Meliá Hotels International, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2024 and
Consolidated Directors' Report, together
with Independent Auditor's Report

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

Deloitte.

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Meliá Hotels International, S.A. ("the Parent") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

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

Basis for Opinion

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

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

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

Key Audit Matters

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

Impairment test on assets associated with the hotel activity

Description	Procedures applied in the audit
As described in Note 1 to the accompanying consolidated financial statements, the Group engages in the management and operation of 362 hotels (owned, leased, managed and franchised) in 37 countries, and had assets associated with the hotel activity and related activities with an aggregate carrying amount of EUR 3,377 million at 31 December 2024, with this amount including goodwill, property, plant and equipment, intangible assets and right-of-use assets, valued at the lower of their net book value and their recoverable value and investment property, measured at fair value. At least at each year-end management performs an impairment test in order to determine the recoverable amount of these assets, and assesses, in the case of investment property, their fair value.	Our audit procedures included, among others, evaluating the accounting policies for determining the recoverable amount of the assets associated with the hotel activity described in Notes 2 and 3 to the accompanying consolidated financial statements for 2024, in order to evaluate their consistency with the applicable regulatory financial reporting framework. Also, in order to identify possible bias in management's assumptions, we retrospectively reviewed the estimates made in the previous year, evaluating the degree to which they were realised, as well as those made in prior years, checking them against historical information.

Impairment test on assets associated with the hotel activity

Description	Procedures applied in the audit
In relation to the owned hotel assets, including investment properties, the Group has used third parties outside of the same as experts to determine their fair value, for which they have used methodologies and valuation standards widely used in the market. For each cash-generating unit ("CGU") under lease, the Group's Management has calculated the value in use of each of them based on the estimate of future cash flow generation, taking into account economic and geopolitical aspects, and applying specific growth and discount rates for the CGUs in each country where the Group operates, also adjusting discount rates to be consistent with the underlying cash flows. As a result of the test carried out, a net income has been recognised under the headings "Depreciation and impairment Property, Plant and Equipment and Other intangible assets", "Depreciation and impairment Right of use" and "Results from assets sale" of the accompanying consolidated profit and loss account for the year 2024, for a total amount of €38.6 million.	We have obtained the valuation reports of the experts hired by the Group for the valuation of its owned assets, evaluated their competence, capacity and objectivity, as well as the suitability of their work to be used as audit evidence. We have also obtained the determination of the value in use of the CGUs of leased assets carried out by the Group's Management. In both cases, we have verified their arithmetic correctness and the adequacy of the valuation methodology used in each case, with the collaboration of our internal valuation specialists. On a sample of assets, we have evaluated the consistency of their main operating hypotheses with the latest budgets approved by the directors of the Parent Company adapted to the current circumstances of the markets in which the Group operates, and their reasonableness compared to historical hotel data and macroeconomic and sector forecasts. We have also analysed the reasonableness of the long-term discount rates and growth rates and, for owned assets, the exit yields applied, with the assistance of our valuation specialists, and reviewed the sensitivity analyses carried out by management with respect to these assumptions.

Impairment test on assets associated with the hotel activity

Description

In this context, the circumstance described represents a key audit matter, given the significance of the carrying amount of the assets associated with the hotel activity in the consolidated balance sheet, and given that the valuation methods used require the use of significant estimates involving a significant degree of uncertainty, such as certain operating assumptions, such as occupancy rate and revenue per available room, and financial assumptions such as the discount rate, the long-term growth rate and, in the case of owned assets, the exit yield.

Procedures applied in the audit

Lastly, we evaluated whether the disclosures made by the Group in relation to these matters, which are included in Notes 2, 3, 7.1, 7.5, 9, 10, 11, and 17 to the accompanying consolidated financial statements, contained the information required by the applicable accounting regulations.

Recognition of vacation club revenue

Description

The Group sells rights of use of specific units of hotel complexes. The revenue recognised in the accompanying consolidated statement of profit or loss for 2024 arising from this vacation club activity amounted to EUR 82 million, and the amounts contracted, net of related expenses but not yet recognised in profit or loss, which are recognised under "Capital grants and other deferred income" in the accompanying consolidated balance sheet as at 31 December 2024, total EUR 232 million.

Procedures applied in the audit

Our audit procedures included, among others, the review of the accounting policies for the recognition of revenue from the Group's vacation club, which are described in Note 3.11 to the accompanying consolidated financial statements for 2024, in order to evaluate whether they were in conformity with the applicable regulatory financial reporting framework, as well as checking the design and implementation and the operating effectiveness of the relevant controls identified in the process of recognising revenue from the vacation club.

Recognition of vacation club revenue	
Description	**Procedures applied in the audit**
The recognition of revenue from the exercise of the rights of use by the customers, as well as for cancellations of the package of rights contracted, although not complex, involves a specific casuistry associated with the different conditions signed with the customers and contains a manual registration component. In addition, the Group recognises club revenue from unexercised customer rights in proportion to the customer's usage pattern, and provided that the likelihood of the customer exercising its remaining rights becomes remote, requiring the use of relevant estimates and judgments by management. Accordingly, this matter was considered as a key audit matter in our audit.	We have also carried out substantive procedures consisting of verifying, for a randomly selected sample of rights exercised during the year, as well as cancellations, the consistency of the accounting record with the associated contractual documentation and its adequacy to the terms and obligations of the program contracted by the club's client. In addition, we have obtained the calculation made by the Management of the income recognized by unexercised customer rights, evaluating its arithmetic correctness, as well as the most relevant hypotheses, particularly the percentage of unused rights, based on historical information. Lastly, we evaluated the reasonableness of the disclosures contained in Notes 3.11, 7.1 and 16.1 to the accompanying consolidated financial statements on the revenue from the Group's vacation club.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2024, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

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

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Directors' Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors' report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors' report was consistent with that contained in the consolidated financial statements for 2024 and its content and presentation were in conformity with the applicable regulations.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Meliá Hotels International, S.A. and subsidiaries for 2024, which comprise the XHTML file including the consolidated financial statements for 2023 and the XBRL files with the tagging performed by the Group, which will form part of the annual financial report.

The directors of Meliá Hotels International, S.A. are responsible for presenting the annual financial report for 2024 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"). In this regard, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report were included by reference in the consolidated directors' report.

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

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

Additional Report to the Parent's Audit and Compliance Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit and compliance committee dated 26 February 2025.

Engagement Period

The Annual General Meeting held on 9 May 2024 appointed us as the Group's auditors for a period of three years from the year ended 31 December 2023, i.e., for 2024, 2025 and 2026.

Previously, we were designated pursuant to a resolution of the General Meeting for a period of 1 year and have been auditing the financial statements uninterruptedly since the year ended 31 December 2019.

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

Ana Torrens Borrás
Registered in ROAC under no. 17762

27 February 2025

Appendix to our auditor's report

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide the Parent's audit and compliance committee with a statement that we have complied with ethical requirements relating to independence and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the safeguards taken to eliminate or reduce the threat.

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

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

2024 MANAGEMENT REPORT

MELIÃ HOTELS INTERNATIONAL

Leisure at heart, business in mind

Letter from the Chairman and CEO

The publication of our Annual Report is an excellent opportunity to reflect on the achievements of the year behind us and share with all our Stakeholders our vision and the challenges for the new period ahead.

The year 2024 will be remembered, in the first place, for the sad loss of our founder Gabriel Escarrer Juliá—may he rest in peace—and the indelible mark he left on us, which we expect to continue honouring, year after year, through excellence and commitment.

With his memory in my heart, I am glad to share that 2024 left a very positive balance for Meliá Hotels International, with our company completing its recovery following the disruption caused by COVID, and the tourism industry embarking on a new phase of 'normalised' prosperity—a phase in which the dramatic increase in demand that followed the pandemic has given way to healthy growth in a stable environment, where we feel very comfortable to continue optimising our management processes and creating value.

It is also against this backdrop of 'structural' growth in demand, which reflects a change in habits and social priorities (with the enjoyment of experiences, especially travel, gaining ground over tangible goods) that we must understand the favourable forecasts released by organisations like UN Tourism, which has confirmed a 98% recovery in the travel industry during 2024 in respect of the activity recorded in 2019. Throughout this period, our company has focused on growing and strengthening itself, leveraging the positive momentum of the industry to build a more profitable, better-managed, more efficient and sustainable business and, in short, a more resilient one, which I am happy to present to you in this Annual Report

Thus, our 2024 fiscal year shows a very positive financial performance, as we have met the priority objective that was set after the disruption caused by the pandemic: to recover the strong position our balance sheet had before COVID. Our business performance was equally positive, with a two-digit increase in average revenue per available room (RevPAR), mainly due to an improvement in average rates. All of this allowed us to achieve a €533.6M EBITDA, excluding capital gains, and increase our Consolidated Net Profit by 24.6% to €162M, thereby generating value for all our stakeholders.

Quantitative and qualitative growth

During 2024, in an increasingly competitive global environment, Meliá signed up 34 new hotels, focusing both in emerging European destinations, such as Albania (where Meliá is already the top operator with over 3,200 rooms) and Malta, and in Southeast Asia, the Caribbean, and Latin America, where the Group maintains a robust leadership. Nineteen new openings also took place during the period. At year end, the Group's expansion pipeline includes 69 hotels that will add over 12,400 rooms to our portfolio, and expects to sign up at least another 25 establishments during 2025, with a focus on the Southern and Eastern Mediterranean, while also resuming significant growth in the Americas.

For the sake of qualitative, resilient growth, Meliá's expansion has maintained a strong focus on the premium segment for the past few years, including our three brands Meliá Hotels & Resorts, ZEL and Innside by Meliá, along with the luxury segment, with brands like Gran Meliá, Paradisus, ME by Meliá and, most recently, The Meliá Collection. This is a strategic bet that has enabled us to capitalise on the increasing demand for quality, exclusivity and experiences, but also a profitable one, as luxury hotels, which account for 15% of total rooms, made an operational contribution of 40% of EBITDA in 2024. It is a lever for resilience, too, since the luxury market is the least affected by cycles and continues to record the highest growth.

Along with this qualitative expansion, Meliá has initiated a process to reposition its assets towards its premium and luxury brands, having repositioned 40 hotels in the last two years, together with its partners, with an investment above €400M. The impact of this repositioning initiative can be seen on the increase of average rates, calculated at around +70% for repositioned holiday hotels and +40% for urban hotels during 2024.

Creating value

In addition to growth, Meliá's performance in 2024 also talks of strength, both in terms of the Balance Sheet, with the company recovering previous Net Debt levels, and profitability, with a 127 basis point increase in EBITDA margins. To achieve this, we have maintained a strict financial discipline which, together with drivers such as qualitative expansion, revenue optimisation through our digital and direct distribution strategy, and selective asset rotation (always under the premise of keeping them within the portfolio), has enabled us to meet this objective and complete the recovery of 2019 leverage levels during 2024. Also worth noting is the value increase of our assets, set at 5,285 million (+13.88%) in the latest appraisal by CBRE, which represents a clear endorsement of the company's management and commitment to long-term value creation.

And speaking of strengthening, I am especially proud to report that our company has also consolidated its reputation by renewing its global leadership in sustainability, after being recognised once again as the most sustainable tourism company in Europe, and one of the top in the world, according to the renowned Sustainability Yearbook by Standard & Poor's ESG Global.

Responsible commitment

The Group reports progress in two strategic aspects: sustainability governance, which is reorganised seeking greater proximity and business adequacy; and adaptation to the new European sustainability directives, by incorporating some of the requirements laid down in the European Corporate Sustainability Reporting Directive (CSRD), such as the double materiality matrix and other requirements. Additionally, we have upgraded the monitoring system for sustainability indicators, which now displays the most relevant indicators in a single report, allowing for better management in this area.

At the same time, we have continued to position Meliá as a responsible company through the TRAVEL FOR GOOD programme, with a view to improving our visibility, reputation and recognition, as well as fostering awareness and engagement among all our Stakeholders, both internal and external.

A responsible and promising future

This new year has started with encouraging prospects for our business, as the first quarter continues to confirm, based on the current outlook, a robust demand and the stabilisation of the growth rate. This, together with a trend towards longer booking lead times, brings us a little closer to the much anticipated and healthy return to normal. In this favourable, but at the same time changeable and challenging context, the strengths that Meliá has been consolidating, including our brands, our distribution capacities, and our MeliáRewards loyalty programme, as well as our leadership as a global employee brand and our privileged portfolio of top-tier international partners, will undoubtedly provide a key competitive advantage.

All of this will allow us to face the coming years with a focus on quantitative and qualitative growth, increasing our profitability and the value we offer. I am also confident that the responsible commitment we have undertaken—for which we have been recognised for the seventh consecutive year as the most sustainable hotel company in Europe—will be a driver for our continued pledge to human capital, one of the greatest challenges in the entire industry, and to our positioning as a responsible company, in the face of threats such as climate change or the social demand for tourism that is more conscious and respectful of the planet, particular settings and their communities.

I would like to finish by highlighting, as every year, that nothing we do would be possible without the trust placed in us by our shareholders, partners, suppliers, employees and collaborators. They inspire our strategy and drive us to improve in each and every area of management, and this is why I reiterate our commitment to continue working to create shared value, opportunities and sustainable development in all the destinations where we are present now and will be in the coming years.

Gabriel Escarrer Jaume

Chairman and CEO

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About this report

Meliá Frankfurt City, Germany

Basis for preparation

This Management Report by Meliá Hotels International, S.A. includes the following:

- **Non-Financial Information Statement**: Prepared in accordance with applicable commercial legislation (Law 11/2018, of 28th of December, on non-financial reporting and diversity), in line with selected criteria from the Global Reporting Initiative standards, as well as those described in the Non-Financial Reporting and Diversity Requirements annex (Law 11/2018).
- **Annual Corporate Governance Report (ACGR)**: In accordance with the provisions of Article 538 of the Spanish Companies Act, the 2024 Annual Corporate Governance Report forms part of the Consolidated Management Report, and is published on the website of the Spanish National Securities Market Commission (www.cnmv.es) and the company's corporate website (www.meliahotelsinternational.com).
- Annual Directors' Remuneration Report (ADRR): In accordance with the provisions of Article 538 of the Spanish Companies Act, the 2024 Annual Directors' Remuneration Report forms part of the Consolidated Management Report, and is published on the website of the Spanish National Securities Market Commission (www.cnmv.es) and the company's corporate website (www.meliahotelsinternational.com).

Group information

GRI: 2-1

The parent or controlling company, Meliá Hotels International, S.A., hereinafter the 'Parent Company' or 'Controlling Company', is a Spanish joint-stock company incorporated in Madrid (Spain) on 24 June 1986 under the corporate name Investman S.A. On 1 June 2011, the General Meeting of Shareholders approved the change of name to Meliá Hotels International, S.A. In 1998, the company relocated its registered address to 24 Calle Gremio Toneleros, in Palma de Mallorca.

Meliá Hotels International, S.A. and its subsidiaries and associates (hereinafter the 'Group' or the 'company') form an integrated group of companies primarily engaged in tourism activities in general, and, more specifically, in the management and operation of hotels on an ownership, lease, management and franchise basis, as well as holiday club operations. The Group also promotes all types of businesses related to the tourism industry, the hotel sector, and to leisure, entertainment and recreational activities, as well as participating in the creation, development and operation of new businesses, establishments and entities in the tourism industry, the hotel sector and other leisure, entertainment and recreational activities.

With more than 65 years of history, Meliá Hotels International has consolidated its international presence with 362 hotels in 37 countries, mainly in Spain, Latin America, rest of Europe and Asia.

Scope of this Report

GRI: 2-2, 2-3, 2-4

The period covered by this Report corresponds to the financial year beginning on 1 January 2024 and ending on 31 December 2024.

The information reported herein is aligned with the scope of consolidation used in the Group's Consolidated Annual Accounts (full consolidation method). Thus, it also contains information about all entities over which the Group has effective control, which is generally associated with a stake exceeding half of the voting rights.

Details on all companies within the scope of consolidation as of 31 December 2024 are provided in Annex 1 to the 2024 Consolidated Annual Accounts, classified as subsidiaries.

The changes introduced in the presentation of this Report are due, on the one hand, to the recent publication of the Corporate Sustainability Reporting Directive (CSRD) governing the European Sustainability Reporting Standards (ESRS) that was to be transposed during 2024, and will therefore apply to next year's report; on the other hand, to our ambition to become a benchmark in the transformation towards a new tourism model in which sustainability is prioritised as a strategic criterion in management. In this way, we continue to take steps towards adapting the structure and content required under the new Directive, while still meeting content requirements under current commercial legislation (Law 11/2018, of 28th of December, on non-financial reporting and diversity).

As of the date of this Report, we have not detected any error requiring the rectification of previous publications.

External verification

GRI: 2-5

With the aim of ensuring information transparency and reliability, Meliá Hotels International has submitted its non-financial disclosures to an independent external auditor for verification since 2010. The 2024 non-financial information will be subject to verification by Deloitte, at a limited assurance level, to obtain an independent review report based on GRI standards that will include the goals and scope of the process, as well as the audit procedures applied and the conclusions.

Information relating to specific circumstances

Time horizons

In the specific assessment conducted in 2024 to identify climate change-related risks and opportunities, in line with the recommendations published by the Task Force on Climate-Related Financial Disclosures (TCFD) and the requirements of the new European legal framework (CSRD and European Taxonomy), the company selected the following reference scenarios:

TYPE	SCENARIOS	SHORT TERM	MEDIUM TERM	LONG TERM
Physical risks	SSP2-4.5 (IPCC) SSP5-8.5 (IPCC)	2021-2040	2041-2060	2081-2100
Transition risks and opportunities	APS (IEA) NZE (IEA)	2030	2050	2100

Sources of uncertainty in estimation and results

Waste generation

We consider it worth noting that, given the coverage of our waste reporting system (39% of the active portfolio), as well as the limited knowledge about its treatment on the part of managers at the different destinations where the company operates, the information reported in this area involves a significant degree of estimation.

In this regard, the waste generated by those business units that do not report data is calculated by multiplying the number of monthly stays of each business unit by the amount of waste (in kg) generated by stay, broken down by waste type, as reported by the business units that do supply data.

As far as the treatment of generated waste is concerned, our calculation is based on the assumption that waste generated by the company undergoes the same treatment as is shown in the statistics annually reported from each country for each waste type. Consequently, treatment depends on the location of each business unit and the type of waste generated.

Queries

If you have any queries or suggestions in relation to this Report, please contact us directly at:

- **FINANCIAL INFORMATION**: Investor Relations Department (investors.relations@melia.com)
- **NON-FINANCIAL INFORMATION**: Sustainability Department (sustainability@melia.com)

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Meliá in 2024

Casa De Las Artes Meliá Collection, Spain

Key metrics

FINANCIAL	BUSINESS	GOVERNANCE	PERSONAS	ENVIRONMENT	VALUE CHAIN
Total revenue €2,056,3M (+6.4%)	Total revenue (aggregate) €3,241M (+9.9%)	Board members 10	Workforce FTE 18,362.1 (+0.5%)	Certified portfolio 87.2%	Hotel workforce FTE management 28,515.7 (+5.70%)
EBITDA (excluding capital gains) €533.6M (+9.7%)	melia.com centralised sales revenue +50% (vs 46%)	External Independent Directors 50%	Women in executive positions 28.2% (-2.2 pp)	Renewable energy 34.4% (+0.3 pp)	MeliáRewards customers 17M
Net debt €2,236.6M	NPS customers 59.4 (vs 53.3)	Women on the Board 50%	Staff with a permanent contract 87.3% (-0.42 pp)	Energy consumption (MWh/stay) 0.037	Supplier portfolio 6,703 (+2,.4%)
RevPAR €119.4 (+11.2%)	Portfolio 362 hotels (+3.4%)	Attendance at Board meetings 100%	Turnover rate 28.2% (vs 25.4%)	Water consumption (m3/stay) 0.713 (+0.06 pp)	Local suppliers 86.2% (vs 87.4%)
ARR €171.9 (+8.4%)	Rooms 93,982 (+2.1%)	Average tenure on the Board 9.7 years	Training hours per employee 11.92 (vs 12.73)	Recycling rate 33.8% (vs 50%)	Purchases from local suppliers 84.7% (vs 84.6%)
Occupancy 69.5% (+1.8 pp)	Openings 19 hotels	Meetings of the Sustainability Committee 7	Employee engagement 87.3%	Emissions (Scope 1 and 2) 0.011 tCO2eq/stay	Impact on community €0.9M

Main milestones

2024

JANUARY

Gran Meliá Hotels & Resorts luxury brand opens its first hotel in Barcelona, Torre Melina

Meliá reinforces its presence in the city with a strategic opening that strengthens its offering in this destination and is managed together with the Palau de Congressos de Catalunya.

FEBRUARY

Meliá Hotels International signs a letter of intent with Puntacana Group for the development of a hotel project in Punta Bergantín

The group agrees to participate in the tourism project being developed in Puerto Plata, one of the destinations with the greatest potential in the Dominican Republic.

Meliá Hotels International is once again among the world's most sustainable hotel companies, leading the industry in Europe

The company is once again the Spanish hotel chain obtaining the best score in the S&P Global Sustainability Yearbook.

The group announces that Banco Santander becomes part of a subsidiary that owns three of the company's establishments

The transaction is part of the hotel chain's commitment to strengthen its balance sheet.

MARCH

MeliáPRO, Meliá's programme for B2B professionals in the industry, relaunches its website

The group reinforces its B2B digital platform to improve the user experience and be the perfect partner for travel agents, companies and event organisers.

The network of independent hotels grouped under Affiliated by Meliá brand adds a new hotel in Sardinia

The hotel chain continues to boost its presence in Mediterranean destinations while strengthening its hotel network Affiliated by Meliá, a commitment to an expansion model through partnerships.

APRIL

The company extends its partnership with Summun hotel chain by signing a Meliá Collection hotel in Ronda (Malaga)

Meliá continues to strengthen its collaboration with Summun Hotel Group in different Spanish destinations with select hotels that will be operated by Summum under one of the group's recognised brands.

Meliá continues to grow in Thailand through the signing of two new hotels: Meliá Pattaya and Paradisus Pattaya

This signing is a milestone in the hotel chain's expansion in Southeast Asia, being the first project of Paradisus luxury brand in the country.

MAY

The new Pet Friendly by Meliá programme is rolled out in more than one hundred of the group's hotels, offering the best experience for travelling with pets

Meliá Hotels International launches its new Pet Friendly by Meliá programme, designed in response to the demand for more inclusive services for pets.

Meliá Hotels International announces its first hotel in Laos, consolidating its expansion in Asia

The Grand Hotel Luang Prabang joins Meliá's portfolio in the region, operating under The Meliá Collection luxury brand.

Casa de las Artes, Member of Meliá Collection opens as one of the company's most eagerly awaited repositionings

The hotel chain has transformed this hotel in the heart of Madrid to offer an exclusive and luxurious experience inspired by culture.

JUNE

ZEL by Meliá brand, resulting from a collaboration with the tennis player Rafael Nadal, opens its second hotel in the Costa Brava

Meliá opens ZEL Costa Brava, which joins other new openings for the season in Spain, such as Meliá Costa Brava or the repositioned Meliá Ibiza.

The hotel chain announces a new project in Crete, which it will manage under INNSiDE by Meliá brand

With the signing of the INNSiDE Crete Elounda hotel, the company continues to expand its offering in Mediterranean destinations.

2024

JULY

For more than a decade, Meliá has maintained its position as the most renowned tourism company in Spain

Once again, Meliá tops Merco Empresas ranking and is also among the 25 best companies in the multisectoral ranking.

Meliá completes Ecostars certification process for its owned, leased and managed hotels

Ecostars evaluates the group's hotels located in Europe, America, Asia-Pacific and Africa, reaffirming the group's commitment to responsible environmental management.

AUGUST

Strengthening of the partnership between Meliá and Too Good to Go in its hotels in Spain, saving more than 30 tonnes of food

Since the beginning of this partnership, the hotels operated by Meliá have not only reduced food waste, but have also prevented the emission of 81 tonnes of CO_2.

Opening of INNSiDE Valdebebas hotel, with its own conference centre

The company opens a new hotel aimed at attracting the growing MICE tourism and offering a bleisure experience, with gastronomy and art as main attractions.

SEPTEMBER

Meliá reinforces its 'Business Traveller: Benefits & Rewards' programme, specially designed for business travellers

The company improves its programme for business travellers with greater customisation and better advantages, as it is an increasingly important segment in the business.

The group announces that Banco Santander becomes part of a subsidiary that owns three of the company's establishments

The transaction is part of the hotel chain's commitment to strengthen its balance sheet.

OCTOBER

The company joins Forética in order to strengthen its commitment to sustainability

Meliá announces its membership in Forética, a leading organisation in sustainability and corporate social responsibility in Spain, aimed at developing competitive and sustainable business models.

Meliá is committed to innovation in hospitality, with a pilot project for the use of robots to support its employees

Sol Katmandu Park & Resorts (Mallorca, Spain) closes the season having operated with Wiongo's robots to support the hotel's dining areas, which were well received by both the team and customers.

NOVEMBER

Meliá La Palma reopens after completing refurbishment for its repositioning, in order to boost tourism on the Canary Island

The hotel starts a new chapter that reinforces the company's commitment to rebound tourism on the island, following the volcano eruption in 2021.

DECEMBER

The hotel chain announces the signing of a new hotel in Ushuaia (Argentina) operated under its luxury brand Gran Meliá

The signing of Gran Meliá Ushuaia hotel, scheduled to open in 2028, adds to the company's expected growth in Argentina and its focus on growth in Latin America.

ZEL by Meliá opens its third hotel, ZEL Punta Cana, marking the beginning of the brand's international expansion

Meliá opens a new hotel in Punta Cana, following the repositioning of one of its existing establishments there, and as the group's first all-inclusive lifestyle hotel.

Meliá Hotels International signs an agreement with Grupo Popular for investment in two of its hotels in Punta Cana

The company agrees an investment of $63M from Grupo Popular, a leading financial group in the Dominican Republic, acquiring 25% of the subsidiary owners.

The company reinforces its presence in Mexico with the opening of Meliá Casa Maya hotel in Cancun

Continuing with the commitment to grow together with its partners, Meliá announces the incorporation of two establishments to its portfolio: Almarena Puerto Retiro and Almarena Madero Urbano.

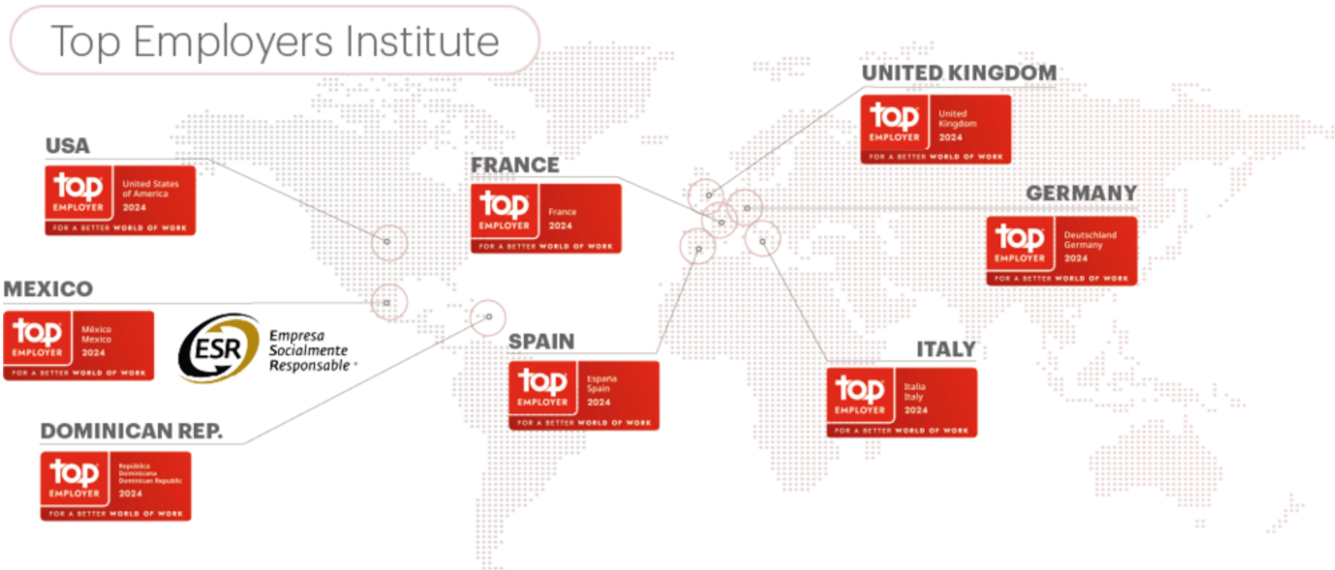
The hotel chain increases its presence in the Dominican Republic with the signing of the first INNSiDE by Meliá brand hotels in this destination

The group maintains a strong commitment to the Dominican Republic, bringing another of its brands to the country and expanding its business with the signing of the first Meliá franchised hotels in the Caribbean.

Awards and recognitions

Fuelled by our drive for continuous improvement, we also participate in a number of rankings and benchmark monitors in areas aligned with the needs, material issues and strategic priorities of the company. We pursue a twofold goal in this context: to strengthen our reputation in intangible issues and to identify best management practices in these areas.

As we expand our knowledge, we enhance our ability to manage issues of material importance for both the company and our stakeholders.



Most Sustainable Company in the Tourism Industry

1st place

TOP 10 Best Business Manager in Spain

5th place

Best Companies with Corporate Social Responsibility (CSR)

8th place

TOP 10 IBEX 35 Companies on Social Media

9th place

TOP 10 Most Trusted Companies in Latin America

9th place

Strongest Brands in Spain (Spain 100 2024)

17th place

TOP 30 Best Spanish Brands

28th place

Super Companies 2024

45th place

Most Valuable Brands in Spain (Spain 100 2024)

62nd place

100 Best Companies to Work For in Spain

Award Winners 2024: Hotels and Properties

Place: **Best Global Sustainability Initiative**

ESG ratings & sustainability indexes

ESG analyst ratings

Meliá Hotels International listens to its stakeholders and acts accordingly, upholding the highest standards. In response to the growing demand for ESG information from investors, regulators and other stakeholders, we respond to specific requests and participate in specialised indexes and rankings to understand how robust our performance is across these three areas: Environmental, Social and Governance.

By listening, measuring and assessing, we identify areas for improvement within our company, aiming to implement measures to improve our performance and meet our stakeholders' expectations.

For more than 10 years now, we have taken part in some of the most prestigious indexes and benchmark frameworks worldwide, so as to have our progress certified and make sure that our roadmap is aligned with the expectations of all stakeholders.

Meliá ranked third and maintained its leadership as the most sustainable hotel company as per the Global Sustainability Yearbook 2025 published by S&P Global, the renowned sustainable investment agency. This achievement strengthens Meliá's position as a benchmark in sustainability within the industry and endorses its performance in financial, environmental and social areas.

Meliá received the highest rating in the industry in terms of governance and finance, standing out in risk management; under the environmental chapter, in the areas of climate change and environmental indicators; finally, in the social dimension, it stood out in human rights, human capital development, team management indicators and customer management.

Our recognition for yet another year as a market leader in sustainability drives us to continue upholding our strong commitment to incorporating ESG criteria into our business model, providing an additional incentive to keep working towards a more sustainable and responsible tourism model.

