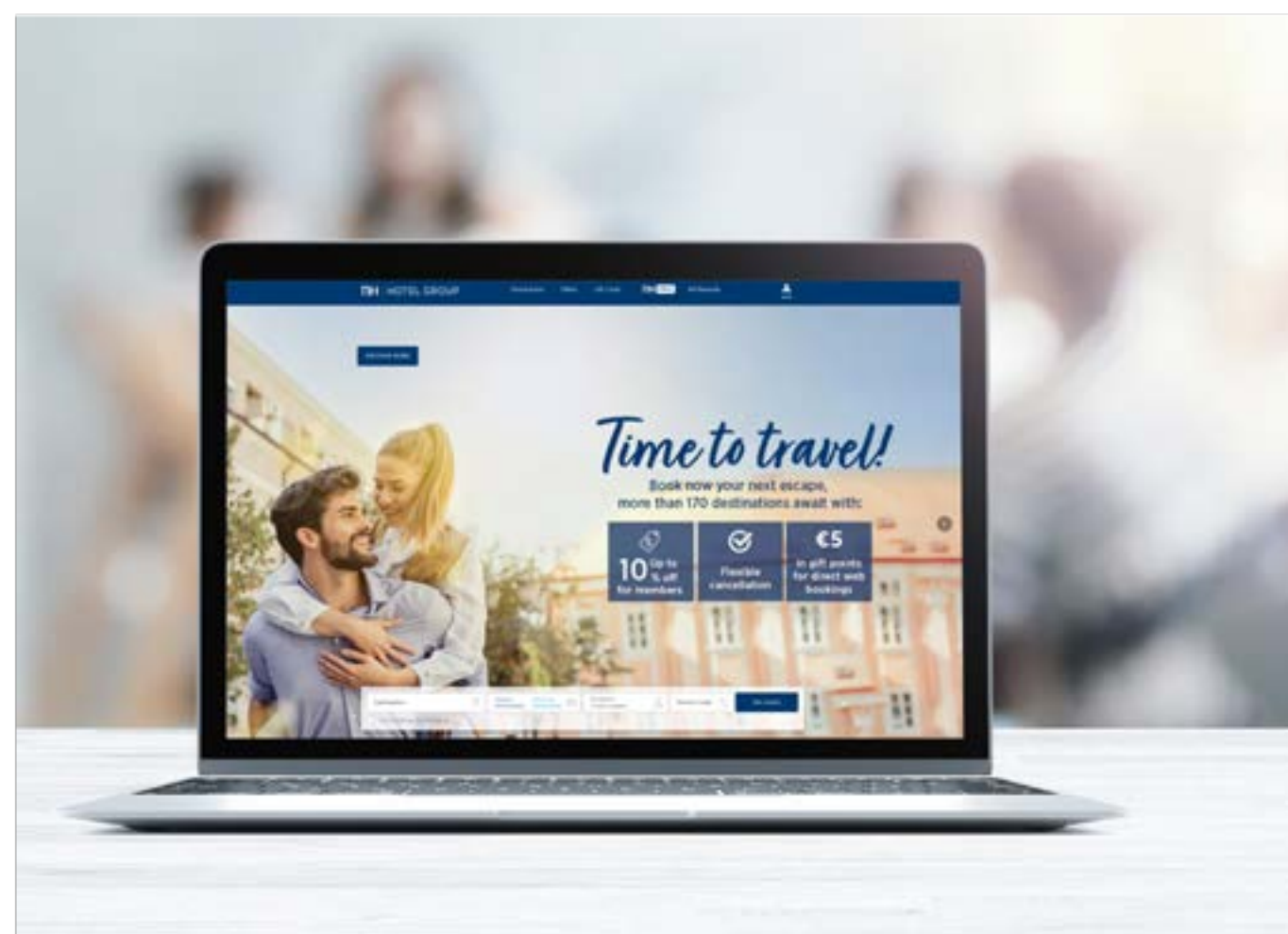


## INTERNAL COMMUNICATION

For NH Hotel Group, internal communication has in 2021 again become a key factor in generating and maintaining employees' engagement with the Company, as well as a powerful lever of change management. The year 2021 has once again shown the importance of Internal Communication at times of great changes and continuous challenges. It has also become a fundamental tool for communicating difficult decisions for the Company, relevant and critical information for the business, and for maintaining employee engagement and motivation and helping to manage uncertainty.

Internal Communication always strives to be aligned with the reality of the Company and its employees. In order to develop its present channels and platforms and set out a clear roadmap for the future, the Internal Communication area organized a number of focus groups in 2021 to find out employees' vision and have as complete feedback as possible.

A total of seven focus groups were set up in all the Group's Business Units with the main employee profiles of both Central Services and hotels were represented.



### Main internal communication projects in 2021

#### MyNH App

In 2021, NH Hotel Group has again chosen digital tools to adapt to a changing context, including employee presence which has been affected at different times throughout the year. In this way, MyNH, the exclusive App for the Group's employees, has become consolidated as a key tool for reaching all employees, keeping them informed on a timely basis and generating greater engagement.

#### TELL THE WORLD

The usual communication channels resumed in 2021, the principal one of them being 'Tell The World', in the form of monthly newsletters and specific communications on the most relevant news items. Unlike 2020 which was focused on managing the crisis, in 2021 internal communication has gradually returned to reporting new openings, new Company projects and recovery messages that have contributed to conveying and restoring optimism among employees.

#### VIRTUAL TOWN HALLS & CEO CHANNEL

In 2020, the Company designed a leader Visibility Plan, which it has sought to continue in 2021 through the Company CEO's Town Halls. This initiative reinforces Senior Management's commitment to internal communication and its key role in change management and in involving all employees in the Company's strategy. Coinciding with the quarterly presentation of results, the CEO of NH Hotel Group addressed all the group's employees by computer link to report on the positive evolution of the key financial indicators and the consolidation of the business recovery.

At these meetings, the CEO of NH Hotel Group has also had the opportunity to convey messages of encouragement and gratitude to all employees for their good work and the commitment shown, key elements for the Company's recovery.

#### 'SUSTAINABLE BUSINESS' & 'TOGETHER WITH LOVE' COMMUNICATIONS

The Sustainable Business area has also promoted special Corporate Volunteering initiatives through its 'Together with Love' programme. These initiatives, designed in conjunction with the Internal Communication team, have been very well received by employees who have gone out of their way to give their support to those most affected by the health crisis. The Company is very proud of the great participation and involvement of employees in these corporate volunteering initiatives.

The Internal Communication wants to value and highlight NH Hotel Group's firm commitment to sustainability and its leadership in the industry in relation to sustainable excellence. The 'Sustainable Business' internal communication channel has therefore become especially relevant, as well as its dedicated section in the monthly 'Tell The World' newsletters.



## EMPLOYER BRANDING – FURTHER TOGETHER

NH Hotel Group is proud that its employees are the key to the success of the business. Therefore, it has sought to consolidate the NH Hotel Group employer brand throughout the world, to attract and motivate the best talent among employees and external candidates.

The long-term goal of the Employer Branding (EB) plan is to establish a unique culture around our values as an employer brand, through uniform and consistent communication of the Company's identity and essence: People, Passion and Challenge.

To do so, work has continued on the "Further Together" campaign on the Company's various external communication channels, focusing mainly on Instagram and LinkedIn.

The campaign features employees from all Business Units who talk first-hand about what it is like to work at NH Hotel Group, joining the ranks of the Instagram Ambassadors and becoming role models for all workers.

The Further Together campaign includes other projects such as Feel Safe at NH, the Re-Start of the different Business Units, and the Together With Love Christmas Edition, all featuring the perspective of the Group's employees.

Further Together continues to give employees a voice to share their experiences, creating a community united around the brand values.

## MEMORABLE DATES

Memorable Dates continues to operate as the programme that celebrates the most important anniversaries (5, 10, 15, 20 and 25 years), as well as the retirement of hotel and central office employees in all Business Units. Unfortunately, health and safety distance recommendations forced us to postpone the celebrations of the events where the sole stars are our employees whose milestones are being recognized. However, in 2021 we resumed the acknowledgement of their career in NH by giving them credits which they can redeem at our hotels. The event as such has been postponed for another year, to safeguard the health and safety of all our employees.





## FLEXIBILITY AND WORK-LIFE BALANCE: FROM THE 'NEW WAY OF WORKING' TO THE 'HYBRID MODEL'

For NH Hotel Group, one of the fundamental pillars for attracting and retaining talent is the work-life balance, which is about striking a balance between the needs and interests of team members and the Company's needs and interests.

The NH Hotel Group culture has been evolving in recent years towards a more flexible and balanced model, thanks to the "New Way of Working" project which started several years ago, although 2021 especially has been when a hybrid work model was designed. The Company has started to transit very quickly and efficiently towards this model.

Specifically, from September 2021 this hybrid work pilot project started in the different central offices of each Business Unit, ending in December 2021.

At Headquarters this pilot hybrid model has the following characteristics:



At least 3 days physically present at the office and 2 days working from home, distributed from Monday to Friday and according to the nature of the duties



To facilitate lunch breaks on in-office days, the Company decided to give HQ employees a Lunch Allowance of € 112 per month (excluding July and August).



To make working in the office safer, additional health and safety measures were approved, such as CO<sub>2</sub> measuring devices on all floors and in all meeting rooms, air purifiers with particle filtering, social distancing between workstations, etc.

The office also stayed open to continue providing services to those of our employees who so required.

Accordingly, this entire programme of measures has allowed NH Hotel Group to continue with its activity, providing employees with an improvement in work-life balance thanks to the hybrid work model, boosting the bond of trust and engagement.

Principal work-life balance and flexibility measures and other employee benefits	
<b>Exams during working hours</b>	Giving notice 48 hours in advance and providing evidence of attendance at the exam.
<b>Fulfilment of an unavoidable public and personal duty</b>	The Company grants the time required to fulfil this duty.
<b>Assisted reproduction techniques</b>	Any employee undergoing assisted reproduction techniques is entitled to be absent from work, subject to prior justification.
<b>Birth or adoption</b>	<p>The Company offers:</p> <ul style="list-style-type: none"> <li>• A financial bonus on birth or adoption of a child.</li> <li>• Guaranteed remunerated leave of absence for the formalities prior to international adoptions.</li> <li>• Possibility of a sabbatical of 4 to 6 months for employees in international adoption processes, keeping their job.</li> <li>• Possibility of combining paternity leave with annual vacation leave in order to facilitate travel of the other parent when the child was born outside Spain.</li> </ul>
<b>Favoring the hiring of women who have been victims of gender violence</b>	Priority in hiring women who provide evidence that they are victims of gender violence, other conditions being equal.
<b>Geographical mobility</b>	Preference in geographical mobility to care for dependents (children and family members).
<b>Promoting new technologies</b>	Use and encouragement of new information technologies (videoconferences, etc.) whenever possible, to avoid constant travelling or commuting.
<b>Flexible hours and shorter workday</b>	Flexibility in start and finish times. Shorter workday in summer and on Fridays all year round.
<b>Workplace flexibility (working from home)</b>	Although there is currently no specific work disconnection policy set, the Company is working to ensure that employees have time off after the end of their schedule. During 2021, a functionality has been implemented within Outlook to limit the sending of emails outside working hours. When sending an email outside working hours, the employee is required to evaluate whether it is necessary to send it at that time, or if it can be sent the next working day.
<b>Discount programme</b>	Access to a programme of online discounts and exclusive prices for a wide range of products, services and leisure activities through the Coperama platform.
<b>Virtual bank office</b>	Virtual bank office, offering financial products and services at favorable terms to employees and former employees, distributing proportionately each year 50% of the profits generated. 126 employees of the head office and the CRO are presently customers of this office.



## HEALTH, SAFETY AND WELLBEING AT WORK

These years will be marked by the pandemic, which has made health and safety an absolute priority in global terms at all levels. Its impact on the industry has been devastating, although the sector has managed to respond swiftly in terms of management of the health and safety of guests and employees.

NH Hotel Group understands that offering people a safe and healthy working environment is an absolutely necessary requisite. In Spain, NH Hotel Group has an Occupational Risk Prevention Plan which is the master document that governs the Occupational Health and Safety actions to be carried out at the Company's workplaces in Spain. This Plan includes, among others, 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 Coordination

The Plan is based on the integration of these processes throughout the Company's hierarchical structure. Both Central Services heads of department and hotel personnel (from General Managers to staff) have been assigned functions and responsibilities in this area. Furthermore, in Spain there is a Joint Prevention Service which provides services to the NH Hotel Group hotels and workplaces in Spain.

In other countries, this Plan is not applicable and therefore technical advising on Occupational Risk Prevention is outsourced with external service providers. In some countries, NH Hotel Group employees are designated as responsible for coordinating the actions of these service providers and for implementing the established corrective measures and prevention procedures.

NH Hotel Group strives 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 the programmes and action plans in hotels and offices in different countries.

Due to the crisis caused by COVID-19 and as part of the Company's recovery strategy, a range of health and safety measures, certified by experts, were designed and implemented in all hotels in order to assure health, safety and social distancing both for guests and employees.

All the measures included in the Feel Safe at NH project seek to ensure that our hotels guarantee safe and comfortable stays, and therefore the Company continues to review and redesign the entire operation of the hotels, contingency plan, SGS health inspection certificate, personal protective equipment and protocols, advanced digital services, water purification and air quality protocols, enhanced cleaning and disinfection protocols, food and beverages services adapted to the current situation, social distancing rules, health and safety protocol for employees and health and safety managers in the hotels.

All the Company's hotels have a designated health and safety manager. This person is responsible for centralizing, distributing and administering all the health and safety information for each hotel, and in most hotels is the manager.

If, for functional or organizational reasons, the manager cannot take on these duties directly, they are delegated to another member of the team designated by the manager, with the approval of the Management Committee.

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### Health initiatives in NH Hotel Group

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#### WITH YOU well-being editions

Through the "With You" newsletter, recommendations continued to be sent to employees up to June 2021. These encouraged continuing to develop a positive, resilient and self-compassionate spirit. The "With You" special editions for managers also continued, offering tips on leading the team at difficult times.

#### Holistic Concept

The Company engaged Holistic Concept services to help all its team members with the situations of everyday stress. In the first half of the year, all employees had access to more than 200 audios and videos that in less than 15 minutes improve concentration, creativity and motivation, reduce anxiety and muscle tension and help to manage the uncertainty of the times we are living in.

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Avani Avenida Liberdade  
Lisbon, Portugal





## ACCIDENT RATES AND OCCUPATIONAL DISEASES

In 2021, 100% of the countries that have reported FTEs have reported the information corresponding to occupational accidents and diseases.

### Accidents

	Consolidated perimeter			Corporate perimeter		
	Women	Men	Total	Women	Men	Total
Fatal accidents	0	0	0	0	0	0
Accidents with absence from work	59	56	115	71	63	134
Accidents with serious consequences	1	0	1	1	0	1
Accidents without absence from work	59	47	106	66	52	118
<b>Total accidents</b>	<b>118</b>	<b>103</b>	<b>221</b>	<b>137</b>	<b>115</b>	<b>252</b>

### Active occupational diseases

	Consolidated perimeter			Corporate perimeter		
	Women	Men	Total	Women	Men	Total
Fatal occupational diseases	0	0	0	0	0	0
Occupational diseases with absence from work	2	1	3	2	1	3
Occupations diseases with serious consequences	0	0	0	0	0	0
Occupational diseases without absence from work	22	7	29	22	7	29
<b>Total occupational diseases</b>	<b>24</b>	<b>8</b>	<b>32</b>	<b>24</b>	<b>8</b>	<b>32</b>



Throughout 2021, NH Hotel Group registered four employees with occupational illnesses, 75% less than in 2020, two of them occurring in women and two in men.

Most active occupational diseases are related to damage to the musculoskeletal system, epicondinitis, tendinitis, or COVID-19. Depending on the different geographies, illnesses related to COVID-19 have been recorded as occupational diseases or as accidents.

### Accident and occupational disease frequency rates

	2021		2020	
	Women	Men	Women	Men
<b>Consolidated perimeter</b>				
Frequency Rate (FR)* fatal accidents	0.0	0.0	0.0	0.0
Frequency Rate (FR)* workplace accidents with absence from work	5.7	5.6	6.1	5.6
Frequency Rate (FR)* workplace accidents with serious consequences	0.10	0.0	0.39	0.2
Severity Rate (SR)** workplace accidents	0.12	0.12	0.13	0.11
Frequency Rate (FR)* fatal occupational diseases	0.0	0.0	0.0	0.0
Frequency Rate (FR)* occupational diseases	2.3	0.8	1.9	0.9
Frequency Rate (FR)* occupation diseases with serious consequences	0.0	0.0	0.05	0.01
Severity Rate (SR)** workplace accidents with serious consequences	0.03	0.0	0.05	0.01
Severity Rate (SR)** occupational diseases	0.01	0.01	0.2	0.1
<b>Corporate perimeter</b>				
Frequency Rate (FR)* fatal accidents	0	0	0	0
Frequency Rate (FR)* workplace accidents with absence from work	6.1	5.6	7.15	6.16
Frequency Rate (FR)* workplace accidents with serious consequences	0.1	0.0	0.35	0.18
Severity Rate (SR)** workplace accidents	0.1	0.1	0.21	0.12
Frequency Rate (FR)* fatal occupational diseases	0.0	0.0	0.0	0.0
Frequency Rate (FR)* occupational diseases	2.1	0.7	1.7	0.9
Frequency Rate (FR)* occupation diseases with serious consequences	0.0	0.0	0.05	0.01
Severity Rate (SR)** workplace accidents with serious consequences	0.02	0.0	0.05	0.01
Severity Rate (SR)** occupational diseases	0.01	0.01	0.17	0.09

\* FR = number of workplace accidents or occupational diseases / hours worked \*1,000,000

\*\* SR= days absence from work because of workplace accidents or occupational diseases / hours worked \*1,000



## TURNOVER AND ABSENTEEISM

### Voluntary turnover rate by Business Unit (in %)

	2021			2020			Total difference (in p.p)
	Women	Men	Total	Women	Men	Total	
<b>Consolidated perimeter</b>							
Central offices and CRO	7.8	5.1	12.9	4.8	3.7	8.5	5.8
BU America	10.5	9.7	20.2	6	4.8	10.7	10.1
BUNE	8.9	5.9	14.7	1.5	1.8	3.3	12.6
BUSE	3.8	4.6	8.4	9.1	8	17	-9.1
<b>Total</b>	<b>7.0</b>	<b>5.8</b>	<b>12.8</b>	<b>4.6</b>	<b>4.0</b>	<b>8.6</b>	<b>4.7</b>
<b>Corporate perimeter</b>							
Central offices and CRO	7.8	5.1	12.9	4.8	3.7	8.5	5.8
BU America	11.5	9.6	21.2	6.0	5.0	10.9	11.3
BUNE	8.6	5.8	14.4	1.7	2.1	3.8	12.1
BUSE	3.9	4.7	8.6	10.6	9.4	19.9	-12
<b>Total</b>	<b>7.0</b>	<b>5.8</b>	<b>12.8</b>	<b>5.0</b>	<b>4.5</b>	<b>9.4</b>	<b>3.9</b>

### Non-Voluntary turnover rate by Business Unit (in %)

	2021			2020			Total difference (in p.p)
	Women	Men	Total	Women	Men	Total	
<b>Consolidated perimeter</b>							
Central Offices and CRO	11.4	5.4	16.8	2.6	3.7	6.3	10.5
BU America	1.6	1.5	3.0	5.7	5.3	11.0	-8
BUNE	2.2	2.3	4.5	8.2	7.7	15.9	-11.4
BUSE	7.4	5.4	12.8	4.9	5.5	10.4	2.4
<b>Total</b>	<b>4.6</b>	<b>3.6</b>	<b>8.2</b>	<b>6.4</b>	<b>6.2</b>	<b>12.6</b>	<b>-4.4</b>
<b>Corporate perimeter</b>							
Central Offices and CRO	11.4	5.4	16.8	2.6	3.7	6.3	10.5
BU America	1.5	1.3	2.8	5.8	5.9	11.7	-8.9
BUNE	2.2	2.3	4.5	8.5	8.0	16.5	-12
BUSE	7.0	5.2	12.2	5.5	5.4	10.9	1.3
<b>Total</b>	<b>4.5</b>	<b>3.5</b>	<b>8.1</b>	<b>6.7</b>	<b>6.6</b>	<b>13.3</b>	<b>-5.2</b>

### Turnover rate by gender, age and category (in %)

	Consolidated perimeter	Corporate perimeter
<b>Breakdown by gender</b>		
Women	22.1	22.0
Men	19.7	19.5
<b>Breakdown by age</b>		
Under 25 years old	30.4	30.5
Between 25 - 40 years	25.1	25.1
Over 40 years old	14.8	14.3
<b>Breakdown by professional category</b>		
Top Management	8.7	8.4
Middle Management	16.5	16.2
Staff	22.3	22.1

Due to the characteristics of the hotel business, NH Hotel Group considers it relevant to know and manage the specific turnover of employees with indefinite employment contracts.

### Voluntary turnover rate with indefinite contract by Business Unit (in %)

	2021			2020			Total difference (in p.p)
	Women	Men	Total	Women	Men	Total	
<b>Consolidated perimeter</b>							
Central Offices and CRO	7.7	4.7	12.5	3.4	3.4	6.7	5.8
BU America	10.5	9.5	20.0	5.7	4.2	9.9	10.1
BUNE	9.2	5.8	15.0	1.1	1.3	2.4	12.6
BUSE	3.8	4.2	8.0	9.2	7.9	17.1	-9.1
<b>Total</b>	<b>7.3</b>	<b>5.7</b>	<b>13.0</b>	<b>4.5</b>	<b>3.8</b>	<b>8.3</b>	<b>4.7</b>
<b>Corporate perimeter</b>							
Central Offices and CRO	7.7	4.7	12.5	3.4	3.4	6.7	5.8
BU America	11.6	9.5	21.1	5.7	4.2	9.8	11.3
BUNE	9.0	5.7	14.6	1.1	1.4	2.5	12.1
BUSE	3.7	4.2	7.9	10.6	9.3	19.9	-12.0
<b>Total</b>	<b>7.3</b>	<b>5.7</b>	<b>13.0</b>	<b>4.9</b>	<b>4.2</b>	<b>9.1</b>	<b>3.9</b>



**Non-voluntary turnover rate with indefinite contract by Business Unit (in %)**

	2021			2020			Total difference (in p.p)
	Women	Men	Total	Women	Men	Total	
<b>Consolidated perimeter</b>							
Oficinas centrales y CRO	11.2	4.4	15.6	1.0	0.8	1.8	13.8
BU America	1.4	1.4	2.8	2.1	2.0	4.0	-1.2
BUNE	1.4	1.3	2.7	1.4	1.5	2.9	-0.2
BUSE	4.1	3.0	7.1	4.9	5.4	10.3	-3.2
<b>Total</b>	<b>2.9</b>	<b>2.1</b>	<b>5.0</b>	<b>2.3</b>	<b>2.3</b>	<b>4.6</b>	<b>0.4</b>
<b>Corporate perimeter</b>							
Oficinas centrales y CRO	11.2	4.4	15.6	1.0	0.8	1.8	13.8
BU America	1.4	1.3	2.6	2.4	2.6	5.0	-2.4
BUNE	1.4	1.3	2.7	1.4	1.5	2.9	-0.2
BUSE	3.6	2.7	6.3	5.4	5.4	10.8	-4.5
<b>Total</b>	<b>2.6</b>	<b>1.9</b>	<b>4.6</b>	<b>2.6</b>	<b>2.7</b>	<b>5.3</b>	<b>-0.7</b>

**Hours of absenteeism\***

	Consolidated perimeter		Corporate perimeter	
	2021	2020	2021	2020
Accident	50,309	43,082	56,811	50,955
Disease	686,726	750,302	780,070	853,653
<b>Total</b>	<b>737,035</b>	<b>793,384</b>	<b>836,881</b>	<b>904,608</b>

\* Calculated on valid working days.

**Absenteeism rate (in %)**

	Consolidated perimeter		Corporate perimeter	
	2021	2020	2021	2020
Accident	0.2	0.2	0.2	0.2
Disease	3.4	3.3	3.4	3.3
<b>Total</b>	<b>3.6</b>	<b>3.5</b>	<b>3.6</b>	<b>3.5</b>



NH Collection Royal Quito  
Quito, Ecuador



## EMPLOYMENT TERMINATIONS IN 2021

In all countries where NH Hotel Group is present, measures have been taken to preserve jobs and talent. The Company continues working to support all team members, conveying peace of mind, and working with them on the recovery of the business.

To calculate employment terminations, all of them have been considered, both for objectives causes or disciplinary terminations.

### Number of terminations

	Consolidated perimeter			Corporate perimeter*
	2021	2020	Difference (in %)	2021
<b>Terminations by gender</b>				
Women	152	174	-12.6	161
Men	169	217	-22.1	178
<b>Terminations by age*</b>				
Under 25	41	62	-33.9	44
Between 25 and 40	128	175	-26.9	136
Over 40	152	154	-1.3	159
<b>Terminations by professional category *</b>				
Top Management	10	13	-23.1	11
Middle Management	50	43	16.3	54
Staff	261	335	-22.1	274
<b>Total</b>	<b>321</b>	<b>391</b>	<b>-17.9</b>	<b>339</b>

\* The information corresponding to the corporate perimeter has been monitored for the first time in 2021.

## SOCIAL DIALOGUE WITH EMPLOYEES

NH Hotel Group seeks to maintain a model of responsible and positive labour relations based on principles of dialogue, consultation with and participation of workers.

Accordingly, in October 2015 the European Works Council (EWC) of NH Hotel Group was set up as an initiative of the European Federation of Trade Unions in the Food, Agriculture and Tourism sectors (EFFAT) and at the request of affiliates from Italy, Belgium and Spain.

This EWC affects all the Company's workplaces in the European Economic Area and operates under directive 2009/38/EC, as well as its transposition into Spanish legislation. Its principal function is to achieve a level of communication and social dialogue that, in a climate of confidence, makes mutual understanding possible on cross-border matters that affect its employees.

On the other hand, a direct channel of dialogue was created between the Chief People & Sustainable Business Officer and the EWC, to answer any questions or concerns about the evolution of the pandemic in the business, being answered in any of the official languages of the Company.

Coverage of NH Hotel Group employees by Collective Bargaining Agreements, which generally include aspects related to employees' health and safety, varies according to the different Business Units.

### Employees covered by agreement by Business Unit (in %)

	Consolidated perimeter		Corporate perimeter	
	2021	2020	2021	2020
BU America	56	59	57	59
BUNE	90	94	88	92
BUSE	100	100	100	100
<b>Total</b>	<b>90</b>	<b>92</b>	<b>89</b>	<b>91</b>

\* In Colombia, the collective agreement between the company and its employees has been considered.





# NH ROOM4 PEOPLE

**“NH Hotel Group seeks to create a positive impact on the communities where it is present through key responsible alliances, solidarity projects and sponsorship.”**

## NH ROOM4 PEOPLE: COMMUNITY

One of the main goals of NH Hotel Group’s sustainable business strategy is to maintain active relations with the communities where it operates, contributing to local development and serving the needs of each destination where it is present through the business itself. This ambition arose in an entirely natural way, identifying where the Company’s capacity to create value in the way it works lay.

To develop stable projects that can be replicated in all Business Units, NH Hotel Group believes in building responsible and successful alliances with solidarity partners. To that end, the Company has defined three lines of social action in the framework of NH ROOM4 People: Together with Love, Hotels with a Heart and Employability Programmes.

In 2021, has resumed its lines of action and its commitment to the most vulnerable, creating value in the communities where it is present, as it has been doing until now, and which it had to set aside the previous year because of the pandemic.

### Contribution to society

	2021	2020
Social initiatives	55	73
Number of NH volunteers	605	524
Hotels involved	136	116
Contribution of NGO Rate* (thousand €)	13	14
Contribution of Friend Rate + Employee Rate ** (thousand €)	131	87,8
Investment in social action (thousand €)	81	49

\* NGO Rate - Application of a 30% discount on the best available rate for entities that have been previously assessed and approved by the Corporate Responsibility department.

\*\* Friend Rate and Employee Rate - - collecting 2€ and 1€ respectively of the costs of bookings made with the special rate for employees, family and friends and then using these funds in accommodation and restaurant services, special rates and scholarships in the Social Action programmes of the different Business Units.

\*\*\* The investment in social action is an estimate based on the rooms donated by the Company, taking into account the ADR of each room at the corresponding date. The reason for the increase in this investment during this fiscal year has been caused by the reactivation of the business, since most of this investment is obtained from the rooms donated free of charge through our Hotels with Heart programme.



NH Bologna de la Gare  
Bologna, Italy



## CORPORATE VOLUNTEERING: TOGETHER WITH LOVE

In 2021, under the motto "Together with Love", NH Hotel Group held a corporate volunteering week at world level for the third time. This is a global initiative focused on sustainability and strengthening relations with the local communities where the Group is present, and all the Company's teams were invited to take part. In this way, NH Hotel Group has joined the volunteering initiative carried out annually by Minor International, with which it shares a firm commitment to the development of its sustainability strategy.

With the necessary safety measures and without placing at risk the health of all the team members, NH Hotel Group once again launched the **NH Runners** initiative, focused on all employees to collect donated meals for the distance run by the volunteer employees.

All the Company's employees had the option of donating their kilometers for a week, with a conversation rate of 1 km = 1 meal.

Our commitment to the donation of food, which began during the pandemic, still continues thanks to the 4,569 meals collected through this initiative during the year, which added to this pending application in 2020 gives a total of 7,432 meals.

Once again, volunteering was very well received by all employees, as it gives them the opportunity to make a positive contribution to society, both remotely or on-site with the necessary security measures adapted to each situation.



**4,569**  
meals collected  
in 2021

**2,432**  
meals donated  
in 2021

**122**  
hotels  
involved

**85**  
foundations and  
NGOs involved

**600**  
NH Volunteers

**6,422**  
TWL beneficiaries





NH Collection Suecia  
Madrid, Spain

## CHRISTMAS CHARITY CAMPAIGNS OF OUR NH VOLUNTEERS

NH Hotel Group keeps its commitment to the most vulnerable groups in society at a time when this support is more important than ever. For the Christmas holiday period, the Company launched a special edition of its Together with Love initiative, which was a success once again thanks to the hospitality and solidarity of all the BUs, promoting corporate volunteering initiatives among their team members.

### BU - America:

The hotels of NH Latin America organized the "Welcome Christmas" volunteering initiative in which they donated more than 4,000 gifts, books and food parcels to children at risk of social and economic exclusion. This year the initiative started off with the participation of children and workers of NH, decorating trees together and taking photographs of the best moments to keep as a memento. Thanks to this initiative, more than 4,000 donations were received, consisting of food, clothes and other essential items; and more than 2,000 children welcomed Christmas with toys, books, clothes and food. The initiative was carried out with 29 associations in the region.

### BU - Northern Europe:

For the second year, our colleagues in northern Europe organized a virtual race in which the Czech Republic, Denmark, Austria, Germany, the UK, Belgium and the Netherlands took part. They raised more than 1,000 euros for a local foundation that supports seriously ill children and their families with low income.

### BU - Southern Europe:

All the NH hotels in France organized the "Les sapins du coeur 2021" charity project to raise funds to donate to the "Juste Humain" association which helps children with cancer, providing them with wellbeing through arts and culture. The hotels organized a raffle to raise funds and donate them to the association.

Thanks to this initiative, a total of 13,427 euros was raised which has helped a total of 537 children.

### HQ - Gifts from the Real Three Wise Men:

In December, as part of the Together with Love corporate volunteering initiative, the Central Services Offices organized a really special action for Christmas: the employees of NH Hotel Group helped the Three Wise Men in their task of bringing gifts to all children. In collaboration with the "Real Three Wise Men" project, 28 employees made the dreams of 28 children from low-income families come true by buying the gifts they had asked for in their letters to Their Majesties the Wise Men and which they would not have received otherwise.

### CHRISTMAS DRAWING COMPETITION

Once again, NH Hotel Group has encouraged the creativity of the youngest in the family and has launched its traditional Christmas drawing competition.