3rd place (97%)

S&P Global Sustainable1

B-Prime

ISS ESG

E:1/S:1/G:5

ISS QualityScore

23.9

SUSTAINALYTICS

A

MSCI

ESG Score: 3.5

FTSE4Good

B

CDP

MONITORS	RATING		FROM
	2024	2023	
MERCO COMPANIES	22	21	2001
MERCO LEADERS	28	28	2002
MERCO ESG RESPONSIBILITY	17	25	2012
MERCO TALENT	13	19	2012
MERCO UNIVERSITY TALENT	33	39	2017

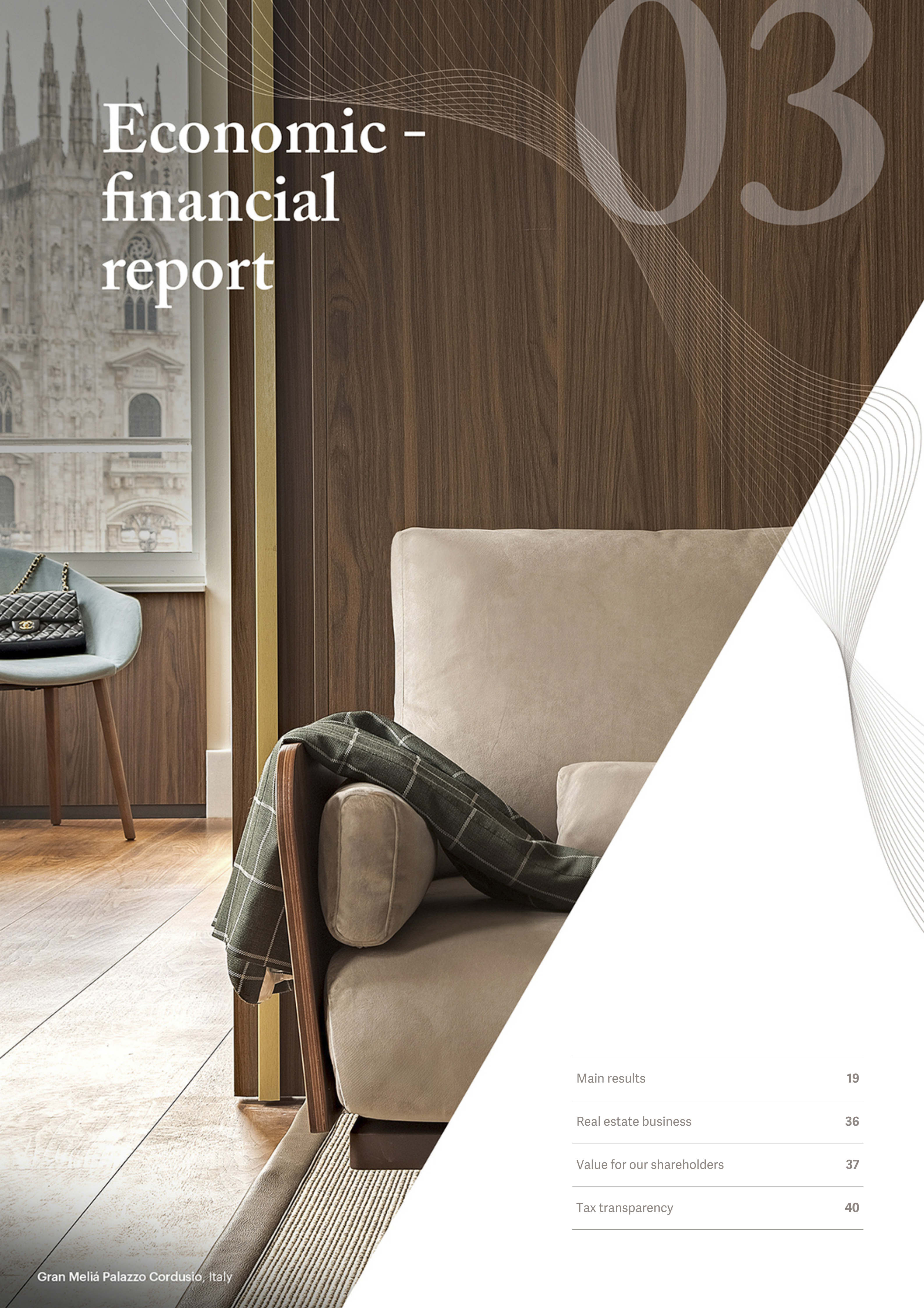
Merco (Corporate Reputation Business Monitor) is a benchmark corporate monitor that has evaluated the reputation of companies since 2000, based on a multi-stakeholder methodology comprising six assessments and more than twenty sources of information.

It is the first monitor worldwide to be audited under ISAE 3000, having its results assessment process verified by an internationally recognised auditing firm. All weighting criteria are public, as are its results. For many years now, our company has ranked first in the sectoral ranking of companies.

Paradisus Salinas, Spain

03

Economic - financial report



Gran Meliá Palazzo Cordusio, Italy

Main results

Financial performance

CONSOLIDATED INFORMATION (€ million)	2021	2022	2023	2024
Total consolidated revenues	902.4	1,692.0	1,932.2	2,056.3
Total Revenue (excluding capital gains)	827.2	1,679.8	1,928.8	2,012.8
EBITDA	125.5	430.8	489.8	575.4
EBITDA (excluding capital gains)	61.0	418.5	486.5	533.6
EBIT/Operating profit or loss	-145.3	201.1	231.0	333.5
Profit or loss before tax	**-217.4**	**156.3**	**149.3**	**224.4**
Consolidated profit or loss	**-197.9**	**120.1**	**130.1**	**162.0**
Net profit attributed to the parent company	-192.9	110.7	117.7	140.6
EBITDA Margin (excluding capital gains)	7.4%	24.9%	25.2%	26.5%
Net debt	2,853.2	2,673.0	2,613.1	2,236.6
Net debt / EBITDA ratio (excluding capital gains)	46,77x	6,39x	5,37x	4,19x

	UNIT	2021	2022	2023	2024
No. of shares	M	220.40	220.40	220.40	220.40
Average daily volume	Thousands of shares	1,018.89	1,038.56	780.24	413.70
Maximum share price	€	7.30	8.09	6.68	8.12
Minimum share price	€	5.33	4.13	4.71	5.80
Closing price (as at 31 December)	€	6.00	4.58	5.96	7.37
Market capitalisation	€M	1,322.84	1,008.99	1,313.58	1,623.25
Dividend	€	–	–	–	0.09

Grants and allowances received

GRI: 201-4

	UNIT	2022	2023	2024
Grants	€	54,570,741	5,595,179	6,824,834
Training allowances	€	376,808	517,824	594,284

Global hotel business

OWNED & LEASED (€ million)	2024	2023	Δ%
Owned & Leased Hotels Revenues	**1,751.3**	**1,671.1**	**4.8%**
Owned	842.2	782.9	7.6%
Leased	909.1	888.2	2.4%
Of which Room Revenues	**1,194.6**	**1,124.0**	**6.3%**
Owned	499.8	454.5	10.0%
Leased	694.8	669.4	3.8%
EBITDAR	**487.5**	**451.2**	**8.0%**
Owned	209.2	190.7	9.7%
Leased	278.3	260.5	6.8%
EBITDA	**448.7**	**408.8**	**9.8%**
Owned	209.2	190.7	9.7%
Leased	239.5	218.1	9.8%
EBIT	**231.1**	**169.3**	**36.5%**
Owned	138.2	111.6	23.9%
Leased	92.9	57.7	60.8%

MANAGEMENT MODEL (€ million)	2024	2023	Δ%
Revenue	**411.0**	**336.3**	**22.2%**
Third-party fees	73.6	65.2	12.9%
Owned & leased hotels fees	94.6	88.8	6.4%
Other revenues	242.8	182.3	33.2%
EBITDA	**134.7**	**110.2**	**22.3%**
EBIT	**132.2**	**107.5**	**22.9%**

OTHER HOTEL REVENUES (€ million)	2024	2023	Δ%
Revenues	**100.4**	**104.2**	**-3.7%**
EBITDA	**5.1**	**6.5**	**-22.0%**
EBIT	**4.1**	**5.8**	**-28.6%**

BUSINESS RESULTS: KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total Hotels	**69.5%**	**1.8**	**171.9**	**8.4%**	**119.4**	**11.2%**	**60.3%**	**1.6**	**140.9**	**7.8%**	**85.0**	**10.7%**
SPAIN	73.2%	0.1	172.5	14.5%	126.2	14.6%	72.9%	2.2	156.5	13.5%	114.0	17.1%
EMEA	69.9%	4.2	180.4	2.8%	126.2	9.5%	67.8%	3.4	183.4	3.5%	124.4	9.0%
AMERICA	61.9%	2.8	158.3	1.8%	98.0	6.6%	59.4%	1.7	150.0	2.8%	89.0	5.8%
ASIA	–	–	–	–	–	–	52.6%	6.3	83.2	0.1%	43.8	13.6%
CUBA	–	–	–	–	–	–	37.6%	-3.0	81.2	5.6%	30.5	-2.3%

BUSINESS RESULTS: OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2024		2023		2025		2026		>2026		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	40	12,193	40	12,195	–	–	–	–	–	–	40	12,193
Leased	85	19,401	87	19,675	–	–	–	–	–	–	85	19,401
Management	168	46,745	166	47,036	15	2,549	15	2,453	21	5,046	219	56,793
Franchised	69	15,643	57	13,151	6	529	5	706	7	1,188	87	18,066
Total	**362**	**93,982**	**350**	**92,057**	**21**	**3,078**	**20**	**3,159**	**28**	**6,234**	**431**	**106,453**

BUSINESS RESULTS: CHANGES IN PORTFOLIO

OPENINGS

HOTEL	COUNTRY / CITY	MANAGEMENT	ROOMS	REGION
TORRE MELINA	Spain / Barcelona	Managed	391	Spain
SUMMUM BOUTIQUE HOTEL	Spain / Palma de M.	Franchised	18	Spain
SCIROCCO ST. JULIAN'S	Malta / St. Julian's	Managed	38	EMEA
RATXÓ RETREAT HOTEL	Spain / Galilea	Franchised	25	Spain
TENERIFE SANTA CRUZ	Spain / Tenerife	Franchised	83	Spain
GRAND LUANG PRABANG	Laos / Luang	Managed	75	Asia
LLORET DE MAR	Spain / Girona	Managed	140	Spain
VELIPOJA GRAND EUROPA RESORT	Albania / Velipoja	Franchised	110	EMEA
COSTA BRAVA	Spain / Tossa de Mar	Managed	214	Spain
BELLEVUE SARDINIA RESORT	Italy / Sardinia	Franchised	139	EMEA
I. BRAGA CENTRO	Portugal / Braga	Franchised	109	EMEA
COSTA REY	Cuba / Cayo Coco	Managed	566	Cuba
LEVANTE ST. JULIAN'S	Malta / St. Julian's	Managed	19	EMEA
MADRID VALDEBEBAS	Spain / Madrid	Leased	273	Spain
KOBI ONSEN RESORT HUE	Vietnam / Hue	Managed	155	Asia
ME MALTA	Malta / St. Julian's	Managed	175	EMEA
ALMARENA MADERO URBANO	Argentina / Buenos Aires	Franchised	78	America
ALMARENA PUERTO RETIRO	Argentina / Buenos Aires	Franchised	73	America
CASA MAYA CANCUN	Mexico / Cancún	Managed	260	America

DISAFFILIATIONS

HOTEL	COUNTRY / CITY	MANAGEMENT	ROOMS	REGION
KUTA BALI	Indonesia / Kuta - Bali	Managed	110	Asia
NASSAU BEACH	Bahamas / Nassau	Managed	347	America
HOI AN	Vietnam / Hoi An	Managed	150	Asia
MERIDA MEDEA	Spain / Mérida	Managed	126	EMEA
JEREZ CENTRO	Spain / Jerez	Leased	98	EMEA
CARTAGENA KARMAIRI	Colombia / Cartagena	Franchised	146	America
MUNCHEN NEUE MESSE	Germany / Aschheim	Leased	134	EMEA

Performance

The hotel sector closed 2024 with a positive evolution, consolidating and improving its performance. Strong global tourism demand, driven by growth in leisure tourism, a revival in business travel and a positive trend in the recovery of international air traffic, was a key driver of the year's performance. Our consolidated presence and leadership in the resort segment has allowed us to capitalise on the growing demand, focusing our growth on quality RevPar, with a greater contribution of rate increases over occupancy. Furthermore, the recovery of corporate customer volume has also been beneficial, mainly in our destinations in European capitals and cities.

Our strategy in recent years has been focused on enhancing our offering towards a Premium & Luxury segment in line with market trends, which indicate a greater preference for differentiated experiences and services. In that sense, 68% of our portfolio operates under brands in these segments, with 1 out of every 3 openings in our development pipeline belonging to the luxury sector.

By segments, there was a generalised growth in all of them, as a result of the recovery in the volume of reservations by our Corporate customers, together with a growth in rates in the other segments. Once again, our Direct Customers lead the way in revenue generation, accounting for more than 50% of centralised sales. Recently, the company has redoubled its commitment to improve user experience with the launch of a revamped App and the integration of new products and experiences available to our own channel customers.

Outlook for the start of 2025

The hotel and tourism industry faces 2025 with a promising outlook, driven by the strong recovery and growth in recent years. The sector has proven to be resilient and flexible, adapting quickly to market trends that increasingly prioritise customised experiences, sustainability and excellence.

2025 starts after the change in the US presidency, an electoral process that generated some uncertainty and temporarily slowed demand in some key destinations, mainly in the Caribbean. However, On-the-books reservations are approximately one digit higher than last year's figures. The post-election rebound in demand confirms that the foundations of the sector remain solid, moving towards a growth normalisation.

Despite this optimistic outlook, the global environment continues to face macroeconomic and geopolitical challenges. Meliá will therefore continue to reinforce its strategy focused on three pillars: consolidating our leadership in the luxury resort segment, expanding our presence in key holiday destinations and opening new markets such as the Maldives, Seychelles and Turkey. These actions will strengthen our position in the top segments with an outstanding resort focus, ensuring our leadership in an increasingly competitive market.

SPAIN Region

OWNED & LEASED (€ million)	2024	2023	Δ%
Owned & Leased Hotels Revenues	**772.6**	**755.5**	**2.3%**
Owned	288.8	252.5	14.4%
Leased	483.9	503.0	-3.8%
Of which Room Revenues	**574.0**	**551.3**	**4.1%**
Owned	206.4	178.2	15.9%
Leased	367.5	373.1	-1.5%
EBITDAR	**233.4**	**219.7**	**6.2%**
Owned	86.0	70.4	22.2%
Leased	147.3	149.3	-1.3%
EBITDA	**202.6**	**183.7**	**10.3%**
Owned	86.0	70.4	22.2%
Leased	116.6	113.3	2.9%
EBIT	**114.9**	**88.8**	**29.4%**
Owned	68.1	51.6	32.0%
Leased	46.8	37.2	25.8%

MANAGEMENT MODEL (€ million)	2024	2023	Δ%
Revenues	**91.9**	**79.6**	**15.4%**
Third-party fees	41.2	32.1	28.2%
Owned & leased hotels fees	45.2	42.7	5.8%
Other revenues	5.5	4.7	15.4%

KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total Hotels SPAIN	**73.2%**	**0.1**	**172.5**	**0.15**	**126.2**	**14.5%**	**72.9%**	**2.2**	**156.5**	**13.6%**	**114.0**	**17.1%**
Urban	71.2%	0.0	182.6	0.17	129.9	16.8%	70.9%	0.3	171.7	13.8%	121.7	14.3%
Resort	75.2%	0.0	162.6	0.12	122.3	12.4%	74.3%	3.6	145.8	13.1%	108.4	18.9%

OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2024		2023		2025		2026		>2026		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	16	4,027	16	4,030	0	0	0	0	0	0	16	4,027
Leased	45	11,905	46	12,042	0	0	0	0	0	0	45	11,905
Management	58	15,036	60	16,085	1	136	1	39	0	0	60	15,211
Franchised	25	5,241	17	3,112	0	0	1	27	0	0	26	5,268
Total SPAIN	**144**	**36,209**	**139**	**35,269**	**1**	**136**	**2**	**66**	**0**	**0**	**147**	**36,411**

Performance

In Spain, tourism has continued to grow, exceeding the contribution to Spanish GDP that in 2023 was the highest in the historical series. These figures are based on a new record number of tourists visiting the country, totalling 94 million tourists, which represents a 10% increase compared to the previous year. The average daily expenditure of foreign tourists increased by an average of 4.5% according to Exceltur, in which greatest attraction and growth of differentiated and repositioned products are key.

Regarding urban hotels, performance is remarkably positive, with Madrid and Barcelona leading the increase in demand, underpinning the growth of the region. 2024 is characterised by growth in all segments in which MICE and Corporate events, the demand for leisure and the holding of large events have generated the expected volume of reservations and rate increases. In this sense, the growth in rates during the year has been over 10%, contributing almost entirely to the increase in RevPar. The evolution of the main Spanish cities is part of an improvement process of the hotel facilities and additional offer, attracting a new profile of customers and nationalities, who, in their search for superior experiences and products, are more willing to pay higher prices for better products. Highlights of 2024 include the reopening of Meliá Collection Casa de las Artes, the opening of Innside Valdebebas and the incorporation of Gran Meliá Torre Melina, consolidating our MICE offer and luxury positioning in Barcelona. With regard to other cities such as Palma de Mallorca, Bilbao and Seville, the evolution of demand is equally positive with growth in rates and a balanced contribution from leisure and business customers.

The performance in 2024 of our resort hotels has been very positive, driven by a great start to the winter season and a positive summer season. By region, hotels in the Balearic Islands managed to extend the season again with a greater number of hotels open, also achieving increases in occupancy and rates. The Canary Islands stood out as one of the main drivers of the holiday segment in Spain. The region had a considerable growth in occupancy and rates, thanks to strong last-minute demand and a strategy focused on product improvement and premium positioning, such as the recently opened Paradisus Gran Canaria and Salinas hotels. With regard to segments, the contribution of our Direct Customers has been very positive, generating 60% of the growth while also generating the highest average rate. Promotional campaigns, such as ‘Wonder Week’, exceeded the results of previous years, ensuring a strong reservation base and outstanding performance in all channels, allowing us to manage last-minute demand by focusing on rate increases. By nationality, the domestic market and the United Kingdom continued to be the main sources of visitors, with high increases in revenue. However, positive diversification was observed with a greater presence of other nationalities, with a notable increase from the United States and the United Arab Emirates, which have greater purchasing power and a commitment to experiences.

Outlook for the start of 2025

Our urban hotels in Spain are starting 2025 with a repositioned offering following various renovation processes during the previous year or new openings that are beginning to operate under our brands, thus estimating a higher volume of income. The general trend anticipates maintaining occupancy figures with a more moderate increase in average rates. By city, Madrid stands out as the main growth driver, with a solid on-the-books position in MICE and Corporate segments, which have a longer window for reservations than other segments. This factor anticipates a good performance from leisure and bleisure customers. In Barcelona, there has been a higher growth in average rates and a positive performance since the beginning of the year, highlighting the good on-the-books position and anticipated business of Gran Meliá Torre Melina. The rest of cities show a more modest performance, due to the greater impact of the MICE events held at the beginning of the previous year, which were on-off events that are not held at the beginning of this year.

For resort hotels, the growth trend continues, focusing on improving average rates, with a trend towards normalisation. The good prospects for the beginning of the year in the Canary Islands stand out, thanks to higher demand and advance sales. By segment, the good results of Tour Operation and Direct Customers stand out, the latter being the channel with the highest average price contribution. In general terms, promotional campaigns such as Black Friday have had a positive effect, greatly improving sales at the beginning of the year and providing a good occupancy base. As for our source markets, the United Kingdom and Spain remain our main nationalities.

Paradisus by Meliá Salinas, Spain

EMEA Region

OWNED & LEASED (€ million)	2024	2023	Δ%
Owned & Leased Hotels Revenues	**502.4**	**458.3**	**9.6%**
Owned	116.8	111.8	4.5%
Leased	385.6	346.5	11.3%
Of which Room Revenues	**385.4**	**348.6**	**10.6%**
Owned	92.6	85.3	8.5%
Leased	292.8	263.3	11.2%
EBITDAR	**149.4**	**126.6**	**18.0%**
Owned	34.3	31.8	7.8%
Leased	115.1	94.8	21.4%
EBITDA	**143.9**	**123.3**	**16.7%**
Owned	34.3	31.8	7.8%
Leased	109.7	91.5	19.8%
EBIT	**56.9**	**30.4**	**87.4%**
Owned	15.1	14.3	6.1%
Leased	41.8	16.1	159.4%

MANAGEMENT MODEL (€ million)	2024	2023	Δ%
Revenues	**34.6**	**32.1**	**7.8%**
Third-party fees	4.5	3.4	32.6%
Owned & leased hotels fees	24.6	22.0	11.7%
Other revenues	5.5	6.7	-17.9%

KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total Hotels EMEA	**69.9%**	**4.2**	**180.4**	**2.8%**	**126.2**	**9.5%**	**67.8%**	**3.4**	**183.4**	**3.5%**	**124.4**	**9.0%**
Germany	68.1%	5.4	137.9	2.1%	93.9	10.8%	68.1%	5.4	137.9	2.1%	93.9	10.8%
France	72.9%	3.6	218.3	-0.2%	159.2	5.0%	72.9%	3.6	218.3	-0.2%	159.2	5.0%
Italy	67.2%	0.5	322.3	10.4%	216.6	11.3%	66.1%	0.4	319.7	10.8%	211.4	11.5%
United Kingdom	73.3%	3.7	196.3	2.8%	143.9	8.3%	73.1%	4.3	199.5	3.0%	145.8	9.5%
Rest EMEA	72.9%	3.8	177.7	-2.0%	129.6	3.4%	66.7%	1.8	216.7	4.6%	144.5	7.4%

OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2024		2023		2025		2026		>2026		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	7	1,396	7	1,396	0	0	0	0	0	0	7	1,396
Leased	38	6,910	39	7,044	0	0	0	0	0	0	38	6,910
Management	16	1,898	13	1,663	6	392	9	1,575	13	2,800	44	6,665
Franchised	42	10,251	39	9,893	6	529	2	203	6	1,092	56	12,075
Total EMEA	**103**	**20,455**	**98**	**19,996**	**12**	**921**	**11**	**1,778**	**19**	**3,892**	**145**	**27,046**

Performance

EMEA region has experienced sustained growth throughout the year, driven by the strength and resilience of bleisure customers and the total reactivation of the Corporate segment. According to data from the World Tourism Organisation (UNWTO), international tourism in this region reached record figures, exceeding pre-pandemic levels. This boom was boosted by large events, such as the European Football Championship in Germany and the Olympic Games in France, which attracted millions of visitors. Furthermore, the diversification of source markets, with a significant increase in tourists from the United States and the Gulf countries, contributed to this growth. In the final stretch of the year, the political instability in countries such as Germany and France caused some volatility in the market, which has not affected the results, but may have led to an increase in cancellations, especially in group reservations.

By region, the annual performance of countries is as follows:

In **Germany**, performance has been positive, with an increase in occupancy figures due to a reactivation of the Corporate segment, a positive MICE events calendar and the holding of large events and concerts that generated additional demand. Specifically, in June and July, the Euro 2024 tournament stood out with a significant contribution in the cities that hosted venues and matches. Furthermore, the demand for leisure was positive on the dates in question. This positive evolution has taken place despite the political instability that the country is going through, which increased in the final stretch of the year.

In the **United Kingdom**, the first half of 2024 showed a strong performance, with London leading the growth thanks to a positive combination of events such as the London Marathon and top-level concerts, which boosted demand. The direct channel grew significantly, being the main driver of revenue growth. In the north of the country, hotels also showed positive growth, although with less impact compared to those in the capital. In the second half of the year, London continued to drive the country's growth, maintaining competitive rates and high activity in segments such as Corporate and MICE. Although hotels in the north continued to perform well, their growth was lower than in other regions. Tour operation with dynamic pricing complemented the occupancy base, and the direct channel continued to consolidate as a key pillar of the business.

France has performed well in terms of occupancy and rates, although with some fluctuations due to the Olympic and Paralympic Games in Paris. During the first half of the year, the country registered an increase in customer volume, mainly due to the reduction in social tension following the strikes of the previous year. The recovery of the corporate segment and the increase in demand from tour operators also contributed to the good performance in this period. In the second quarter, the situation changed slightly with the city's preparation for the Olympic Games, which affected the Corporate and MICE segments, as many companies placed restrictions on business travel and encouraged remote working. In the final stretch of the year and after the Olympic Games there was an upturn in Corporate and MICE demand, complemented by the continued strength of the bleisure customer. Despite the geopolitical situation affecting growth, the final stretch of the year has been positive in terms of the main operational and financial metrics.

Our hotels in **Italy** showed a solid performance. Milan maintained a positive trend driven by strong domestic and international demand for leisure. Key events such as the Furniture Fair and the Fashion Week contributed to an increase in occupancy and rates. Furthermore, Gran Meliá Palazzo Cordusio consolidated our position in the luxury segment, benefiting from the MICE base and an increase in demand from leisure customers. Rome had a strong performance, with a progressive recovery driven by transitory demand and the luxury segment. Although the start of the year was moderate due to lower advance reservations of superior suites, the strength in customers of high purchasing power nationalities was positive from Easter onwards, improving occupancy and rates. The strong tourism activity together with the growth of MICE segment was undoubtedly positive for the city during the year.

Outlook for the start of 2025

In **Germany**, the start of the year is optimistic with solid on-the-books figures in the MICE and Corporate segments. Growth is expected in Hamburg and Munich thanks to favourable trade fair calendars and demand for leisure, although there are challenges such as fewer days of trade fairs in cities like Frankfurt.

In **France**, the start of the year is anticipating an increase in occupancy, with rates remaining the same as last year, which is positive. B2C segments are growing, partly supported by a positive trend in tour operators. A notable fact is that the US market is benefiting from the rise of the dollar, which gives customers greater purchasing power and greater willingness to travel. Furthermore, cultural tourism benefits Maison Colbert hotels following the reopening of Notre Dame, a factor that boosts sales due to the hotel's privileged location with direct views of the cathedral. Large companies are a risk factor for the year due to the political uncertainty, and the effect on domestic corporate segment.

In the **United Kingdom**, the start of the year has been positive with growth compared to the previous year in hotels in the capital and in other cities. This growth has been possible thanks to an increase in both volumes and prices. OTAS has been the only segment with a lower volume compared to the previous year, with the decrease in volume being more noteworthy for the end of the first quarter. For the year as a whole, the strategy is focused on consolidating the MICE sector and growth in online channels, with the online channel itself accounting for more than 50% of growth.

In **Italy**, hotels are expected to have a start similar to that of year 2024, with no outstanding events except for the fashion week, which is expected to generate a significant volume of reservations. The renovation of Meliá Milano and the progressive consolidation of Gran Meliá Palazzo Cordusio in the city's luxury sector will be significant factors for 2025. In Rome, a general increase is expected, specifically for the luxury sector. It is anticipated that with a strong US dollar, demand from this market will be maintained or even increased.

AMERICA Region

OWNED & LEASED (€ million)	2024	2023	Δ%
Owned & Leased Hotels Revenues	**476.3**	**457.3**	**4.1%**
Owned	436.6	418.6	4.3%
Leased	39.7	38.7	2.5%
Of which Room Revenues	**235.2**	**224.1**	**4.9%**
Owned	200.8	191.0	5.1%
Leased	34.4	33.1	3.8%
EBITDAR	**104.8**	**104.9**	**-0.1%**
Owned	88.9	88.5	0.4%
Leased	15.9	16.4	-2.8%
EBITDA	**102.1**	**101.8**	**0.3%**
Owned	88.9	88.5	0.4%
Leased	13.2	13.3	-0.4%
EBIT	**59.3**	**50.2**	**18.2%**
Owned	55.0	45.8	20.2%
Leased	4.3	4.4	-2.9%

MANAGEMENT MODEL (€ million)	2024	2023	Δ%
Revenues	**40.9**	**42.7**	**-4.1%**
Third-party fees	5.3	5.6	-5.4%
Owned & leased hotels fees	24.7	24.1	2.7%
Other revenues	10.9	13	-16.3%

KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total Hotels AMERICA	**61.9%**	**2.8**	**158.3**	**1.8%**	**98.0**	**6.6%**	**59.4%**	**1.7**	**150.0**	**2.8%**	**89.0**	**5.8%**
Brazil	–	–	–	—%	–	–	54.3%	1.0	110.6	6.2%	60.1	8.2%
Mexico	61.8%	2.2	168.0	-4.1%	103.9	-0.5%	61.6%	2.0	168.0	-4.1%	103.6	-0.8%
Dominican Republic	68.4%	3.5	145.2	10.1%	99.2	16.1%	68.4%	3.5	145.2	10.1%	99.2	16.1%
Rest of AMERICA	51.6%	3.0	164.3	1.1%	84.8	7.3%	52.1%	-0.4	188.7	4.6%	98.4	3.8%

OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2024		2023		2025		2026		>2026		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	17	6,770	17	6,769	–	–	–	–	–	–	17	6,770
Leased	2	586	2	589	–	–	–	–	–	–	2	586
Management	17	3,683	17	3,790	–	–	2	277	4	672	23	4,632
Franchised	2	151	1	146	–	–	2	476	1	96	5	723
Total AMERICA	**38**	**11,190**	**37**	**11,294**	**0.0**	**0.0**	**4**	**753**	**5**	**768**	**47**	**12,711**

Performance

Mexico maintained a stable performance in 2024, with a slight growth in occupancy, although facing decreases in rates and lower air connectivity. Demand for MICE events was lower compared to an exceptional 2023, but tour operators, OTAs and direct customers offset this drop, allowing occupancy to be sustained and RevPAR to be stabilised. The reduction in flight frequencies impacted on demand and affected rates, although the diversification of source markets helped to mitigate its consequences, with a strategy focused on strengthening direct sales and product positioning. In addition, the US presidential elections in November caused a slowdown in sales during the previous weeks. However, after the elections, the increase in reservations and the success of the Black Friday promotional campaign reflected a recovery in travels and a positive sign for future demand.

The **Dominican Republic** had an increase in tourist arrivals, with Punta Cana being the fastest growing consolidated tourist hub, accounting for over 60% of all arrivals to the country. This has been possible thanks to new routes, mainly to other Latin American destinations, and the open skies agreement with the United States, reaffirming the commitment of large international capitals to the Dominican tourism industry. In terms of segments, during the year, a positive record of MICE events combined with leisure customers was recorded through our Direct Channels and Tour Operators. In the final stretch of the year, as in other regions, the uncertainty arising from the electoral process in the United States increased, temporarily affecting demand from that market. The rest of nationalities, such as Canada, Spain, the United Kingdom and Argentina, among others, showed positive behaviour.

Regarding the **United States**, in Orlando, the start of the year was quieter due to a shift in domestic demand to other destinations. However, the trend improved throughout the year by securing advance reservations thus increasing the base occupancy, and managing last-minute reservations with price increases. In New York, the strategy combined a solid base of tour operator and MICE customers during the low season with a focus on direct customers and OTAs during the high season, allowing for sustained growth in occupancy and rates towards the end of the year.

Outlook for the start of 2025

In America, **Mexico** has recorded a positive trend in demand following the elections, where the Black Friday campaign was very positive for the region, with a large volume of reservations. The segments with the greatest room for improvement continue to be MICE, which is showing slow but steady progress, with a focus on high rates for corporate groups and meetings. The commercial strategy for the other segments will focus on promotions and market diversification, also partly due to the reduction of some routes and flight frequencies, which are offset by the growth of the airlines industry, with new airlines that have recently started operating.

In the **Dominican Republic**, the beginning of 2025 shows a significant increase in air capacity from Canada. The impact of the presidential elections in the United States has reduced the number of large events held at the destination, however the improvement in the average price of confirmed events and the change in segmentation has favoured an improvement in the general rate. The spaces freed up by MICE have been efficiently capitalised on by the Canadian tour operators, outperforming other channels such as OTAs.

In the **United States**, New York is anticipating growth in the destination, where the objective is to increase our market share through optimisation of distribution channels. All segments, with the exception of tour operators, are exceeding last year's figures, reflecting this effort. With a high base occupancy, a more favourable management of the outstanding dates is expected by focusing on last-minute demand. In the case of Orlando, a good MICE customer base has been achieved, concentrating on weekends in the capitalisation of leisure customers with a focus on increasing rates.

Innside New York NoMad, USA

APAC Region

OWNED & LEASED (€ million)	2024	2023	Δ%
Owned & Leased Hotels Revenues	**N.A.**	**N.A.**	**N.A.**
Owned			
Leased			
Of which Room Revenues	**N.A.**	**N.A.**	**N.A.**
Owned			
Leased			

MANAGEMENT MODEL (€ million)	2024	2023	Δ%
Revenues	**10.7**	**9.3**	**14.8%**
Third-party fees	10.3	8.7	18.0%
Owned & leased hotels fees	–	–	–
Other revenues	0.4	0.6	-30.8%

KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total Hotels ASIA	–	–	–	–	–	–	**52.6%**	**6.2**	**83.2**	**0.1%**	**43.8**	**13.6%**
China	–	–	–	–	–	–	63.4%	2.4	78.2	-10.5%	49.5	-7.0%
South East Asia	0.00	0.00	0.00	0.00	0.00	0.00	50.9%	6.9	84.2	2.5%	42.9	18.6%

OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2024		2023		2025		2026		>2026		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	–	–	–	–	–	–	–	–	–	–	–	–
Leased	–	–	–	–	–	–	–	–	–	–	–	–
Management	42	11,310	42	11,246	4	1,184	3	562	4	1,574	53	14,630
Franchised	–	–	–	–	–	–	–	–	–	–	–	–
Total ASIA	**42**	**11,310**	**42**	**11,246**	**4**	**1,184**	**3**	**562**	**4**	**1,574**	**53**	**14,630**

Performance

The Asian region has experienced mixed performance throughout the year, with China facing a particularly challenging context. The combination of a less favourable economic evolution and a significant increase in hotel supply has put pressure on rates, affecting the sector's profitability. It is important to emphasise that China was the last major economy to lift pandemic restrictions, starting 2024 in a context of full normalisation. Overall, the growth in the flow of tourists and business travellers has not been enough to cover the increase in hotel capacity, which has had a negative impact on rates in both major urban centres and secondary cities. Although occupancy has improved compared to 2023, this has not led to a proportional increase in RevPAR, due to pressure on prices. In addition, the recovery of international tourism continues to be limited by the reduced availability of seats on long-haul flights, which, together with a more uncertain macroeconomic context, has slowed demand dynamism and conditioned the evolution of the market in the region.