The winners received an art kit so that they can keep on honing their artistic skills.





## HOTELS WITH A HEART

Hotels with a Heart is an initiative that aims to ensure that children and young people who suffer from a serious illness and have to go to hospital far from their home can be accompanied by their closest family at this difficult time.

To do this, NH Hotel Group provides the families with rooms at hotels close to the hospital free of charge. With this goal, and in close collaboration with local NGOs and foundations, the Company provides free accommodation close to hospitals in several cities at national and international level to families with limited resources, so that they can accompany their loved ones.

Several employees of NH Hotel Group also participate voluntarily in this initiative, acting as the true hosts of these families and "Ambassadors" of the programme in each of the hotels. Each hotel has a person who looks after the families, sharing their experiences and helping to make their stay at the hotel as comfortable as possible. Since the programme started, more than 2,000 employees each year have become real hosts to the families, helping to make the hotel a second home for them.

The NH Madrid Sur is the flagship hotel of the "Hotels with a Heart" programme. Most of the room donations are made in this hotel in conjunction with the Menudos Corazones Foundation. NH Hotel Group has been collaborating with them since 2004 and will continue to do so in the future, thanks to the Company's commitment to the Foundation and to all the families it helps by being able to offer this free accommodation.

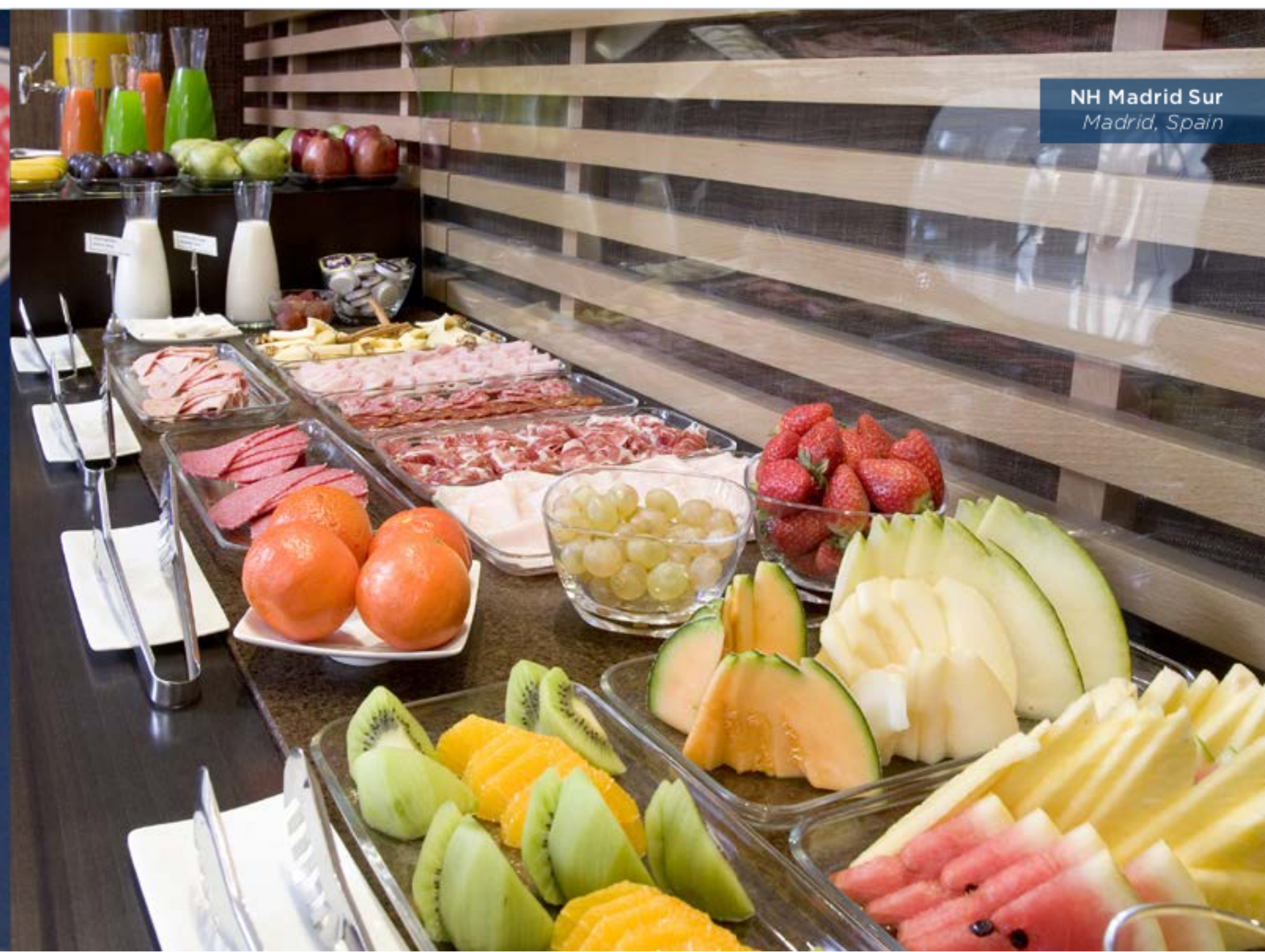
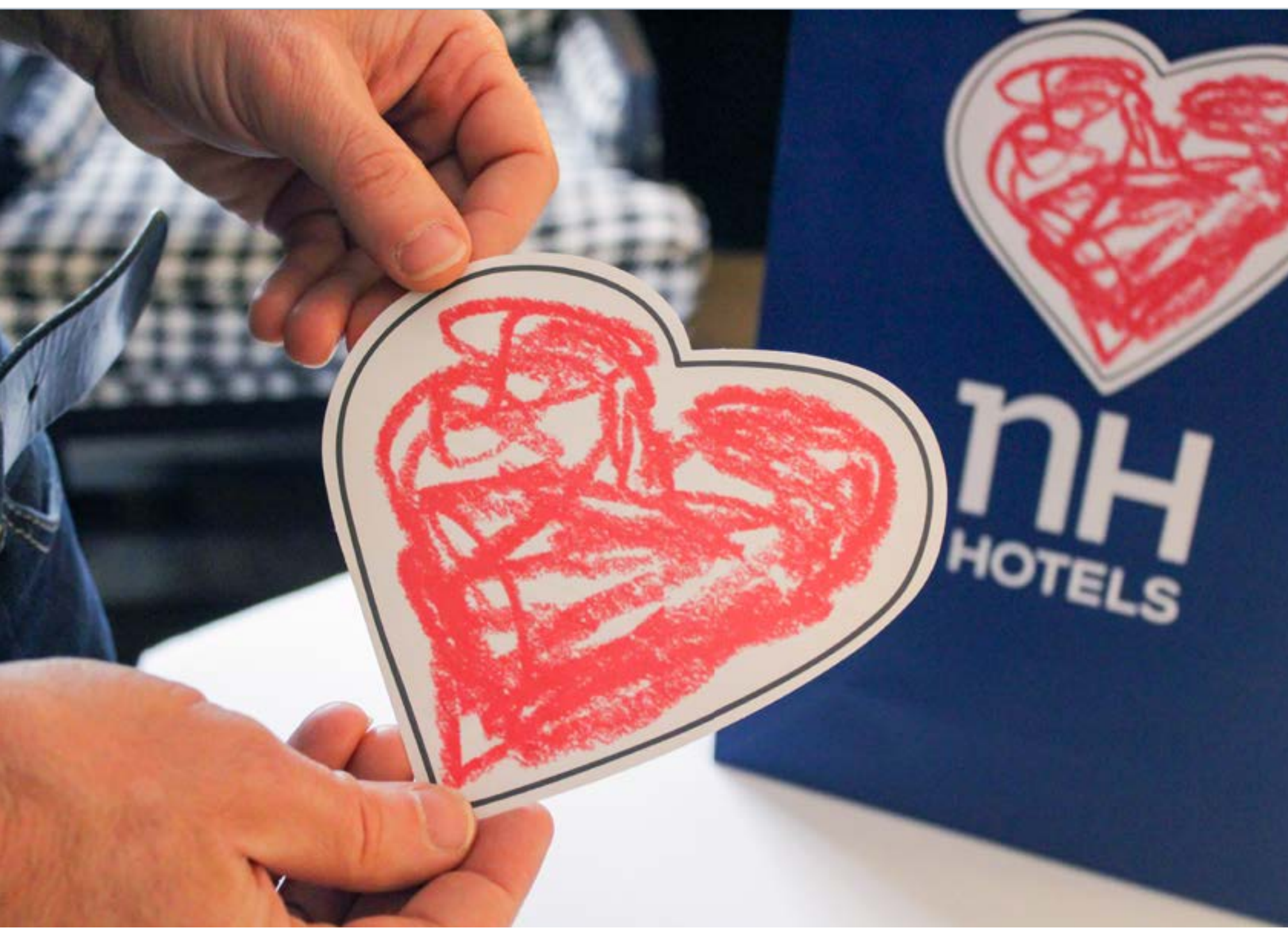


### #HotelswithaHeart

	2021	2020	Difference (in %)
Agreements with NGOs	13	31	-58.1
Nights donated	1,006	317	217.4
Hotels involved	14	30	-53.3

During the next year we plan to sign new agreements with different foundations to donate rooms and thus continue collaborating and contributing to families in these difficult times.

The reactivation of hotel activity is reflected in the nights of stays donated during this year, which are comparable to those of years prior to the pandemic.





## PROMOTION OF YOUTH EMPLOYMENT: EMPLOYABILITY PROGRAMMES

Youth unemployment in Spain, which is more significant in groups at risk of social exclusion, requires programmes focused on boosting the employability and social integration of young people.

NH Hotel Group continues to be committed to increasing the employability of such young people and aims to promote different training and work experience programmes for young people at risk of exclusion and for disabled individuals at hotels in all its Business Units.

In 2021, the Company has resumed this project in Spain together with the Exit Foundation, which is dedicated to fostering employability and reducing school dropout by young people at risk of exclusion, with which it has been collaborating for years. On December 1<sup>st</sup>, in the framework of this collaboration with the Foundation, the NH Ribera del Manzanares hotel welcomed vocational training students on a visit in which several hotel employees took part. As well as seeking the hotel facilities, the students had the opportunity to find out firsthand the main duties of the professionals of a hotel.

In this way, the projects, which are part of the Community strategy, are also aligned with the Company's commitment to SDG 8, "Decent work and economic growth".

## NH HOTEL GROUP'S COLLABORATION WITH THE DOWN'S SYNDROME FOUNDATION IN CASTELLÓN

Students of the tourism training course given by the Down's Syndrome Foundation of Castellón have started their internships at the NH Mindoro hotel. With this initiative, they complement their training in the tourist and hotel sector by developing their guest attention skills.

This seeks to consolidate the students' learning in real working environments, fostering the development of the professional skills necessary for their subsequent integration in employments. Thanks to this initiative, many of the students have found a job in the province, improving their quality of life and contributing value to the community.

With initiatives like this, NH Hotel Group continues to show its commitment to society, by promoting labour and social integration.

## ALLIANCES WITH FOUNDATIONS AND NGOs

Local impact is achieved thanks to the creation of responsible alliances with foundations and NGOs, the collaboration of volunteer employees in responsible projects and the promotion of culture. To develop social projects that can be replicated in all Business Units, NH Hotel Group believes in building responsible and successful alliances with solidarity partners.

To that end, in each country where we are present, we have continued to work with different Foundations and NGOs, such as the Make a Wish Foundation. Our collaboration with this organization began in 2005 in Spain, the Netherlands and Italy, offering every facility so that children from all over the world who suffer from serious illnesses can have their wish come true.

Another of the foundations we have been working with for several years is the "Menudos Corazones" Foundation. Remote initiatives have been carried out in order to continue helping individuals who suffer from heart conditions and their families more strongly than ever because now, for many of them, their needs are greater.





## NH ROOM4 PLANET

*“In its commitment to the Planet, NH Hotel Group works to minimise its impact on climate change, increase the efficiency of resources and develop more sustainable services, reducing the Company’s environmental footprint with responsible consumption of natural resources.”*

### NH ROOM4 PLANET

NH Hotel Group is a company committed to the wellbeing of its guests and to efficient management of the available resources in the environment where the Group’s hotels are located. The Company is aware of the effects of its activity on the environment, and works to prevent and anticipate possible environmental contingencies, as well as to integrate sustainability in all its processes, striving to reduce its impacts.

The Company’s environmental management is channelled through **NH ROOM4 Planet**, which defines the roadmap to fulfil the commitment undertaken in the **battle against climate change and progress towards decarbonization, efficient management and responsible consumption** of resources and **circular economy**, the development of **more sustainable products** but also involving employees, suppliers, partners and customers as key players in achieving these goals.

These commitments, applicable to all NH Hotel Group’s operations and to the Company’s decision-making process, are formalized in the Environment and Energy Policy. It includes both the supply chain and distribution, the inclusion of new partners or addition of hotels to the portfolio and the operation of hotels under ownership, lease, management and franchise to comply both with this Policy, to voluntary subscriptions adopted by NH, or to applicable environmental law and regulations.





To manage the environmental strategy, NH Hotel Group has a Sustainable Business Corporate Department which reports to the Chief People & Sustainable Business. Furthermore, 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 at business unit and hotel level.

In addition, in the last quarter of the year, the online course on environmental awareness was relaunched to training employees in environmental aspects and provide them with the skills to incorporate in their daily routines and tasks and participate in this way in the achievement of the Company's commitments. The target of this training was extended to all the employees of the Organization and it was made compulsory. Since the launch of the training, 2,997 hours have been completed.

The Company's environmental management is based on the identification and annual review of the main environmental impacts it could cause through the environmental risk map. Although there is a specific process to assess environmental risks, the methodology followed is consistent with the corporate risk management model. In 2021, the risks that have been identified as the most significant are:

- The Company's preparedness to comply with climate regulation in the different regions.
- The need to implement new technologies to operate in a low-carbon economy.
- The consequences of European legislation on single-use plastics.

Atmospheric pollution, including noise and light pollution, the consumption of raw materials and the protection of biodiversity were not significant in our activity after this analysis.

The updated environmental risk map is reviewed and validated by the Risk Management Team, which adds the risks identified as most critical to the Company's risk catalogue. The environmental risk map is also submitted to the Executive Risk Committee for validation and approval. (More information on the functions of the Executive Risk Committee in the section "Risk Management Governance").

In relation to provisions and guarantees to cover environmental risks, it should be noted that NH Hotel Group makes investments in environmental activities that are valued at cost of acquisition and capitalized as a higher cost of property, plant and equipment or inventories in the year they are incurred.

Expenses derived from the protection and improvement of the environment are recorded in the income statement in the year in which they incur, independently of when the associated monetary or financial flow takes place.

Provisions relating to likely or certain liabilities, ongoing litigation and ongoing damage compensation or obligations relating to the environment, the amount of which has not been determined, not covered by the Company's insurance policies, are recorded at the start of the liability or obligation that determines a possible compensation or payment.

During 2021 NH Hotel Group has not received any significant fines for environmental non-compliance from the competent authorities in each region where it operates.





## ENVIRONMENTAL CERTIFICATION PROGRAMME

NH Hotel Group's hotels are certified under the ISO 14001 environmental management system and ISO 50001 energy efficiency system for accommodation services, restaurants, meetings and events. At the end of 2021, 47.3% of the hotels in Germany, Spain and Italy have ISO 14001 certification -a total of 96 hotels- and/or ISO 50001 -30 hotels-.

In addition to the ISO certification, some of the Group's hotels also have other environmental certifications such as: BREEAM, LEED, Green Key, Hoteles+Verdes. The goal is to have an increasingly significant volume of hotels with globally recognized environmental certification, specific to the tourist sector, and approved by the Global Sustainable Tourism Council, the leading body.

In 2021, 3 hotels obtained a sustainability recognition for the first time, giving a total of 161 certified hotels\* out of the 347 hotels in the portfolio.

**“46% of the Group’s hotels boast individual environmental certifications”**

\* Some NH Hotel Group hotels hold several certifications, and therefore the final figures correspond only to the number of hotels.