Southeast Asia performed well in 2024, driven by growth in international and domestic tourism, favoured by more flexible entry requirements and greater air connectivity, especially from China, South Korea and Europe. Thailand, Vietnam and Indonesia led this recovery, with a strong boost from leisure segment and a gradual upturn in corporate and MICE markets, although with variations depending on the destination.

Outlook for the start of 2025

In Asia, China is expected to see a moderate increase in tourism demand, after a less than positive 2024. Demand is expected to grow during holiday seasons, creating a stable base of leisure customers. Growth is mainly anticipated in volume, with stable rates. This trend is partly explained by the economic uncertainty in the country, with low growth rates by its standards, the real estate crisis and the risk of a 'trade war' with the United States. The combination of these factors leads to a reduction in the reservation period, which may affect rates downwards, especially in the low season. Another lever for growth continues to be the international flow of travellers, both entering the country and leaving to other destinations. The recovery of air capacity is expected to continue in 2025, with the conflict in Ukraine being one of the biggest impediments as this area cannot be flown over.

With regard to Southeast Asia, international growth is indeed being an active and growing lever. This is reflected in countries such as Thailand and Vietnam, both expecting double-digit RevPar growth compared to the previous year, mainly through the average price but also a solid growth in occupancy. In addition, the recovery of key events and the improvement of air routes will boost regional demand, favouring both leisure and business tourism.

Villa Le Corail Gran Meliá, Vietnam

CUBA Region

OWNED & LEASED (€ million)	2024	2023	Δ%
Owned & Leased Hotels Revenues	**N.A.**	**N.A.**	**N.A.**
Owned			
Leased			
Of which Room Revenues	**N.A.**	**N.A.**	**N.A.**
Owned			
Leased			

MANAGEMENT MODEL (€ million)	2024	2023	Δ%
Revenues	**12.7**	**15.5**	**-18.1%**
Third-party fees	12.4	15.4	-19.7%
Owned & leased hotels fees	–	–	
Other revenues	0.3	0.1	168.5%

KEY STATISTICS

	OWNED & LEASED						OWNED, LEASED & MANAGED					
	OCCUPANCY		ARR		REVPAR		OCCUPANCY		ARR		REVPAR	
	%	Δ (pp)	€	Δ%	€	Δ%	%	Δ (pp)	€	Δ%	€	Δ%
Total Hotels CUBA	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**37.6%**	**-3.0**	**81.2**	**5.6%**	**30.5**	**-2.3%**

OPERATIONAL PORTFOLIO & PIPELINE

	OPERATIONAL PORTFOLIO				PIPELINE							
	2024		2023		2025		2026		>2026		TOTAL	
	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS	HOTELS	ROOMS
Owned	–	–	–	–	–	–	–	–	–	–	–	–
Leased	–	–	–	–	–	–	–	–	–	–	–	–
Management	35	14,818	34	14,252	4	837	–	–	–	–	39	15,655
Franchised	–	–	–	–	–	–	–	–	–	–	–	–
Total CUBA	**35**	**14,818**	**34**	**14,252**	**4**	**837**	**0.0**	**0.0**	**0.0**	**0.0**	**39**	**15,655**

Performance

2024 began in a positive context, partly thanks to a strong international market, which translated into a good on-the-books position throughout the first quarter and part of the second quarter of the year. Subsequently, the country's economic and social situation became more complex, especially during widespread power cuts and difficulties in the supply chain, hampering tourism. In this context, there was a reduction in flight frequencies and routes, affecting source markets such as Canada, Spain, the United Kingdom and Argentina, among others. Despite this, the trend in Direct Customers was positive, which represent the largest segment. With regard to tour operators, operations have been cancelled with several companies, as well as bed banks that have reduced marketing capacity at the destination.

Outlook for the start of 2025

In Cuba, the start of the year presents a scenario similar to the end of 2024, i.e. fewer stays and lower average rates. The evolution of the year will involve solving the supply and energy problems, as well as a recovery of lost air capacity, as there have been cancellations of routes and frequencies.

Paradisus Los Cayos, Cuba

Real Estate

During the financial year, the company obtained income from capital gains on fixed assets for a total amount of €43.5 million. Of this amount, €39.9 million relates to the review of the value of the Group's real estate investments as a result of the asset valuation process carried out by an independent expert, CBRE.

Meliá's assets at the end of the year were valued at €4.7 billion, to which €561million is added for the company's share in other assets held in joint ventures. The sum of both amounts (€5.3 billion) exceeds the amount of €4.6 billion relating to the portfolio valuation in 2022.

With regard to the valuation of 2022, the company has seen a 14% increase in the total value of its assets, mainly due to the renovation and repositioning of its properties, and to the continuity of its strategy for the upper and luxury segments.

Likewise, the report sets the average value per room at €265 thousand euros, which implies an increase in value of 12%. According to CBRE, to determine the value of the assets the discounted cash flow method has mainly been used, taking into account the business forecasts for each property and the market context based on recent transactions, adjusted according to factors such as location and quality of the asset.

Finally, and unrelated to the asset valuation process, during the financial year an amount of €3.6 million was recorded for the sale of land and other non-hotel assets as part of the company's asset rotation strategy.

With regard to asset rotation, the most significant transaction during the year was with Banco Santander, S.A., which, through one of its subsidiaries, acquired a minority stake in the share capital of a subsidiary of the Group by subscribing for new preferred shares. This subsidiary, directly or indirectly through other subsidiaries, owns three hotel assets in prominent locations and in optimal conditions. The total amount disbursed was €300 million. Previously, and as a condition for the completion of this transaction, the Group paid €66 million for the acquisition of 50% stake in a subsidiary that owned the remaining minority stake in the subsidiary that was the object of the issue of the shares acquired in the transaction.

In addition, in the final stretch of the year, an additional asset rotation transaction was carried out, through the investment in the share capital of a Group’s subsidiary by Banco Popular Dominicano, a key partner in the country. The Group’s subsidiary involved in the transaction is the owner of two hotel assets located in Punta Cana, Dominican Republic. The total amount of the transaction was executed in USD for an amount of 63 million, with the purchaser acquiring a 25% stake through a capital increase.

Value for our shareholders

Shareholding Distribution

As at 31 December 2024, our shareholding is structured as follows:

SHAREHOLDING STRUCTURE

		NO. OF DIRECT/INDIRECT VOTING RIGHTS
Hoteles Mallorquines Asociados SL	13.76%	30,333,066
Hoteles Mallorquines Agrupados SL	11.29%	24,882,289
Hoteles Mallorquines Consolidados SL	24.37%	53,700,867
Tulipa Inversiones 2018, SA	5.39%	11,874,749
Ms Ana María Jaume Vanrell	54,81%	120,791,031
Global Alpha Capital Management LTD	11.03%	24,313,277
Treasury stock	0.09%	200,361
Rest (floating capital)	34.07%	75,095,391

As a result of the passing of Mr Gabriel Escarrer Juliá on 26 November 2024, his widow, Mrs Ana María Jaume Vanrell, now holds 54.81% of the voting rights of Meliá Hotels International, S. A., through control of the companies Hoteles Mallorquines Consolidados, S.L., Hoteles Mallorquines Agrupados, S.L., Hoteles Mallorquines Asociados, S.L. and Tulipa Inversiones 2018, S.A.

Shareholder remuneration

Our shareholder remuneration policy aims to offer an attractive and predictable dividend. This ambition is in line with maintaining an adequate level of own resources which guarantees investment capacity for the future growth of the company and creation of sustainable value over time.

During 2024, a supplementary dividend of €0.0935 per share has been paid out of voluntary reserves by the company, following the good results of the 2023 financial year and the strengthening of the Group's balance sheet. The total dividend payment amounted to approximately €20.6 million.

Our objective is to continue paying dividends and return to the pre-pandemic payout-to-earnings ratio in the medium term, at around a 25% payout ratio.

Stock Market Evolution

During 2024, our shares have registered an increase in value of 23.57%, while IBEX 35 closed the year with a rise of 14.78%, reaching 11,595 points.

The performance of Meliá's shares was particularly positive in the first half of the year, driven by solid demand in the tourism sector and favourable outlook that materialised in line with market expectations. Subsequently, the announcement of asset rotation transactions and debt reduction prospects allowed a price rise in shares, reaching €8.12 per share in June.

The start of the second half of the year was characterised by negative messages from other hotel companies, as a result of a clear slowdown in the Chinese market, which had a negative impact on the share price.

At the end of the year, our shares recovered much of the performance of the first half of the year, closing 2024 at €7.37 per share. Stock markets also showed a generalised recovery, thanks in part to the reduction of interest rates by central banks, mainly the European Central Bank (ECB) and the US Federal Reserve (FED).

STOCK MARKET EVOLUTION

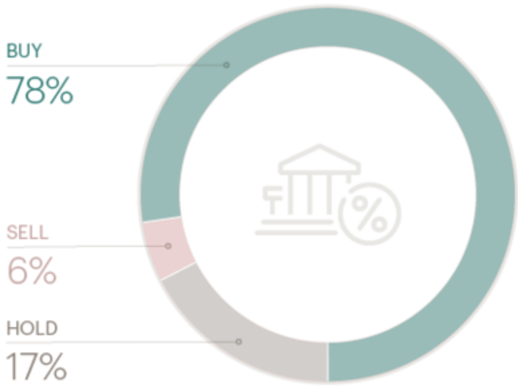
Source: Factset. Note: The Company's shares are listed on Ibex Medium-Cap and on index FTSE4Good Ibex.

MAIN STOCK MARKET INDICATORS

	1T 2024	2T 2024	3T 2024	4T 2024	2024
Average daily volume (thousands of shares)	534,61	443,77	439,93	238,03	413,70
Meliá (% change)	25,67%	2,34%	-15,13%	13,22%	23,57%
Ibex 35 (% change)	9,21%	0,31%	5,36%	2,44%	14,78%

	DEC 24	DEC 23
Number of shares (million)	220,4	220,4
Average daily volume (thousands of shares)	413,7	780,2
Maximum price (euros)	8,12€	6,68€
Minimum price (euros)	5,80€	4,71€
Last price (euros)	7,37€	5,96€
Market capitalisation (million euros)	1.623,2	1.313,6
Dividend (euros)	0,0935€	-

ANALYSTS' RECOMMENDATION



Tax transparency

A tax strategy based on values

GRI: 2-23, 2-24, 207-1, 207-2

The Tax Strategy Policy was approved by the Board of Directors in 2016 and updated in June 2018 in line with the provisions of Article 529 of the Spanish Corporate Enterprises Act and Article 5 of the Regulations of the Board of Directors. It aims to define our approach to taxation on the basis of three core values: transparency, rigour and good governance. Its scope of application includes all companies controlled by Meliá Hotels International, regardless of their geographical location, and is particularly important to the Board of Directors, the Auditing and Compliance Committee, the Senior Executive Team (SET) and the Tax department.

The company develops this Tax Strategy on the basis of the following guiding principles:

Our Tax Strategy is actively disseminated to ensure awareness and effective compliance by all the Company's executives and employees, and is made available to stakeholders on our corporate website.

Meliá Hotels International has a Tax Risk Management and Control System in place to monitor risks relating to large investments and operations, the creation or acquisition of shareholdings in special purpose vehicles or entities domiciled in countries considered to be non-cooperative jurisdictions, and transactions with board members or shareholders.

This system is part of the function developed by the tax department and with the participation and commitment of all business units, being implemented under the premise of compliance with applicable tax legislation, internal policies and, of course, the Tax Strategy.

Oversight over this system lies with the Auditing and Compliance Committee, which monitors all tax risks inherent in the business activities and processes of Meliá Hotels International. Our tax department reports directly to the Board of Directors through this committee on a recurring basis (at least once a year) and whenever there is an issue considered to be of particular importance.

We also have a Complaints Channel available to suppliers and the entire workforce, regardless of their hierarchical, functional or geographical position, to report any tax irregularities that are contrary to our Code of Ethics.

Our alignment with best practices in this area is also evidenced by the fact that our auditor, who is responsible for auditing the accounts, auditing the management system and verifying the statement of non-financial information and other indicators, does not provide any tax advisory services to the company.

Aligned with responsible taxation

GRI: 207-4

As part of our commitment to responsible taxation and economic and social contribution in all countries where we are present, we maintain a structure aligned with the business and in line with legal requirements, within the framework of a transfer pricing policy that also focuses on value creation and the arm's length principle.

All financial and tax information is available in the Group's Consolidated Annual Accounts and in the Individual Annual Accounts of Meliá Hotels International S.A. and its subsidiaries. In particular, the tax section in the notes to the Annual Accounts details the tax expense as well as the main tax disputes. Furthermore, the total amount of tax paid can be found in the cash flow statement of the Consolidated Annual Accounts.

Innside Amsterdam, the Netherlands

The following table shows the pre-tax profit or loss and income tax settled or paid in 2023 and 2024, as well as their evolution.

COUNTRY	EMPLOYEES (FTE)		TOTAL REVENUES		PRE-TAX PROFIT OR LOSS		INCOME TAX PAID	
	2023	2024	2023	2024	2023	2024	2023	2024
Albania						(59)		
Germany	895	894	193.064	196.361	1.598	5.407	1.820	776
Argentina			3.820	2.725	2.965	2.232	99	478
Austria	94	109	21.838	18.925	1.011	266		64
Brazil	22	25	29.075	17.456	631	(250)		
Bulgaria	5	5	2.030	2.196	316	6	(98)	23
China	18	15	4.055	3.841	242	663		
Cuba	54	59	44.384	36.571	9.913	(4.029)	604	520
USA	77	79	48.469	52.699	(1.957)	(1.054)	218	
Spain	7.907	7.917	1.454.481	1.687.411	52.819	185.386	15.186	17.916
France	307	291	76.253	81.796	(1.838)	6.952		
Greece					(257)			
Indonesia	6	6	1.297	1.459	109	282		36
Cayman Islands			17	-5	(223)	(162)		
Italy	353	417	81.383	96.429	5.285	8.876		399
Luxembourg	124	122	17.574	18.485	437	1.780	(276)	(65)
Morocco					(8)			
Mexico	3.492	3.470	298.991	327.281	40.674	41.836	9.271	1.312
Netherlands	48		15.806	15.667	548	1.698	(78)	
Panama	4	3	570	601	(1.958)	(3.143)		
Peru	92	104	4.975	6.314	(818)	439	181	242
Puerto Rico			2.354	4	2.391	0		
United Kingdom	427	412	109.846	95.364	(17.040)	(11.123)		
Dominican Republic	4.268	4.301	234.615	202.476	(25.993)	32.614	1.958	2.258
Switzerland			288	287	(108)	186	3	85
Venezuela	84	100	27.943	16.951	3.631	(31)	104	142
Vietnam	29	33	3.408	4.930	(1.401)	(1.381)		
Total	**18.306**	**18.362**	**2.676.539**	**2.886.222**	**70.969**	**267.392**	**28.992**	**24.186**

The Group has recalculated the pre-tax profit or loss for 2023 in line with the Pillar 2 Draft Law. The income tax paid is calculated on the basis of the amounts actually paid, without considering those accrued.

Operating in low-taxation territories

The creation or acquisition of shareholdings in special purpose vehicles, or entities domiciled in countries or territories that are considered to be non-cooperative jurisdictions must be reported to, and approved by, the Board of Directors. Such approval is a non-delegable power. Similarly, any presence in non-cooperative jurisdictions must be based on legitimate economic grounds.

Meliá Hotels International carries out hotel business activities in some countries which, without being considered non-cooperative jurisdictions under Spanish law, are considered by certain external observers as jurisdictions that enjoy a more favourable tax system than that of Spain, such as Panama, the Netherlands and Luxembourg. In any case, our presence in these jurisdictions is for the development of real business activities and all these jurisdictions have signed a double taxation avoidance agreement with Spain, with an information exchange clause.

Within Meliá there is an entity, Sol Meliá Funding, domiciled in the Cayman Islands. Although this territory has not been on the EU's blacklist of non-cooperative jurisdictions since 2020, it is included in the list of countries and territories with non-cooperative jurisdictions.

This company carries out little business activity relating to the former vacation club and applies the general criteria and procedures of management control and administration set by the Group, cooperating with the authorities concerned to provide the information they deem necessary.

Meliá Zanzíbar, Tanzania

04

Business model

ME Malta, Malta

Business model

Our essence: *Leisure at heart, business in mind*

Hospitality is, more than a business, an attitude towards life, something that comes from the heart. That is why we are as deeply committed to our guests' enjoyment as we are to our excellence in business. Mind and heart in agreement to achieve your trust, and our success.

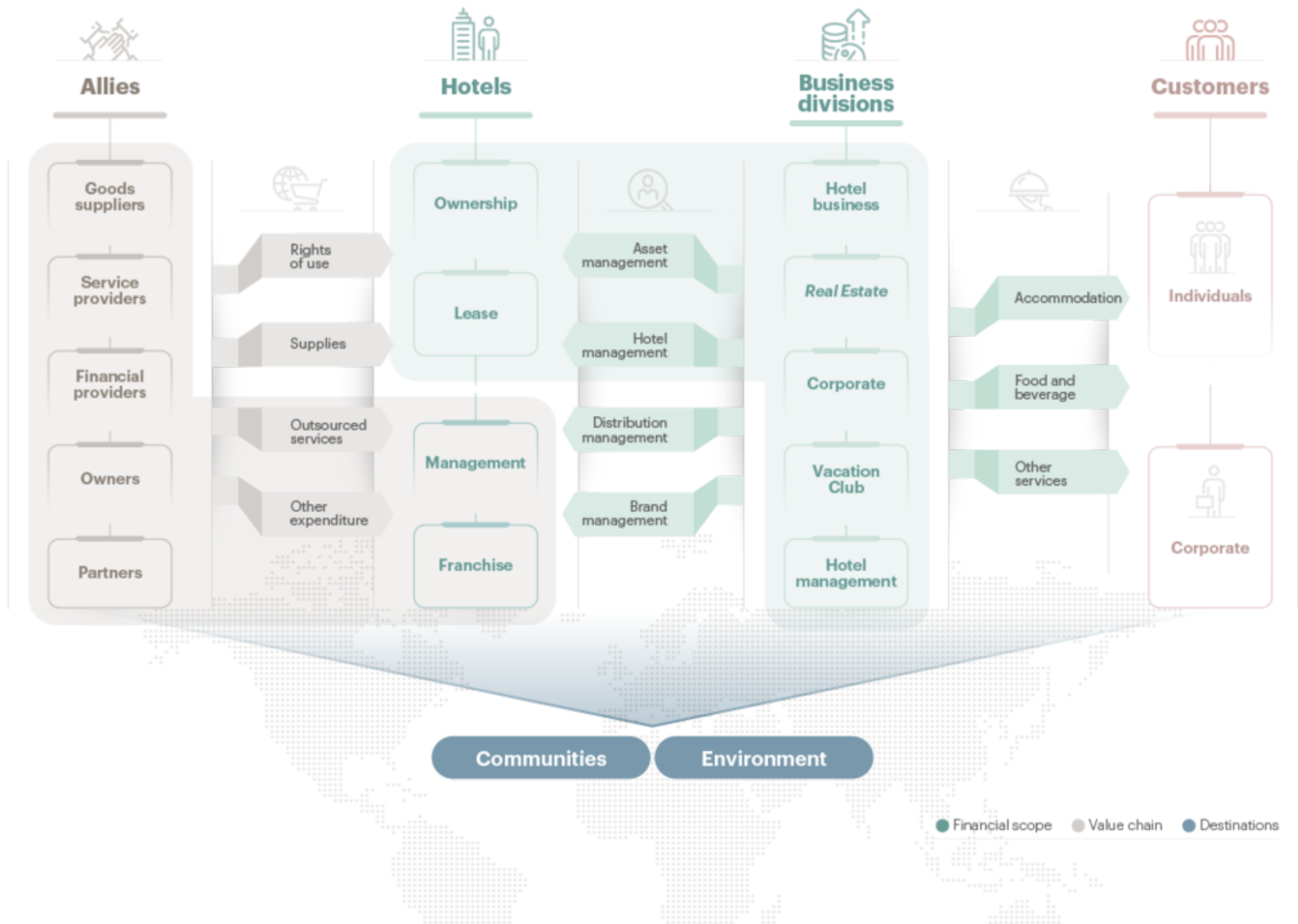
Our values

Our corporate slogan is a reflection of our values and expresses the perfect harmony between our heart and mind, between the exceptional hospitality we offer and our excellence and rigour in business.

All these values come to life through the behaviours we foster among everyone who is part of this great family.

Our business model

GRI: 2-6



Meliá Hotels International, S.A. and its subsidiaries and associates form an integrated group of companies primarily engaged in tourism activities in general and, more specifically, in the management and operation of hotels on an ownership, lease, management and franchise basis, as well as holiday club operations.

	OWNERSHIP	LEASE	MANAGEMENT	FRANCHISE
ASSET	Meliá is the owner of the property.	The property is leased to Meliá.	The property is not transferred. It is owned by a third party.	
OPERATION OWNERSHIP	Operation and ownership by Meliá.		Meliá operates, but the property is owned by a third party.	Operation and ownership by a third party.
BRANDS AND DISTRIBUTION	Meliá's brands and marketing channels.			

As stated in the basis of presentation of this Report, our financial scope includes all entities over which the Group has effective control.

Our aim is to provide differential value to our stakeholders by becoming a global leader in the Leisure and Bleisure hotel sector under a profitable, agile and excellence-driven business model.

Business divisions

The organisational structure of the company is based on the segments described below:

HOTEL BUSINESS

Operating activities of **owned and leased** hotels, including additional hotel business activities such as casinos and tour operators.

HOTEL MANAGEMENT

Activities involving the operation of hotels under a management or **franchise arrangement**.

VACATION CLUB

Sale of **timeshare** rights for specific resort units.

REAL ESTATE

Real estate development and operation.

CORPORATE

Overheads, outcome linked to the broking and marketing of room reservations and tourist services, as well as the Group's corporate costs not attributable to any other business division

Value chain

Our value chain comprises two major groups: (1) the supply chain (sundry suppliers); and (2) owners, partners and members.

The company's goal is to build long-term relationships based on a model of trust, respect and mutual benefit, anchored in a strong ethical and responsible commitment and its essence as a family business. Our value chain is an essential part of our success. Collaboration with all its members and our joint efforts enable us to secure the present and future of the company.

Products and services offered

Allies

ASSET MANAGEMENT

Upkeep, maintenance, works, refurbishment, and real estate development and operation activities.

HOTEL MANAGEMENT

Operation of hotels that are owned, leased or managed.

BRAND MANAGEMENT

Franchise model of our brand architecture and standards.

MARKETING

Multiple booking and training channels for their users.

MELIÃ HOTELS INTERNATIONAL

Customers

Hotel room offering, with a presence in many countries.

ACCOMMODATION

An innovative and high-quality range of gastronomic options, as well as restaurants run by nationally or internationally renowned chefs.

FOOD AND BEVERAGE

Services provided directly by hotels, such as rental of meeting rooms, event organisation, rental of premises to third parties, etc.

OTHER SERVICES

Destinations

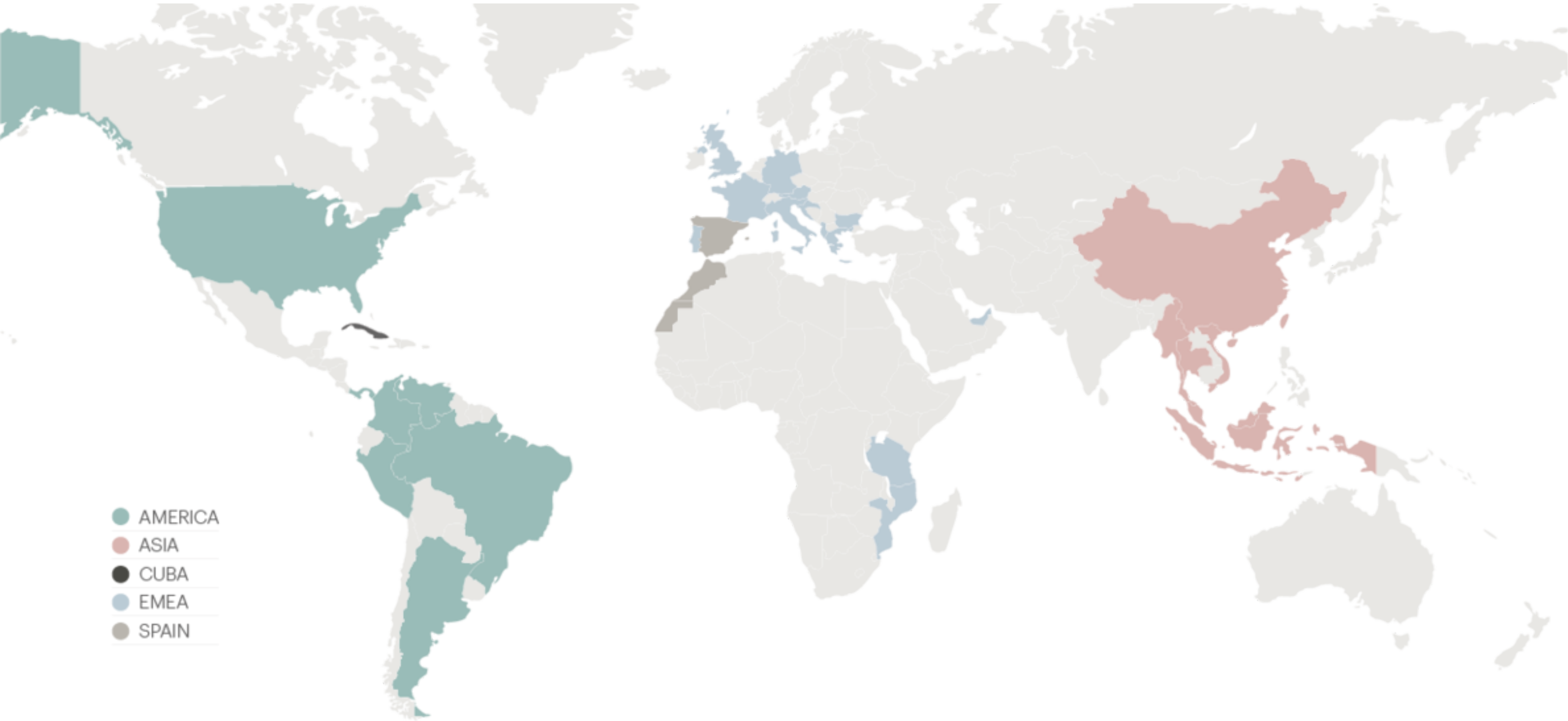
Meliá recognises the paramount importance of destinations in our business model. The tourism industry, and especially holiday tourism, is particularly sensitive to environmental and social issues. Additionally, our industry plays a key role in the fight against climate change and the rejuvenation of mature destinations that emerged in the early days of the holiday tourism boom.

Our passion for hospitality drives us to respond to global challenges, approaching sustainability as an essential tool to transform the tourism model and make sure that we leave a positive legacy for our society and our planet.

We have a far-reaching capacity for influence, both through the training and involvement of our employees and partners, who are true ambassadors for sustainability, and by raising awareness about the importance of taking care of our environment among the millions of guests we welcome every year.

Torre Melina Gran Meliá, Spain

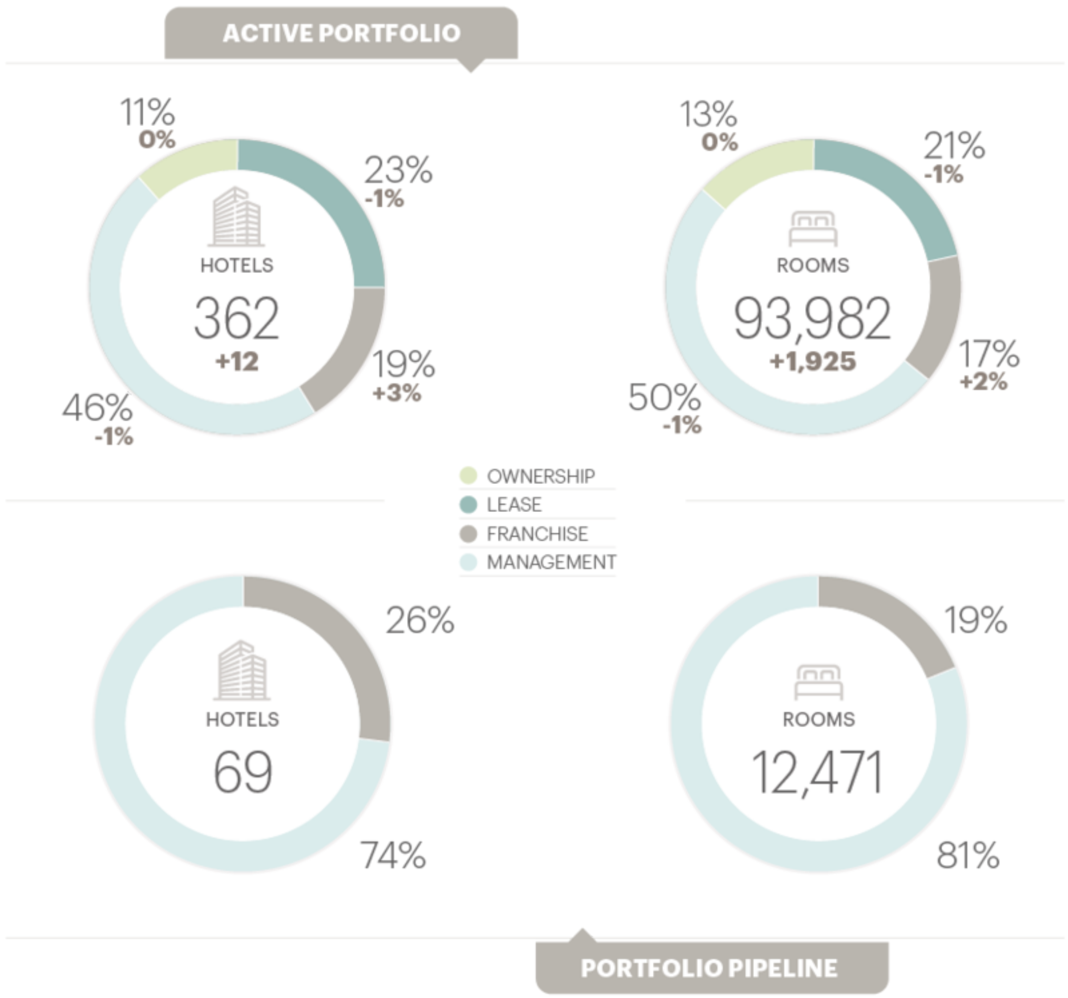
Presence map



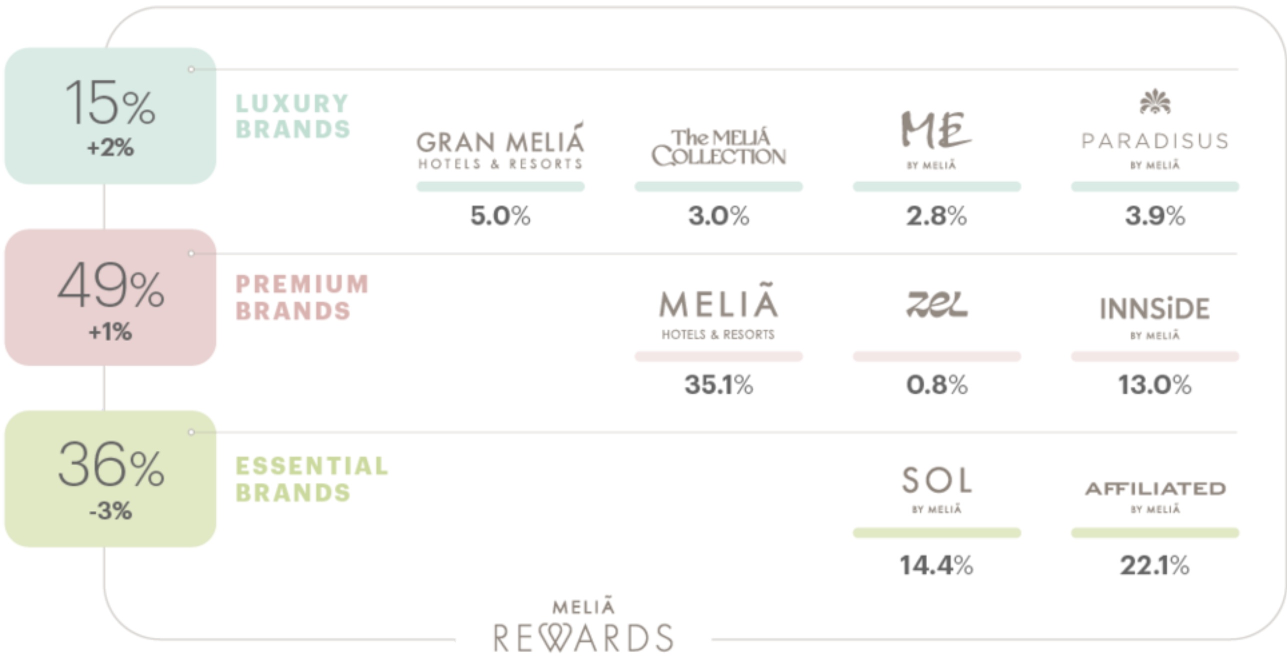
HOTELS	AMERICA	ASIA PACIFIC	CUBA	EMEA	SPAIN	TOTAL
2023	37	42	34	98	139	350
2024	38	42	35	103	144	362
VAR.%	3%	0%	3%	5%	4%	

ROOMS	AMERICA	ASIA PACIFIC	CUBA	EMEA	SPAIN	TOTAL
2023	11,294	11,246	14,252	19,996	35,269	92,057
2024	11,190	11,310	14,818	20,455	36,209	93,982
VAR.%	-1%	1%	4%	2%	3%	

2024	AMERICA	ASIA PACIFIC	CUBA	EMEA	SPAIN	TOTAL
URBAN	40%	68%	14%	52%	35%	40%
RESORT	60%	32%	86%	48%	65%	60%



Brand architecture



Macroeconomic overview of the tourism industry

GRI: 2-6

According to the World Bank, after several years with multiple disruptions, the global economic context has seen a slight improvement in the past few months. Inflation seems to be moderating without a significant slowdown in the major economies, and monetary easing has become more widespread. Thus, global growth is stabilising as inflation approaches target rates, with looser monetary policies supporting economic activity worldwide.

Against this backdrop, global tourism has completed its recovery. UN Tourism reported 1,400 arrivals of international travellers, reaching 99% of 2019 figures, with most destinations welcoming more foreign visitors than they did before the health crisis, particularly in the Middle East, Europe and Africa. Furthermore, global hotel occupancy rates reached 66% in November, only slightly down from the 69% recorded in November 2023, according to data provided by STR.

In contrast, JLL Research's Global Hotel Investment Outlook 2025 reported a limited volume of hotel investments worldwide in 2024, reaching USD 57 billion, which is a 7% increase compared to 2023, but still the third-lowest total since 2012. Even though the restrictive monetary policies that affected 2023 were less frequent in 2024, they still hindered the financing of high-value operations by investors, compelling many to stay on the sidelines.

Despite a slight increase in the global volume of hotel transactions, it still remained 17% below historical levels. This is due to the extremely limited volume of portfolios and the significant drop in the average size of operations—two typical factors of the current volatility in capital markets. Selected services and luxury assets benefited the most, as investors favour smaller transaction sizes and irreplaceable hotels.

Our main market, Spain, ended 2024 with a noticeable increase in real tourism activity, according to Exceltur. Tourism reaffirmed its position as the sector with the highest contribution to the overall growth of the Spanish economy, accounting for 13.1% of GDP. Tourist demand recorded a significant increase, primarily driven by foreign demand, which represented 80% of the tourism GDP increase in 2024. This growth was fuelled by spending rather than by the volume of travellers and stays. Such behaviour is not only explained by a price increase aimed at offsetting costs, but also by the growing interest shown by companies and destinations in improving their products.

In this environment, we have continued to expand in various regions around the world by opening 19 hotels and more than 2,900 rooms, thereby solidifying our position as leaders in the hotel industry. We also continue to promote our commitment to quality tourism, focusing on the premium and luxury segments. In this regard, 63% of our openings corresponded to our brands under these segments.

In line with our targets, 95% of our openings in 2024 followed the asset-light model, promoting new contracts on a management and franchise basis.

Below are some highlights of our openings for the year:

- **ME Malta**: First ME hotel in the coastal city of St. Julian's and second collaboration with Zaha Hadid, following the success of ME Dubai in 2020.
- **Casa de las Artes Meliá Collection**: Located in the heart of Madrid's Barrio de las Letras, marking the arrival of The Meliá Collection brand to the Iberian Peninsula.

- **ZEL Costa Brava and ZEL Punta Cana**: The ZEL lifestyle brand, launched together with tennis player Rafael Nadal, is oriented towards premium leisure tourism, offering an experience inspired in the Mediterranean lifestyle and its outdoor way of life.
- **Meliá Casa Maya**: Conceived and designed to be a benchmark for family holiday tourism, Meliá Casa Maya successfully combines the best characteristics of our Meliá brand with the wealth of Mayan culture.
- **Torre Melina**: Located on the upper part of Avenida Diagonal in Barcelona, next to the Conference Centre of Catalonia, Torre Melina is the first Gran Meliá in the Mediterranean city.

Future developments

Our company will continue to focus on quality tourism with a pledge to maximise revenue through expansion, a luxury strategy, the repositioning of our portfolio and direct distribution channels. We expect 2025 to be a year of normalisation during which we will give a major boost to the expansion of our luxury brands, which are set to account for one in every three of our planned openings. Thus, we expect to open the following facilities:

- **The Meliá Collection**: Residenza Cardinale, in Milan, and Ba Vi Mountain, close to Hanoi, in Vietnam, the first The Meliá Collection in Asia.
- **Paradisus Fuerteventura**: The isle of Fuerteventura will have its first hotel under this brand, following in the footsteps of Gran Canaria and Lanzarote.
- **Innside Creta**: Set to be the fifth establishment of the chain in Greece, to mark the debut of Innside by Melia in that country.
- **ME Lisbon**: Located in the heart of the Portuguese capital, it will offer world-class dining concepts, a Radio Rooftop Bar with panoramic views and more than 600 m^2 of space for meetings and events.

In this regard, our pipeline at the end of 2024 totals 69 hotels, primarily consisting of hotels under an asset-light management model, with a focus on the luxury (33%) and premium (43%) segments of our brand portfolio. We continue to strengthen our international vocation, with 96% of our future additions located outside of Spain.

Strategic plan: *Roadto2024*

This year of 2024 saw the completion of our 2022-2024 Strategic Plan: Roadto2024, which guided our management and transformation over the past three years, driven by the goal of restoring the financial robustness we enjoyed before the COVID era by strengthening our balance sheet, improving efficiency, and enhancing our competitiveness.

This achievement was made possible by strategic management focused on resource optimisation and the expansion into new markets. Additionally, the cultural transformation programme was a key lever to consolidate our resilience and strengthen our leadership in the face of future developments, ensuring a more agile, innovative company that is ready to meet the challenges ahead.

Our strategic vision is based on four strategic pillars, with a strong commitment to advancing the principles that underpin our Roadto2024 concept: economic drive, operational excellence, organisational efficiency, and social and environmental sustainability—essential tenets to consolidate our position in the market and meet present and future challenges.

More profitable

Striving to ensure financial robustness by reducing net debt to below 2.5 times EBITDA and prioritising the positioning of strategic assets towards premium and luxury brands, thereby maximising their value and competitiveness, along with expansion efforts aimed at entering new key markets such as Albania, Malta, Tanzania and Vietnam, to further consolidate the company's global presence and strategy in destinations with great appeal for the leisure segment.

Better managers

This strategic pillar seeks to strengthen our commercial capacity through new projects and, in particular, three key strategic initiatives: a new strategy of luxury that redefines exclusivity and raises industry standards; Meliá Escapes, a proposal that transforms each trip into a unique, personalised experience; and the launch of 'Go Up', our innovative upselling strategy designed to offer superior services and maximise customer satisfaction.

More efficient

During this period, we have launched our new melia.com site, Meliá Pro, and Mimosa, enabling customers to book at the F&B sales points available in our hotels. These tools offer an optimised and efficient digital experience that allows us to better position our direct channels. We welcomed the launch of HotelBook, for an improved management and personalisation of bookings at the Contact Centre, along with the cleansing of our customer database, which will provide for greater precision and a more customised approach.

We have also reinforced our commitment to digital transformation and global expansion through key initiatives, such as the deployment of COUPA, an innovative solution to centralise and optimise the company's procurement strategy, and the implementation of digital check-in and check-out, to streamline and enhance our guests' experience. Lastly, we adopted Opera Cloud as our global PMS solution, bringing the strategic plan to a close with its implementation in the Dominican Republic—a key country for the company—to ensure integrated and efficient management.

More sustainable

This lever has enabled us to make significant progress in sustainability and transparency, endorsed once again this year by the internationally recognised Standard & Poor's ESG ranking, which recognised our leadership in sustainability and responsibility. This Report provides a detailed description of all projects and initiatives related to sustainability under ESG criteria.

Cultural transformation plan

A cross-cutting lever to turn the transformation required by the strategic vision into a reality, driving significant progress in team and personal management through the implementation of our 'Leading a new future' operational model, an essential step towards ensuring efficiency and excellency in our operations; the launch of our VIP employer brand, devised to promote the attraction of new talent; or the reintroduction of our Talent Pool and Graduates programmes, in line with our commitment to the internal development of teams and young talent.

Lastly, we must mention the TOP EMPLOYER certification that recognised our strategy and management model in eight of the countries where the company operates, endorsing our ambition of becoming a benchmark in talent management and organisational excellence.

05

Sustainability management

Paradisus Gran Canaria, Spain

Sustainability strategy

Responsible business

GRI: 2-22

In 2024, we concluded our Roadto2024 Strategic Plan, a strategic vision based on four pillars and a strong pledge to advance economic excellence, operational efficiency and social, environmental, and financial sustainability.

More Sustainable was designed to lead and promote the transformation of the tourism model into a more sustainable one, ensuring the integration of ESG criteria into our business model, and the creation of financial, environmental and social value in the short, medium and long term.

A commitment to sustainability that requires us to not only address present and future challenges and risks, but also align with the new regulations that are being demanded in this area by European, national, and local authorities.

This Report reflects all the progress made and achievements realised, in addition to providing detailed information on the initiatives we have promoted throughout 2024. We are convinced that sustainability is a key pillar of competitiveness and business confidence, requiring us to report progress against the commitments we have publicly announced, in accordance with the best standards of good governance and transparency.

The company has worked to integrate ESG criteria into all areas and operational units and promote improvements in their processes, with unwavering confidence in our ability to address risks and seize opportunities, as sustainability principles demand, with a focus on reducing negative impacts and maximising positive impacts. TRAVEL FOR GOOD is the framework devised by Meliá to showcase the progress made throughout the year, with a commitment to continuing the pursuit of a more resilient, responsible and sustainable company under the following chapters: GOOD FOR THE PLANET, GOOD FOR THE PEOPLE and GOVERNANCE FOR GOOD.

Furthermore, we seek to engage and raise awareness among our main stakeholders in the value chain, both upstream and downstream—mainly customers, suppliers, owners and partners—in respect of the opportunities associated with a new management model where sustainability plays a crucial role in the value proposition for all our stakeholders. Our proven experience with already implemented projects demonstrates the economic, social and environmental impact of this approach and provides guarantees to navigate this transformation process.

Responsible Business is based on four major pillars involving different lines of action:

SOLID GOVERNANCE: Focused on designing an agile and flexible governance model as an essential part of the company's transformation and adaptation process.

- Reinforcing the values and principles of our Code of Ethics through the decisions adopted by the company, and ensuring the mitigation of the main risks.
- Adjusting the roles, duties and responsibilities of the company's management and decision-making bodies and adapting them to the new requirements derived from Corporate Governance best practices.
- Evolving the proactive and reactive control systems of the company to support its transformation and transition to digitalisation.
- Integrating environmental, social and governance (ESG) aspects into the company's decision-making.

LEADING THE SUSTAINABLE TRANSITION: Advancing towards the decarbonisation of our management system by activating levers to support our value chain in the evolution towards a more efficient, responsible and sustainable tourism model.

- Making progress in the use of clean energies and implementing initiatives to help reduce our energy consumption, along with enhanced operational and financial efficiency in relation to energy.
- Working to identify opportunities to reduce CO2 emissions and other greenhouse gases (GHG).
- Promoting the transition towards a circular hotels model aimed at reducing environmental impacts across our value chain.
- Making progress towards better management of our Water Footprint.

ESG BUSINESS MANAGEMENT: With an ambition to consolidate the ESG model across our owned and leased hotels, and offer an attractive and profitable value proposition to owners and partners.

- Ensuring the implementation of the new sustainability regulatory framework in our hotel management and operation model.
- Consolidating a sustainability reporting model that drives improvements in the management, control and measurement system for all sustainability-related indicators.
- Identifying and ensuring the integration of critical ESG criteria in the management and franchise model, with a view to strengthening the reputation and recognition of Meliá Hotels International both at domestic and international level.
- Ensuring ESG training, awareness and engagement throughout the organisation.

STAKEHOLDER IMPACT: Reinforcing a transparent and measurable model, built on our principles, that provides tangible and intangible value to our stakeholders through continuous improvement.

- Designing a value proposal of sustainable products and services that creates a new attractive and responsible hotel experience for all our customers.

- Developing a value proposal that is profitable for owners and promotes the integration of ESG criteria into our management and franchise portfolio.
- Deploying action plans, together with appropriate training, to promote the adoption of an ESG culture among our collaborators.
- Strengthening the reputation and recognition of the company in the field of diversity, equity and inclusion.
- Consolidating our social commitment in key destinations for the company.
- Fostering a culture of continuous dialogue with our stakeholders to solidify the reputation and recognition of Meliá in terms of responsibility and sustainability.

Vision 2025-2027

Within the strategic vision for 2025-2027, our ambition is to continue along the path initiated more than 15 years ago, working to integrate ESG criteria into our business model while mitigating the risks and promoting the opportunities identified in our materiality analysis. This is the roadmap that will guide us over the next three years, under a model aligned with the principles and standards embodied in the European Sustainability Directive to be transposed by the Spanish Government during the year.

Sol Fuerteventura Jandía, Spain

Sustainability Governance

GRI: 2-9, 2-14

Responsibility for sustainability, within our governance model, lies with the Board of Directors, with the Remuneration, Appointments and Sustainability Committee being closely involved in its management. In June of this year, 2024, the Sustainability Department became part of the Real Estate & Sustainability area, which also includes other departments that are important in the development of sustainability criteria, such as environment and energy, procurement, portfolio and joint ventures management, as well as works and maintenance.

The Sustainability Department is the corporate area responsible for defining the strategy and promoting and supervising progress in the fulfilment of the sustainability strategy. Furthermore, it also has a duty of informing the Board of Directors and its delegated committees.

In 2023, we established two branches of the Sustainability Department, one in Mexico and the other in the Dominican Republic, two important destinations for the Company given the special economic, social and environmental context in these countries. In both cases, coordination with the corporate governance system is smooth and positive.

Furthermore, a Sustainability Committee has been operating for five years with the aim of ensuring progress in sustainability close to the day-to-day running of the organisation. In 2024 we updated it to respond to new regulatory and social needs, in an increasingly demanding and challenging context. The Committee is currently made up of the following members under the chairmanship of the Chief Real Estate & Sustainability Officer:

- Sustainability VP
- VP Operations Spain & Latam
- Organisation & Compensation VP
- Corporate Communication & Institutional Relations Senior Director

This governance system allows us to fulfil the commitments we have made and to consolidate ESG criteria in our business model. As a new development, we have created different working teams, each led by the respective managers responsible for each action area, which deal with different issues and projects in the ESG field.

The Sustainability Committee has also identified two priority action areas, which will ensure its internal progress:

- Strategy, management, positioning and communication, for which the permanent members of the said Committee are responsible.
- Sustainability governance, the main function of which is to ensure regulatory compliance and progress in sustainability indicators. In this case, the departments responsible are Risk & Compliance, Corporate Governance, Administration & Finance, Legal and Human Resources.

These two groups will hold monthly meetings to monitor and promote progress in fulfilling the roadmap according to the established deadlines.

During 2024, the Sustainability Committee has met seven times and the objective for 2025 is to hold, at least, a monthly meeting, inviting the established working groups as they progress in their planned projects and initiatives.

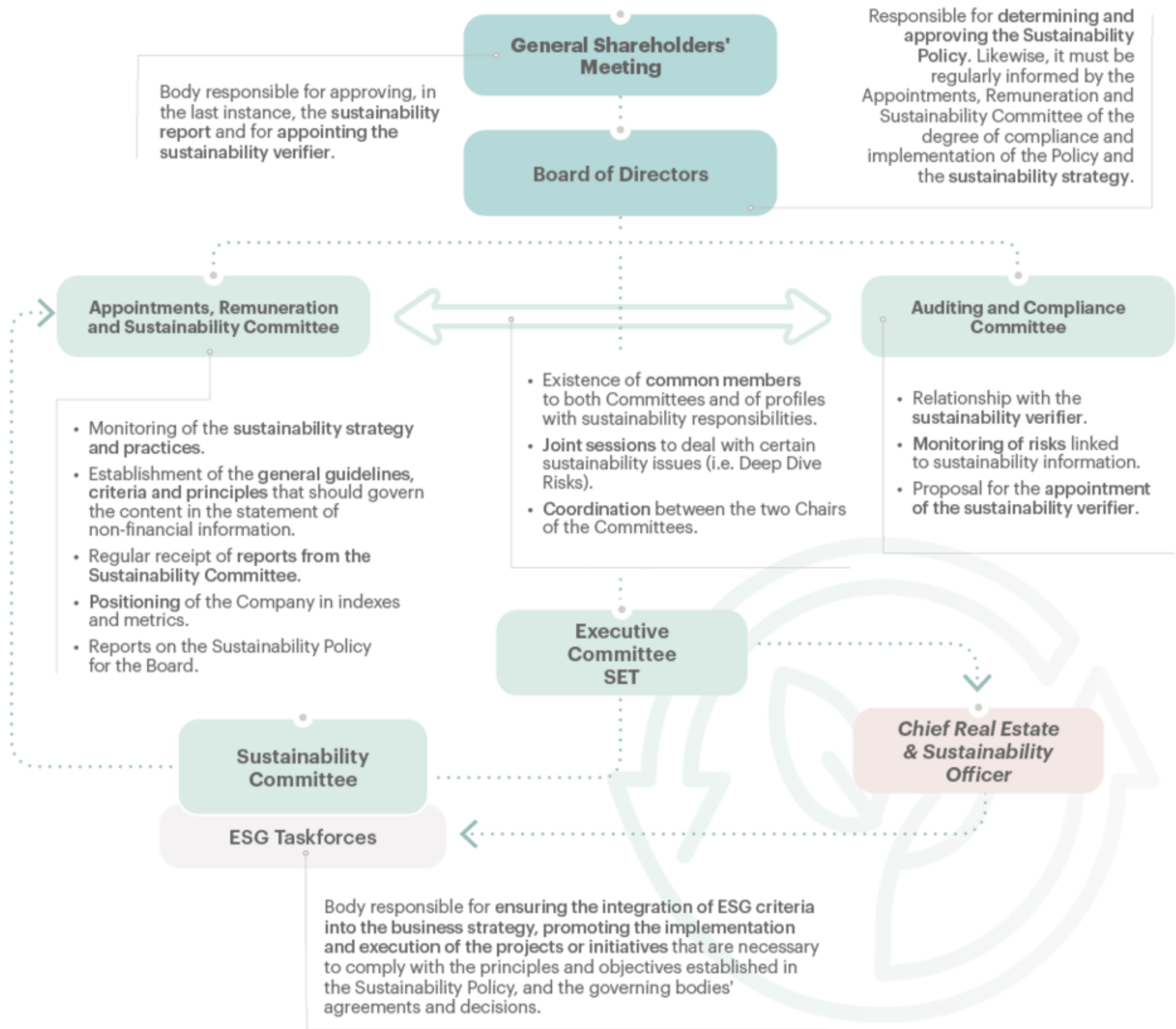
Progress of the various ongoing projects during 2024:

- Progress in the Responsible Business strategy
- Proposal for the future strategic vision
- Variable Remuneration Model with objectives assigned to sustainability
- Analysis of the impact of the new sustainability regulation (CSRD)
- Follow-up of the implementation of the Internal Control over Sustainability Reporting System (ICSR)
- Design and preparation of the Annual Management Report
- Progress in the reporting model and indicators related to sustainability
- Certifications in sustainable tourism of the business units.
- Compliance with the Equality Plan in Spain
- Waste Management System
- Measures and actions to minimise the risk associated with water-stressed destinations.
- Advances in the measurement and management of the supply chain and in terms of the environment & energy

Recently, in November 2024, the powers assigned to each governing body in the field of sustainability were submitted to the Board of Directors and, previously, to the Remuneration, Appointments and Sustainability Committee, as a result of internal organisational changes and the recommendations of the CNMV.

Zel Mallorca, Spain

SUSTAINABILITY GOVERNANCE STRUCTURE



External and internal regulatory framework

The various bodies and managers that are part of the governance in the field of sustainability are subject to the national regulatory framework, which, among others, consists of the following regulations:

- Spanish Corporate Enterprises Act
- Company By-laws
- Regulations of the Board of Directors
- Good Governance Code of Listed Companies (CNMV)
- CNMV's Technical Guide 1/2024 on Audit Committees
- Draft Law for the transposition of the CSRD
- Law 11/2018, of 28th of December, on non-financial information and diversity

Internally, the Board of Directors approves all sustainability-related policies that include our public commitments and guiding principles in the economic, social, environmental and governance areas, with a global scope within the Group.

In terms of governance:

- Sustainability Policy
- Corporate Governance Policy
- Policy on Internal Control over Financial and Sustainability Reporting Systems
- Compliance Policy
- Risk Control and Management Policy
- Anti-Corruption Policy
- Privacy Policy
- Information Security Policy
- Complaints Channel Policy

In terms of the environment:

- Climate Change and Environmental Policy

Finally, in the social sphere:

- Human Resources Policy
- Occupational Health and Safety Policy
- Human Rights Policy
- Diversity Policy
- Service Procurement and Contracting Policy
- Stakeholder Relationships Policy
- Philanthropy Policy

Over the next two years, the company will update those policies that require review due to new regulatory requirements and to comply with the new guiding principles of the CSRD, pending transposition by the Spanish Government.

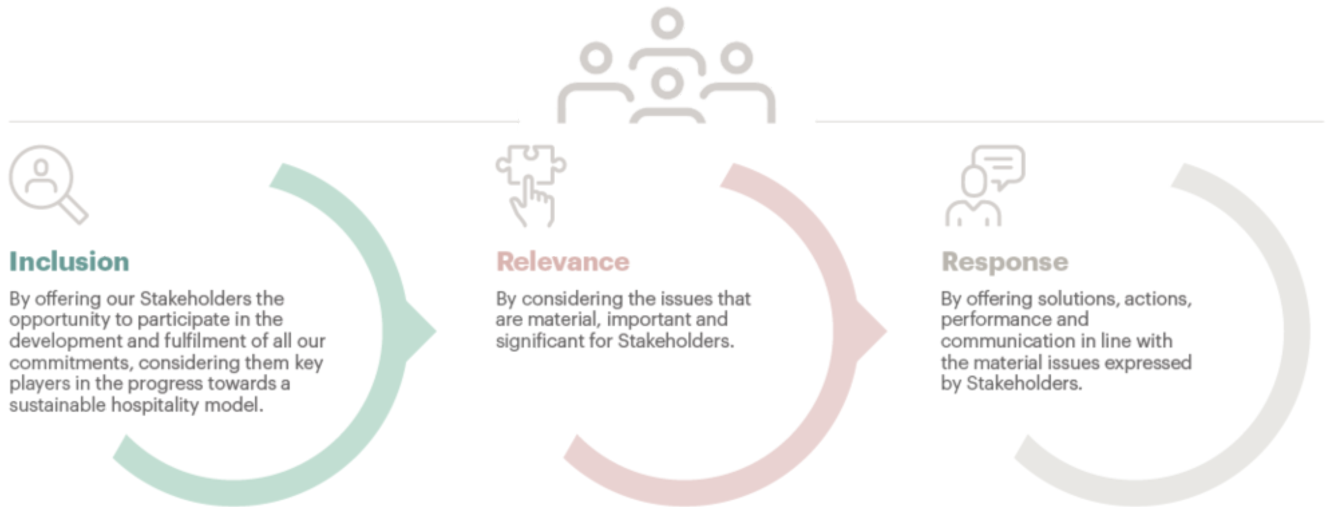
Listening to our Stakeholders

GRI: 2-29

The dialogue between companies and stakeholders is becoming increasingly complex and requires interactions between all involved parties. For Meliá Hotels International, putting partnerships into practice poses a constant challenge, given our geographical scope and the complexity of the various topics and contexts in each country. There are regular, day-to-day relationships with employees, customers, suppliers, and owners, and others that are more occasional. Our commitment seeks to strengthen trust through continuous dialogue, consolidating the progress already made and identifying new issues that may have an impact on the company's circumstances and strategy.

Being acquainted with the viewpoints of our stakeholders helps us manage opportunities and risks with enhanced efficiency and efficacy. Under these premises, the Board of Directors approved the Stakeholder Relationships Policy in 2018, based on accountability principles (AA1000SES (2011)), to set out certain communication guidelines, but also to shape the way we respond to the issues, opportunities and risks that arise in our relationship with our stakeholders in a comprehensive and balanced manner. This standard also defines the requirements necessary to integrate stakeholder needs into the business.

This relationship ensures transparency and compliance with applicable regulations, and defines the requirements necessary to integrate stakeholder needs into the business based on the following principles:



GROUPS	Subgroups	Communication channels / Frequency	Spaces for dialogue
SHAREHOLDERS AND INVESTORS	• Institutional investors • Minority shareholders • Voting advisors • Financial institutions • Financial analysts • Rating agencies • Sustainability analysts	• Institutional website • Newsletters • Proxy advisors • Shareholder service (email) • Roadshows	• General Shareholders' Meeting • Investor Relations Office
OWNERS AND PARTNERS	• Partners • Joint ventures • Asset owners	• Owner portal and office • Press office • Joint ventures office • Bodies	• Governing bodies • Meetings with owners • Meetings with partners
EMPLOYEES	• Collaborators • Trade unions	• Meliá Home (internal portal) • eMeliá • Internal communications	• Performance management • Meeting with teams • Equality Committee • Health and Safety Committees • Social dialogue with trade unions • Surveys • Social media (external talent) • Learning communities
SUPPLIERS	• Product suppliers • Service providers	• Supplier Code of Ethics mailbox • Purchasing groups • Press releases • COUPA platform	• COUPA platform
CUSTOMERS	• B2C (individual) • B2B (corporate) • Travel agents • OTAs • Tour operators	• melia.com / APP / Customer Service & Contact Center • Melia PRO • MeliáRewards • Social media & public relations • Campaigns • Quality mailbox / My Experience	• Webinars • Surveys • Workshop • TestLab
PUBLIC AUTHORITIES	• National, regional or local authorities • Public institutions • Public-private bodies	• Communications Office • Regional Corporate Offices • Press room • Secretary's office to the Chair/CEO • CEO & Meliá's social media	• Institutional relations • Institutional presence • Forums, events and meetings
THE MEDIA	• The media	• Press office • Press room (online) • Social media	• Institutional relations • Forums and meetings • Press conferences
INDUSTRY AND COMPETITORS	• Regulators • Tourism industry (competitors) • Private professional or business associations and organisations	• Institutional communications • Communications Office • CEO & Meliá's social media • Secretary's office to the Chair/CEO • Regional Corporate Offices	• Press room • Social media
SOCIETY AND COMMUNITY	• Academic and educational environment • Neighbourhood associations • Social entities and NGOs • Society at large	• Press room • Social media	• Forums and meetings

Internal   External direct   External indirect   **Frequency**: Recurring   Regular   Occasional

Beyond the common commitments assumed in our different policies, each stakeholder group has its own channels and spaces for dialogue, with specific knowledge and expertise, to respond with greater precision to each group's concerns and needs, according to particular relationships and demands. There is also a multistakeholder complaints channel available on our corporate website. Additionally, Meliá maintains an active, transparent dialogue with all groups, adapted to their specific needs and with appropriate channels for each.

Collaboration is organised around active listening, accountability, and proactive, two-way mechanisms for dialogue, such as forums, surveys and regular meetings, with the purpose of generating trust, ensuring transparency, promoting sustainability, and aligning stakeholder expectations with the company's strategy. As a result of this listening approach, new expectations and viewpoints are integrated into the company's decision-making, strategies and action plans, with special attention to those issues that are material or relevant for each group.

Since 2019, the company has conducted a continuous analysis through due diligence and materiality assessment procedures to understand how the interests of stakeholders affect its strategy and business model. Moreover, as part of the gradual implementation of the new CSRD requirements and the European Sustainability Reporting Standards, which is now taking place and is expected to be completed during 2025, we have conducted a double materiality analysis this year, including online surveys to gather and consider the perspectives and opinions of Meliá Hotels International's stakeholders on the topics under study. The survey was addressed to the following stakeholders: management team, employees, customers, suppliers, investors, shareholders, ESG analysts and banks.

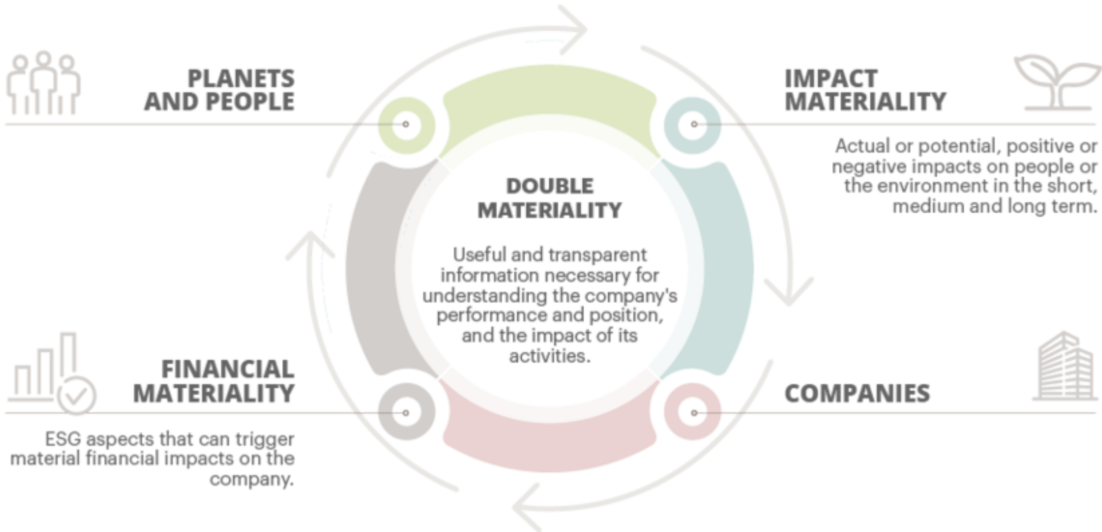
The results of this analysis will definitely enrich our business model by integrating stakeholder expectations and demands into management processes.

Sol Phu Quoc, Vietnam

Double materiality

In our 2023 Management Report, we committed to perform a new materiality analysis assessment, which we have developed throughout this year using and in which we have included the recommendations of the new European Corporate Sustainability Reporting Directive (CSRD) relating to this subject.

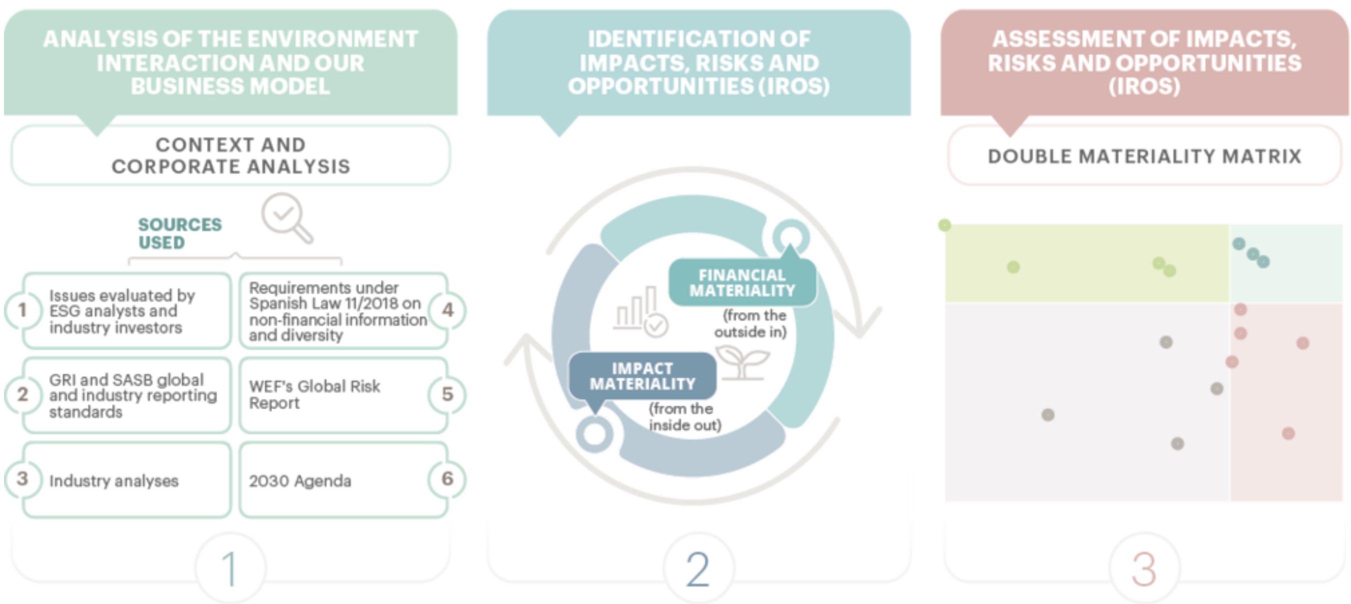
According to our commitment to carry out a double materiality analysis, we have determined the material or relatively significant matters based on two dimensions: impact materiality and financial materiality.