### Environmental certification at the end of 2021

Business Unit	Certification	Consolidated perimeter	Corporate perimeter
BU America	HOTELES +VERDES	5	6
	LEED	1	1
	GREEN KEY	8	9
BUNE	ISO 14001	0	1
	ISO 50001	27	27
	BREEAM	1	1
	GREEN KEY	40	41
	ISO 14001	68	69
BUSE	ISO 50001	30	30
	BREEAM	7	7
	GREEN KEY	3	4
<b>Total number of certified hotels</b>		<b>190</b>	<b>196</b>

### New hotels added to the certification programme in 2021

Hotel	Country	Type of certification
NH Nice	France	Green Key
NH Toulouse Airport	France	Green Key
NH Collection Marseille	France	Green Key



## RECOGNITIONS AND ALLIANCES TO FAVOR ENVIRONMENTAL MANAGEMENT

As a sign of our environmental commitment, 163 hotels in the portfolio have obtained TripAdvisor's Green Leaders awards, with a total of 46% of the Company's hotels holding this recognition.

During the year, 294 of the Company's hotels also obtained Booking's environmental badge and the entire portfolio is part of the HRS Green Stay initiative.

In September 2021, NH Hotel Group signed an alliance with Bioscore to rate independently the behaviour of all the hotels in the portfolio on the basis of six pillars (emissions, energy, water, waste, restoration and social responsibility).



NH Toulouse Airport  
Toulouse, France





## COMMITMENT TO THE FIGHT AGAINST CLIMATE CHANGE AND ADVANCING TOWARDS DECARBONIZATION

At NH Hotel Group, the fight against climate change is a fundamental strategic value, and with the aim of advancing in the definition of its climate strategy, an analysis was carried out during the year to determine how the Company is doing with respect to the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and what steps should be taken to be aligned with it in 2023.

The Board of Directors of NH Hotel Group is responsible for supervising the NH ROOM4 Sustainable Business model, defined as one of the pillars of the Company's strategy.

This supervision and control task is articulated through two of the Committees of the Board of Directors. On one hand, the Nominations, Remuneration and Corporate Governance Committee is responsible for monitoring and overseeing compliance with the model and NH Hotel Group's Social and Environmental Policy. On the other hand, the Audit and Control Committee is responsible for assessing any matter relating to risks, which includes environmental and climate risks.

The Chief People and Sustainable Business Officer and the Chief Operations Officer are responsible for environmental and climate impacts in the Management Committee and validate the Company's climate strategy set out in the NH ROOM4 Sustainable Business model. This coordinated function received a new boost on October 2<sup>nd</sup>, 2020 when the Chief Operations Officer was appointed as an executive member of the Board of Directors.

A working group has also been created with members from the areas of Operations, Procurement, Commercial, Assets, Building, Engineering and Maintenance, and Sustainability. This WG is meant to draw up and implement the **"2030 SBT Commitment Plan"** and report on its progress to the Chief People and Sustainable Business Officer and the Chief Operations Officer.

In 2019 the Company became the first Spanish hotel company to establish emission reduction targets that have been scientifically validated by the Science Based Targets initiative (SBTi) – the leading alliance and driving force in the business sector against climate change with the participation of CDP, the UN Global Compact, World Resources Institute and Worldwide Fund for Nature.

In doing so, NH Hotel Group formalises its commitment to reduce its carbon emissions throughout its value chain by 20% by 2030, thus avoiding the emission of more than 70,000 metric tons of CO<sub>2</sub> into the atmosphere. Setting this target marks out NH Hotel Group's roadmap towards a significant reduction in the carbon footprint of its activity in the coming years, aligned with the goal set out in the Paris Agreement to limit the increase in global temperature to less than 2°C, and join the efforts being made globally towards the transition to a low-carbon economy.





NH Collection Santiago  
Santiago de Compostela, Spain

## Climate risks and opportunities

Since 2019, NH Hotel Group has managed the risks deriving from Climate Change as part of the risk management model, after identifying Climate Change as one of the emerging risks for the Company.

At the same time, the climate risks the Company is exposed to are analyzed annually as part of the process of updating the environmental risk map, following the methodology in line with the corporate risk management model (see Risk Management chapter).

In the most recent update of the environmental risk map 2021, submitted to the Executive Risk Committee for validation, the most significant risks deriving from climate change identified were the Company's preparedness to comply with climate regulation in the different regions, the need to implement new technologies to operate in a low-carbon economy and the consequences of European regulation of single-use plastics.

This regulatory environment towards a modern economy, efficient in the use of resources and competitive and carbon-neutral will have an impact for NH Hotel Group both in terms of investments and in renovation of hotels or acquisition of new hotels. It should be borne in mind that 84% of the portfolio is in European cities.

The change in weather patterns also has a direct effect on heating and cooling systems, producing additional costs related to the operation and maintenance of buildings, as well as other costs such as insulation, the ceiling and maintenance of building exteriors.

Finally, as the Company has been forced to reduce investments in the last two years to ensure business continuity, the incorporation of new technologies that will allow us to move towards a low-carbon operating model has slowed down. In the coming years, in order to direct the operation towards this model, we will return to our commitment to prioritise investments that contribute to this transformation.

The constant analysis of the climate risks we may be exposed to enables us to be alert so that we can turn them into an opportunity for the Company. We have managed to optimize operational processes and obtain savings thanks to reduction in energy and water consumption, totaling more than 31 million euros since 2008. In addition to this good performance in terms of efficiency, the Company's climate commitments and the visibility given to all this have enabled NH Hotel Group to position itself as a sustainable business that respects the environment, thus increasing the value of its brands.

As a result of the analysis of the Company's alignment to the recommendations of the TCFD, throughout 2022 an exercise will be carried out to improve the current methodology for identifying exposure to physical and transitional risks and opportunities associated to Climate Change, which will include



## Mitigation and adaptation measures

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



**Control and monitoring** - the level on which work is being done to improve data capture and analysis, both from the activities of the hotels and of their suppliers and seek an alignment of commitments to reduce emissions in the value chain.



**Energy efficiency** - considers all actions that can improve efficiency in the hotel's energy consumption.



**Green energy** considering both the installation of renewable energy for own consumption and the purchase of green electricity.



**Emission offset strategy**, with a twofold objective. On one hand, to use offset as an exceptional alternative in order to comply with the annual targets set and on the other hand give visibility to the Company's climate commitment by involving guests in it.



**Carbon analysis in development projects** to anticipate the needs of adaptation of new properties to the climate goal so that it is not compromised.

The Company also has a corporate guideline "Eco-Efficient Hotel Guide" to integrate sustainability and energy efficiency in the design and construction of new hotels and in renovation. This guide assures that all the activities of its buildings will take environmental guidelines and the risks of climate change into account in design and construction in order to minimize and control risks.

### Carbon footprint

	Total emissions (eq Tn CO <sub>2</sub> )			Emissions ratio (eq kg CO <sub>2</sub> /RN)		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
<b>Scope 1</b>						
BU America	4,214	1,963	114.7	7.27	5.39	34.9
BUNE	28,150	18,022	56.2	12.67	8.88	42.7
BUSE	16,493	13,665	20.7	5.39	7.47	-27.8
<b>Total</b>	<b>48,858</b>	<b>33,650</b>	<b>45.2</b>	<b>8.34</b>	<b>7.97</b>	<b>4.6</b>
<b>Scope 2</b>						
BU America	9,183	6,192	48.3	15.83	16.99	-6.8
BUNE	34,881	22,164	57.4	15.70	10.92	43.8
BUSE	2,808	1,678	67.3	0.92	0.92	0.0
<b>Total</b>	<b>46,872</b>	<b>30,034</b>	<b>56.1</b>	<b>8.00</b>	<b>7.11</b>	<b>12.5</b>
<b>Scope 1+2</b>						
BU America	13,397	8,155	64.3	23.10	22.38	3.2
BUNE	63,031	40,186	56.8	28.36	19.80	43.2
BUSE	19,301	15,343	25.8	6.31	8.39	-24.8
<b>Total</b>	<b>95,730</b>	<b>63,684</b>	<b>50.3</b>	<b>16.34</b>	<b>15.08</b>	<b>8.4</b>

As most hotels have remained open throughout 2021, total emissions have increased considerably in all Business Units. However, although occupancy has also increased compared to the previous year, the increase has not been significant enough to be reflected in a decrease in the ratios, as many hotels have remained operational but with very low occupancies, especially in the Northern Europe Business Unit. This recovery in demand has only had an impact on the ratio in the Southern Europe Business Unit where it has materialised with a decrease in the ratio.

Following validation of the emission reduction targets by SBTs, NH Hotel Group has estimated following this methodology, a total Scope 3 emissions of 188,490 teq CO<sub>2</sub>\* in 2021.

The Company also participates in different forums and projects to promote the fight against climate change and the reduction of carbon emissions and consumption.

\* Published scope 3 emissions do not fall within the scope of the audit.



NH Collection Jousten  
Buenos Aires, Argentina



## EFFICIENT MANAGEMENT AND RESPONSIBLE CONSUMPTION OF RESOURCES



### GREEN SAVINGS PROJECT

A project focused both on obtaining savings in the Company's operating costs, as well as in energy efficiency, to ensure savings in resources: water, energy and other expenses.

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

#### Energy efficiency plan

This plan groups together "energy efficiency" projects, considering all those that can improve energy consumption in the hotels, as well as the associated costs:

- Changes in equipment, where the replacement involves greater efficiency: light bulbs, minibars, washing equipment, heating and air-conditioning, boilers, coolers...
- Investments related to control of installations: building energy management systems, update of meters, improvements in lighting...
- Actions on building façades that represent improvements in the envelope and in insulation.
- Additionally, in 2019 the Company created a new CapEx line aimed at projects where not only the economic return is sought, but also the environmental return. Some of these projects are the elimination of fossil fuels and the increase of renewable energy.

During 2021, projects that improve energy efficiency have been implemented, worth 1.58 million euros.





**Energy consumption by source (kwh)**

	2021	2020	Difference (in %)
Natural Gas	231,928,459	158,959,514	45.9
Gas Oil	1,654,765	1,301,329	27.2
LPG	3,276,133	1,885,104	73.8
Propane	797,170	422,208	88.8
BTZ	1,343,329	871,032	54.2
Biomass	344,370	143,800	139.5
Electricity	216,349,575	175,225,547	23.5
Renewable Electricity	134,767,305	106,311,658	26.8
District heating	45,331,191	38,543,552	17.6
District cooling	2,124,436	1,301,324	63.3
<b>Total</b>	<b>503,149,428</b>	<b>378,653,410</b>	<b>32.9</b>

**Energy Consumption**

	Energy consumption (kWh)			Energy ratio (kWh/RN)		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
BU America	45,791,931	29,127,942	57.2	78.95	79.93	-1.2
BUNE	265,444,497	199,601,249	33	119.45	98.33	21.5
BUSE	191,913,000	149,924,219	28	62.77	81.98	-23.4
<b>Total</b>	<b>503,149,428</b>	<b>378,653,410</b>	<b>32.9</b>	<b>85.87</b>	<b>89.66</b>	<b>-4.2</b>

As most hotels have remained open for most of 2021, energy consumption has increased in all Business Units.

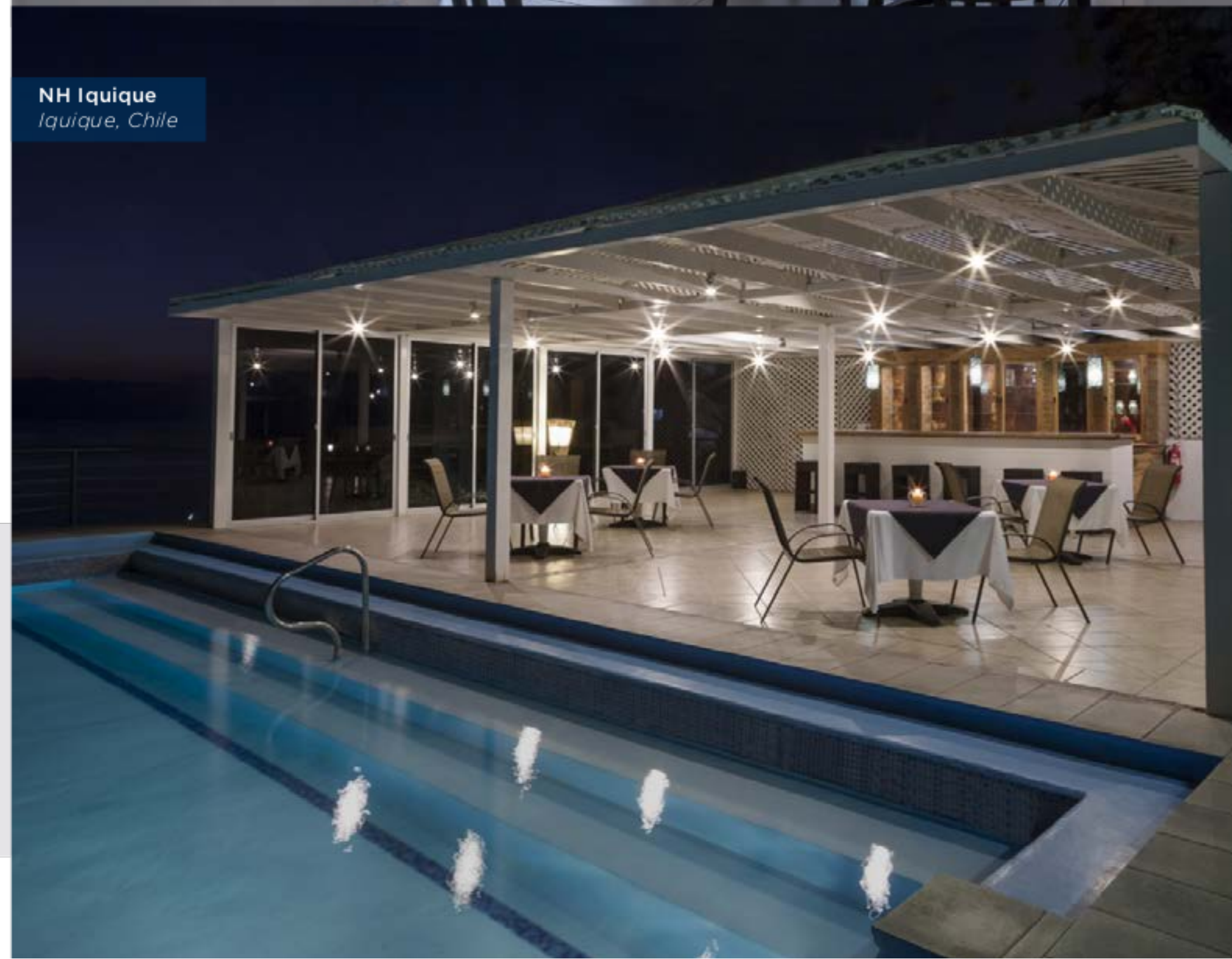
The increase in the ratio of the Northern Europe Business Unit compared to the rest of the Business Units was due to the drastic decrease in hotel activity in the third quarter of 2021 (hotels remained open in some locations) and therefore maintained their operations with very low occupancy, which contributed to the increase in the ratio. Furthermore, analysing the degree days recorded, it can be seen that 2021 has been a year of greater climatic demands than the previous year, especially in the heating season and, although the increase is generalised in all Business Units, in Northern Europe it is more pronounced in the cold season, which has also contributed to the increase in the ratio.

**ALLIANCE WITH ABASTIBLE**

The NH Antofagasta and NH Iquique hotels joined Abastible to design a comprehensive energy solution with sustainable added value. Abastible is a local Chilean company that provides clean and environmentally friendly energy. The project provides for the generation of domestic hot water, pool temperature regulation in the case of NH Antofagasta and heating for terraces, permitting optimal use of fuel, a reduction in energy costs and a more sustainable operation. The proposal includes the installation of new boilers in both hotels, which will have a positive effect on the greenhouse gas emissions associated to these hotels.



NH Antofagasta  
Antofagasta, Chile



NH Iquique  
Iquique, Chile



**WATER MANAGEMENT**

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

Once again, this year we have worked with Aqueduct, a tool of the World Resources Institute (WRI), that allows us to identify the areas with the highest risk of water stress worldwide and monitor the properties we operate in these areas to ensure preventive adoption measures. The result of the analysis is that 29% of the hotels in NH Hotel Group’s portfolio are in areas with high water stress.