Main steps of the process

GRI: 2-29, 3-1, 3-2, 3-3

This project has been developed in different steps, as it considers the participation and involvement of different areas of the company, as well as interaction with our stakeholders.



Analysis of the interaction between the surroundings and our business model

The main objective of this first step is to identify the environmental, social and governance topics that are potentially material for the company. To this end, we have performed an exhaustive analysis considering both external and internal information sources.

Context analysis

A preliminary study has been carried out to align the project's methodology with the requirements of the European Directive and to consider relevant information for analysts, including the following information sources:

- Sustainability reporting frameworks such as the Global Reporting Initiative (GRI) and the standards issued by the European Financial Reporting Advisory Group (EFRAG).
- Forecasts and interests of ESG analysts and investors (S&P, MSCI, etc.).
- Regulations and regulatory frameworks applicable to our sector.
- Recommendations and predictive reports from sustainability leaders such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the World Economic Forum (WEF), among others.
- Sector trends such as those proposed by the World Travel & Tourism Council (WTTC) and sustainability reports from our competitors.

Corporate analysis

This stage also required us to carry out an internal analysis, including our value chain and our main stakeholders.

- We identified our business model, detailing the main business units and services offered.
- We evaluated our value chain by identifying our main stakeholders involved in each stage.
- We reviewed the results of the consultation to stakeholders.
- We analysed the material matters defined in previous assessments.

As a result of this assessment, we identified a total of 16 potentially material matters and a total of 41 sub-subtopics.

Identification of impacts, risks and opportunities

We then proceeded to identify an extensive list of current and potential impacts, risks and opportunities (IROs) applicable to the company.

IMPACT MATERIALITY

IMPACTS

The current or potential effect that the entity's processes, activities, products, services or relationships have on people or the environment over time.

FINANCIAL MATERIALITY

RISKS | **OPPORTUNITIES**

Events or conditions arising from uncertain environmental, social or governance issues that, if occurring, could have an effect on the company's business model or strategy, and on its ability to meet its goals and to create value, and therefore, may influence its decisions and those of the partners in its business relationships with respect to sustainability issues.

MEANING OF THE EFFECT:

IMPACTS	RISKS	OPPORTUNITIES
NEGATIVE OR POSITIVE	NEGATIVE	POSITIVE

To identify the IROs, we have examined and considered the different aspects of the hotel industry as well as our particular characteristics as a company, enriching the assessment with information derived from the context analysis and other information sources of interest for the assessment.

As a result of this whole process, a total of **139 IROs** have been identified, of which **63 are impacts** and the **remaining 76 are risks and opportunities**.

The result undoubtedly encompassed all those areas of relevance to the company and to Melia's significant stakeholders.

Assessment of impacts, risks and opportunities

Once we obtained the final list of impacts, risks and opportunities, classified by their respective topics and subtopics, we assessed them individually based on three-time horizons (short, medium and long term). All business areas and selected stakeholders have been involved in carrying out this assessment.

	CONSULTATION WITH STAKEHOLDER	CONSULTATION WITH INSIDE AREAS AND EXPERT PROFILES	
	Our stakeholders' perception	Severity assessment	Likelihood of occurrence
IMPACTS	SCALE	SCOPE, REMEDIABILITY, MAGNITUDE	LIKELIHOOD
RISKS AND OPPORTUNITIES	SCALE	FINANCIAL EFFECT **(ST / MT / LT)**	LIKELIHOOD **(ST / MT / LT)**

* **ST:** Short term **MT:** Medium term **LT:** Long termzo

This consultation was carried out in two phases. In the first phase, we sent questionnaires to the selected stakeholders, asking them to assess each of the subtopics in terms of relevance and their expectations regarding the company's performance in these areas, with the aim of obtaining a scale of relevance and importance for each of them.

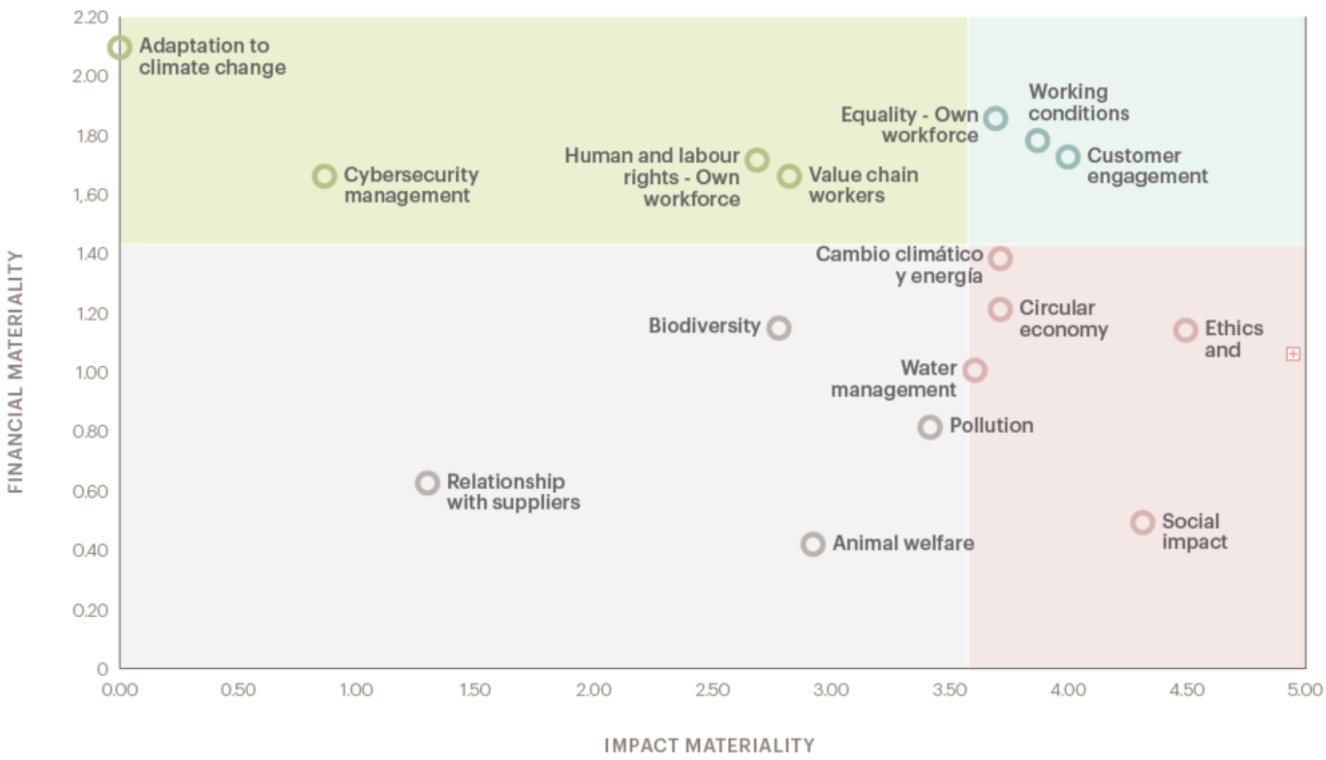
On the other hand, we held working sessions with the company's areas involved in the process together with the Sustainability department. In these working groups we determined variables such as severity (magnitude, estimated financial effect, scope and remediability) and probability, which in conjunction with the scale allows us to carry out the assessment of each IRO.

Throughout this process, the company's executive and governing bodies, as well as the Sustainability Committee, have been informed of or participated in the process, with the aim of validating it and learning the results of the assessment.

Once both phases were completed, we proceeded to integrate and consolidate all the data and results to obtain the **Double Materiality Matrix**, that allows us to identify the priority and most relevant topics for the company from the double perspective of impact materiality and financial materiality.

Double materiality matrix

Likewise, the results of the **Double Materiality Matrix** were submitted to the Appointments, Remuneration and Sustainability Committee for review and validation. Thus, verifying that the findings and conclusions adequately reflect the situation and priorities of the company in sustainability matters.



The final result shows the 12 most relevant topics to Melia Hotels International Group at a consolidated group level:

- Climate change (adaptation and mitigation)
- Water management
- Circular economy
- Own workforce (equality, working conditions and human and labour rights)
- Workers in the value chain
- Social impact
- Commitment to our customers
- Ethics and culture
- Cybersecurity management

Next steps

We are aware of the importance of the double materiality analysis as the cornerstone of our sustainability strategy and consider it a process that requires continuous review and integration into the future of the business. This first assessment of double materiality requires us to continue to deepen the analysis of risks and opportunities by identifying their link with the company's risk management process. Thus, we will continue to make progress throughout 2025 with the aim of adapting our sustainability report to the requirements of the CSRD and the European Sustainability Reporting Standards.

Villa Le Blanc Gran Meliá, Spain

06

Good for the planet

Ngorongoro Lodge Meliá Collection, Tanzania

Climate change

The tourist industry is vulnerable to climate change and, at the same time, contributes to the emission of greenhouse gases, one of the causes behind global warming. Therefore, accelerating climate action in tourism is paramount to ensure resilience in our industry. Climate action refers to efforts taken to measure and reduce greenhouse gas emissions and strengthen our capabilities to adapt to climate-induced impacts.

According to the latest study by UN Tourism and ITF, presented in December 2019 at the United Nations Framework Convention on Climate Change COP25, CO2 emissions from tourism were forecast to increase by 25% at least by 2030. If we want to meet the 55% reduction target in emissions by 2030 and achieve zero emissions by 2050, we must activate plans and strategies to reduce the carbon footprint of tourism.

It must be taken into account that tourism has become one of the major industries holding up the global economy, with millions of jobs and families depending on it. This is why the transition towards a more sustainable and environmentally sound tourism must be fair and take place bearing all stakeholders in mind.

ESG management and climate change governance

GRI: 2-12

Since 2020, the company has managed sustainability governance through its Sustainability Committee, which is competent and responsible for all aspects related to sustainability and the management of ESG criteria, reporting to different governing bodies within the company based on the duties at hand.

Additionally, climate-related issues are factored into the compensation of the members of administrative, management and supervisory bodies through specific targets included in their short and long-term variable remuneration schemes.

In particular, as shown in the 2023 Annual Report on the Remuneration of Directors, the short-term variable remuneration scheme for the CEO includes a specific objective related to ESG (Environmental, Social and Governance) which accounts for 5% of his total short-term variable remuneration. This objective is based on two priorities:

- To adapt the company to the Corporate Sustainability Reporting Directive (CSRD).
- To improve the company's positioning through initiatives such as the Double Materiality project, the financial impact of climate risks, and the ongoing non-financial information reporting project.

Furthermore, the long-term variable remuneration scheme also includes sustainability and positioning objectives with a 10% weight on total remuneration. These objectives are set according to the position attained by the company in an international sustainability ranking. The ranking's assessment criteria cover economic, governance, social and environmental factors, including GHG reduction targets and the company's performance against these.

It is important to highlight that ESG components (Environmental, Social and Governance) not only apply to the CEO's remuneration package, but are also replicated in variable remuneration targets across the organisation. This helps ensure that all employees are aligned with the company's sustainability and corporate responsibility goals. In particular, the company's positioning in sustainability rankings is integrated into the variable remuneration schemes of employees, thus promoting a corporate culture that is committed to sustainability and responsible performance.

Strategy

GRI: 3-3, 305-5

Plan to mitigate climate change

As a reference in sustainability within the hotel industry, the Group has made certain commitments to respond to the need for further adapting to and mitigating the adverse effects of climate change. In 2021, we reasserted our emissions-reduction objectives under Science Based Targets (SBTi), an initiative seeking to limit global warming to 1.5 ^{o}C, in line with the Paris Agreement (COP21).

In order to move forward and meet these targets, we implement various initiatives that will enable us to achieve our public commitments: reducing our emissions by 29.4% for 2025 and by 71.4% for 2035 compared to the 2018 benchmark.

With this target on the horizon, we have identified three key levers that will enable us to move towards the decarbonisation of our business model:

- **Lever 1: Optimising energy consumption**

Energy efficiency plays a major role in reducing carbon emissions. By limiting the quantity of energy consumed during hotel operations, we can reduce our dependency on fossil fuels and lower carbon intensity.

In this area, we promote initiatives such as the deployment of environmental monitoring, control and management systems; the integration of sustainability criteria into new construction, renovation or rehabilitation projects, planned on a three-year basis; and the implementation of AI solutions in our facilities or cooling units, among others.

- **Lever 2: Migrating towards renewable energy sources**

We encourage the use of renewable energy sources, such as solar, wind, hydraulic and geothermal sources, which generate electricity without releasing greenhouse gases.

This includes initiatives such as installing photovoltaic panels and contracting Guarantees of Origin of renewable energy, among others.

- **Lever 3: Raising awareness and engagement across our value chain**

The objective of reducing Scope 3 emissions is undoubtedly one of our greatest challenges in the fight against climate change, not only due to its significant share of Meliá's overall footprint (82%), but also because of the large number of stakeholders involved. To achieve this, it is crucial to engage our customers as well as all the key players in our value chain.

In our particular business model, Scope 3 emissions include those from managed hotels. Therefore, initiatives such as those in the levers described above are part of the proposal for sustainable goods and services that we offer to raise awareness among two of our more relevant stakeholder groups, i.e. owners and partners.

In the hotel industry, the greatest potential for carbon lock-in lies in hotel infrastructure. The acquisition of fossil fuel-intensive assets could slow down our progress towards decarbonisation. Meliá is aware of this situation, which is why our Real Estate Department's goals include reducing emissions and advancing the commitments we have made.

Furthermore, the recent integration of the Sustainability Department under Real Estate, a division that also encompasses the areas of Works & Maintenance, Energy & Environment, and Supply Chain, will strengthen the allocation of investments based on sustainability criteria across Meliá's portfolio.

In this regard, we conduct an annual review and update of design and construction protocols to make sure that sustainability criteria are implemented in the new construction, rehabilitation or major renovation works undertaken each year. We also promote awareness-raising actions among our partners to highlight the importance of designing assets with sustainability as a standard, thereby fostering a long-term vision that contributes to our adaptation to and mitigation of climate change.

Our mitigation plan is at the forefront of all the initiatives we have been implementing to decarbonise our business model and move towards a more efficient, responsible and sustainable tourism model.

'Responsible Business' is the name given to our sustainability strategy as incorporated into our Roadto2024 Strategic Plan for 2022-2024. As any other strategic plan, it is aligned with financial planning through the Investment and Financing Policy, approved by the Board of Directors in 2019, which sets out clear principles for assessing, planning and managing our investments. In this way, we make sure that all financial decisions take into consideration related risks and benefits and are aligned with the company's strategic targets, including the integration of sustainability principles.

Risks and opportunities arising from climate change

GRI: 201-1, 203-1, 203-2, 3-1, 3-2, 3-3

Our Global Risk Map identifies the main risks we face as a company. The map is reviewed on an annual basis and its results are submitted to the Audit and Compliance Committee, whose responsibilities include supervising the risk management systems, including those under the ESG acronym.

In the specific case of risks related to climate change, 'Natural catastrophes or disasters', referring to damage to physical assets or disruption of operations as a result of extreme climate events, ranks 10th among the company's Top 20 risks. This risk moved up one position compared to 2023, which comes to show the company's awareness of its exposure to climate events, along with the conclusions reached in the study we carried out in 2021 based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Therefore, and in line with future regulations that will require sustainability reports to include an estimate of the financial impact of climate change-related risks, this year we carried out a first exercise to update and deepen the analysis of the climate risks associated with our owned and leased hotel portfolio.

Main components and stages of the process

Definitions

PHYSICAL RISKS

Risks derived from climate change that can be due to (acute) events or to longer-term (chronic) changes in weather patterns.

ACUTE

Acute physical risks derived from specific hazards, particularly meteorological phenomena, such as storms, floods, fires or heat waves.

CHRONIC

Chronic physical risks derive from longer-term changes in climate, such as changes in temperature and their effects on sea level rise, reduced water availability, loss of biodiversity and alterations in land and soil productivity.

TRANSITION RISKS

Risks derived from the transition to a low-carbon economy that is resilient to climate change. They usually include **political**, legal, technological, market and reputational risks.

CLIMATE CHANGE OPPORTUNITIES

Potential positive effects for the company in relation to climate change. Efforts to mitigate and adapt to climate change can create **opportunities** for companies. **Opportunities related to climate change** will vary depending on the region, market and industry in which a company operates.

Time horizons, scope and climate scenarios

In 2024, with the aim of identifying its exposure to physical and transition risks, as well as climate change-related opportunities, the company not only expanded the scope of its previous analysis to include leased hotels, but also enhanced data granularity. In this regard, an analysis was conducted for each hotel asset, whether owned or leased, assessing possible impacts over three different time horizons for each of the climate-related risks and opportunities considered.

The assessment included an analysis of different climate scenarios based on various pathways including both physical and socioeconomic factors, such as Representative Concentration Pathways (RCP), Shared Socioeconomic Pathways (SSP) or the International Energy Agency (IEA), mainly. Taking these pathways into consideration, and in line with the TCFD recommendations and the European legal framework requirements (CSRD and European Taxonomy), the company concluded the following for the present year:

CRRO CATEGORY	SCENARIOS	SHORT TERM	MEDIUM TERM	LONG TERM
Physical risks	SSP2-4.5 (IPCC) SSP5-8.5 (IPCC)	2021-2040	2041-2060	2081-2100
Transition risks and opportunities	APS (IEA) NZE (IEA)	2030	2050	2100

Where:

- **SSP2-4.5 (IPCC)** represents scenarios at the upper range of the goals set by the Paris Agreement, for an estimated warming of around 2.7 °C (2.1 – 3.5 °C) by the end of the 21st century.
- **SSP5-8.5 (IPCC)** represents the worst-case scenario of all warming pathways considered, for a temperature increase of 4.5 °C (3.3 – 5.7 °C). This is one of the 'no-climate-policy' scenarios.
- **APS (IEA)** is a scenario where all climate commitments undertaken by governments and industries worldwide at the end of August 2024, including Nationally Determined Contributions (NDCs) and long-term net-zero emissions, are totally and timely fulfilled.
- **NZE (IEA)** defines a pathway where the global energy sector attains net-zero CO^2 emissions by 2050. This scenario does not rely on emission reductions outside the energy sector to meet its goals.

Universe of risks and opportunities

With the aim of managing our business model's climate resilience, after defining potential scenarios and the perimeter of our analysis, we had to identify the universe of risks and opportunities to be included. To do this, we used two sources as main reference:

- Climate-related hazards as set out in the Commission Delegated Regulation (EU) 2021/2139.
- Previous TCFD report and list of climate-related transition events as suggested by the TCFD.

In this context, due to the limited presence of hotels and operations in high-mountain areas, climate hazards such as glacier outburst floods or solifluction were excluded from the analysis, as well as certain marine climate hazards from the European Taxonomy.

Based on the sources described above, we identified the following relevant risks and opportunities for Meliá:

PHYSICAL RISKS	
PR1	Infrastructure and economic activities in coastal areas threatened by rising sea levels
PR2	Increased frequency of infrastructure damage due to extreme precipitation and flooding
PR3	Increased frequency of infrastructure damage due to strong winds, hurricanes, tropical storms and tornadoes
PR4	Increased frequency and magnitude of forest fires in the surroundings of infrastructure
PR5	Increased exposure of infrastructure, activities, employees and customers to extreme temperatures
PR6	Reduced availability of water resources in infrastructure due to drought and scarce rainfall
PR7	Increased frequency and intensity of landslides in infrastructure and economic activities located near mountain areas

TRANSITION RISKS	
TR1	Increased operational difficulties for teams and facilities derived from the transition to low-emission technologies
TR2	Changes in the behaviour/preferences of customers in relation to sustainable services
TR3	Degradation of our corporate image due to increased climate awareness among stakeholders
TR4	Increased exposure to environment-related disputes/breaches
TR5	Increased costs related to the company's carbon footprint
TR6	Difficulties in raising capital due to non-compliance with ESG criteria
TR7	More expensive insurance resulting from the increased impact of extreme weather events
TR8	Need to implement modifications in climate change reporting
TR9	Geopolitical and social instability due to impacts derived from climate change

TRANSITION OPPORTUNITIES	
O1	Access to new markets due to improved climate conditions
O2	Differentiation from competitors in aspects related to climate change management
O3	Changes in the behaviour/preferences of customers in relation to sustainable services
O4	Direct incentives from the authorities related to energy efficiency, resource consumption, and the fight against climate change
O5	Enhanced corporate image due to increased climate awareness
O6	Greater capital attraction from shareholders and investors

Methodology and results

During 2024, we performed a semi-quantitative physical risk analysis (based on scales) by asset and geolocation. In this case, we also used the assessment framework provided in the TCFD Guide:

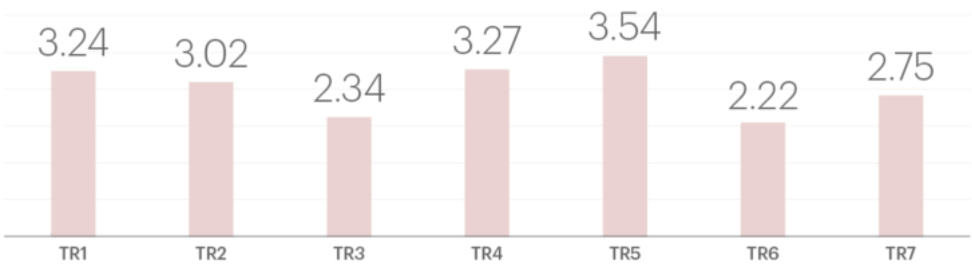
Where:

- **HAZARD** is the potential occurrence of a physical event or impact related to climate. In our case, the lists under the 'Universe of risks and opportunities' section above.
- **EXPOSURE** is the presence of people, ecosystems, resources, infrastructure, or economic and social assets in places and settings that could be adversely affected by such hazards, i.e. the company's hotel portfolio.
- **VULNERABILITY** is the propensity or predisposition to be adversely affected, such as sensitivity or susceptibility to harm, and lack of capacity to cope and adapt.
- **IMPACTS** are the residual results or consequences arising from climate-related vulnerabilities in organisations after the relevant adaptation and mitigation measures have been taken, and include broader indirect impacts on the social, economic and ecological systems in which the organisation operates.

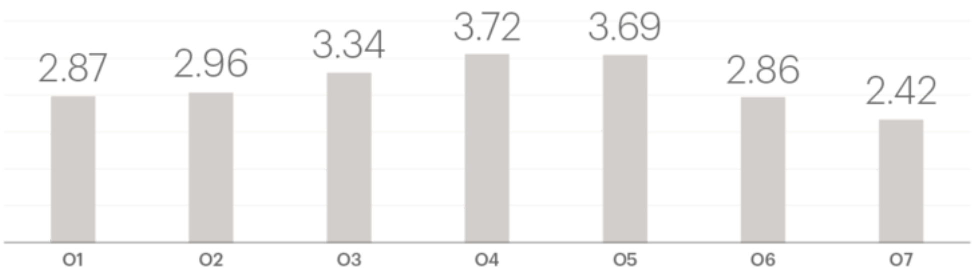
Below is a selection of the results we obtained in this first exercise in terms of average impact using a semi-quantitative scale. Please note that each asset was assigned the same weight in the overall assessment for this exercise.

PHYSICAL RISKS IMPACT RESULTS - SSP2-4.5 SCENARIO (IPCC)

TRANSITION RISKS IMPACT RESULTS - NZE SCENARIO (IEA)



TRANSITION OPPORTUNITIES IMPACT RESULTS - NZE SCENARIO (IEA)



Climate change adaptation measures

Strengthening the resilience of operations

We have developed a thorough vetting process for all our assets, paying special attention to our owned and leased hotel portfolio and taking into account the location of each establishment. From 2025 onwards, we will focus on defining the actions and investments needed to develop the company's adaptation plan to mitigate impacts and strengthen our resilience in the face of identified climate risks.

To date, we have devised a number of preventive measures, such as specific protocols and continuity plans to manage extreme weather events—heavy rainfall, hurricanes or exposure to extreme temperatures. These are precisely the physical risks with the highest impact, according to our results. We take a proactive approach that puts us in a better position to face any climate event and protect our customers and employees, as well as our hotel assets.

Related policy

GRI: 2-23, 2-24

From a formal standpoint, our Climate Change and Environment Policy, approved in 2017 and updated in 2021 by the Board of Directors, defines the action principles adopted by Meliá Hotels International and its Group in the fight against climate change, environmental protection, and the management of incidents, risks and opportunities related to climate change mitigation and adaptation.

To drive progress in climate change mitigation, we focus on reducing greenhouse gas emissions by optimising energy consumption, using renewable energy and offsetting emissions.

We promote energy-efficient, certified facilities, the use of sustainable materials, and the implementation of environmentally friendly design and construction models. We also encourage the offering of products and services with low greenhouse gas emissions, as well as electric mobility and the installation of charging points.

To facilitate adaptation to climate change, we analyse different scenarios to assess the potential implications of climate-related risks and opportunities for our activities, quantifying their impact and then planning appropriate adaptation measures.

This internal standard applies globally and directly to all corporate offices and business units managed by Meliá. Although its content is mandatory, it is subject to additional regulation in this field.

Related actions and resources

GRI: 3-3, 302-4, 302-5

Optimising energy consumption

Environmental management system (*SAVE*)

Our continuous management system, internally designed by our engineers in 2007 under ISO 14001 Environmental Management criteria, facilitates the integration of new requirements and ensures the ongoing analysis of our own management actions, as well as those of our technical service teams. It also reinforces the importance of measurement and management indicators related to energy consumption, water consumption, and the generation of waste.

This system is mainly fed by three sources of information:

- Continuous monitoring by the operations team.
- Annual mandatory audits (risks, safety and health, insurance, etc.).
- Support and services provided by specialised consulting firms to identify potential improvements in operational processes and technological opportunities.

This system allows us to analyse detailed information from our hotels' operational departments to identify opportunities for greater efficiency while also monitoring the degree of compliance with our annual targets. These potential improvements undergo technical and economic feasibility studies to prioritise those investments that can have a greater impact from the environmental and economic standpoint. After implementation, they are measured in the same way as the other initiatives (CO2PERATE, solar panels, etc.). During 2024, 30 new initiatives were identified and 90 were completed, most of them relating to energy resources, which a small portion relating to water and waste.

The main focus of SAVE is placed on owned and leased assets, but it also extends to managed hotels.

STATUS	2023	2024	
	INITIATIVES	INITIATIVES	POTENTIAL SAVINGS tCO2e
Not to be implemented	43	46	
Under study	172	80	
To be implemented	26	28	68
Under implementation	33	107	121
Completed	26	72	1,066

Similarly, we have made significant progress in integrating the processes for the detection, reporting and review of deviations in indicators such as energy or water consumption into the day-to-day financial reporting processes. Thus, the completeness of information is reviewed on a monthly basis, in line with the accounting closing schedule, to identify opportunities for improvement in the collection of this type of data.

In light of the foregoing, procedures have been developed and deployed to detail the allocation of responsibilities, definitions, flowcharts and other tools that ensure the proper functioning of this stage of the process.

For 2025, we undertake to extend the scope of these recent enhancements to include metrics such as waste generation and other sustainability reporting components, as well as further refine the attribute related to data quality.

CO2PERATE

Since its launch in 2019, this project's main objective has been to optimise energy consumption in A/C by integrating artificial intelligence developments into cooling units. This solution enables the cooling units to adjust consumption to meet operational and thermal needs on a day-to-day basis, thereby improving control and efficiency in our most energy-intensive systems.

The CO2PERATE Project is currently running in our owned and leased hotels. This solution can also be extended to managed hotels, depending on the willingness of their respective owners.

CO2PERATE	UNIT	2021	2022	2023	2024
Hotels	#	85	81	69	58
Savings	€M	1.0	1.9	1.2	0.5
Energy savings	kWh	9,505,337	12,626,675	8,140,432	3,781,425
Avoided emissions	tCO2	3,951	4,172	2,791	1,489

In 2024, we have reviewed the services provided by our different suppliers with a two-fold purpose:

- Optimising the benefit/investment ratio of this solution in certain hotels.
- Expanding its technological capacity by implementing telemetry and alarm systems on general consumption, thus facilitating the independent measurement of consumption by air conditioning systems compared to other uses.

Over the next year we are set to withdraw 4 owned and leased hotels from this initiative, while expanding this technological capacity in 43 hotels. As for managed hotels, we plan to incorporate 11 further hotels into the project.

More sustainable assets

Over the past years, we have promoted the integration of sustainable attributes into property management to enhance our processes for the design, construction and renovation of business units. The outcome is a differentiated value proposition that incorporates sustainable criteria, improves the efficiency of hotel establishments, and minimises environmental impact.

This initiative encompasses all refurbishing measures, not covered by other initiatives, aimed at making owned and leased assets more sustainable. This includes measures such as installing monitoring systems, changes in lighting, replacement of equipment and other efficiency measures.

Energy-saving measures (ESMs)

Part of the monitoring process under SAVE involves identifying assets whose intensive energy consumption makes them ideal candidates for a specialised survey.

These surveys identify areas for improvement in the operational processes related to facility control or the behaviour of our teams, helping us optimise daily operations and enhance efficiency, in addition to providing us with appropriate training.

During the past two years, we have implemented energy-saving measures in two hotels, Meliá Punta Cana Beach and Caribe Beach, which account for almost 10% of the company's total energy consumption. The results are shown in the table below:

ENERGY-SAVING MEASURES	UNIT	2023	2024
Hotels	#	2	2
Energy savings	kWh	153,761	172,864
Avoided emissions	TnCo2	260	379

During 2025, we will continue to monitor the results obtained in these two hotels and incorporate two other energy-intensive facilities, ME London and Paradisus Palma Real, thereby covering over 18% of our total consumption.

Like SAVE, this is an ongoing improvement project which is mainly focused on owned and leased hotels. However, depending on the willingness of their respective owners, this initiative can also be extended to managed hotels.

Migration towards renewable energy sources

Procurement of electricity from renewable sources

Electric power is one of the most important resources for the company, and therefore provides a major opportunity to reduce our emissions. Meliá favours the procurement of electricity from renewable sources through a gradual accession process on a country-by-country basis, with the main focus on owned and leased hotels.

Thanks to our centralised procurement system for electricity produced by third parties, all the electricity consumed in European destinations, where we enjoy critical mass—Spain, Italy, Germany, France, the Netherlands, the United Kingdom and, starting in 2024, Luxembourg—comes from renewable sources. This consumption represents 34% of the total energy consumed by the company.

PROCUREMENT OF ELECTRICITY FROM RENEWABLE SOURCES

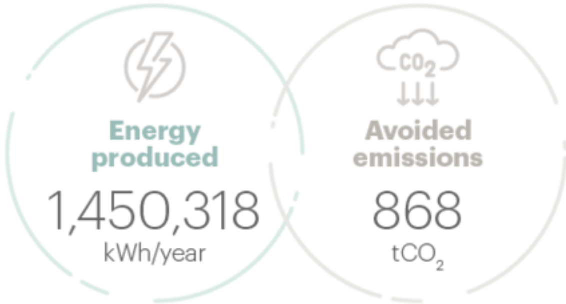
GUARANTEES OF ORIGIN	UNIT	2021	2022	2023	2024
Renewable energy	kWh	108,802,605	154,763,652	166,093,072	161,751,240
Renewable energy	% of the total	32.7%	33.8%	34.1%	34.4%

Power Purchase Agreements (PPA)

The execution of long-term energy purchase agreements over specific assets at a fixed price is another system we promote internally. At the end of 2024, Meliá sees this model as another option to achieve our objectives in other countries and destinations.

In 2023, the company signed a clean energy purchase agreement with the Dominican energy services provider CEPM. A large photovoltaic plant was installed and went into operation at the beginning of 2024, with a capacity of 500 kW and an output of almost 1,500,000 kWh per year.

PROJECT 1 - CEPM - RESULTS 2024



In view of the positive results obtained, we added a second phase to the project, expanding the installation with a significant solar photovoltaic capacity. With an installed capacity of 1,499 kWp and an output of approximately 2,400,000 kWh/year, this project will enable savings of around €250,000 per year. The installation is set to be completed and go into operation during the second half of 2025, with full performance expected from 2026 onwards.

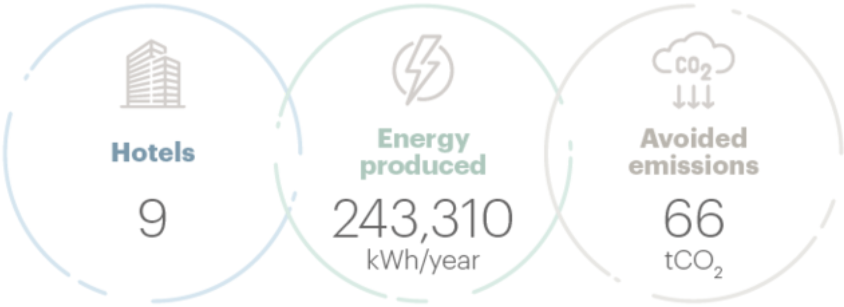
PROJECT 2 - CEPM

Self-generation of renewable energy

Another measure promoted by the company which is also undergoing assessment is the installation of solar panels. By generating our own energy from a clean, renewable source, we can reduce greenhouse gas emissions. Like most of the initiatives described above, the main focus is on owned and leased hotels. However, based on the willingness of owners, this measure can also be extended to hotels under management.