**Water withdrawal from supply networks**

	Consolidated perimeter					
	Water withdrawal (m <sup>3</sup> )			Water ratio (m <sup>3</sup> /RN)		
	2021	2020	Difference (in %)	2021	2020	Difference (in %)
BU America	312,521	238,278	31.2	0.539	0.654	-17.6
BUNE	1,148,610	855,204	34.3	0.517	0.421	22.8
BUSE	1,223,971	828,534	47.7	0.403	0.453	-11.1
<b>Total</b>	<b>2,685,102</b>	<b>1,922,016</b>	<b>39.7</b>	<b>0.460</b>	<b>0.455</b>	<b>1.0</b>

Since most hotels have remained open for most of 2021, water consumption has increased in all Business Units. Particularly noteworthy is the increase in BUSE where the recovery of demand has been faster than in the rest of the Business Units.

The increase in the ratio of BUNE compared to the rest of the Business Units was due to the drastic decrease in hotel activity in the third quarter of 2021 (hotels remained open in some locations) and therefore maintained their operations with very low occupancy, which contributed to the increase in the ratio.

Water entering hotels for use in kitchens, cleaning, bathrooms, filling swimming pools, etc. is discharged into municipal sewage networks. Water consumption attributable to losses that could be caused by evaporation in swimming pools or fountains, irrigation, or cistern tanks and fire water is insignificant.





**WASTE MANAGEMENT AND CIRCULAR ECONOMY**

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

Likewise, NH Hotel Group, in its commitment to mitigate the impact on the environment, studies the different ways in which the Company’s inputs, activities and products affect the environment and the sustainable development of the business.

In 2021, NH implemented a monitoring system for hazardous waste such as: contaminated packaging; paints, varnishes and solvents; contaminated absorbents and rags; aerosols; fluorescent tubes and lamps; electrical and electronic equipment; and button cells. As well as non-hazardous waste requiring special treatment: alkaline batteries; toner; and used cooking oil.

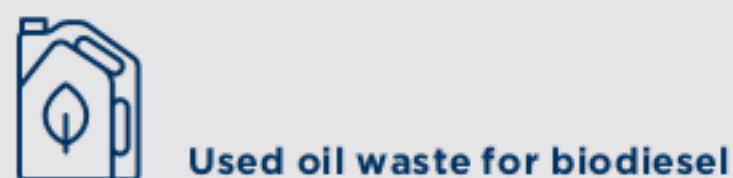
Being the first year of its implementation, this year NH Hotel Group has collected the following information:

**Management of hazardous waste & special treatment waste 2021**

Consolidated perimeter			Corporate perimeter		
Scope (%)	Hazardous Waste (t)	Non-hazardous waste with special treatment (t)	Scope (%)	Hazardous Waste (t)	Non-hazardous waste with special treatment (t)
25	14.59	35.43	23	14.89	51.44

Regarding the management of this waste, NH Hotel Group is subject to the particularities of each country. Therefore, in some places, as is the case in Spain, the Company collaborates with third parties for the collection and management of waste. But in other countries, they manage the collection through direct agreements with the municipal collection services.

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



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



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

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

**Alliance with TooGoodToGo**

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



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

The App has been implemented in 62 hotels in Spain and more will be added as the hotels reopen. The good results of the initiative ensure that it will gradually be extended to more hotels and locations.

This year, 23,558 food packs have been saved, which represents more than 23,558 kg of food that has not been wasted and the equivalent of having saved the emission of 58,895 kg of CO<sub>2</sub>eq.



Following the directives of the European Union we have replaced our pens made with oxo-biodegradable material with others made using compostable material (Wheat Straw) and resins. These new pens are in production and will be used in the hotels at the start of 2022. The Company has extended this action to countries outside the European Union (e.g. Latin America).





### New Amenities

As part of NH Hotel Group's commitment to improving the impact of its activity on the environment, and offer our guests the best experience, a new line of amenities has been introduced for all our brands. The new amenities allow us to eliminate all single-use plastics in our room set-up, replacing them with new 100% recycled and recyclable PET, complemented with a new line of bathroom accessories made using biodegradable materials (wheat straw) presented in 100% recycled paper packaging (eliminating chemical dyes or varnishes used in packaging). In addition to this, the new products do not contain parabens, silicones, or alcohol; they have not been tested on animals and are EcoLabel certified.

This project has enabled us to reach the following milestones:

- Switching bottles from 50ml to 320ml: elimination of 14 million bottles of plastic per year, which represents a saving of 45 metric tons of plastic per year, a reduction of 40% in metric tons of plastic and 364 metric tons of CO<sub>2</sub> not emitted.
- Elimination of 5 million bars of soap, representing a reduction of 70 metric tons of soap.
- The use of EcoLabel certified products means that all the products included in our amenities that reach the sea do not harm the environment.
- New accessories, both the products and their packaging, are made with sustainable materials, recycled plastic, biodegradable articles, etc.

Although the consumption of raw materials is not identified as a significant aspect for NH Hotel Group in its analysis of environmental risks, European legislation on single-use plastic does have a relevant impact.



### CORK2CORK project

This is a project created with the aim of promoting the circular economy and encouraging recycling, reuse and other forms of recovery. This project is a pioneering sustainable initiative in the European hotel sector, which NH Hotel Group has developed together with the leading companies in cork coverings and stoppers, Amorim.

The aim of the initiative is to recover and recycle used cork stoppers from bottles in its hotels to give them a new use, by turning them into material for covering or insulation that can be used in the group's rooms. This insulating material reduces noise pollution and the needs for artificial climate control in the rooms, thus improving their energy efficiency.





## DEVELOPMENT OF MORE SUSTAINABLE PRODUCTS



### GREEN HOTEL PROJECT

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

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

#### EcoFriendly meetings

The Group's hotels strive to involve customers during their events, offering the "Eco-friendly Meetings" service and the carbon footprint calculation and offsetting service for the events and meetings held.

The event's carbon footprint is calculated following an internal procedure based on the GHG protocol and in the IPCC (Intergovernmental Panel on Climate Change) "Guidelines for preparing national greenhouse gas inventories". The calculation of the event's carbon footprint includes transport and the use of meeting rooms, as well as the hotel rooms selected.

#### Sustainable mobility

During guests' stays and sightseeing trips, the Company offers mobility services such as carsharing or bicycle hire. Currently there are more than 26 hotels that offer bicycle hire services, as well as charging points for electric cars installed in 48 hotels.

In 2021, an agreement was signed with a partner that will fit all the hotels in Spain and Portugal with charging points in line with current standards (semi-fast charging), at competitive service conditions for the customers of NH Hotel Group. The intention is to extend this model to other countries, where the demand for charging points is growing and an essential requisite.

#### Alliance with Volvo and ENEL

NH Hotel Group has created an alliance with Volvo and Enel and has installed a charging totem for electric vehicles next to the NH Plaza Santiago hotel in Chile. For greater impact, it is accessible to both guests and the public. This is the first Volvo totem to be installed in Chile. The goal of this project is to place charging points through subsidiaries of Enel in the capital cities where NH Hotel Group is present in the Americas Business Unit area.



## CUSTOMER SATISFACTION WITH SUSTAINABILITY

NH Hotel Group measures customer satisfaction in terms of its sustainability management. This satisfaction is calculated on the basis of the annual number of opinions and the score of these opinions collected by the internal Quality Focus tool.

#### Top 10 NH Hotel Group hotels rated highest in terms of sustainability by customers

Business Unit	Hotel	Score (0-10)
BUNE	nhow Rotterdam	8.30
	NH Conference Centre Leeuwenhorst	8.16
	NH Zandvoort	7.94
BUSE	NH Sants Barcelona	8.71
	NH Iruña Park	8.68
	NH Collection Santiago	8.66
	NH Málaga	8.63
	NH Collection Aránzazu	8.61
	NH Collection Palacio de Burgos	8.36
	NH Schiphol Airport	8.58

The table above shows the 10 hotels with the highest customer ratings. In order to draw it up, we have used the indicator that relates the number of reviews with the score of the hotel in order to reflect the reality of the customer's perception.



NH Sants Barcelona  
Barcelona, Spain



NH Conference Centre Leeuwenhorst  
Noordwijkerhout, The Netherlands



## OTHER NOTABLE PROJECTS

### BULK PRODUCTS

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

The initiative is being carried out in the hotels NH Mendoza Cordillera (Argentina), NH Collection Medellín (Colombia), NH Cali (Colombia), NH Collection Royal Teleport (Colombia), NH Collection Royal Hacienda (Colombia), NH Collection Guadalajara Providencia (México), NH Collection Mexico City Reforma (México), NH Collection Mexico City Centro Histórico (México), NH Collection Aeropuerto T2 Mexico (México) and NH Collection Plaza Santiago (Chile).

### BOTTLE CAP COLLECTION FOR SOCIAL PROJECTS

The hotels belonging to the Americas BU have carried out a project to reduce plastic waste and generate resources that are converted into health.

This initiative involves collecting plastic bottle caps for recycling to fund treatments and care for children and young people with cancer. The collection is carried out through containers installed in the hotels and both guests and employees are encouraged to participate. This has been possible thanks to the collaboration with respected foundations such as Banco de Tapitas, Fundación Sanar Niños con Cáncer, Fundación Garrahan and Damas de Café.

### SUSTAINABLE FISHING

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

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







NH Milano Congress Center  
Milano, Italy

### URBAN VEGETABLE GARDENS

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

NH Collection Royal Medellín (Colombia) takes care of an ecological vegetable garden where aromatic herbs such as parsley, thyme, mint, rosemary, peppermint, basil, oregano, etc. are grown. These herbs, which are free from pesticides and have a high nutritional value, are used in the hotel kitchen. This hotel also cares for the green area around its hotel, favoring the habitat of numerous animal species, maintaining the connection passageway between natural areas and favoring the reduction in noise and pollutants. This green area is open to guests to enjoy.

The Hilton Mexico City Airport and NH Collection Royal Hacienda have also added a small vegetable garden to their exterior garden areas where aromatic plants are grown that are also used in the hotel's kitchen.

In Italy, the NH Collection Piazza Carlina and the NH Milano Congress Center also have vegetable gardens with aromatic plants; and the NH Orio al Serio has another small garden where lettuces and tomatoes are grown.

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

### HOTELS FOR BEES

Conscious of the limited space in cities for biodiversity, their importance in ecosystems and aware of the critical situation of bees in Europe, the number of hotels that provide a home for bees on their roofs in a way that is safe for guests has increased. These hotels are: NH Wien City (Austria), NH Collection Wien Zentrum (Austria), NH Danube City (Austria), NH Vienna Airport (Austria), NH Berlin Alexanderplatz (Germany), NH Potsdam (Germany) and NH Köln Altstadt (Germany) and NH München Ost Conference Center (Germany).

### FREE-RANGE EGGS

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



# AWARDS TO NH HOTEL GROUP IN 2021







NH Collection Mexico City Santa Fe  
Mexico City, Mexico

# AWARDS TO NH HOTEL GROUP IN 2021

NH Hotel Group works to consolidate its position as global benchmark in excellence, innovation and sustainability in the tourism sector. The awards and recognitions obtained in 2021 reflect the commitment to continue advancing on this road.

## AWARDS AND RECOGNITIONS TO HOTELS

### BOOKING.COM TRAVELER REVIEW AWARDS 2021

- Anantara The Marker (Top 9)
- NH Cancún (winner)
- NH Capri La Habana (winner)
- NH Collection Antwerp Centre (Top 9)
- NH Collection Eindhoven Centre (Top 9)
- NH Collection Guadalajara Providencia (winner)
- NH Collection Mérida Paseo Montejo (winner)
- NH Collection Mexico City Aeropuerto T2 (winner)
- NH Collection Mexico City Centro Histórico (winner)
- NH Collection Mexico City Reforma (winner)
- NH Collection Mexico City Santa Fe (winner)
- NH Collection Olomouc (Top 9)
- NH Mexico City Valle Dorado (winner)
- NH Monterrey La Fe (winner)
- NH Puebla Centro Histórico (winner)
- NH Querétaro (winner)
- NH San Luis Potosí (winner)
- nhow Amsterdam RAI (Top 9)
- nhow London (Top 9)

### BRITISH AIRWAYS CUSTOMER EXCELLENCE AWARDS 2021

- NH Collection Barbizon Palace (winner)
- NH Collection Berlin Friedrichstrasse (winner)
- NH Collection Grand Hotel Convento di Amalfi (winner)
- NH Collection Grand Hotel Krasnapolsky (winner)
- Tivoli Carvoeiro Algarve Resort (winner)

### TOURISM SECRETARIAT OF QUINTANA ROO (MEXICO)

- Certification on health protection and prevention in tourist facilities awarded to NH Cancún

### CONDÉ NAST JOHANNSENS

- Anantara Villa Padierna Palace Benahavis Marbella Resort: best hotel with spa



### CONDE NAST READERS' CHOICE AWARDS (USA & UK)

- Anantara The Marker (Top 50 world)
- Anantara Vilamoura Algarve Resort (Top 15 Europe)
- NH Collection Barbizon Palace (Top 10 Amsterdam)
- NH Collection Grand Hotel Krasnapolsky (TOP 10 Amsterdam)
- NH Collection Roma Fori Imperiali (TOP 10 Rome)
- Tivoli Marina Vilamoura Algarve Resort: (TOP 20 Europe)
- Tivoli Palacio de Seteais Sintra (TOP 15 Spain and Portugal)

### DIAMOND AWARDS AAA (USA)

- NH Collection Guadalajara Providencia (4 diamonds)
- NH Collection Mexico City Centro Histórico (3 diamonds)

### FORBES TRAVEL GUIDE

- Anantara New York Palace Budapest
- Anantara The Marker
- NH Collection Prague Carlo IV

### INTERNATIONAL TRAVEL AWARDS (ITALY)

- NH Collection Roma Fori Imperiali: Best 5-star boutique hotel

### LA RAZÓN TOURISM AWARDS (SPAIN)

- Collection Firenze Palazzo Gaddi; best international hotel

### LOVED BY GUESTS 2021

- NH Collection Bogotá Hacienda Royal (winner)
- NH Collection Bogotá WTC Royal (winner)
- NH Bariloche Edelweiss (distinction)
- NH Bogotá Pavillion (distinction)
- NH Buenos Aires 9 de Julio (distinction)
- NH Buenos Aires City (distinction)
- NH Buenos Aires Florida (distinction)
- NH Buenos Aires Latino (distinction)
- NH Buenos Aires Tango (distinction)
- NH Ciudad de Santiago (distinction)
- NH Collection Buenos Aires Centro Histórico (distinction)
- NH Collection Buenos Aires Crillon (distinction)
- NH Collection Buenos Aires Jousten (distinction)
- NH Collection Buenos Aires Lancaster (distinction)
- NH Collection Plaza Santiago (distinction)
- NH Córdoba Urbano (distinction)

Anantara The Marker  
Dublin, Ireland





Anantara New York Palace Budapest Hotel  
Budapest, Hungary



### LUXURY LIFESTYLE MAGAZINE READERS CHOICE AWARDS (UK)

- Anantara New York Palace Budapest Hotel (Best hotel in Europe)
- Anantara Sahara Tozeur Resort & Villas (4<sup>th</sup> best hotel in Africa)
- Anantara The Marker (Top 20 hotels in Europe)
- Anantara Vilamoura Algarve Resort (2<sup>nd</sup> best hotel in Europe)
- Anantara Villa Padierna Palace Benhavis Marbella Resort (4<sup>th</sup> best hotel in Europe)
- NH Collection Amsterdam Doelen (Top 35 hotels in Europe)
- NH Collection Barcelona Gran Hotel Calderon (Top 30 hotels in Europe)
- NH Collection Bogota Teleport Royal (2<sup>nd</sup> best hotel in South America)
- NH Collection Buenos Aires Crillon (Top 5 hotels in South America)
- NH Collection Firenze Palazzo Gaddi (Top 25 hotels in Europe)
- NH Collection Grand Hotel Convento di Amalfi (Top 10 hotels in Europe)
- NH Collection Grand Hotel Krasnapolsky (Top 40 hotels in Europe)
- NH Collection Guadalajara Providencia (Top 5 hotels in North America)
- NH Collection Madrid Gran Via (Top 45 hotels in Europe)
- NH Collection Madrid Suecia (Top 45 hotels in Europe)
- NH Collection Mexico City Centro Historico (Top 10 hotels in North America)
- NH Collection New York Madison Avenue (4<sup>th</sup> best hotel in North America)
- NH Collection Prague Carlo IV (Top 20 hotels in Europe)
- NH Collection Santiago Casacostanera (Top 10 hotels in South America)
- NH Collection Venezia Murano Villa (Top 40 hotels in Europe)
- nhow Amsterdam RAI (Top 40 hotels in Europe)
- nhow London (Top 3 best hotels for design in the UK)
- Tivoli Avenida Liberdade (Top 35 hotels in Europe)
- Tivoli Palácio de Seteais (Top 30 hotels in Europe)

### PROVINCIE AWARD 2021 (THE NETHERLANDS)

- NH Amsterdam Schiphol Airport: 2<sup>nd</sup> best hotel for meetings

### TATLER TRAVEL GUIDE 2021

- Tivoli Palacio de Seteais Sintra: best hotel in the world

### TRAVEL & HOSPITALITY AWARDS

- nhow London: luxury hotel of the year

### TRIPADVISOR TRAVELER CHOICE AWARDS

- 232 of the Group's hotels received this accolade in 2021

### VANITY FAIR (ITALIA)

- NH Collection Roma Fori Imperiali (Top 20 best hotels with views)

### WINE SPECTATOR

- Anantara Vilamoura Algarve Resort (award for excellence)



## SUSTAINABILITY AWARDS

### S&P GLOBAL – SUSTAINABILITY RANKING

NH Hotel Group has obtained the “Bronze Class” recognition for its excellent performance in sustainability for the second consecutive year. The company has been included in “The Sustainability Yearbook 2022”, published annually by S&P Global, as the third most sustainable company in the world within the hotel sector.