During 2024, we started to operate 5 photovoltaic installations, increasing our installed capacity in owned and leased hotels. Thanks to this initiative, we avoided the emission of 66 tonnes of carbon dioxide equivalent.

SELF-GENERATION OF RENEWABLE ENERGY



An additional 5 photovoltaic systems are planned to start operating during 2025.

Raising awareness and engagement across our value chain

Initiatives across our value chain

A significant part of the Scope 3 carbon footprint of hotel companies like Meliá comes from hotels operated on a management or franchise basis. Therefore, in a business model that seeks to migrate towards an asset-light strategy, it is essential to promote projects that involve the owners of these hotels.

In this context, although our initiatives are born with the main goal of ensuring the transition to a decarbonised business model in owned and leased hotels, most of them are also presented to the owners of hotels under a management or franchise model.

The table below shows the results produced by initiatives such as CO2PERATE and photovoltaic installations, among others, in this type of assets:

INITIATIVES FOR MANAGED HOTELS	UNIT	2021	2022	2023	2024
Savings	M€	0.1	0.2	0.4	0.1
Renewable energy	kWh	519,308	851,183	1,962,631	958,756
Avoided emissions	TnCo2	173	292	551	284
Emissions to offset	TnCo2	0	0	0	59

Road to Net Zero Events

Raising awareness among customers is crucial to mitigate our Scope 3 carbon footprint. By guiding our guests on sustainable practices and the importance of reducing their environmental impact, hotels can encourage more responsible behaviour during their stay.

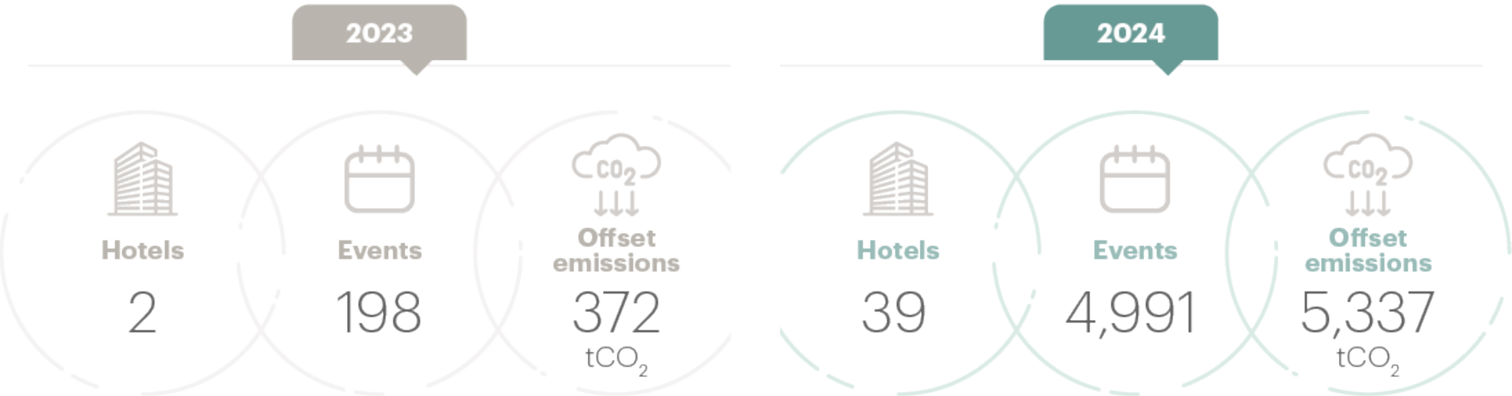
During this year, we continued to implement the 'Road to Net Zero Events' programme, initiated in 2023, allowing to calculate the carbon footprint of MICE events (Meetings, Incentives, Conferences and Exhibitions) at the quotation stage and at the end of the event.

The technological solution developed is connected to and integrated with hotel management systems, enabling measurements based on each hotel's specific details. It collects consumption data, factors in the hotel's surface area (m^2), and applies a country-specific emission factor to calculate the carbon footprint for Scopes 1 and 2.

As a new feature, all menus have been updated to include the carbon footprint per product, giving us an overview of a Scope 3 category by providing detailed information on the carbon footprint behind each menu.

Our commitment is to offset the entire carbon footprint, whether directly by Meliá Hotels International or by each customer, if they decide to offset their footprint through projects of their choice.

During 2024, this initiative was scaled up to a further 37 hotels, covering almost 5,000 events. Generated emissions will be offset during 2025 for a total of 5,337 tCO_2.



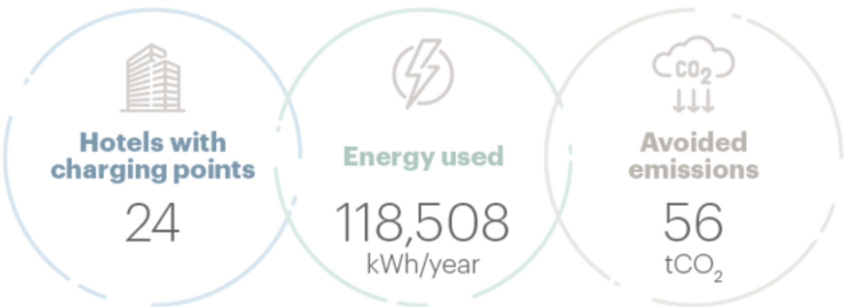
Promoting sustainable mobility

We are aware of the changes taking place in society in relation to mobility patterns, including among our customers, who are increasingly sensitive and inclined to choose mobility options that rely less on fossil fuels. For this reason, to raise awareness among those who stay at our hotels and encourage more responsible behaviour, we provide electric vehicle charging points in the parking facilities (internal or external) at certain hotels.

In 2021, we signed a strategic agreement with WENEA, an electric mobility solutions provider, and we have since installed charging points at 24 owned and leased hotels.

Our goal is to continue promoting this mobility model and expand our offer by installing charging points at 6 more hotels next year.

SUSTAINABLE MOBILITY



Consumption data and energy mix

GRI: 302-1, 302-3

INDICATOR	UNIT	2021	2022	2023	2024
Non-renewable fuels (A+B+C)	GJ	329,889	480,190	433,140	425,382
	MWh	91,636	133,386	120,587	118,162
A. Natural gas	GJ	204,892	312,790	232,606	223,916
	m^3	4,737,606	7,232,465	6,573,030	6,327,454
B. Propane	GJ	101,258	136,770	170,610	174,774
	Tn	2,225	3,006	3,878	3,973
C. Diesel oil	GJ	23,739	30,630	29,924	26,692
	m^3	620	800	846	730
Non-renewable electricity	GJ	238,292	312,901	369,696	345,062
	MWh	66,192	86,917	102,693	95,851
Vapour/heating/refrigeration and other non-renewable energies	GJ	238,425	300,152	222,597	351,143
	MWh	66,229	83,376	97,973	97,540
Total consumption of non-renewable energy	GJ	**806,606**	**1,093,243**	**1,025,433**	**1,121,586**
	MWh	**224,057**	**303,679**	**321,254**	**311,552**
Renewable electricity (green-certified and self-generated)	GJ	391,689	557,149	597,935	588,402
	MWh	108,803	154,764	166,093	163,445
Total energy consumption (non-renewable + renewable)	GJ	**1,198,296**	**1,650,392**	**1,623,368**	**1,709,988**
	MWh	**332,860**	**458,442**	**487,347**	**474,997**
Energy intensity ratio	GJ / stay	**0.188**	**0.138**	**0.124**	**0.134**
	MWh / stay	**0.052**	**0.038**	**0.037**	**0.037**
Total cost of energy consumption	€	37,757,845	70,834,468	79,694,205	67,366,871
Renewable energy percentage	Total consumption	32.7 %	33.8 %	34.1 %	34.4 %
Electricity percentage	Total consumption	52.6 %	52.7 %	55.2 %	54.6 %
Data coverage	Portfolio	100.0 %	100.0 %	100.0 %	100.0 %

Gross GHG emissions in Scopes 1, 2 and 3, and total GHG emissions

GRI: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6

INDICATOR	UNIT	2021	2022	2023	2024
Total Scope 1 emissions	TCO_2eq	20,645	29,525	29,452	27,089
Emission intensity ration in Scope 1	TCO_2eq / stay	**0.003**	**0.002**	**0.002**	**0.002**
Total Scope 2 emissions	TCO_2eq	71,961	92,672	110,057	106,974
Emission intensity ratio in Scope 2	TCO_2eq / stay	**0.011**	**0.008**	**0.008**	**0.008**
Total Scope 1 and 2 emissions	TCO_2eq	92,606	122,197	139,509	134,063
Emission intensity ratio in Scopes 1 and 2	TCO_2eq / stay	**0.015**	**0.010**	**0.011**	**0.011**
Total Scope 3 emissions**	TCO_2eq	238,849	461,463	555,427	616,096
Emission intensity ratio in Scope 3	TCO_2eq / stay	**0.0**	**0.0**	**0.0**	**0.0**
Total emissions	TCO_2eq	**331,455**	**583,660**	**694,936**	**750,159**
Emission intensity ratio	TCO_2eq / stay	0.052	0.049	0.053	0.059
Data coverage	% portfolio	100%	100%	100%	100%

(**) Scope 3: Selection of categories by significance.

Gross GHG emissions in Scope 3

GRI: 305-3

CATEGORY	UNIT	2022	2023	2024
1 Purchase of goods and services	TCO_2eq	191,405	265,827	264,294
2 Purchase of capital goods	TCO_2eq	36,612	26,167	25,077
3 Energy-related activities	TCO_2eq	21,881	24,507	23,616
5 Waste management	TCO_2eq	3,960	3,813	9,182
6 Business trips	TCO_2eq	2,660	2,469	2,920
7 Employee commutes	TCO_2eq	23,991	23,113	23,269
11 Use of sold products (managed hotels)	TCO_2eq	180,955	209,532	267,738
Total Scope 3 emissions	**TCO_2eq**	**461,463**	**555,427**	**616,096**

Responsible water management

In a projection to 2050, the United Nations' Intergovernmental Panel on Climate Change (IPCC) points out that half of the world's population will live in regions affected by water stress. On our part, we believe that a strategy of adaptation to climate change necessarily involves efficient and responsible water management to reduce vulnerabilities and build climate resilience.

Since 2008, we have prioritised and promoted initiatives to reduce water usage, particularly in holiday destinations where, as a result of available infrastructures and settings, water consumption requires greater economic resources and more efficient, responsible management.

Implemented measures include innovation and technological solutions aimed at reducing consumption data. Some examples would be the installation of aerators and devices in cisterns, the construction of saltwater treatment plants (desalination systems), and other sustainable solutions to minimise the risks identified in our double materiality analysis.

We also promote training initiatives to strengthen the engagement and awareness of our team members, in addition to reviewing operational processes related to water consumption in the main working areas, such as kitchens, flats, gardens and swimming pools.

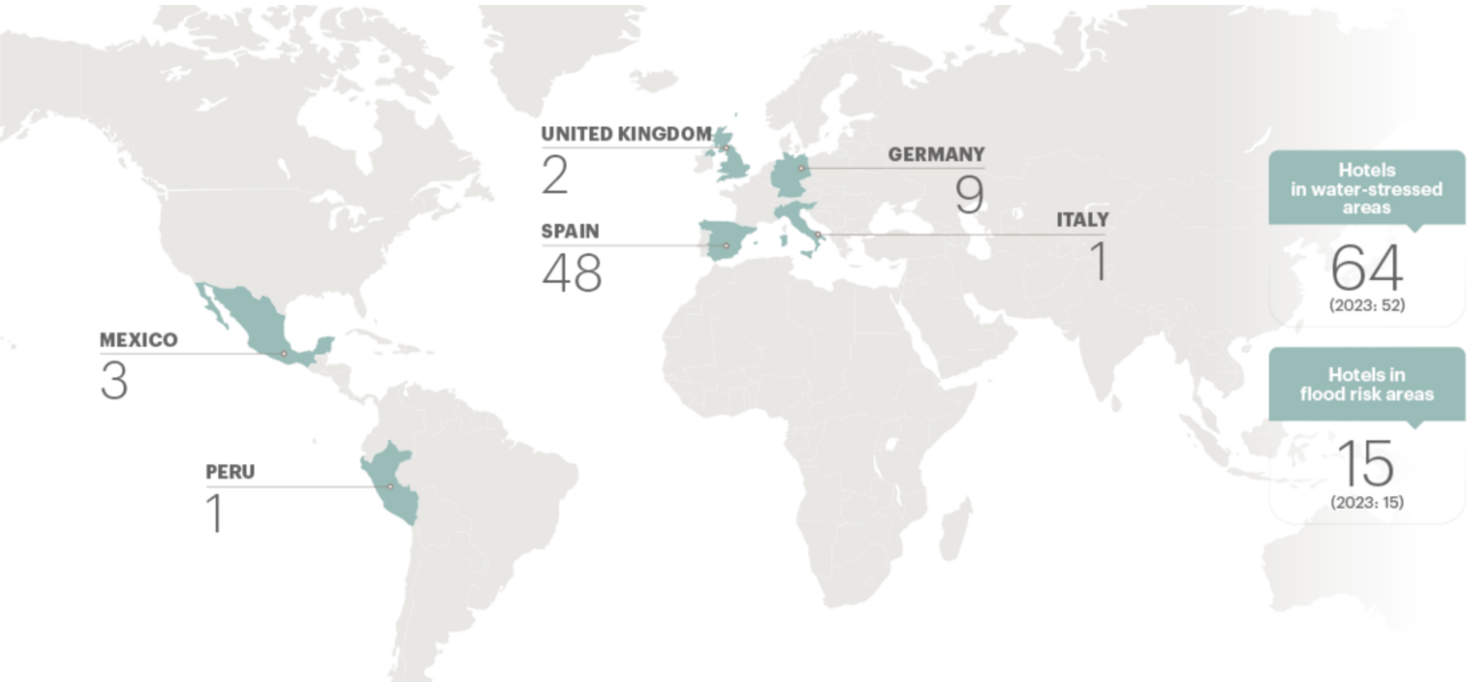
Management of incidents, risks and opportunities

GRI: 3-1, 303-1

On an annual basis, we analyse the location of all our hotels using the Aqueduct Water Risk Atlas tool to determine whether they are located in water-stressed areas.

This exercise gives us greater visibility over our global integration portfolio, 51% of which is located in high water stress areas, and enables us to define strategies that foster a culture of risk management and ensure short-term mitigation.

HOTELS LOCATED IN WATER-STRESSED AREAS



Moreover, as mentioned in the 'Risks and opportunities arising from climate change' section above, we have used the risk category 'Reduced availability of water resources in infrastructure due to drought and scarce rainfall' to assess impacts across various scenarios and time horizons for this type of hazard. This is in fact one of the 3 more important risks identified.

Related policies

GRI: 2-23, 2-24

Our policies address issues related to water management, in particular regarding water use and supply in our operations, as well as prevention and adaptation to the risks associated with the use of this resource.

On the one hand, our Sustainability Policy seeks to consolidate ethical, transparent, and responsible management, positioning Meliá as a leading company in the transformation of tourism towards a more sustainable model. This internal standard highlights the need to minimise the environmental impact of our activities by promoting the responsible and efficient use of natural resources, including water.

On the other hand, the Climate Change and Environmental Policy stresses the need to implement measures that encourage the responsible and efficient use of water, identifying the level of dependency and impact of our operations by calculating their water footprint.

In terms of scope, these policies are mandatory and apply globally and directly to all corporate offices and business units managed by Meliá. In turn, their content is established as a minimum, without prejudice to any additional and specific regulations that may be approved from time to time in this field.

Related actions and resources

GRI: 2-25, 3-3

In response to our commitment, we designed various projects and initiatives aimed at two main objectives: minimising our environmental impact in terms of water usage and preventing any risks arising therefrom.

To minimise our impact, we monitor water consumption data and promote more water-efficient facilities by applying environmentally sound design and construction models. We also support regeneration and reuse through wastewater treatment plants which help reduce potable water consumption and enhance sustainability and operational efficiency in our hotels.

In respect of risk prevention, we identify, assess and manage water-related risks in the short, medium and long term. To do this, we analyse current and potential scenarios that may affect our operations in relation to the availability and quality of water resources, as well as those relating to climate change.

On an occasional basis, and due to the water crisis experienced during 2024, the company has launched various initiatives to minimise water consumption in certain critical domestic and international destinations, along with awareness-raising actions aimed at sensitising and engaging customers in the destinations they visit.

Reducing the consumption of water resources

Environmental management system (SAVE)

Our environmental management system allows for a continuous analysis of management processes, in addition to providing a measurement model for environmental indicators, including those related to water. Ongoing monitoring of this resource is one of the main ways to identify opportunities for improvement which, after being assessed based on technical and economic criteria, are implemented through initiatives such as the Magnum Project.

Regarding the process of collecting and compiling water-related data, we have incorporated further indicators that allow us to gain a more detailed knowledge of water consumption behaviour in our hotels, as well as water reuse and consumption data.

Magnum Project

The first step towards better water consumption management is to understand how this resource flows within our hotels. Through monitoring and integrated technological solutions, we can obtain better, more precise data on real consumption across various areas and departments. This, in turn, helps us better identify opportunities for savings and optimisation, as well as implement effective strategies that promote a more responsible and efficient use of water.

This is why we launched Magnum in 2022, an innovation project funded by the European Union's Next Generation programme. The project focuses on the management of the water footprint from multiple perspectives, including implementing real-time operational recommendations, enriching our data with disaggregated consumption information, and integrating control systems for occupancy and service usage. It also aims to optimise operational management and enhance our understanding of certain customer behaviours, among others.

The initiative is mainly based on the integration of BIM technology (Building Information Modelling) and artificial intelligence applied to water footprint management in our hotels. It was designed within the framework of a consortium of companies specialising in water management, data, technology and facilities, with all involved parties taking on a specific role and sharing their expertise for the success of the project.

Meliá acts as the lead partner with a 24% stake, with the support of CETAQUA and IDP as technology partners (with 39% and 19%, respectively), and AQUATEC as a marketing partner (18%).

The current scope of this project covers three hotels located in Spain: Gran Meliá Palacio de Isora (Tenerife), Gran Meliá Don Pepe (Marbella) and ME Sitges (Sitges). The latter was included in 2024, replacing Meliá Palma Marina (Palma de Mallorca), since its extensive and detailed historical water consumption database allows for more robust predictive models.

During this year, we installed 27 telemetering devices to capture consumption data at the main consumption points of our hotel in Tenerife, where the range of water-related scenarios is among the most complex and diverse in our portfolio. Collected data will enrich the digital design (BIM) over this hotel asset.

As for the calculation of the water footprint, including the blue, green and grey water footprint, both direct and indirect, we are about to complete the first manual calculation prototype for the other two hotels.

We expect this prototype to be fully operational in 2025.

Water regeneration and reuse

Water reuse facilities

Meliá understands that water recycling is a valuable option to supply areas with limited water resources. This practice not only contributes to a more sustainable use of resources, but also promotes rational demand management and cost savings.

Thus, within Meliá's hotel portfolio, there are two destinations that stand out, either because of the volume of water consumed or the limited water resources available, where we have wastewater treatment systems whose effluents are mainly used to irrigate green areas.

On the one hand, Gran Meliá Palacio de Isora, one of our flagships, uses a biological wastewater treatment plant developed by Veolia Water Technologies since 2021. This facility combines activated sludge and membrane filtration stages, and has a treatment capacity of 500 m³/day.

On the other hand, since 2006, our hotels in Punta Cana—a destination that accounts for nearly 58% of our total water consumption—have wastewater treatment facilities operated in collaboration with Grupo Proamsa, with a daily treatment capacity of 7,600 m³.

WATER REUSE

Water consumption

GRI: 2-25, 303-2, 303-3, 303-4,, 303-5

INDICATOR	UNIT	2021	2022	2023	2024
Municipal water supply extraction (or other water services)	m^3	2,679,996	3,348,824	3,510,780	3,515,361
Extraction of salt water	m^3	249,388	342,541	280,966	306,536
Extraction of fresh groundwater	m^3	2,973,669	4,066,780	4,783,629	5,254,204
Extraction of fresh surface water	m^3	–	–	–	–
Total water extraction	**m^3**	**5,653,665**	**7,758,145**	**8,575,375**	**9,076,101**
Discharge: water returned to the source of extraction	m^3	5,653,665	7,758,145	8,575,375	9,076,101
Total net consumption of water	**m^3**	–	–	–	–
Intensity ratio of net water consumption	**m^3 / stay**	**0.889**	**0.651**	**0.655**	**0.713**
Data coverage	Portfolio	100 %	100 %	100 %	100 %

To calculate our water footprint, we must identify the source or origin of the water we consume. In our case, water comes primarily from public or private water suppliers (39%), fresh groundwater from wells (58%), and saltwater via desalination plants (3%). Well water is reported mainly in the Dominican Republic (which accounts for 58% of our total consumption), as there is no other source of water available in this country.

In all our hotels, water is used to fill swimming pools, in the kitchen, for cleaning, irrigation, and others. Subsequently, we discharge it into the municipal sewage system or treat it at the hotel. Due to the nature of our operations, the attributable consumption of this resource—defined as the difference between extraction and discharge—is not significant.

It is important to note that, in 2024, two incidents of wastewater discharge were reported in Spain: one in Fuerteventura and another in Tenerife. In both cases, the necessary clean-up work was carried out and preventive measures were adopted to avoid future incidents. To date, no complaints, inquiries or ongoing disputes related to this matter have been reported.

Biodiversity and ecosystems

The Kunming-Montreal Global Biodiversity Framework, adopted in December 2022, sets ambitious goals and establishes that the loss of biodiversity and climate change are interconnected crises. In 2020, the EU adopted its Biodiversity Strategy for 2030, which aims to prevent biodiversity loss and restore ecosystems.

Biodiversity has shown a significant decline at a faster pace than expected and emerges as one of the most relevant challenges in the long-term, being considered by different organisations as one of the most pressing environmental crises, on a par with climate change. In the long term, biodiversity loss not only impacts wildlife, but also air and water purity, soil quality, and the pollination of crops and plants.

Even though the double materiality assessment has not identified any risks, impacts or opportunities, we consider that we must act with special emphasis and dedication in those hotels that are located in natural environments of particular relevance in terms of customer experience, by promoting initiatives for conservation and preservation.

Examples include our facilities in Mexico, a country that represents one percent of the planet's surface and hosts around ten percent of the global biodiversity that the United Nations Environment Programme (UNEP) preserves with biodiversity programmes or the Dominican Republic, where the "Valle Nuevo" provides a freshwater source for much of the country and is recognised as a biosphere reserve by UNESCO.

Related policies and our strategy

GRI: 2-23, 2-24

The unique location of some of our hotels, welcomed us to consider the environment as a relevant stakeholder for our industry during the preparation of our Code of Ethics, with a strong commitment to help prevent the impacts of our activity on the environment and foster sustainability awareness among all our stakeholders.

On the other hand, in 2017, the Board of Directors approved the Climate Change and Environmental Policy laying down the following general principles:

- To identify opportunities to implement measures that contribute to the protection of biodiversity and natural habitats from climate change.
- To advance measures to protect native fauna and flora, thus preserving biological diversity and the natural heritage of our tourist destinations.

We work to protect and preserve the ecosystems surrounding our hotels and launch initiatives for the protection of fauna and flora, with the aim of preserving both terrestrial and marine biodiversity and ecosystems. Additionally, we strive to prevent or mitigate any impacts derived from our activities, while ensuring the responsible and efficient use of natural resources.

Nature-related impacts, dependencies, risks and opportunities are overseen by the Sustainability Committee and the Appointments, Remuneration and Sustainability Committee, as the collegiate body delegated by the Board of Directors in ESG matters.

Key destinations

We pay special attention to hotels located in sensitive or protected areas in respect of biodiversity by strengthening our management and control systems in the most critical destinations.

These special-interest destinations include Mexico and the Dominican Republic, which have special measures in place such as a Biodiversity Management manual and a document outlining how to address the specific issue of Caribbean sea turtles.

In addition, our Environmental Management System, which incorporates environmental criteria into the very design and construction of our hotels, as well as into the training programs for our teams and, finally, into our efforts to raise awareness among customers.

Mexican regulation

Various laws and regulations relating to biodiversity are in force in the Caribbean and Pacific coastal areas of Mexico, where our hotels are located. The General Law of Ecological Balance and Environmental Protection identifies the hotel industry as a particularly relevant agent in the protection of biodiversity, setting forth responsibilities and sanctions in the event of breach.

On the other hand, the General Law of Wildlife seeks to preserve and protect native species and promote various initiatives for the control of feral fauna that could affect ecosystems.

Dominican Republic regulation

In this country, Law No. 64-00 on the Environment and Natural Resources (2000) has a relevant impact on different economic activities, including hospitality, by laying down provisions applicable to tourist establishments and on the protection of vulnerable ecosystems, the sustainable use of natural resources, and the implementation of responsible waste management practices.

Additionally, Law No. 225-20 on Integral Management and Processing of Solid Waste regulates the integral management of waste in sectors such as ours, by promoting waste reduction, reuse, recycling and disposal, with a view to encouraging responsible tourism and ensuring the preservation of ecosystems.

Management of dependencies, incidents, risks and opportunities

GRI: 2-25, 3-3, 304-1, 304-2, 304-3

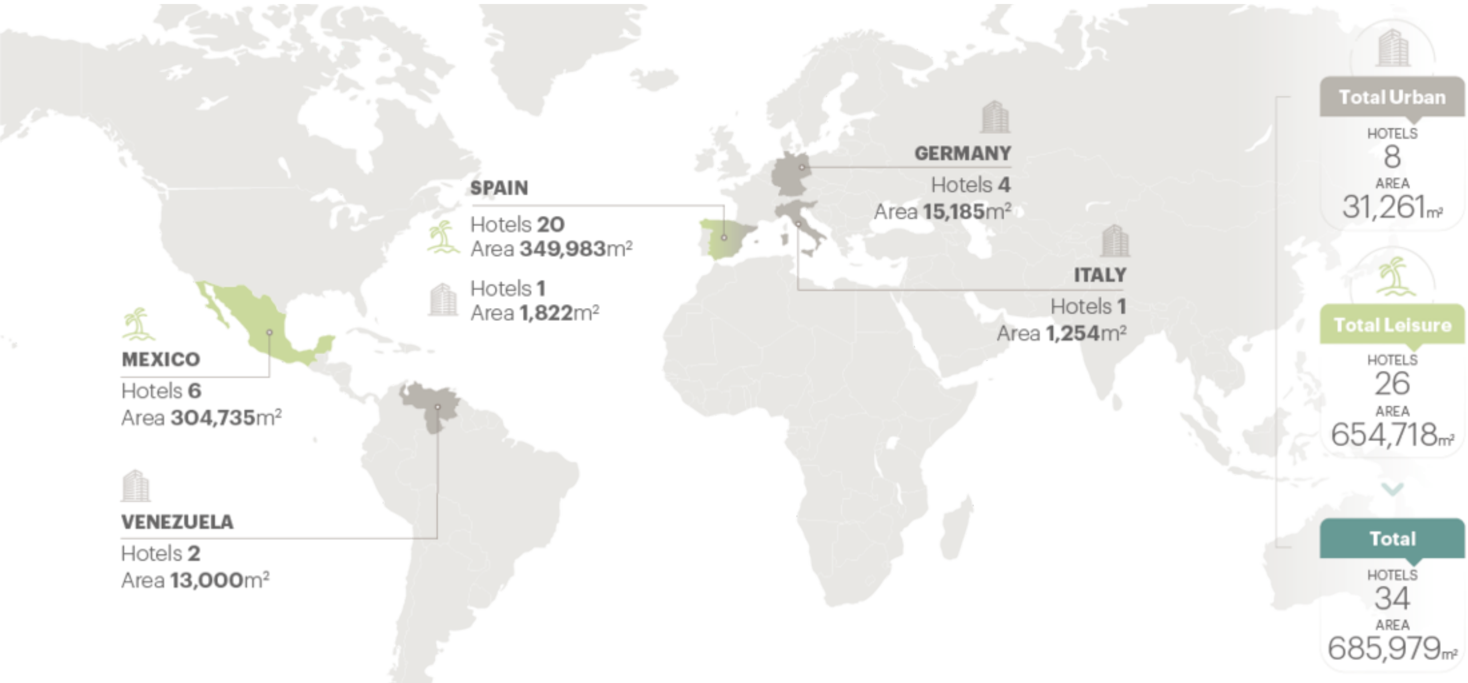
Dependence and Resilience

The assessment of impacts, dependencies and risks on biodiversity at each destination is carried out using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), an analysis tool that enables organisations to identify, understand and evaluate their exposure to nature-related risks, as well as analyse the dependencies and impacts of our activity on natural capital.

This analysis provides us with a comprehensive view of how our operations may affect biodiversity and, in turn, how biodiversity impacts the resilience of our natural environments, helping us establish effective strategies to minimise risks and promote conservation, taking into account that ecosystems are key for our industry, as they provide a unique and attractive conditions and experiences for guests, enriching their experience in terms of natural capital.

To identify potential risks related to habitat depletion, pollution or alteration, we conduct assessments that help us understand our degree of dependence on the biodiversity and resilience of ecosystems at our destinations. On the other hand, travellers are becoming increasingly aware of environmental issues and prefer to stay in hotels that adopt sustainable practices, such as the use of renewable energies, waste reduction, or the implementation of eco-friendly practices.

Protected Areas



Each year, we conduct a comprehensive analysis of our presence in specially protected areas with the support of the 'Protected Planet' tool, the world's most extensive source of information on protected areas.

Following this process, we selected the hotels located in the most sensitive areas and in proximity to protected areas (0.5 km for urban hotels and 2 km for resort hotels), or situated in areas with water stress levels above 40%, with the aim of taking action and minimising any adverse impact on the natural or marine environments where we are located.

As a result of this exercise, we found that **27.2 %** of our portfolio is located in special protection areas with great natural wealth, due to their proximity to the sea, natural reserves or areas of particular landscape value.

This map shows the total surface area of our hotels in Mexico, accounting for 44.4% of our total hotel surface area in specially protected zones. This explains our strong and ongoing commitment to safeguard one of the most attractive tourist destinations in terms of biodiversity and ecosystems.

Related actions and resources

GRI: 2-25, 3-3

Although biodiversity was a factor considered in the double materiality analysis carried out in 2024, the final scenario concludes that the company does not face significant dependencies, risks, impacts or opportunities related to this matter. Despite this, we are committed to work in favour of natural capital and carrying out initiatives for its preservation and care in all those destinations that require greater attention.

By the end of 2023, in view of the special characteristics of Mexico and the Dominican Republic, which account for a total of 13 hotels in our portfolio, the Sustainability Department created a new structure in both countries aimed at strengthening our management model and promoting ESG principles and criteria under a global approach, with a focus on the preservation and protection of native species, environmental management and biodiversity protection.

As a result of the joint work with the environmental authorities of these two countries, we have adapted some of our hotel infrastructures to minimise any risk to the marine or land ecosystems.

All our initiatives are aligned with Target 4 of the Kunming-Montreal Global Biodiversity Framework, which calls for the adoption of 'management actions for the recovery and conservation of species, in particular threatened species, to maintain and restore the genetic diversity within and between populations of native, wild and domesticated species to maintain their adaptive potential.'

Our hotels take part in sea turtle protection programmes, in compliance with the legal provisions on the protection, recovery and management of these populations in their nesting habitats during the season.

Audits

Considering the regulatory context and our commitment in this area, during the past year we have strengthened our management and control system, especially in Mexico and the Dominican Republic, with the aim of minimising and preventing any incidents and ensuring that local and national audits are conducted without reported incidents or shortfalls.

We have implemented an internal audit calendar for each hotel, with the aim of ensuring compliance with legal standards as well as company standards, so as to make sure that the external audits conducted by governmental agencies take place without shortfalls.

EXTERNAL AUDITS CARRIED OUT

INDICATOR	MEXICO	DOMINICAN REP.
External audits	4	59
Hotels concerned	2	6
Internal audits	24	120
Hotels concerned	2	6

During this year, we can confirm that no negative incidents involving land degradation or pollution, desertification or actions against endangered or threatened species have been reported.

Additionally, given the need to involve and encourage the engagement of our customers and employees, we implement various initiatives for them to gain a deeper understanding of biodiversity and the importance of protecting both marine and terrestrial species and ecosystems. We support volunteer activities among our employees and foster actions to raise awareness about environmental issues, such as beach and forest clean-ups, reforestation of native species, and the collection of micro or macro waste, among others.

ACTIVITIES FOR CARING FOR THE FLORAL ENVIRONMENT

INDICATOR	MEXICO	DOMINICAN REP.
Initiatives promoted	37	41
Employee participation	648	526
Total hours	730	3,052

During 2024, more than 10 clean ups were carried out in each certified hotel, with approximately 400 man-hours dedicated to the collection of micro and macro waste throughout the year.