### BLOOMBERG GENDER EQUALITY 2021

In January 2022 NH Hotel Group was included for the second time in the Bloomberg General Equality Index 2021 and is the only Spanish hotel company among the 380 corporations included in the index.

### EL ECONOMISTA AWARDS

- NH Hotel Group has been recognized for its commitment to gender equality and diversity

### HOTEL BUSINESS SOCIAL RESPONSIBILITY AWARDS

- Special Covid Award for NH Response

### BUILDING AWARDS

- NH Collection Copenhaguen finalist in the Sustainability Award category

### CLEAN POINT CERTIFICATE

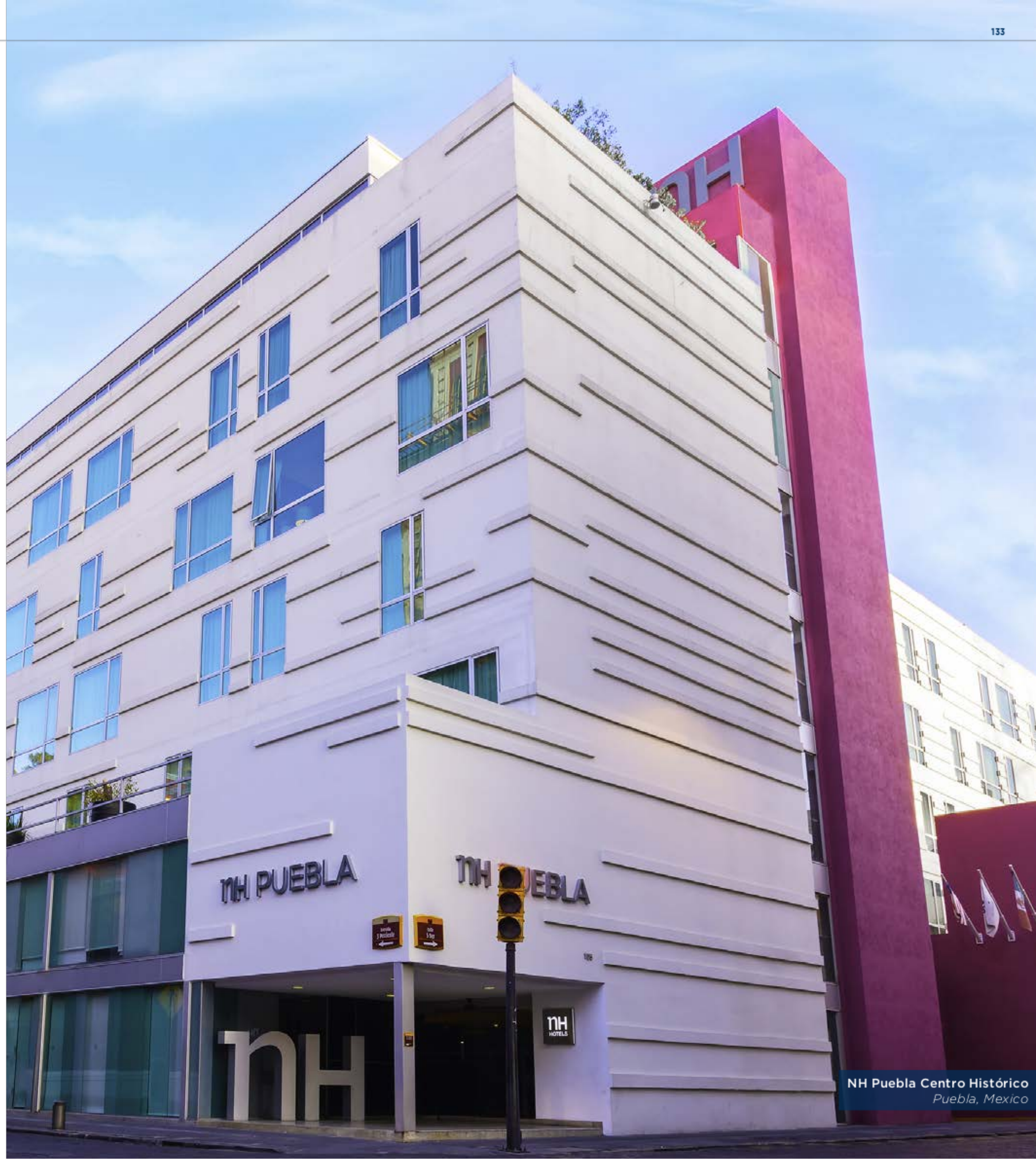
- NH Puebla Centro Histórico recognized in the awards

### CERTIFICADO ECOSAFE BY ECOLAB

- Hilton Mexico City Airport rewarded for assuring health and safety in its kitchens

### HALLBARS SUSTAINABILITY REPORT AWARDS

- Winner for the Consolidated Statement of Non-Financial Information 2020





## INNOVATION AND EXPERIENCE AWARDS

### BOOKING.COM TRAVELER REVIEW AWARDS 2021 (ITALY)

- 38 Italian hotels have been winners of these awards

### CLEAN HOTEL

- Distinction awarded to the NH Collection Monterrey San Pedro as a clean point certified by the Association of Hotels of Nuevo León

### DISTINTIVO H 2021

Awarded to hotels that meet hygiene standards in handling food according to Mexican Standard NMX-F-605-NORMEX-2018.

- Hilton Mexico City Airport
- NH Cancún
- NH Collection Guadalajara Providencia
- NH Collection Mérida Paseo Montejo
- NH Collection Mexico City Aeropuerto T2
- NH Collection Mexico City Centro Histórico
- NH Collection Mexico City Reforma
- NH Collection Mexico City Santa Fe
- NH Mexico City Valle Dorado

### EXCELLENCE IN COMPLIANCE WITH QUALITY STANDARDS

- Awarded to NH Collection Quito Royal

### FITUR AWARDS

- Best company stand in 2021

### QUALITY INNOVATION AWARDS

- Mobile Guest Service winner in the category of Innovation in Large Companies

### COVID-19 RISK ANALYSIS, PREVENTION AND VIGILANCE IN HOTELS

- Distinction awarded to the NH Collection Monterrey San Pedro

### SAFE TRAVELS BY WORLD TRAVEL & TOURISM COUNCIL

- NH Cancún
- NH Capri La Habana
- NH Collection Guadalajara Providencia
- NH Collection Mérida Paseo Montejo
- NH Collection Mexico City Aeropuerto T2
- NH Collection Mexico City Centro Histórico
- NH Collection Mexico City Reforma
- NH Collection Monterrey San Pedro
- NH Mexico City Valle Dorado
- NH Monterrey La Fe
- NH Puebla Centro Histórico
- NH Querétaro
- NH San Luis Potosí

### TRIPADVISOR TRAVELERS CHOICE AWARDS 2021

- 233 company hotels included in the awards







## GASTRONOMIC AWARDS AND ACCOLADES

### BALC (BARILOCHE A LA CARTA)

- NH Bariloche Efelweiss, best dessert.

### GURMÉ MÁLAGA AWARDS

- 99 sushi Bar in Anantara Villa Padierna Palace Marbella, best international restaurant

### BEST CHEF 2021

- Jacob Jan Boerma - The White Room (NH Collection Grand Hotel Krasnapolsky), Top 6 chefs in the Netherlands.

### TRAVELLERS' CHOICE BEST OF THE BEST AWARD 2021

- VANE Restaurant, Top 10% best restaurants in the world.
- Vermeer Restaurant, Top 1% best restaurants in the world.

## TALENT AWARDS AND ACCOLADES

### BAR AWARDS 2021

- NH Collection Grand Hotel Convento di Amalfi, Top 10 hotel general managers.

### PRO-MOTOR AWARDS 2021

- NH Amsterdam Zuid, 2<sup>nd</sup> best hotel for learning.



# PRINCIPLES GOVERNING THE PREPARATION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION





# PRINCIPLES GOVERNING THE PREPARATION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

## REPORTING FRAMEWORKS

To prepare the Consolidated Statement of Non-Financial Information, the following global and national principles and standards have been taken into account:

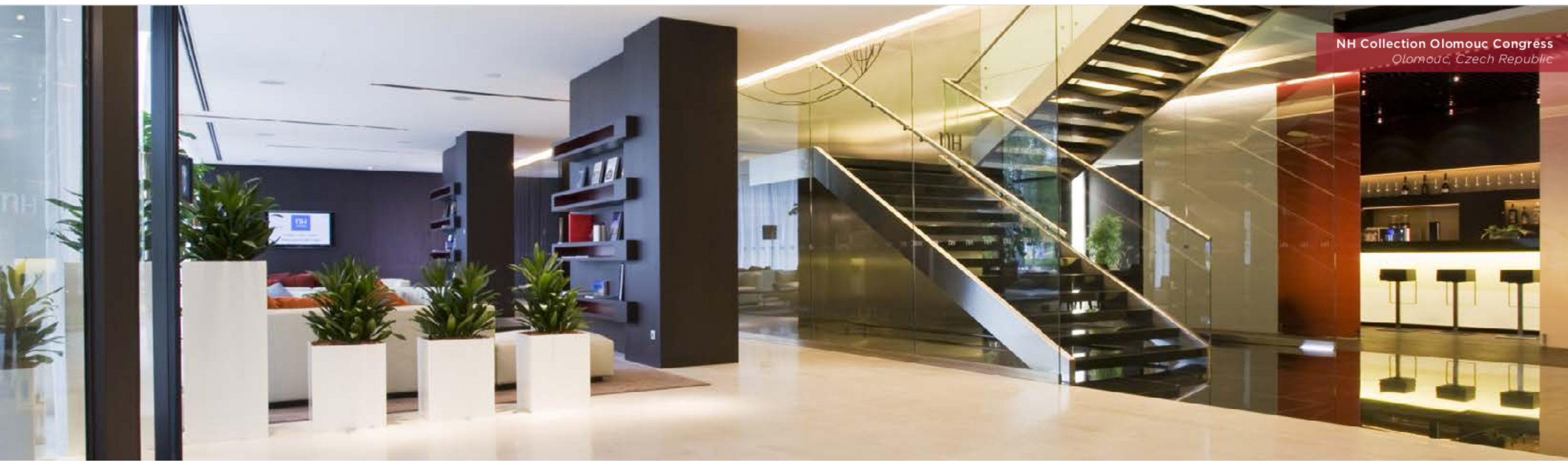
- Act 11/2018 on Non-Financial and Diversity Reporting, published in Official State Gazette number 314, of December 29<sup>th</sup>, 2018.
- Consolidated Standards for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI), core option; In this report, the GRI Standards used correspond to the 2016 version, except for the following: 207: Taxation (2019), 303: Water and Effluents (2018), 306: Waste (2020) and 403: Occupational Health and Safety (2018).
- Commitment to the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDG).

## BALANCE AND COMPARABILITY

The purpose of the Report is to publish a balanced, accurate and coherent report of the Group's performance, linked to the issues relevant to its strategy and to its stakeholders. In this regard, the comparability of data and information regarding previous years is key as a tool for traceability and evolution of such information. This Report, as in previous editions, has been drawn up with the involvement and participation of the heads of business areas and dialogue with each stakeholder group, making it possible to align the reported information with the relevant aspects for the stakeholders and to respond to their expectations. This has involved an internal process of gathering and checking information against indicators and quantitative and qualitative measurement data of the sustainable management of NH Hotel Group.

## VERIFICATION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

The Consolidated Statement of Non-Financial Information has been verified externally by PricewaterhouseCoopers. The independent review report can be seen in APPENDIX IV to this document.



NH Collection Olomouc Congress  
Olomouc, Czech Republic



# APPENDIX I: TABLE OF INDICATORS

As a result of NH Hotel Group's Policies, the following indicators are available to monitor them.

Indicator	2021	2020
<b>PROFILE</b>		
Portfolio of hotels	353	361
Number of rooms	55,063	55,371
Number of customers	35 M	33 M
Subsidies (in million euros)	170	59
Net income (in million euros)	(134)	(437)
Total revenues (in million euros)	834 M€	540 M€

## NH ROOM 4 PEOPLE

Indicator	2021	2020
<b>EMPLOYEES</b>		
Average number of employees	10,071	11,112
Indefinite contracts	81%	87%
Average turnover	20.8%	21%
Employed in a country other than the country of origin	22%	22%
Women in the workforce	51%	51%
Women in management	44%	44%
Employees under 25 years old	7%	9%
Employees between 25 and 40 years old	41%	44%
Employees over 40 years old	52%	47%
Number of nationalities	133	132
Employees with disabilities	85	89
<b>TRAINING</b>		
Hours of training through NH University	74,759	68,902
Total investment in training (in thousands of euros)	372,611	231,481
<b>COMMUNITY</b>		
Social Initiatives	55	73
Number of NH volunteers	605	524
Social action investment (in thousands of euros)	81	49
Contribution NGO Tariff (in thousands euros)	13	14
Contribution to Friends & Family Rates + Employees Rate (in thousands euros)	131	87.8
Hotels with heart programme: agreements with NGOs	13	31
Hotels with heart programme: number of roomnights donated	1,006	317
Hotels with heart: number of hotels involved	14	30

## NH ROOM 4 PLANET

Indicator	2021	2020
Investment in energy efficiency	1.58 M€	3 M€
% of electric energy consumed by hotels of the Europe Group	62%	69%
Energy consumption (kWh)	503,149,428	378,653,410
Energy ratio (kWh/RN)	85.87	89.66
Water consumption (m <sup>3</sup> )	2,685,102	1,922,016
Water ratio (m <sup>3</sup> /RN)	0.46	0.46
Carbon footprint - CO <sub>2</sub> Emissions (teq CO <sub>2</sub> )	95,730	63,684
Carbon footprint -Emissions ratio of CO <sub>2</sub> (kg CO <sub>2</sub> /RN)	16.34	15.08
Number of certified hotels	161	157

## NH ROOM 4 RESPONSIBLE SHARED SUCCESS

Indicator	2021	2020
<b>CLIENTS</b>		
Customer ratings - NH survey	8.6	8.7
Customer ratings - On line surveys	8.3	8.4
Customer Care Total Contact	24,025	13,851
Number of hotels adapted to special needs	344	349
<b>SUPPLIERS</b>		
Total number of suppliers	10,256	11,225
Suppliers signing Code of Conduct	1,756	1,816
Number of Ethical Codes signed with active suppliers	169	71
% of purchases to local suppliers	83%	94%
Total purchase volume (CapEx+OpEx) (in million euros)	295.9 M€	264.7 M€
<b>ALLIANCES</b>		
Contribution to associations (in thousands of euros)	345,940 €	116,528 €
Contribution to sectorial non-profit associations (in thousands of euros)	192,342 €	82,782 €
Contribution to non-profit associations (in thousands of euros)	39,051 €	6,819 €



# APPENDIX II: TABLE OF CONTENTS ACT 11/2018 ON NON-FINANCIAL REPORTING AND DIVERSITY

Below are the non-financial key performance indicators required by Law 11/2018 of 28 December on non-financial reporting and diversity, their relationship with the indicators of the Global Reporting Initiative (GRI) standard and the pages of this report where the relevant information can be found:

Areas Act 11/2018 of December 28 <sup>a</sup>	Contents	GRI standards/ Other related regulations	GRI description	Section Title
<b>Business Model</b>	Brief description of the Group's business model, which will include: 1. Business environment 2. Organization and structure 3. Markets where it operates 4. Objectives and strategies 5. Main factors and trends that could affect its future evolution.	102-2	Activities, brands, products and services	NH Hotel Group Business Model Model (Sections: "NH Hotel Group Strategy" and "Key strategies in 2021")
		102-6	Markets served	Our presence in the world 2021
<b>Policies</b>	A description of the policies the group applies in relation to these matters, including: 1. Due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts 2. Verification and control procedures, including what measures have been adopted.	103	Management approach	Risk Management (Sections "Responsibility Risk Management" and "Risk Management Model")
<b>Results of policies</b>	The results of these policies, including key indicators of pertinent non-financial results that:	103	Management approach	Appendix I: Table of Indicators
<b>Key Indicators</b>	1. Permit monitoring and evaluation of progress and 2. Favour comparability between companies with the national, European or international reference frameworks used for each matter.	103	Management approach	Appendix I: Table of Indicators
<b>Risks</b>	The main risks related to these matters associated to the Group's activities, including, when pertinent and proportionate, commercial relations, products or services that may have negative effects in these areas and How the group manages these risks, explaining the procedures used to detect and assess them according to the national, European or international reference frameworks for each matter. Information should be included on any impacts detected, offering a breakdown of them, in particular with regard to the main risks in the short, medium and long term.	102-15	Key impacts, risks and opportunities	Risk Management (Section "Risk categories and identification, supervision and monitoring process")
		413-1	Operations with local community engagement, impact assessments and development programs	Risk Management (Section "Risk factors and management and control measures")



Areas Act 11/2018 of December 28 <sup>a</sup>	Contents	GRI standards/ Other related regulations	GRI description	Section Title
Environmental Matters	<b>Environment</b>			
	1. Detailed information on actual and foreseeable effects of the company's activities on the environment and, as the case may be, health and safety, environmental assessment or certification procedures;	103	Management approach	NH ROOM4 Planet (Introduction and Section "Environmental certification programmes")
	2. Los recursos dedicados a la prevención de riesgos ambientales;	102-11	Precautionary principle or approach	NH ROOM4 Planet (Section "Environmental risk prevention and the precautionary principle")
	3. The application of the precautionary principle, the quantity of provisions and guarantees for environmental risks.			
	<b>Pollution</b>			
	1. Measures to prevent, reduce or repair carbon emissions that seriously affect the environment;	103 305-5	Management approach Reduction of GHG emissions	NH ROOM4 Planet (Section "Commitment to the fight against climate change and progress towards decarbonization")
	2. Taking into account any form of specific atmospheric pollution by an activity, including noise and light pollution.	Non- material topic		
	<b>Circular economy and waste prevention and management</b>			
	Waste: Measure for prevention, recycling, reuse, other forms of waste recovery and elimination;	103	Management approach for Effluents and waste	NH ROOM4 Planet (Section "Waste management and circular economy")
	Actions to combat food wastage.	103	Management approach for Effluents and waste	NH ROOM4 Planet Section ("Fight against food waste")
	<b>Sustainable use of resources</b>			
	Water consumption and water supply according to local limitations;	103 303-3	Management approach for Water Water withdrawal by source	NH ROOM4 Planet (Section "Sustainable uses of resources")
	Consumption of raw materials and measures taken to improve efficiency in their use;	103	Management approach for Materials	NH ROOM4 Planet (Introduction and section "Commitment to reduce single-use plastics ")
Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy	103	Management approach for Energy	NH ROOM4 Planet (Sections "Key environmental indicators", "Energy efficiency plan" and "Results for 2021 and interannual reduction")	
	302-1	Energy consumption within the organization	NH ROOM4 Planet (Section "Sustainable uses of resources")	
	302-4	Reduction of energy consumption	NH ROOM4 Planet (Sections "Sustainable uses of resources" and "Results for 2021 and interannual reduction")	

<sup>a</sup> Raw materials consumption is non-material



Areas Act 11/2018 of December 28 <sup>th</sup>	Contents	GRI standards/ Other related regulations	GRI description	Section Title
<b>Social and employee-related matters</b>	<b>Climate Change</b>			
	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	103	Management approach for Emissions	NH ROOM4 Planet (Section "Carbon footprint")
	Measures taken to adapt to the consequences of climate change;	103	Management approach for Emissions	NH ROOM4 Planet (Section "Commitment to the fight against climate change and progress towards decarbonization")
		305-1	Direct (scope 1) GHG emissions	NH ROOM4 Planet (Section "Carbon footprint")
		305-2	Indirect GHG emissions from energy generation (Scope 2)	NH ROOM4 Planet (Section "Carbon footprint")
	Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented to that end.	103	Management approach for Emissions	NH ROOM4 Planet (Section "Commitment to the fight against climate change and progress towards decarbonization")
<b>Social and employee-related matters</b>	<b>Protection of biodiversity</b>			
	Measures taken to preserve or restore biodiversity; Impacts caused by the activities or operations on protected areas.	Non-material topic		NH ROOM4 Planet (Introduction and Section "Other notable projects")
<b>Social and employee-related matters</b>	<b>Employment</b>			
	Total number and distribution of employees by sex, age, country and professional classification;	103	Management approach for Employment	NH ROOM4 People (Section "People Strategy")
		102-8	Information on employees and other workers	NH ROOM4 People (Section "Our human capital")
		405-1	Diversity of governance bodies and employees	Corporate governance (Section "Board and Senior Management Remuneration") NH ROOM4 People: Employees (Apartado "A team with the same opportunities")
	Total number and distribution of types of employment contract	102-8	Information on employees and other workers	NH ROOM4 People: Employees (Section "Quality job creation and talent retention")
	Annual average indefinite contracts, temporary contracts and part-time contracts by sex, age and professional classification;	102-8	Information on employees and other workers	NH ROOM4 People: Employees (Section "Quality job creation and talent retention")
		405-1	Diversity of governance bodies and employees	Corporate governance (Section "Board and Senior Management Remuneration") NH ROOM4 People: Employees (Section "A team with the same opportunities")
	Number of contract terminations by sex, age and professional classification;	401-1	New employee hires and employee turnover	NH ROOM4 People: Employees (Section "Turnover and absenteeism")
	Average remuneration and evolution broken down by sex, age and professional classification or equal value;	405-2	Ratio of basic salary and remuneration of women to men	NH ROOM4 People: Employees (Section "A team with the same opportunities")
	Wage gap, remuneration of same jobs or average for the company	103	Management approach	NH ROOM4 People: Employees (Section "A team with the same opportunities")
		405-2	Ratio of basic salary and remuneration of women to men	NH ROOM4 People: Employees (Section "A team with the same opportunities")
	Average remuneration of directors and executives, including variable remuneration, expenses, compensation, payment to long-term savings plans and any other benefit, broken down by sex	102-35	Governance: Remuneration policies	Corporate governance (Section "Board and Senior Management Remuneration")
		405-2	Ratio of basic salary and remuneration of women to men	NH ROOM4 People: Employees (Section "A team with the same opportunities")
	Implementation of work-life balance policies	103	Management approach for Employment	NH ROOM4 People: Employees (Section "Flexibility and worklife balance: From "New Way of Working" to a "Hybrid Model")
Disabled employees	405-1	Diversity in governing bodies and employees	NH ROOM4 People: Employees (Section "Culture of diversity, equality and inclusion")	



Areas Act 11/2018 of December 28 <sup>a</sup>	Contents	GRI standards/ Other related regulations	GRI description	Section Title
Social and employee-related matters	<b>Work organization</b>			
	Organization of work time	103	Management approach for Employment	NH ROOM4 People: Employees (Section "Flexibility and worklife balance: "New Way of Working")
	Number of hours of absenteeism	403-9	Work-related injuries	NH ROOM4 People: Employees (Section "Turnover and absenteeism")
	Measures aimed at facilitating work-life balance and promoting shared exercise of rights and responsibility by both parents	103	Management approach for Employment	NH ROOM4 People: Employees (Section "Flexibility and worklife balance: "New Way of Working")
	<b>Health and Safety</b>			
	Health and safety at work conditions;	103	Management approach for Health and Safety at work	NH ROOM4 People: Employees (Section "Health and well-being at work")
	Occupational injuries, in particular their frequency and severity	403-9	Work-related injuries	NH ROOM4 People: Employees (Section "Health and well-being at work")
	Occupational diseases; broken down by sex	403-10	Work-related ill health	NH ROOM4 People: Employees (Section "Health and well-being at work")
	<b>Labour relations</b>			
	Organization of labour dialogue, including procedures to inform and consult with employees and workers and negotiate with them;	103	Management approach for Employer-worker relations	NH ROOM4 People: Employees (Section "Social dialogue with employees")
	Percentage of employees covered by collective agreement by country;	102-41	Collective bargaining agreements	
	Balance of collective agreements, particularly with regard to occupational health and safety	103	Workers representation in formal joint management –worker health and safety committees	NH ROOM4 People: Employees (Section "Social dialogue with employees")
	<b>Training</b>			
	Policies implemented in training;	103	Management Approach for Training and Education	NH ROOM4 People: Employees (Section "NH University Training")
	Total number of training hours by professional category.	404-1	Average hours of training per year per employee	NH ROOM4 People: Employees (Section "NH University Training")
		404-2	Programmes to improve employee skills and transition assistance programmes	
		404-3	Percentage of employees receiving regular performance and career development appraisals	NH ROOM4 People: Employees (Section "Talent management")
	<b>Universal accessibility for disabled persons</b>			
		103	Management approach	NH ROOM4 People (Section "Hotels that are more and more accessible")
	<b>Equality</b>			
Measures taken to promote equality of treatment and opportunity between men and women;			NH ROOM4 People: Employees (Sections "Culture of diversity, equality and inclusion", "A team with the same opportunities" and "Culture of diversity, equality and inclusion")	
Equality plans (Chapter III of Act 3/2007, of 22 March, for effective equality of men and women), measures taken to promote employment, protocols against sexual harassment and on account of sex, integration and universal accessibility of disabled persons;	103	Management approach for Diversity and Equality of opportunities + Non discrimination	NH ROOM4 People (Section "Equality Plan")	
The policy against all kind of discrimination and, as the case may be, diversity management.			NH ROOM4 People: Employees (Section "Culture of diversity, equality and inclusion")	



Areas Act 11/2018 of December 28 <sup>a</sup>	Contents	GRI standards/ Other related regulations	GRI description	Section Title
<b>Human Rights related-matters</b>	<b>Human Rights</b>			
	Application of due diligence procedures in relation to human rights;	103	Management approach for assessment of human rights + Freedom of association and collective bargaining + Child labour + Forced or compulsory labour	Ethics and Conduct. (Sections "Protection of Human Rights", "Compliance in relation to Human Rights", "Initiatives for the Protection of Human Rights" and "New developments for the protection of Human Rights")
	Prevention of risks of breach of human rights and, as the case may be, measures to mitigate, manage and repair possible abuse committed;			
	Reported cases of breach of human rights;	406-1 102-17	Incidents of discrimination and corrective actions taken	Ethics and Conduct. (Sections "Protection of Human Rights", "Compliance in relation to Human Rights" and "Human Rights due diligence")
	Promotion of and compliance with the provisions of the fundamental treaties of the World Labour Organization related to respect for freedom of association and the right to collective bargaining;			
	Elimination of discrimination in employment and occupation;			Ethics and Conduct. (Section "Initiatives for the Protection of Human Rights")
Elimination of forced or compulsory labour;	103	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ethics and Conduct (Section "Protection of Human Rights")	
Effective abolition of child labour.	103	Operations and suppliers at significant risk for incidents of child labour		
<b>Corruption and Bribery related-matters</b>	<b>Corruption and Bribery</b>			
	Measures taken to prevent corruption and bribery;	103	Management approach Anti-corruption	Compliance System (Introduction and section "New policies approved in 2021")
		205-2 205-3	Communication and training about anti-corruption policies and procedures	Ethics and Conduct (Section "Awareness of and training on ethics and conduct")
	Measures to fight money laundering.	205-2 205-3	Communication and training about anti-corruption policies and procedures	Ethics and Conduct (Section "Awareness of and training on ethics and conduct")
Contributions to not-for-profit foundations and entities.	413-1	Operations with local community engagement, impact assessments and development programs	NH ROOM4 Responsible Shared Success: Sustainable Alliances (Section "Relationship with alliances")	
<b>Society related-matters</b>	<b>Company's commitments to sustainable development</b>			
	Impact of the company's activity on local employment and development;	103	Management approach for local communities	NH ROOM4 People: Community (Section "Promotion of youth employment: employability programs")
		413-1	Operations with local community engagement, impact assessments and development programs	
	Impact of the company's activity on local populations and on the territory;	413-1	Operations with local community engagement, impact assessments and development programs	NH ROOM4 People: Community
	Relations with players in the local communities and types of dialogue with them;	102-42	Identifying and selecting stakeholders	NH ROOM4 Responsible Shared Success: Sustainable alliances (Section "Dialogue with stakeholders")
		102-43	Approach to stakeholder engagement	
		413-1	Operations with local community engagement, impact assessments and development programs	
Associative or sponsorship actions.	102-12 102-13	External initiatives Membership of association	NH ROOM4 Responsible Shared Success: Sustainable Alliances (Section "Relationship with alliances")	



Areas Act 11/2018 of December 28 <sup>th</sup>	Contents	GRI standards/ Other related regulations	GRI description	Section Title
<b>Society related-matters</b>	<b>Subcontracting and suppliers</b>			
	Inclusion of social, gender equality and environmental matters in the procurement policy;	102-9	Supply chain	NH ROOM4 Responsible Shared Success: Responsible value chain (Section "Purchasing Policy" and "Selection of suppliers")
	Consideration of social and environmental responsibility in relations with suppliers and subcontractors;	103	Management approach for Suppliers	NH ROOM4 Responsible Shared Success: Responsible value chain
		204-1	Proportion of expenditure on local suppliers	
		308-1	Supplier environmental assessment	
		414-1	Supplier social assessment	
	Monitoring and audit systems and audit results.	103	Procurement Policies Management Approach	NH ROOM4 Responsible Shared Success: Responsible value chain (Section "Selection of suppliers")
	<b>Consumers</b>			
	Measures for health and safety of consumers;	103	Enfoque de Gestión de Seguridad y Salud en clientes	NH ROOM4 Responsible Shared Success: Customers (Section "Health and safety")
	Claim systems, complaints received and their resolution.	103	Enfoque de Gestión de Seguridad y Salud en clientes	NH ROOM4 Responsible Shared Success: Customers (Section "Single Customer Service Centre Tools")
<b>Tax information</b>				
Profits obtained country by country Income taxes paid	103	Enfoque de Gestión de Fiscalidad	Ethics and Conduct (Section "Tax transparency: taxes and profit")	
Public grants received.	201-4	Financial assistance received from the government	The total amount of public subsidies, accrued in the year, has amounted to 170 million euros.	
<b>Other relevant indicators</b>	<b>Corporate governance</b>			
	Corporate governance	102-18	Governance structure	Corporate governance
		102-19	Delegation of authority	
		102-22	Composition of the highest governance body and its committees	
		102-23	Chairman of the highest governance body	
		102-24	Nomination and selection of the highest governance body	
		102-25	Conflicts of interest	
	Eligibility of business activities with the European Taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council held on the 18 <sup>th</sup> July 2020 and Delegated Regulations	European Union Taxonomy	

Note: In addition to the indicators included in the table, additional information can be found in the following indicators: 102-1, 102-3, 102-4, 102-5, 102-7, 102-10, 102-14, 102-16, 102-40, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56, 201-2, 207-1, 207-2, 207-4.