Sustainability teams, along with maintenance and security departments, have been assigned responsibilities in this area, as they take care of beach conservation and supervision, sargassum removal or the protection of turtle nests.

Blue Flag certification

The Blue Flag international programme for the recognition of beaches and marinas rewards hotels that meet high-quality standards and operate under an integrated management approach in coastal areas. Their evaluation also considers the implementation of training programmes on the preservation and conservation of coastal-marine spaces for guests and local communities.

This entity performs audits to assess the quality of beaches and bathing waters, compliance with local and international regulations, environmental management, safety, and the quality of services and facilities. The certification assesses 103 parameters, therefore requiring the involvement and commitment of all our teams. To this end, we have provided 313 hours of training to 174 people.

Since 2010, our hotels in the Dominican Republic have renewed their certification year after year, and this recognition has now been granted to our two hotels located in the Mexican Pacific, too.

Preservation of endangered species

Sea turtles play a major role in the balance of marine ecosystems due to their impact on the food chain, as well as on the health of oceans, coral reefs and seagrass meadows.

There are currently seven species worldwide, all of which are at some level of risk. In light of this situation of vulnerability, Meliá develops conservation programmes and protection activities for the sea turtles that arrive at our beaches through the relocation of nests in protective enclosures in the Mexican Pacific and Caribbean.

To this end, we have prepared a specific manual to ensure proper handling during arrival periods, with a view to securing their conservation and preserving the beaches during the stages of spawning, incubation, and release of the hatchlings, with a special focus on the rules to be implemented to safeguard their nesting.

Additionally, a Sea Turtle Conservation Programme has been launched at three hotels in Mexico, in partnership with the local governments of each territory, intended to protect relocated nests, with positive results achieved.

During 2024, we have organised up to 35 activities involving over 200 guests, aimed at preserving the nests found on our beaches and facilitating proper quality and safety conditions to ensure the highest possible number of live hatchlings.

HOTEL	RECOVERED NESTS	SPECIES	COMMON NAME	RELOCATED EGGS	RELEASED HATCHLINGS	AVERAGE SURVIVAL
Paradisus Cancún	398	Chelonia mydas	Green turtle	44,309	31,101	70%
Meliá Puerto Vallarta	26	Lepidochelys olivácea	Olive ridley turtle	2,629	1,979	75%
Paradisus Los Cabos	156	Lepidochelys olivácea	Olive ridley turtle	15,832	11,244	71%
Totals	**580**			**62,770**	**44,324**	

This management and preservation system is not only intended to ensure the protection of nests, but also to raise awareness among our customers about the need to protect and preserve these species, as well as about marine biodiversity and the conservation of our beaches. This activity gives them the opportunity to live first-hand a unique experience that adds value to their guest journey, ultimately serving as a new lever to attract environmentally conscious and committed tourists.

Promoting reforestation

Native Flora

Our hotels in Mexico also participate in programmes for the reforestation, protection and conservation of species, especially those native plants in danger of extinction that are native to the area, adapted to the climate and soil of the region, which makes them more viable for the habitats and with less need for irrigation.

Throughout this year, surveys of native species have been carried out in the hotels located in both Baja California and the Mexican Caribbean, identifying species such as the blue agave (Agave tequilana Weber), giant barrel cactus (Echinocactus platyacanthus), golden barrel cactus (Echinocactus grusonii), elephant cactus (Pachycereus pringlei), cholla (Cylindropuntia cholla), wild plum (Cyrtocarpa edulis), coconut palm (Cocos nucifera), sea lavender (Tournefortia gnaphalodes), or Florida thatch palm (Thrinax radiata), among others.

Mangroves: roots of life between land and sea

Our hotels in the Dominican Republic have joined the National Plan for Reforestation and Restoration of Forest Ecosystems, in coordination with the country's Ministry of Environment and Natural Resources. The goal is to organise reforestation days along the Maimon River Basin with the collaboration of our teams, who devote four hours per week in average to this initiative:

- Planting a total of **880 plants** (Eugenia Domingensis/Guázara y Dracaena Draco/Drago).
- Reforestation of a space in the Bavaro Lagoon by planting **250** red mangroves and button mangroves.
- Planting 650 red mangroves and button mangroves **in the protected swamp**.

These initiatives are intended to help preserve native species and protect biodiversity in a unique and irreplaceable strategic ecosystem, in view of their great natural wealth and the ecosystem services they provide.

All our hotels are located within a terrestrial ecosystem, home to a large amount of native flora. With a surface area of 572,596 m2, we invest considerable financial and human resources to preserve, maintain and protect it, as our customers highly appreciate the possibility of enjoying exuberant gardens with a wide variety of flora and fauna.

Our commitment in the Dominican Republic is to further pursue this initiative during 2025 by planting a total of 3,000 new mangrove trees, which will represent an increase of 68% compared to this year.

Sargassum

Sargassum or gulf weed is a seaweed that darkens the crystal clear waters of the most touristic beaches of Mexico and the Dominican Republic, in addition to posing a threat to local species. Local authorities as well as scientists are engaged in a debate about how pressing this issue actually is, as they strive to understand the growth of a phenomenon that inundates beaches for several weeks each year.

This phenomenon does not show the same behaviour year after year and we need to invest considerable human and material efforts for its collection and implement various measures to reduce its impact on the beaches and on customer experience. During this year, we have removed a larger volume than in the previous year.

INDICATOR	UNIT	2022	2023	2024	2024 vs 2023
Volume collected	m3	1,541	1,400	5,361	283%
Mass	kg	690,368	582,400	2,401,728	312%
Fertiliser	m3	375	468	-	–

The financial resources allocated to this issue during 2024 recorded a 357% increase in respect of the average for the 2022-2023 period.

Invasive species

Our environmental commitment requires us to allocate time and resources to the control of invasive species, which are detrimental to ecosystems and displace native species, causing their decline and disrupting the natural balance.

In the Dominican Republic, we work with organisations specialising in the protection of biodiversity and have produced a document to identify invasive species, including the giant African land snail (Lissachatina fulica) and the green iguana (Iguana iguana). Although neither of them poses a high risk to humans, they can damage local ecosystems.

During this year, we have worked together with the Ministry of Agriculture to capture 46,462 adult African snails, 45,816 young specimens and 33,541 hatchlings. In 2025, we will keep on working with the Ministry of Environment and Natural Resources to implement a mitigation and control plan.

In addition, during this year the removal of the invasive plants located in our environment has been carried out, with the aim of replacing, half of them identified, with endemic species native to the area (Swietenia mahagoni 'Creole mahogany' and Cedrela odorata 'Creole cedar').

Future commitments to natural capital

In the coming years, we will analyse the scope of implementation of the Taskforce on Nature-related Financial Disclosure (TNFD), with the aim of preparing an action and management framework that will cover the identification of nature-related risks and opportunities and will be implemented in every destination where biodiversity plays a major role.

We also pledge to draw up a biodiversity action plan for next year, with a view to strengthening an excellence model in biodiversity management for these two destinations which are so relevant for us.

ME London, United Kingdom

Circular economy and use of resources

Mitigating the effects of the climate crisis and reducing our carbon footprint largely depends on our capacity to reduce the amount of waste generated. The large amount of waste produced at global level has skyrocketed in the past decades, up to 2 billion tonnes every year, according to data from the United Nations (UN), while humanity still has a major task ahead: to provide an appropriate response to the so-called waste crisis.

In view of this, the European Commission has published various acts to accelerate the transition towards a circular economy and promote the development of sustainable products, with a mandate for member states to enact national legislation on this subject.

We understand circular economy as an economic model aimed at minimising the generation of waste, with the ambition to achieve a "zero waste" management model by designing solutions that enable us to extend the useful life of any product and promoting the sustainable use of natural resources.

This ambition requires a shared commitment with all stakeholders in the value chain, as well as the advancement of the "5 Rs" of waste management: Recycle, Reduce, Reuse, Refuse and Repurpose.

As opposed to the concept of circularity, the 'linear economy' is a one-way approach based on extracting raw materials from nature, creating commodities and then disposing of them in the form of waste.

As a hotel company, we are aware that we must progress towards an increasingly circular model by promoting alliances with key stakeholders in the value chain, as well as identifying opportunities to move towards a model that minimises any risks resulting from inefficient management, helping us reduce our carbon footprint.

We have identified positive impacts in reducing the use of natural resources and improving processes, carrying out initiatives to re-use and recycle and to improvement our food management.

Related policies

GRI: 2-23, 2-24

We are aware of the importance of ensuring proper waste management and maximising opportunities to boost a circular economy approach in all the countries where we operate, regardless of the regulations in force in each country or destination.

In 2021, the Board of Directors approved the Sustainability Policy and the Climate Change and Environmental Policy. The commitments made therein include optimising the life cycle of products, materials and resources, reducing the generation of waste, and promoting a circular and sustainable model, as well as the responsible management of waste generated in our hotel activities.

Our ambition is to identify all opportunities available to promote a circular model by optimising the life cycle of products, materials and resources, and fostering a responsible management model in our hotel operations.

Management systems

GRI: 2-25, 3-3, 306-1

Our transition towards a circular economy requires a review and adjustment of our management procedures in order to reduce the use of natural resources. This comprises our goods and services procurement approach, our value proposition for customers, the responsible management of our gastronomic offer to minimise food waste, and waste management operations, including waste control, measurement, sorting and treatment.

Following the materiality analysis, we have identified projects and initiatives key to promoting a responsible and sustainable management. Through reducing the use of material resources and enhancing process efficiency through digitalisation, improving food stock management in order to minimise food waste, and reusing and recycling components through various initiatives, while stressing their importance not only in terms of environmental and social impact, but also from a financial and hotel operations viewpoint.

The Sustainability Committee is the executive body in charge of overseeing the implementation of our management model and monitoring and controlling progress in this area, and reports to the Appointments, Remuneration and Sustainability Committee.

Resource inflows

Since 2018, we have moved forward in the deployment of a new **tool devised to manage procurement** of goods and services which furnishes us with all the necessary information about our suppliers and products. This new technological platform has enabled us to evolve from an order-based approach towards a vision focused on supplier management, approval and contracting, as we integrate sustainability-related parameters into an efficient, streamlined digital model.

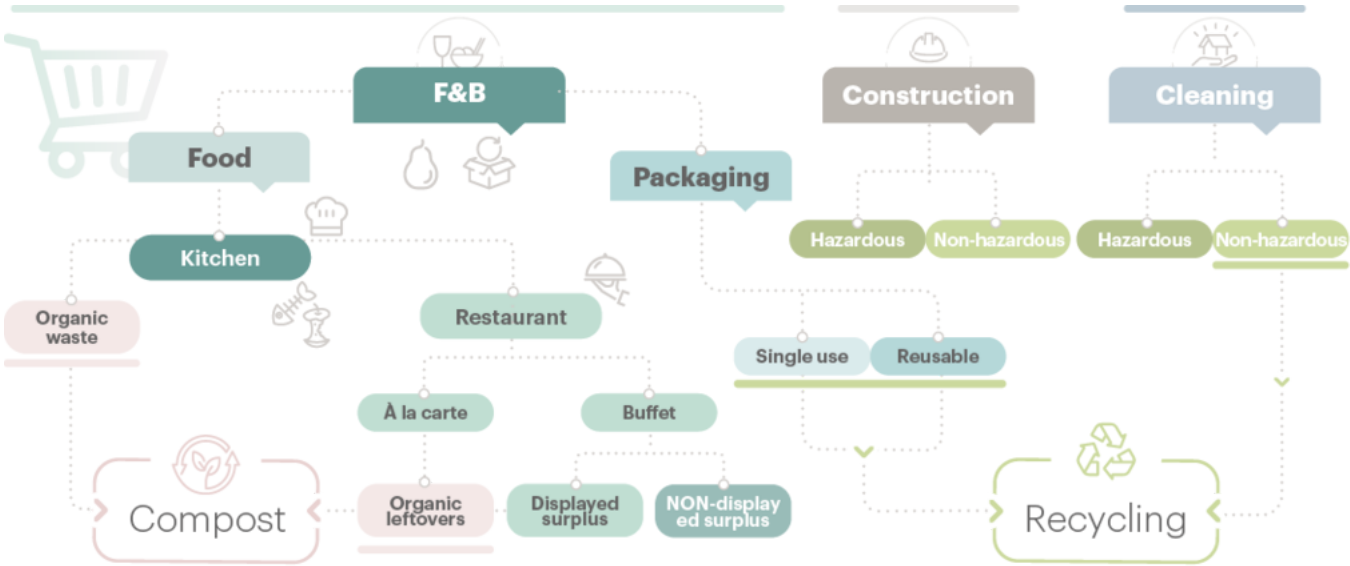
Using technological solutions to monitor product and service traceability according to environmental criteria. The new procurement management tool (COUPA), already implemented in Spain and covering 48% of our portfolio, is set for deployment in two additional countries in 2025 and will enable us to manage 72% of our hotels. This will open up new opportunities to gain a more detailed knowledge of the characteristics of acquired products and their packaging volumes, with a view to reducing our environmental impact..

Resource outflows

In order to strengthen proper waste management, we have updated our **Waste Management Manual** to incorporate all regulations and standards that apply to us, in addition to allocating responsibilities along our corporate structure as well as in business units. This review of the system reinforces our commitment in relation to waste sorting and measuring, a field where there is still some room for improvement. We are also designing a training programme, including practical exercises, intended to involve all waste-generating areas in our hotels.

The chart below shows the ideal use and destination on which we base our management system.

RESOURCES AND WASTE



Related actions and resources

GRI: 301-2, 306-1, 306-2, 306-4

Our ambition is to promote initiatives that help reduce waste generation and identify projects that support the different business units in boosting recovery practices and, therefore, the circular economy. This transformation requires cooperation levers, including allies in the supply chain and partners at the destinations themselves for those circular economy initiatives that must be conducted according to proximity criteria. Our ultimate goal is to achieve a considerable reduction of waste and a 55% recycling rate for urban solid waste.

During the stages of hotel construction and renovation, as well as during hotel operations, we operate under different assumptions to identify and adopt measures to foster waste management or circular economy. In the past years, various circularity and waste reduction initiatives have been undertaken:

- Removing single-use plastic utensils and items.
- Replacing single-use amenities with refillable or organic products.
- Installing water fountains in common areas.
- Procuring products on a rental basis.

- Using biodegradable, more sustainable cleaning products in order to reduce water consumption.
- Using returnable glass bottles.
- Launching waste recovery initiatives (mainly for used cooking oil and organic waste).
- Donating furniture and linen to social organisations for further use.

Moreover, we promote a strategy to optimise food waste management through the development of measurement systems and the implementation of programs to identify new usage alternatives in collaboration with partners.

Circular collaboration

Due to the unique nature of the hotel industry, we manage an extensive portfolio of suppliers, which currently stands at 6,700. Many of them also committed to reducing their environmental footprint and mitigating the adverse impact of climate change.

These relationships of trust, together with our shared commitment, open a wide range of opportunities and the possibility to advance initiatives of different kinds:

- Implementing **smarter, more efficient technological solutions** to enhance laundry processes and washing lines in the kitchens, monitoring water and energy consumption, as well as the use of chemicals, in order to ensure optimal performance. This technology is currently being used in six hotels of the Group.
- Collaborating with the Spanish Centre for Technological Development and Innovation to conduct trials at industrial level and get to know more about **reuse of textile waste** generated by hotel establishments. This project will eventually determine the manufacturing process for new items and currently involves a total of eight hotels.
- Identifying opportunities to acquire products with **packaging** formats requiring less virgin natural resources and energy for production.
- Installing AV equipment in 77% of our portfolio on a **renting** basis, offering the opportunity to resell or deliver it to companies specialised in electronic waste management for purposes of recycling and recovering the raw materials.
- Contracting suppliers or distributors who undertake to collect the glass bottles after consumption for reuse (48% of our portfolio). This year, **78% of all glass bottles bought by our hotels in Spain were returned** to transport new drinks. These bottles account for 36% of all beverage purchases.
- Purchasing **100% compostable coffee capsules** in 40% of our hotels.
- **Water dispensers** in 29% of our hotels, thus significantly reducing plastic water bottle usage, with a commitment to expand this initiative to more hotels.
- Joining the '**Too Good To Go'** initiative, which facilitates the sale of food surplus, thus avoiding the wastage of food in 23% of our hotels.
- As a good practice, we can highlight our '**Circular Hotels**' project, whereby we transform organic waste into compost and deliver it to local farmers for use. Later on, we buy their farmed products for our hotels, using blockchain technology to ensure traceability, accuracy and reliability of the data.

Our commitment for 2025 is to continue identifying new opportunities at the local level and to expand the reach of some initiatives already implemented within the Group. Additionally, next year we will monitor the plastic bottles we purchase, which in Spain are already 100% recycled.

Reduction initiatives

The Food & Beverage (F&B) and Procurement departments have conducted a pilot test in four of the company's hotels with the aim of eliminating waste generated by the use of single-use cardboard cups, by replacing them with reusable polycarbonate cups. Following its success and the support shown by customers, this initiative will be implemented in all hotels operating under the brand Sol by Meliá next year.

We promote the optimisation of used cooking oil through a filtering system that reduces polar compounds and acidity, enhancing oil quality and flavour in the cooking process and, subsequently, facilitating its recovery and delivery for biofuel production purposes.

Food waste

Food waste poses a major challenge for many hotel companies, with a large share of holiday hotels that offer an all-inclusive or buffet service. The F&B Department has analysed the processes in this area, including the way orders and food stock volumes are handled. Based on this analysis, we have identified different areas for improvement, process re-engineering and training needs of our kitchen teams, with a view to raising awareness about the importance of food waste and promoting responsible and sustainable practices.

Additionally, new standards have been defined to achieve more balanced customer-to-service ratios in relation to breakfast and buffet services, aiming to align production with the projected number of customers, and using technological solutions that provide real-time information on the actual number of customers. This initiative, now running in 64% of our portfolio, has also helped identify the less popular products among customers, leading to better assessments for the value proposition of the Food & Beverage area.

This review of the F&B management system has also been carried out in the service offer model for the MICE segment, and has helped identify opportunities to improve the service menu and gain better control over food cost per attendee ratios.

Audits

With the objective of reducing our volume of food waste per stay and making sure that the management system operates according to excellence and responsibility criteria, in compliance with the standards set by the Food & Beverage Department, we have introduced 'mystery shopper' visits this year in twelve hotels across Spain, the Dominican Republic, and Mexico. Next year, we plan to expand this initiative to 84% of our portfolio and measure compliance levels.

Resource inputs and outputs

GRI: 301-2, 306-3

At Meliá Hotels International we move forward in the adoption of circular economy principles by describing the key products and materials used in our facilities, as well as the operational process in terms of durability, reuse, repair and recycling.

This year, we have designed a tool to track the generation of non-hazardous waste, with the aim of increasing the recycling rate indicator and reduce the need of estimations.

INDICATOR	UNIT	2021	2022	2023	2024
A. Volume of waste generated	Tn	6,065	17,104	19,863	26,474
B. Volume of waste used/recycled/sold	Tn	3,976	9,319	10,010	8,946
Total waste discarded (A-B)	**Tn**	**2,089**	**7,785**	**9,853**	**17,528**
Recycling rate	Selective collection	66%	55%	50%	34%
Data coverage	Portfolio	100%	100%	100%	100%

For 2025, we undertake to make further progress by including data on hazardous waste volumes in the Group's reports. This information is already available at business unit level but not yet in aggregate terms, the most frequent items being televisions, mini-bars, batteries, light bulbs or toners, among others. Additionally, the tender carried out this year will strengthen a management, control and measurement model for hazardous waste generated in our hotels and minimise any associated risks.

07

Good for the people

ME Dubai, UAE

Talent management

At the present time, companies are faced with the challenge of attracting, retaining and motivating the best professionals, therefore, we need to offer an attractive value proposition that connects them with our business model. The so-called ‘war for talent’ arises from the need to align the existing offer in the market with the required qualifications.

For several years now, talent management has been a strategic, holistic and systemic element within the company. Organisations are constantly on the lookout for talent, whether due to the natural flow of job rotation or the need for particular skills linked to new roles, in order to maintain competitiveness and innovation. Specifically, the hotel industry, due to its intensive activity, has staff turnover that may negatively impact the customer experience.

We develop talent management strategies to attract the best candidates, promote their development and achieve their long-term retention. This includes the creation of flexible working environments, opportunities for professional growth and an organisational culture that recognises employees’ effort and dedication.

In essence, the ‘war for talent’ is a reality that we need to address with innovative strategies and a strong value proposition. it's the only way to attract, connect with and retain the best talent, ensuring a committed and productive team, capable of driving innovation and continuous growth.

Talent management strategy

At Meliá Hotels International we consider our employees our greatest asset, a fact also endorsed by our customers through their ratings in satisfaction surveys. They represent our company’s values - excellence, coherence, proximity, innovation and dedication to service - in daily activities, making a positive impression on our customers.

We strive to be the first choice for best talent, which requires constant reinvention to face new challenges and take advantage of the opportunities of being global and international company.

We offer employees a differentiated experience at each stage of their professional career (attract, onboard, perform, grow, engage and exit), with the aim of guaranteeing satisfaction, commitment and loyalty of those who join our organisation.

In 2024 we have strengthened our internal communication and listening channels as part of our value proposition, in particular, through the work environment survey ‘Meliá Listens’ and participation in our materiality assessment.

Changes in the employees’ motivation and expectations led us to reconsider our value proposition, targeting it towards a model more focused on well-being, active listening and leadership, as well as covering other increasingly important intangible aspects such as training and professional growth.

We seek to create stable employment and the development of a long-term professional career. We strive to achieve the satisfaction of our teams and the economic sustainability of the business, acting with corporate responsibility and generating a positive impact on our society.

Talent management priorities

- **Well-being**: Promoting actions that ensure optimal conditions in the workplace, encouraging recognition, internal communication, leadership quality and positive and healthy work environment.
- **Professional growth**: Implementing continuous training programmes and career plans for critical groups and high-potential employees, responding to the ongoing transformation of the sector.
- **Community**: Encouraging the company's social commitment, fostering inclusion, social development and integration of local culture in our activity, in cooperation with academic institutions and social organisations that help to generate a positive impact on the community.
- **Excellence in service**: Reinforcing our commitment to customer satisfaction, in line with our 'service vocation', strengthening our customer relationship model to guarantee our value proposition in all our brands.

Internally, we monitor progress in the talent management strategy through a control panel that allows to track and control the evolution of the defined indicators and, externally, through participation in internationally recognised rankings and indexes such as the 'Top Employers' certification of the Top Employers Institute.

Organisational and governance model

GRI: 2-23; 2-24

Our model, 'Leading a new Future', represents an evolution in the way we organise our work and relate to our stakeholders. Since it was launched in 2021, we have made progress in efficiency, digitalisation and competitiveness, while preserving the lasting value of our 65-year history: service vocation.

Internal Service Survey

Every year we carry out a survey that assesses the quality of the service provided by all the corporate areas to hotels, using quantitative indicators, such as the recommendation index, and qualitative indicators by way of comments that allow us to identify measures to promote continuous improvement. With the aim of ensuring that the new organisational model progresses in accordance with the principles on which it was designed.

INTERNAL SERVICE SURVEY	2023	2024
Teams Assessed	61	64
Business Participation Index	64%	92%
Corporate Participation Index	83%	90%
Action Plans	50	53

Related policies and governance model

We have a sound governance model for human resources management, the cornerstone of which is our Code of Ethics. This document encompasses all our public commitments and is complemented by all the policies that integrate the principles governing our management in terms of human resources and people management.

The Board of Directors is the highest body responsible for ratifying and approving the corporate policies that are published and available on our web site.

- Human Resources Policy

It defines the basic principles to protect teams' labour rights, ensure a satisfactory working environment, prevent occupational hazards and manage talent for professional development within the teams.

- Human Rights Policy

It establishes the commitment to protect, respect and mitigate the potential impact of business activity on human rights through commitments that are aligned with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

- Diversity Policy

It promotes diversity, differentiation and competitiveness, aligning with best practices in the field of talent management and sustainability.

- Sustainability Policy

It seeks to generate value for society by considering the diverse reality of the destinations in which the Group operates.

- Complaints Channel Policy

An essential tool for detecting alleged irregular behaviour that is contrary to the Code of Ethics, the internal policies and rules, as well as the applicable legislation.

- Protocol for the prevention of harassment at work

It defines what mobbing is and how it shows up, so that employees can be aware of whether they are facing a situation of harassment.

- Protocol for the prevention of sexual harassment

It establishes that all employees have the right to a work environment free of hostile or intimidating conduct and behaviour towards them, with the company being committed to create, maintain and protect, with all the measures at its disposal, a work environment where the employees' dignity is respected.

People management

GRI: 3-3

As a result of the double materiality analysis carried out in 2024, we have identified and assessed the impacts, risks and opportunities associated with management.

This process has facilitated the identification of social issues of greatest relevance and impact for the development of the company's activities. The results were as follows:

Working conditions of own personnel: It refers to the promotion of quality employment under decent and fair working conditions for own personnel. It includes actions in the areas of quality employment, adequate wages, social dialogue and work-life balance in a safe working environment for our employees.

- Quality employment and working hours: Difficulty in attracting and retaining own employees due to working conditions and the characteristics of the sector.
- Adequate wages: Fair wages and extra benefits for our own employees.
- Social dialogue, freedom of association and collective bargaining: Promoting freedom of association and employee representation through the company's adherence to national agreements and international organisations such as those promoted by the ILO.

Equal treatment and opportunities for our own personnel: The promotion of a working environment that fosters gender equality, diversity and inclusion of minority groups or groups at risk of exclusion, by offering opportunities for employment and professional development.

- Diversity: Workplace well-being thanks to a respectful and accepting environment for the proper performance of work.
- Training and skills development: Building loyalty and improving the qualifications of our own employees through a training plan that fosters professional and skills development.

Protection of human rights and other labour rights of own personnel: The promotion of a culture of due diligence and respect for human and labour rights among own personnel, under a firm commitment to fight against child and forced labour, as well as the protection of privacy.

- Privacy of own employees: Cases of dissemination or loss of own employees' data.

Communication and listening channels

At Meliá Hotels International we foster a culture of open and transparent communication through active listening to our employees. Likewise, we respect freedom of expression through respect and maintain an open and cooperative attitude with our teams.

We have implemented several direct listening mechanisms, such as the survey on commitment, culture and values 'Meliá Listens', which is one of the key pillars of our internal communication strategy.

This tool allows employees who have been with the company for more than six months to confidentially express their opinions on aspects such as working conditions, equal opportunities, leadership and professional development, among other issues. Thus, we reinforce the fulfilment of the public commitments included in our policies and monitor our progress.

In particular, we are monitoring 19 management factors and three other key indicators (commitment, engagement and eNPS). In this way we identify the loyalty level of our employees, based on working conditions and the characteristics of the sector, creating a prioritisation matrix that is presented to the different teams by their managers.

The results of 'Meliá Listens' lead to a global and team action plan, the objective of which is to improve the variables with worst scores and ensure the implementation of positive initiatives in our company. To enhance decision-making, we link a percentage of the variable remuneration (VR) of each team leader to the improvement actions to be carried out.

COMMITMENT RATE	2023	2024	2024 OBJECTIVE	2025 OBJECTIVE
Global Commitment	87.0%	87.4%	85%	87%
eNPS	41.37	43.70	43	44
Engagement Rate	70%	71%		
Participation	88%	96%		

Meliá Let's Celebrate

'Meliá Let's Celebrate' initiative was the result of the responses received in 'Meliá Listens', aimed at strengthening a culture of inclusion and well-being. For four weeks a year, it promotes a positive environment through activities, both globally and locally, that raise awareness of different areas such as sustainability, diversity, the company's values, well-being and healthy habits, always in an environment of respect and team spirit.

DIVERSITY WEEK 18

WELLBEING WEEK 34

SUSTAINABILITY WEEK 48

VALUES WEEK 43

During this year, business units have worked on different actions in the aforementioned topics.

Characteristics of our workforce

GRI: 2-7

We ended 2024 with 18,362 FTE employees in 14 countries and operating a total of 125 hotels.

By volume, hotels in Spain and destinations such as Mexico and the Dominican Republic represent 59.2% of hotels and 68.5% of our room portfolio, comprising 85% of our workforce. The total number of active employees has increased by only 0.45% during 2024.

OWN STAFF COST	OWN STAFF COST OVER TOTAL REVENUE	EBITDA (EXCLUDING CAPITAL GAINS) OVER OWN STAFF COST	TOTAL REVENUE OVER TOTAL WORKFORCE	EBITDA (EXCLUDING CAPITAL GAINS) OVER TOTAL OWN STAFF
€570.27M	28.3%	93.3%	€109,617	€28,965

Furthermore, we also have a variety of non-salaried collaborators, who are external workers not being part of the company's staff and who provide services independently, including:

- **Self-employed workers** such as contractors who provide a specific service to the company independently.
- **Temporary Employment Agencies (TEAs)**, which supply temporary personnel to cover specific service needs within the established legal framework.
- **External companies**, which manage their own personnel and whose services are contracted through a contract for the provision of external services (for example, cleaning, maintenance, gardening, etc.). They are considered as their own employees, as their labour relationship is established with their respective companies.

Quality employment

GRI: 404-1,404-2

Melia as an employer brand

In order to fulfil our commitment to offer added value to those who join Meliá, we have launched a strategy to attract talent that focuses on quality employment and opportunities for professional growth and development, with the aim of encouraging their desire to stay at and commit to our company.

We seek not only to attract the best talent, but also to build loyalty and improve the skills of our own personnel through the development of a training plan that benefits their professional growth.

We preferentially fill vacancies with internal candidates who are already part of our staff, as talent management is one of our priorities, with which we associate quantitative objectives linked to our commitment to offer development opportunities to those who work at Meliá, providing them with tools and skills for their continuous improvement.

INTERNAL COVERAGE	2022	2023	2024	2024 OBJECTIVE	2025 OBJECTIVE
Hotel leadership	65.8%	56.7%	**68.7%**	62%	65%

'Very Inspiring People'

Through this claim we make our employer brand visible, focusing on the essential role that our employees play in inspiring the best talent, for their colleagues and for future candidates.

In 2024 we have promoted specific actions with the aim of strengthening our position as a leading employer brand in the hotel sector, by launching campaigns and generating content that allows professionals to identify opportunities for growth in a close and familiar environment.

We have focussed our efforts on digital channels, specifically LinkedIn and Instagram, where we have seen a notable increase in the visibility and attractiveness of Meliá as an employer.

ENGAGEMENT	2022	2023	2024
Engagement Instagram Rate	5.6%	5.0%	6%
Engagement LinkedIn Rate	—	4.8%	8%
Audience on Instagram	4,978	8,246	14,915

Links with the academic world

For several years now, we have maintained a strong link with the academic world, as a way of attracting the best talent in nationally and internationally prestigious educational centres, located both in Spain and in other European countries, offering opportunities to participate in management or operational internships in different departments and countries. We are currently managing a portfolio of 81 strategic schools, of which 17.5% are dedicated to luxury.

- Spain: Les Roches, Centro Superior de Hostelería Galicia and Vatel.
- Switzerland: École Hôtelière, Swiss Alpine Center, Glion Institute of Higher Education.
- Netherlands: NHL Stenden and Hotelschool The Hague.

On the other hand, we have designed a tool called 'IDEAL Talent', which helps to identify the best talent in internships, assessing their performance and allowing us to recognise those who have the greatest potential for growth, in order to offer them employment opportunities or development programmes. This assessment is carried out using a talent matrix that considers different dimensions such as initiative, development, enthusiasm, adaptability and leadership.

We currently have 945 interns at Meliá, of whom 53% have passed the Talento Ideal identification process. After this process, 30% of these interns have been identified as IDEAL Talent, that is to say, they are identified as people with high development potential to grow through internal opportunities in any country where we operate.

We also organise different events aimed at attracting young talent and increasing the visibility and attractiveness of our employer brand. Their design facilitates the assessment of candidates through group dynamics and personal interviews, 'Talent Days' or open days aimed at local talent to showcase 'Open Days' Meliá culture.

TALENT & OPEN DAY	2023	2024
Events	14	11
Attendees	844	491
Hired attendees	557	179
eNPS	88	89

Remuneration, compensation and benefits

GRI: 3-3, 404-3

We promote a competitive, transparent and responsible compensation and benefits system. We guarantee that all our employees are protected by applicable labour legislation, and we work to ensure the retention and development of all our teams. Our Human Rights and Human Resources policies establish commitments related to fair and decent remuneration, defined according to criteria of internal equity, motivation and professional merit.

The Remuneration, Appointments and Sustainability Committee is the body responsible for approving the objectives associated with the annual variable remuneration model. There is also a three-yearly variable remuneration that depends on the fulfilment of the Strategic Plan's targets and their associated indicators, which are approved by the Board of Directors.

Remuneration model

Our remuneration system considers several criteria, such as internal equity, external competitiveness, market data and the peculiarities of the countries in which the organisation operates. We also ensure that internal and external regulations are complied with, as well as best remuneration practices in each region. This comprehensive approach is also aligned with our values and long-term sustainability.