# APPENDIX III: INDEX OF GRI STANDARD CONTENTS

This report has been drawn up in accordance with GRI standards: Core option

GRI Standard	Disclosure	Section Title or direct response
<b>GRI 101: Foundation</b>		
<b>GRI 102: General Disclosures</b>		
<b>Organizational Profile</b>		
GRI 102: General Disclosures	102-1 Name of the organization	NH Hotel Group Business Model
	102-2 Activities, brands, products and services	Our presence in the world 2021 NH Hotel Group Business Model
	102-3 Location of headquarters	Back cover
	102-4 Location of operations	Our presence in the world 2021 NH Hotel Group Business Model
	102-5 Ownership and legal form	Corporate governance and ethical commitment (Section "Shareholder structure")
	102-6 Markets served	Our presence in the world 2021
	102-7 Scale of the organization	Our presence in the world 2021 NH Hotel Group Business Model
	102-8 Information on employees and other workers	NH ROOM4 People (Section "Our human capital")
	102-9 Supply chain	NH ROOM4 Responsible Shared Success: Responsible Supply Chain
	102-10 Significant changes to the organization and its supply chain	Milestone 2021, NH ROOM4 Responsible Shared Success: Responsible Supply Chain
	102-11 Precautionary Principle or approach	NH ROOM4 Planet (Section "Environmental risk prevention and the precautionary principle") NH ROOM4 Responsible Shared Success: Sustainable Alliances (Section "Relations with associations")
	102-12 External initiatives	NH ROOM4 Planet (Section "Commitment to the fight against climate change and progress towards decarbonization")
	102-13 Membership in associations	NH ROOM4 Responsible Shared Success: Sustainable Alliances (Section "Relations with associations")
<b>Strategy</b>		
GRI 102: General Disclosures	102-14 Statement from senior decision-maker	Chairman and CEO'S message
	102-15 Key impacts, risks, and opportunities	Management risks
<b>Ethics and integrity</b>		
GRI 102: General Disclosures	102-16 Values, principles, standards, and norms of behavior	Our vision, our culture; Compliance system and Ethics and conduct
	102-17 Mechanisms for advice and concerns about ethics	Compliance system



GRI Standard	Disclosure	Section Title or direct response
<b>GRI 102: General Disclosures</b>		
<b>Governance</b>		
GRI 102: General Disclosures	102-18 Governance structure	Corporate governance
	102-19 Delegating authority	Corporate governance
	102-22 Chair of the highest governance body	Corporate governance
	102-23 Chair of the highest governance body	Corporate governance
	102-24 Nominating and selecting the highest governance body	Corporate governance
	102-25 Conflicts of interest	Corporate governance
	102-35 Remuneration policies	Corporate governance
<b>Stakeholder engagement</b>		
GRI 102: General Disclosures	102-40 List of stakeholders	NH ROOM4 People: Sustainable Alliance (Section "Dialogue with Stakeholders")
	102-41 Collective bargaining agreements	NH ROOM4 People: Employees (Section "Social dialogue with employees")
	102-42 Identifying and selecting stakeholders	NH ROOM4 Sustainable Business NH ROOM4 People: Sustainable Alliances (Section "Dialogue with stakeholders")
	102-43 Approach to stakeholder engagement	NH ROOM4 Sustainable Business (Introduction and section "Materiality analysis") NH ROOM4 People: Sustainable Alliances (Section "Dialogue with stakeholders")
	102-44 Key topics and concerns raised	NH ROOM4 Sustainable Business (Section "Materiality analysis")
<b>Reporting Practice</b>		
GRI 102: General Disclosures	102-45 Entities included in the consolidated financial statements	About the Consolidated Statement of Non-Financial Information (Section "Scope")
	102-46 Defining report content and topic boundaries	Our presence in the world 2021; About the Consolidated Statement of Non-Financial Information (Section "Scope") NH ROOM4 Sustainable Business (Section "Materiality analysis")
	102-47 List of material topics	NH ROOM4 Sustainable Business (Section "Materiality analysis")
	102-48 Restatements of information	There are no significant restatements of information regarding previous years
	102-49 Changes in reporting	No change in the preparation of the report
	102-50 Reporting period	2021
	102-51 Date of most recent report	Last report published refers to previous tax year, 2020
	102-52 Reporting cycle	About the Non-Financial information Statement
	102-53 Contact point for questions regarding the report	Back cover
	102-54 Claims of reporting in accordance with the GRI Standards	Principles governing the preparation of the non-financial information statement
	102-55 GRI content index	Appendix III: Index of GRI standards contents
	102-56 External assurance	Appendix IV: Independent Assurance Report



GRI Standard	Disclosure	Section Title or direct response
<b>NH HOTEL GROUP MATERIAL TOPICS</b>		
<b>Sustainable Financial Growth</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH Hotel Group's business model (Section "Key strategic initiatives in 2021")
<i>GRI 201: Economic Performance</i>		
	201-2 Financial implications and other risks and opportunities arising from climate change 201-4 Financial assistance received from government	Corporate Governance NH ROOM4 Planet ("Commitment to fighting climate change and moving towards decarbonization" and "Climate risks and opportunities") Ethics and Conduct (Section "Relations with Governments and Policy Influence")
<b>Regulatory Environment</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Post-Covid Management; Key strategic initiatives in 2021
<b>Recovery Plan</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Post-Covid Management; Key strategic initiatives in 2021
<b>Ethical commitment and Transparency</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Compliance System Ethics and Conduct
<i>GRI 207: Tax</i>		
	207-1 Approach to tax 207-2 Tax governance, control, and risk management 207-4 Country-by-country reporting	Tax Transparency: Taxes and Profits  NH Hotel Group complies with the requirements established in the tax regulations and submits its Country-by-Country report to the competent body. For confidentiality reasons, the Company does not public this information.
<b>Best practices on corporate governance</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Corporate governance
<i>GRI 205: Anticorrupción</i>		
	205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed cases of corruption and measures taken	Compliance System; Ethics and Conduct Compliance system; Compliance Office



GRI Standard	Disclosure	Section Title or direct response
<b>NH HOTEL GROUP MATERIAL TOPICS</b>		
<b>Protection of human and labour rights</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Ethics and Conduct ("Protection of Human Rights", "Human Rights Compliance" and "Human Rights Due Diligence")
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
<i>GRI 406: Non-discrimination</i>		
	406-1 Incidents of discrimination and corrective actions taken	Ethics and Conduct (Section "Human Rights Compliance")
<b>Financial, non-financial and emerging risks management</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Risk management (Section "Governance of Risk Management")
	103-2 The management approach and its components	Risk management (Sections "Governance of risk management", "Risk management model" and "Risk categories and the process of identification, supervision and monitoring")
	103-3 Evaluation of the management approach	Risk management
<b>Innovation and technology</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Key strategic initiatives in 2021 (Section "4. Transformation Plan")
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
<b>Channels of communication and dialogue with stakeholders</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	NH ROOM4 People: Sustainable Alliances ("Stakeholder Dialogue" section)
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
<b>Talent, training and professional development</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	NH ROOM4 People: Employees (Introduction and sections "People Strategy", "Performance Management", "Talent Management" and Training: NH University)
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
<i>GRI 401: Employment</i>		
	401-1: New employee hires and employee turnover	NH ROOM4 People: Employees ("Turnover and absenteeism")
<i>GRI 404: Training and education</i>		
	404-1 Average hours of training per year per employee	NH ROOM4 People: Employees (NH University Training")
	404-2 Programs for upgrading employee skills and transition assistance programs	NH ROOM4 People: Employees (NH University Training")
	404-3 Percentage of employees receiving regular performance and career development reviews	NH ROOM4 People: Employees ("Performance Management")



GRI Standard	Disclosure	Section Title or direct response
<b>NH HOTEL GROUP MATERIAL TOPICS</b>		
<b>Culture of equality, diversity and inclusion</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 People: Employees ("Culture of Diversity, Equality and Inclusion", "Equality Plan" and "Equal Opportunities Team")
<i>GRI 405: Diversity and equal opportunities</i>		
	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	Corporate Governance (Section "Board Selection Policy"); NH ROOM4 People: Employees (Sections "Creating quality jobs and retaining talent" and "Culture of diversity, equality and inclusion"). Corporate Governance (Section "Remuneration of the Board and Senior Management") NH ROOM4 People: Employees (Section "An Equal Opportunity Team")
<b>Employee engagement and participation</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 People ("Employee Engagement and Involvement" and "Internal Communication")
<b>Safety, health and well-being</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 People ("Health and Well-being at Work")
<i>GRI 403: Health and safety at work</i>		
	403-9 Work-related injuries 403-10 Work-related ill health	NH ROOM4 People ("Health and Well-being at work and "Turnover and absenteeism") NH ROOM4 People ("Health and Well-being at Work")
<b>Corporate volunteering</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 People: Community (Introduction and sections "NH Response", "Together with Love: Corporate Volunteering", "Hotels with Heart - HwH", "Promoting Youth Employment: Employability Programmes" and "Alliances with Foundations and NGOs").
<b>Positive impact on the local community and culture</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 People: Community (Introduction and sections "NH Response", "Together with Love: Corporate Volunteering", "Hotels with Heart - HwH", "Promoting Youth Employment: Employability Programmes" and "Alliances with Foundations and NGOs").
<i>GRI 413: Local communities</i>		
	413-1 Operations with local community engagement, impact assessments, and development programs	NH ROOM4 Responsible Shared Success: Sustainable Partnerships (Sections "Stakeholder Dialogue", "Relationship with Associations") NH ROOM4 People: Community (Introduction and sections "NH Response", "Together with Love: Corporate Volunteering", "Hotels with Heart - HwH", "Promoting Youth Employment: Employability Programmes" and "Alliances with Foundations and NGOs").



GRI Standard	Disclosure	Section Title or direct response
<b>NH HOTEL GROUP MATERIAL TOPICS</b>		
<b>Promoting youth employment</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 People: Community (Section "Promoting Youth Employment: Employability Programmes")
<b>Sustainable alliances</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Responsible Shared Success: Sustainable Alliances
<b>Responsible and local value chain</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Responsible Shared Success: Responsible Supply Chain ("Supplier Management")
<b>GRI 204: Procurement practices</b>		
	204-1 Proportion of spending on local suppliers	NH ROOM4 Responsible Shared Success: Responsible Supply Chain
<b>GRI 308: Environmental assessment of suppliers</b>		
	308-1 New suppliers that were screened using environmental criteria	NH ROOM4 Responsible Shared Success: Responsible Supply Chain (Sections "Purchasing Policy", "Supplier Selection" and "Supplier Approval Lifecycle at NH Hotel Group", "Supplier Management" and "Supply Chain Risk Management: Critical Suppliers"). Supplier Selection" and "Supplier Approval Lifecycle at NH Hotel Group", "Supplier Management" and "Supply Chain Risk Management: Critical Suppliers")
<b>GRI 414: Supplier Social Assessment</b>		
	414-1 New suppliers that were screened using social criteria	NH ROOM4 Responsible Shared Success: Responsible Supply Chain (Sections "Purchasing Policy", "Supplier Selection" and "Supplier Approval Lifecycle at NH Hotel Group", "Supplier Management" and "Supply Chain Risk Management: Critical Suppliers"). Supplier Selection" and "Supplier Approval Lifecycle at NH Hotel Group", "Supplier Management" and "Supply Chain Risk Management: Critical Suppliers")
<b>Unique customer experiences</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Responsible Shared Success: Customers (Sections "NH Experience", "Quality Management System", "Evolution of Quality Measurement Tools in 2021")
<b>Quality of service and satisfaction</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Responsible Shared Success: Customers (Sections "Quality Management System", "Single Customer Service Centre Tools", "Impact on visibility and perception of Quality" and "Communication with the Customer")
<b>Fostering sustainability among customers</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Responsible Shared Success: Customers ("Responsible Customer" section) NH ROOM4 Planet ("Development of more sustainable products")



GRI Standard	Disclosure	Section Title or direct response
<b>NH HOTEL GROUP MATERIAL TOPICS</b>		
<b>Green energy and energy efficiency</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Planet (Introduction and sections "Energy Efficiency Plan" and "Environmental Certification Programme" and "Efficient Management and Responsible Use of Resources")
<i>GRI 302: Energy</i>		
	302-11 Energy consumption within the organization 302-4 Reduction of energy consumption	NH ROOM4 Planet ("Efficient management and responsible consumption of resources") NH ROOM4 Planet ("Efficient management and responsible consumption of resources")
<b>Responsible water management</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Planet (Introduction and "Water management")
<i>GRI 303: Water and effluents</i>		
	303-3: Water withdrawal	NH ROOM4 Planet ("Water management")
<b>Fight against climate change</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Planet ("Commitment to the fight against climate change and progress towards decarbonization")
<i>GRI 305: Emissions</i>		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-5 Reduction of GHG emissions	NH ROOM4 Planet (Sections "Commitment to the fight against climate change and progress towards decarbonization" and "Measures for mitigation and adaptation")
<b>Sustainable hotel services</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Planet ("Green Hotel Project", "Customer satisfaction with sustainability", "Efficient management and responsible consumption of resources", "Efficient Management and Responsible Use of Resources" and "Other outstanding projects")
<b>Waste management and circular economy</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	NH ROOM4 Planet ("Waste management and circular economy" and "Commitment to reduce single-use plastics")
<b>Actions to combat food wastage</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	NH ROOM4 Planet Section ("Fight against food waste")

Raw materials consumption, noise and light pollution and biodiversity are non-material topics for the Company.



# APPENDIX IV: INDEPENDENT ASSURANCE REPORT



## Independent verification report

To the shareholders of NH Hotel Group, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2021 of NH Hotel Group, S.A. (Parent company) and subsidiaries (hereinafter "NH Hotel Group") which forms part of the NH Hotel Group's consolidated management report.

The content of the SNFI includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the "Appendix II: Table of contents Act 11/2018 on non-financial reporting and diversity" and in the "Appendix III: Index of GRI standard contents" included in the accompanying SNFI.

### Responsibility of the directors of the Parent company

The preparation of the SNFI included in NH Hotel Group's consolidated management report and the content thereof, are the responsibility of the directors of NH Hotel Group, S.A. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and following the criteria of the *Sustainability Reporting Standards of the Global Reporting Initiative* ("GRI Standards") in line with the Core option in accordance with the details provided for each matter in the "Appendix II: Table of contents Act 11/2018 on non-financial reporting and diversity" and in the "Appendix III: Index of GRI standard contents" of the aforementioned Statement.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free of material misstatement due to fraud or error.

The directors of NH Hotel Group, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

### Our independence and quality control

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 ("IESBA Code") which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

#### Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of NH Hotel Group that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the NH Hotel Group, S.A. personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2021, based on the materiality analysis carried out by NH Hotel Group and described in section NH Room4 Sustainable Business "Materiality Analysis", taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2021.
- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2021.
- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2021 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.





#### Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of NH Hotel Group, S.A. and its subsidiaries, for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the GRI Standards described in line with the Core option and in accordance with the details provided for each matter in the "Appendix II: Table of contents Act 11/2018 on non-financial reporting and diversity" and in the "Appendix III: Index of GRI standard contents" of the aforementioned Statement.

#### Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities that are considered to be environmentally sustainable in relation to the objectives of climate change mitigation and adaptation to climate change for the first time for the year 2021, provided that the SNFI is published as of 1 January 2022. Consequently, comparative information on this matter has not been included in the accompanying SNFI. In addition, information has been included in respect of the criteria that the directors of NH Hotel Group have chosen to apply the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in note "European Union Taxonomy" of the accompanying SNFI. Our conclusion has not been modified in relation to this matter.

#### Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by  
Ramón Abella Rubio

24 February 2022



**NH** | HOTEL GROUP  
PART OF **MINOR**  
HOTELS

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