We apply principles of fair, decent and appropriate remuneration, compensation and benefits for the work accomplished by our employees, in line with their skills, training and level of responsibility.

In Spain, our remuneration policy for core staff is framed within the applicable collective bargaining agreements, which establish minimum wages, working hours, breaks, holidays and other basic working conditions, thus guaranteeing compliance with the standards in our industry.

Also, it offers opportunities for achieving a work-life balance, providing our employees with measures allowing this balance without undermining the needs of the Company.

Salary review process

Every year, the company launches a merit-based salary review process, which applies to its own employees whose basic wage is above the statutory minimum salary in each country.

This process starts with a preliminary analysis for each country which, based on increase forecast studies from various global and local consultancy firms and macroeconomic factors, such as the expected CPI of each country, labour competitiveness or unemployment rates, makes it possible to establish a guideline for salary growth by destination, on which basis the amount to be distributed by management is assigned.

Each head of Corporate or Business Management, with the support of Human Resources, proposes the salary reviews for their team's members, based on individual performance and considering both internal equity and salary positioning for the category determined by Compensation department.

Our compensation system reflects our commitment to set a remuneration system in line with our employees' dedication and responsibility. We seek not only to retain and motivate our staff, but also to contribute to the achievement of Meliá's strategic objectives within the context in which we operate.

Variable remuneration plan

Our annual variable remuneration (VR) programme is based on metrics defined by the Company's Executive Committee based on the fulfilment of global and individual objectives. At a corporate level, objectives related to financial and business performance in each geographical area and progress in sustainability are considered. This assessment also includes specific and individual objectives based on each employee's responsibilities.

- Sustainability objective

  Since 2008 we have included, both in the annual and the three-year remuneration model, an objective representing 10% of total variable remuneration related to sustainability, for the purpose of promoting the inclusion of environmental, social and governance criteria in our business model, which applies to 515 executives and middle managers of the company and is established according to the company's position in the S&P Global Corporate Sustainability Assessment (CSA) ranking.

- Talent management objective

  As part of our leadership model, we have defined an objective linked to people management as part of variable remuneration of all team managers.

  Currently, this objective represents between 5% and 10% of total variable remuneration and is applied to profiles with responsibilities in hotel management, Hotel Services and Corporate Services, affecting 62% of the workforce with talent management objectives.

Living Wage

In line with our commitment to the well-being of our employees and the society, we continue to make progress in the implementation of policies introducing high standards on fair remuneration. We embrace the concept of a 'Living Wage', ensuring a decent standard of living that includes access to essential needs such as housing, education, medical care and transport.

Looking ahead to 2025, we will carry out a detailed analysis of the feasibility and impact of potential measures to develop this concept, carefully assessing best international practices and local conditions of each region to ensure that compensation offered not only complies with legal requirements, but also contributes to a socially acceptable standard of living.

Thanks to this programme, we expect to reach 89% of the workforce worldwide and continue to grow until all teams are covered.

Pay gap

The company's gender equality analysis is based on a global methodology in line with international best practice. This balanced approach helps us to ensure accurate assessments, excluding variables not related to gender that may affect the salary of our employees. The factors considered include:

- Country context
- Professional category
- Use of a level map that groups operational and support roles into homogenous segments (comparison groups)

This methodology allows to measure with a high degree of reliability the differences in salary between men and women within each comparison group. Thus, we ensure that any gender pay gap is identified and effectively addressed.

Social benefits

Our value proposition includes various initiatives and benefits that seek to improve the quality of life for our employees, as well as to foster a sense of belonging and mutual care.

My Meliá Benefits was created to offer employees a more enriching work environment focused on their overall well-being. This platform not only offers tangible benefits such as ‘My Flexible Remuneration’, which adapts remuneration to individual needs, and ‘My Discounts’, which provides exclusive discounts, but it also addresses essential aspects of daily life through sections such as ‘My Insurance’, ‘My Finances’, ‘My Wellbeing’, and ‘My Social Responsibility’.

During this year, My Meliá Benefits has been available to 46% of the workforce, with 29,500 accesses during the year, generating average savings in income tax of €471.89 per user, and a cashback as a result of the available discounts of €6,600.

In Spain, this plan includes new products and services year after year, currently covering 40% of the workforce. Thus, our employees may acquire and contract certain benefits with considerable advantages that allow them to maximise their remuneration. The products and services are adapted to different needs and interests.

- **Transport Card**: It allows to use part of the gross wage to pay public transport costs. It is an efficient way of saving on daily journeys and promoting the use of sustainable transport.
- **Nursery**: It allows to use part of the gross wage to pay nursery costs. It promotes savings and work-life balance during early childhood education.
- **Health Insurance**: It is offered to a specific profile of employees, and facilitates access to private health services, discounting the annual premium in monthly instalments. It also gives the option of including family members up to the first degree of consanguinity.
- **Restaurant Card**: It allows to use part of the gross wage to pay meal costs, optimising purchasing power. This service is offered to a specific profile of corporate employees.
- **Training**: It encourages employees’ professional and personal development, covering training needs related to the functions they perform.

- **Savings Insurance**: Only for eligible employees, this insurance offers a pension plan, enabling savings with regular contributions. In 2024, 16 new employees joined the programme.

Social protection

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

All our employees are protected socially through public programmes and benefits offered by the company.

Work-life balance

As a result of the pandemic, we became aware of the advantages of hybrid work. In 2024, we have maintained remote work as an option at the corporate offices in Spain, providing several tools to strengthen communication and collaboration between teams of operational centres and hotels and providing training to 1,129 employees.

This approach is consistent with the recognition of the right to digital disconnection in the work sphere so that, outside legally or conventionally established working hours, the employees' rest time, leave and holidays are respected, as well as their personal and family privacy, as set out in our Human Resources Policy. In addition, a digital awareness course is part of the compulsory training programme for our employees.

We attach great importance to work-life balance measures for those who care for children or dependants, offering greater flexibility for accompanying them to school tutorials, medical appointments or other needs they may have.

Social dialogue

GRI: 2-28; 2-29; 402-1

At Meliá we are strongly committed to respect labour rights of our employees worldwide and, in particular, the right to participation and representation as an essential element of our governance model.

This is set out in the Code of Ethics, which applies globally to all Group's staff. This internal rule also includes the company's adherence to the Guidelines of the International Labour Organization (ILO) that foster respect for and promotion of the principles and rights of freedom of association, trade-union freedom and effective recognition of the right to collective bargaining, elimination of forced or compulsory labour, abolition of child labour, as well as elimination of discrimination in respect of employment and occupation.

Our Human Rights Policy includes commitment to comply with current national legislation in each country, facilitating the exercise of these rights and the creation of spaces for debate on any labour aspect.

In Spain we seek social dialogue and peace with the majority trade union forces, which we encourage in different ways. We maintain a constant dialogue with the trade union bodies in each workplace (works councils or staff representatives). We regularly organise information sessions on new developments affecting the work environment. If any significant specific issue arises, we discuss this with the staff representatives in ad hoc meetings. In addition, Meliá participates in the negotiation of collective bargaining agreements for the sector, either directly or through the various associations of the hotel sector in Spain.

In 2013 we signed an agreement with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) which recognises the principles of freedom of association, protection of the right to freedom of association and collective bargaining, freedom of thought and the right of employees to form and join trade unions. The aforementioned document includes a specific agreement, signed in 2019, to fight against sexual and workplace harassment.

Since then, we have actively participated in annual meetings in face-to-face, hybrid or telematic formats. In 2023, the meeting with the organisation that represents the main international trade unions in the tourism sector was held in Palma, and for 2025, it is scheduled to take place again at our Corporate Headquarters, located in Mallorca (Spain).

Collective bargaining management and coverage model

Our collective bargaining strategy aims to strengthen the relationship with trade unions at national, European and international level and to agree with them on current and future working conditions, respecting workers' rights in every respect.

In Spain, our entire workforce is subject to a collective bargaining agreement, the Framework Agreement for the Hospitality Sector (ALEH, for its acronym in Spanish), which, together with the regional agreements, are the framework of sustainability and trust on which the mutual interests of companies and employees are based.

Furthermore, continuous dialogue with trade union associations and workers' representatives helps us to prevent any issues that could lead to conflicts and, thus minimising their occurrence.

Relations with trade union organisations are managed by different teams depending on the area of responsibility assigned to each of the areas.

- **Corporate headquarters (Spain)**

  There is an area responsible for labour matters. One of its main functions is to maintain the relationship with the main national and international trade unions linked to the company's activities (UITA, UIF, UNITE, UGT, CCOO etc.) and to provide advice at national and international level.

- **National level (Spain)**

  Relationship with national trade unions is handled directly by the Labour Relations department, which is actively involved in sectoral and national negotiations.

- **International level (other countries)**

  Collective bargaining and relationship with trade unions and their representatives at hotels in each country are handled directly by their respective HR teams. When any situation requires special attention or in the event of potential conflict, these teams are supported and advised by the relevant corporate teams in Spain.

With the aim of making social dialogue even more professional, we have enhanced the training of a team of experts in labour relations and people management, with knowledge of the tourism and hotel sector, as well as the applicable national and international regulations. The mission of these professionals is to ensure diligent management, mitigating any risks or potential conflict of interest that may arise during any negotiation.

The main functions assigned to this multidisciplinary team are:

- Analysis of the proposals included in the agenda by workers' representatives, as well as those arising from any approved rules or regulations, with the aim of determining their implications for the sector.
- Analysis of the organisational impact of the proposals to evaluate the consequences on the workforce and organisational structure, as well as on productivity ratios and management indicators.
- Analysis of potential risk of labour dispute and its consequences on the business units operations, in addition to the reputational impact.
- Preparation of proposals to make progress in the negotiation and conclusion of the negotiation process, including, if necessary, the support of other renowned entities or organisations.

This year we held three meetings with national representative trade unions in Spain.

We also have formally established channels for the submission of complaints and claims, channels of communication with the workforce and their legal representatives, as well as with the heads of human resources in each business unit. Likewise, employees can communicate directly with their corresponding human resources areas and professionals.

Equal treatment and opportunities

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

As a global company with international presence and a workforce made up of individuals from various generations, realities and cultures, we understand that plurality is a reflection of our society and a key asset to enrich our culture and business model.

We seek to ensure that all our employees feel respected and valued within our organisation, avoiding any potential incident on the grounds of gender, race, ethnicity, religion, disability, age, sexual orientation, identity, beliefs or any other reason. This vision is embodied in our entire regulatory framework and, in particular, in our Diversity Policy, which deepens these commitments.

- We promote the best opportunities for professional development, with equality and diversity criteria, in a safe working environment, from the stability of a family business and the strength of a great international leader, which recognises talent and achievement fairly and ethically.
- We ensure equal opportunities and non-discrimination on the grounds of race, colour, sexual orientation, marital status, family responsibilities, age, religion, gender, disability or hierarchy, among others.
- We ensure that the selection, internal promotion, training and remuneration processes are based on criteria of competence, worth and professional merit and promote work-life balance, guaranteeing that the company's needs are duly covered.
- We promote the employability and labour integration of groups which, due to their characteristics, have particular difficulty in accessing the labour market, in conditions of equality, always seeking social improvement.

Our diversity strategy focuses on raising awareness, training and creating inclusive work environments in an atmosphere of respect and acceptance, supported by training and internal process reviews, with a commitment to foster inclusion, diversity and equity in our teams.

Inclusive leadership

During 2024, we launched the **‘Leading Diversity**’ programme, a training for business management and operations centres, which aims to raise awareness of the opportunities in managing diverse teams, awareness of unconscious biases and how to leverage existing differences in teams. For this first edition, 62 managers participated in the programme.

In addition, we carried out a cross-cutting review of the most critical and relevant people management processes, under diversity, equity and inclusion criteria. This is the case of our ‘Performance Management’, which expressly includes the assessment of behaviours related to diversity and inclusion.

Likewise, our leadership model incorporates inclusion, which is assessed through a ‘180 Feedback’ process, to understand how leaders manage their teams with empathy, without bias or prejudice.

Furthermore, we also reviewed the recruitment process, with a special focus on the wording of internal and external job offers using inclusive language. By 2025, we commit to measure the indicator of job vacancies reviewed globally.

RECRUITMENT MANAGEMENT	2024
Job vacancies reviewed in Spain	1,894
Employees assessed based on diversity behaviour	10,254
Leaders assessed based on inclusion behaviour	1,311

Measures for diverse and inclusive employment

We are committed to create inclusive employment opportunities and improve the quality of life of the most vulnerable groups.

In January 2024, we signed a new collaboration agreement with ONCE Foundation ('INSERTA Empleo') to promote the development of programmes that foster full social and labour inclusion of people with disabilities through employment, training and universal accessibility.

The close collaboration between Meliá and La Caixa Foundation has allowed to develop a joint training model, embodied in the 'Incorpora Programme'. This project aims to train people at risk of social exclusion so that they can access operational positions that are essential for the hotel sector, such as the areas of dining room, kitchen and housekeeping, in which there are great difficulties in meeting our staffing needs.

After the success of the pilot programme implemented in our hotels in Costa del Sol, we have expanded its scope to other strategic destinations such as Madrid, Barcelona, Palma de Mallorca and Tenerife, and in 2025 also to Benidorm.

Moreover, for more than 10 years we have been supporting the 'First Professional Experience' (PEP [according to its acronym in Spanish]) project, developed together with Pinardi Foundation, which offers young people at risk of exclusion a work immersion opportunity at our hotels. On the other hand, in Mexico we work with the Municipal Institute for the Development and Inclusion of People with Disabilities (IMDIS [according to its acronym in Spanish]) to promote their incorporation into our workforce. Our employees also participate in workshops for the inclusion of people with disabilities, promoting values such as empathy and learning. In 2024, we were recognised as a company promoting labour inclusion in Los Cabos (Mexico), thanks to the active collaboration of our hotel ME Cabo.

LABOUR INCLUSION	2022	2023	2024
Job offers	—	31	27
Hired employees	—	71.0%	88.9%
Hired employees under permanent employment contracts	—	86.4%	75.0%
Employees with disabilities	91	73	109

Equality Plan in Spain

Our third Equality Plan was signed in 2023. Its contents apply to all employees and set out nine areas of action including recruitment, career development, internal promotion and work-life balance, ensuring that equality policies are effectively implemented at all stages of the 'Employee Journey'.

This plan includes qualitative and quantitative information, which allows for monitoring and progress in meeting the objectives set.

- Cross-cutting gender approach applied to all areas, levels and hotels of the Group.
- It applies to all workers who provide services for the companies located in Spain.
- It is the result of the collaboration between the Group's management and its social representatives.
- It is preventive in nature, as it contains measures that seek to eliminate any current or future inequality or discrimination between women and men.
- It is a flexible plan, with annual monitoring and assessment in order to propose and include changes and adaptations as required by the situation.

Meliá Diversity Week

On the occasion of World Day for Cultural Diversity for Dialogue and Development, we celebrate for the second consecutive year 'Meliá Diversity Week'. This initiative was created with the aim of appreciating the richness of cultural diversity, promoting intercultural dialogue and fostering understanding and cooperation between different cultures. We focus on gender and generational diversity, skills and social diversity, through global and cross-cutting actions taking place at our work centres, with 51 hotels participating and reporting 108 actions.

Globally, we highlight the ‘Diversity Party’, organised in collaboration with the consultant expert in diversity Intercultures, where we address diversity awareness and inclusion issues through games and music, promoting a fun and learning environment. In addition, we have courses at eMeliá where employees can learn more about inclusion and diversity issues.

Among the local activities carried out, the following stand out:

- **Cultural diversity**

  Food festivals and intercultural talks were organised. Our teams shared their traditions and customs through videos and murals, promoting mutual respect and understanding.

- **Functional diversity and inclusion**

  Sign language workshops and activities were carried out which allowed people to experience the reality of disability, such as an escape game with sensory challenges. We organised inclusive lunches and awareness-raising talks to promote inclusion of people with disabilities in the workplace.

- **Generational diversity**

  Intergenerational tournaments and competitions were held to encourage collaboration between people of different ages. In addition, we promoted debate and reflection on the richness of working in environments where experience and innovation add value.

- **Gender equality and sexual diversity**

  Activities included talks and podcasts on women's empowerment, as well as forums and events on sexual diversity with the participation of the LGBTQ+ community and film screenings on racial and gender diversity.

Skill training and development

GRI:, 2-25, 3-3, 404-2, 404-3

In a context of constant internal and external changes, we provide our employees with the necessary tools so that they can perform their job and be the best version of themselves.

Our training and development strategy is a key lever for building the loyalty of our teams, reinforcing the improvement of their skills and offering opportunities for growth within the organisation.

Training and professional development are two differential aspects of our employer brand promise, assessed annually in the 'Meliá Listens' work climate survey.

In 2024, we invested 0.76% (vs. 0.84% the previous year) of the social cost in training, with the aim of reaching **1% in the next two years.**

INVESTMENT IN TRAINING (€ AND RATIO)

YEAR	TOTAL INVESTMENT	INVESTMENT PER EMPLOYEE	% OF SOCIAL COST
2024	€ 4,358,090	€ 237	0.76%
2023	€ 4,656,565	€ 255	0.84%
2022	€ 2,283,615	€ 136	0.48%

In addition, we set an objective of 2% participation of our employees in talent development initiatives and plans, based on the average annual workforce of our hotels and key destinations. By 2024, we have managed to engage 3% of our workforce.

PARTICIPATION IN DEVELOPMENT PROGRAMMES

2023	2023 OBJECTIVE	2024	2024 OBJECTIVE	2025 OBJECTIVE
1.8%	2%	**3%**	2%	2%

eMELIÁ training platform

Our eMeliá training hub is evolving in line with current trends in e-learning, in particular, customisation, inclusion of artificial intelligence (AI) elements and learning gamification, with self-development as one of our main pillars.

The eMeliá training catalogue includes 17,299 training resources available in 23 languages. We have e-learning courses, developed by first-tier suppliers and training pills created by internal experts, which aim to promote the updating of knowledge and skills of our teams in reskilling, recycling or adaptation to a new position, or upskilling, for the acquisition of new competences. It includes 62 skill-based gamified video games, as well as new content on luxury service standards, developed in collaboration with Lobster Ink, all accessible for autonomous and interactive learning.

In addition, content is customised and segmented to provide our employees with learning experiences tailored to their needs. In 2024, we have launched various specialised academies such as 'Food & Beverage', 'Customer Service & Contact Centre' and the 'Luxury Academy'. Looking ahead to 2025, with the aim of offering a 360º training vision of the business, we will launch 'Club Meliá Academy' and 'Rooms Division'.

In addition, we continue to promote language learning through our 'Language School' and this year we have incorporated the 'Communication School' to strengthen key skills such as public speaking, influencing and negotiation.

Training needs

The annual process of detecting learning and improvement needs is the starting point of our training strategy. It begins with an annual survey conducted among the departments, the results of which help us to identify and prioritise the areas of training required throughout the company. Thus, we optimise our resources and structure the initiatives in annual training catalogues adapted to the various hotel and corporate profiles, transforming the strategic pillars into specific training and support programmes.

In order to comply with the regulations and standards applied to our organisation, we have a compulsory training programme, available in face-to-face format or through eMELIÁ, which is carried out every two years.

COMPULSORY TRAINING

SCHOOLS	HOURS	NO. EMPLOYEES	HOURS/WORKFORCE
Language School	6,400	255	**25.1**
Sustainability	3,078	1,898	**1.62**
Equality, diversity and inclusion	1,826	2,139	**0.85**
Occupational health and safety	32,707	7,988	**4.09**
Security information	4,687	7,270	**0.64**
Cybersecurity	5,281	5,593	**0.94**
Ethical culture	7,101	4,917	**1.44**
Support in digitalisation	17,454	4,295	**4.06**
Digital disconnection	565	1,129	**0.5**
Training in hotel industry	172,982	18,941	**9.13**

Business training and development

Our training plan includes programmes designed to improve management skills in hotel operations, with the aim of optimising operations and maintaining competitiveness, while promoting professional development. These are applied to professionals within our business units, according to the functions they perform.

'Feel the Beat' service culture

Hybrid training programme consisting of face-to-face workshops and training pills to enhance a culture of service that has an impact on the brand's reputation, team loyalty and customer satisfaction.

Thus, we improve the Guest Satisfaction Score (GSS) and the Net Promoter Scope (NPS) of our hotels, involving all employees linked to the business, regardless of their role.

HOURS	EMPLOYEES
17,113	5,695

Food & Beverage (F&B) training

These training contents, provided both face-to-face and online, are specifically designed and aimed at managers and operational staff in the F&B area. Their objective is to enhance the service quality, improve the customer experience, as well as strengthen leadership and team management skills, promoting the effective use of digital tools and efficiency in daily operational processes.

HOURS	EMPLOYEES
2,956	782

Support in digitalisation

The continuous incorporation of new technologies requires to design online training programmes to help our professionals use new tools, which are also applied in the processes of new hotel additions.

This is the case of applications such as PMS Opera Cloud, My Place, COUPA, Revo, Check-in Digital, Freedom pay, all of them essential tools for hotel operations and back-office functions.

Furthermore, in technology-related training, we raise awareness of the risks, challenges and good practices related to the use of digital tools.

HOURS	EMPLOYEES
17,454	4,295

Individual development programmes (hotel management and core staff)

These programmes involve individual and personalised support in each case.

- Job Training Plan:
  Aimed at hotel core staff with an exceptional performance. Its objective is to ensure that these employees receive comprehensive training in their departments, also ensuring their long-term employability.

- Professional Development Plan:
  Created for core staff with the potential to take on positions of greater responsibility. In these cases, we design a roadmap covering key areas of hotel operations and comprehensive management.

- Initiating the Journey:
  It is applied to managers with the potential to take on hotel management positions. The plan consists of broadening their global business vision and introducing them to key hotel management functions.

INDIVIDUAL DEVELOPMENT PROGRAMMES	HOURS
Job Training Plan	209
Professional Development Plan	287
Initiating the Journey	49
TOTAL	**545**

Programmes for junior talent and recent graduates

We align these programmes with our strategy of link with the academic world to favour internal and external employability opportunities. Thus, we try to attract young talent and recruit the best professionals.

- Executive graduate programme:

  Designed specifically for recent graduates, it offers participants the opportunity to develop their leadership and management skills adapted to the hotel sector. Its objective is to facilitate the transition from academic life to the professional world through practical experiences that involve greater responsibility and the possibility of rapid career advancement. It also allows us to anticipate and fill vacancies in the medium and long term, training talent that will be ready for future challenges. During this year a total of 8 recent graduates have participated.

- Graduate programme:

  Focused on key areas highly demanded in our sector such as finance, human resources, food and beverage, and revenue management, it offers recent graduates the opportunity to enter the labour market, while being trained in specialised and strategic areas. In this edition, nine recent graduates participated in the programme.

- MBA Hotel business intelligence & data analytics:

  Our first internal MBA programme, organised in collaboration with Vatel Hotel & Tourism Business School, aims to prepare participants in data analysis skills applied to hotel management.

  Its content covers both business and information technology, developing skills in statistics, data analysis, visualisation, business modelling, business strategy and leadership. Likewise, specific sectoral areas are addressed such as customer experience management, pricing and supply chain management. A total of 8 people have participated in the second edition of this MBA.

Performance management and talent identification

Once a year an assessment meeting is held at which managers and employees align their expectations addressing three key aspects:

- Assessment of the implementation of Meliá's values
- Leadership and operational management skills
- Preparation of an individualised action plan approved by both parties

All employees worldwide with more than six months' service participate in this process. In addition, in the case of employees with variable remuneration, at the beginning of each year, their performance is assessed against the individual objectives set in the previous year and new objectives are set for the current year.

These assessments are a source of knowledge for Development department, as they help to identify internal talent and their incorporation into Talent Mapping, Talent Meetings, Assessment Centres or they may continue their development in the Hotel Management Talent Pool.

PERFORMANCE ASSESSMENTS CARRIED OUT	AGREED PERFORMANCE REVIEWS	TALENT MAPPING	EMPLOYEES IN TALENT MEETING (101 SESSIONS)
9,979	10,254	509	949

Business Management Pool

Participants who complete the Assessment Centre are included in the Hotel Management Talent Pool, a development programme that allows them to progress towards management positions.

In this way, we promote internal rotation so that participants gain experience in different types of hotels, segments and brands, helping them to gain a comprehensive understanding of the organisation. This programme includes specific training, mentoring from experienced managers, the assignment of strategic projects and other learning opportunities.

Each participant has a personalised Career Path or work plan based on three key pillars: practical experience, skills development and understanding of new knowledge.

PARTICIPANTS IN ASSESSMENT CENTRES	SELECTED PARTICIPANTS	PARTICIPANTS IN BUSINESS MANAGEMENT POOL
30	23 (76%)	55

Leadership management

Last year we reviewed our leadership model so that the company's leaders shared common behaviours that would help in the cultural transformation. For this purpose, we have some innovative tools that encourage the active involvement of our area managers and their teams in their development within the organisation.

- 180 Feedback:

  Implemented in 2023, this tool incorporates the employee's own assessment and that of their manager, as well as feedback from the senior and functional team to identify strengths to be developed and opportunities for personal and professional improvement.

  It is applied in all corporate divisions with a team and in business divisions. In addition, various hotels have been selected to also implement this tool in management positions. During 2024, a total of 351 leaders have been assessed (+73% compared to the previous year).

- Conversations with impact:

The aim of this programme is to support team managers with the aim of setting new challenges and expectations and seeking team excellence. This initiative is aimed at those who have participated in the '180 Feedback' assessment, to facilitate conversations with impact and ensure value contribution. During 2024, a total of 1,011 participants attended.

- BRIDGE people management:

Training programme in people management skills, aimed at managers and deputy managers in hotels. Its purpose is to reinforce the efficient management of work teams and consolidate their leadership. It consists of three face-to-face training workshops on emotional management, situational leadership and conflict management. During 2024, 468 people participated.

- DRIVE Programme:

An in-house tool that, through a comprehensive profile assessment, facilitates the creation of a personalised roadmap for each leader, combining training programmes, cross-exposures and coaching and mentoring sessions.

Through this programme we support and empower key leaders, both in the hotel sector and at a corporate level. Our objective is to facilitate the adaptation of managers to new competency requirements and emerging roles. A total of 16 managers participated in this latest edition.

Training governance

For the purpose of promoting a training policy aimed at achieving business competitiveness and professional development of our collaborating teams, in 2019 we created a Joint Training Committee. This body meets at least every six months and its main mission is the adequate planning, organisation and management of training activities, making use of the funding provided for this purpose by the state foundation for on-the-job training.

Around 10,000 employees of participating centres can refer any query related to their training and development within the company to the workers' legal representatives.

Maison Colbert Meliá Collection, France

Occupational health and safety

Governance model

GRI: 403-1, 403-4

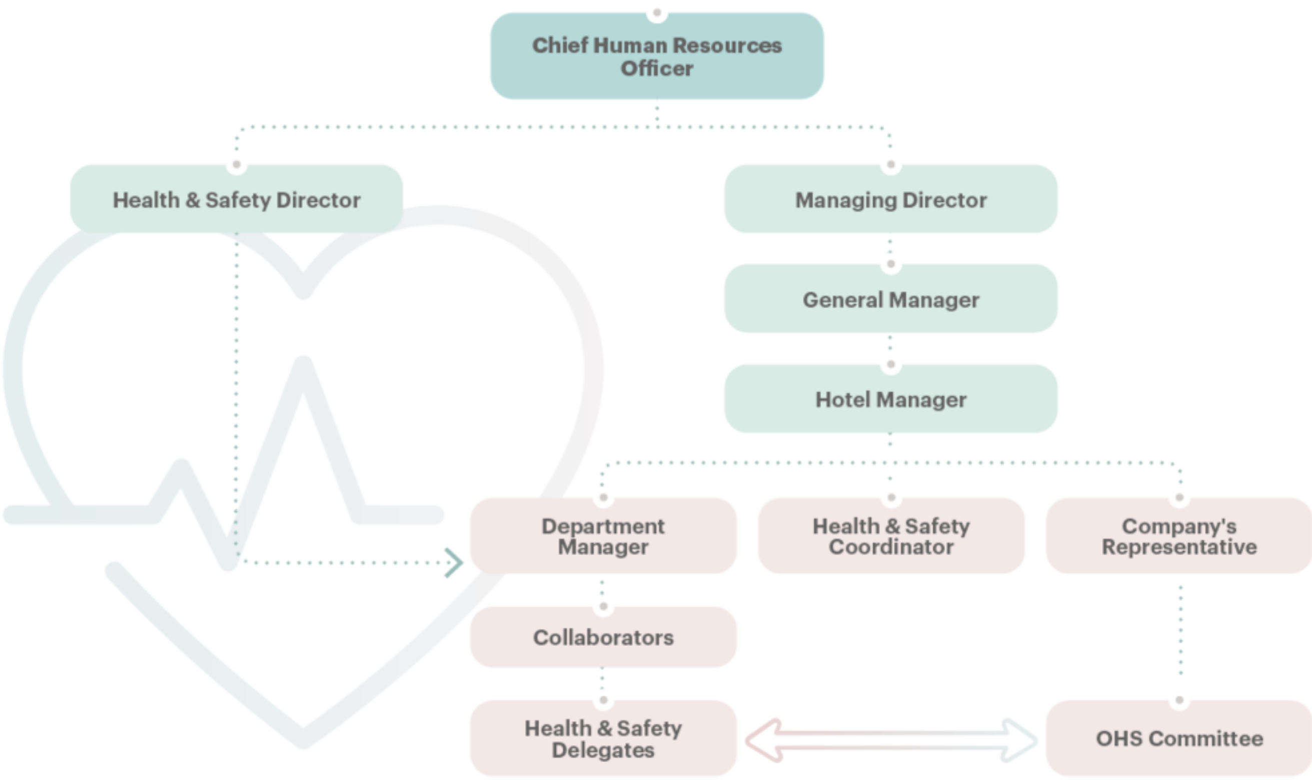
The Remuneration, Appointments and Sustainability Committee is the body responsible for monitoring compliance with the Occupational Health & Safety Policy, approved by the Board of Directors in April 2021, which applies globally to all Group companies.

This policy defines the guiding principles related to occupational health and safety and employees' well-being. Its purpose is to achieve highest physical, mental and cognitive health levels, beyond the fulfilment of duties and obligations established by the regulations applied in the various countries where we are present, with the commitments below standing out.

- The value of people as stand-out element, defining work environments that empower and promote our employees' skills, ensuring a high level of safety, health and well-being, and helping to improve the conditions under which work activities are carried out.
- A prevention activity that is perfectly integrated in the company's global management system and provides essential support to the development of the policy and the action plan.
- Its integration in service provision processes and daily activities, assuming that responsibility for risk prevention management lies at all hierarchical levels of the company
- Continuous improvement of preventive action through information, training, consultation and involvement of all employees at all levels.
- The consideration of health and safety at work and organisational well-being as requirements for achieving optimal quality at work.

Gran Meliá Palazzo Cordusio, Italy

ORGANISATIONAL STRUCTURE



Occupational Health and Safety department is part of the organisational structure of Human Resources department, with responsibilities assigned at a global level, including corporate offices, business units and hotels.

This area manages the various geographical units in Spain, as well as in the Dominican Republic and Mexico, with the support of consultants and experts in the other countries where we operate.

REPRESENTED WORKFORCE - HEALTH AND SAFETY COMMITTEES

YEAR	SPAIN	EMEA	AMERICA	TOTAL
2024	**100%**	**17.4%**	**98.7%**	**88.4%**
2023	100%	17.5%	98.7%	88.8%
2022	97%	75.7%	83.7%	85.6%

Risk management

GRI: 403-1, 403-2 , 403-5

We have an Occupational Health and Safety Management System in place, certified by ISO 45001:2018, which is applied to all countries where Meliá is present. Its main function is to ensure compliance with legal and regulatory requirements and those arising from contracts, as well as with the objectives set, providing the organisation with the necessary tools to reinforce control, result measurement and identification of areas for improvement.

Likewise, we apply the parameters of the model designed by the World Health Organisation (WHO) for a healthy working environment, also certified, to achieve the highest levels of physical, mental and cognitive health of our employees.

As regards risk management, we carry out exhaustive checks for the approval of work equipment (PPEs) and the handling of hazardous substances, with a special focus on work involving potentially greater insecurity. We assess the potential or real, current or future risks in the facilities and workplaces of the business units.

As part of our main measures to mitigate health and safety risks, we work on the acquisition of professional skills, raising awareness, providing workers with protective equipment and continuous training.

TRAINING	TRAINING HOURS	TRAINED EMPLOYEES	HOURS PER EMPLOYEE
Occupational risk prevention	16,842.2	5,229	3.22
Emergencies and first aid	12,295.7	2,490	4.94
Natural disasters	1,285.5	428	3.00
Hazardous materials and waste	1,174.1	910	1.29
Unsafe acts and conditions	804.5	505	1.59
Noise exposure	139.5	71	1.96
Extreme temperatures	111.1	88	1.26
Signage	54.0	54	1.00
TOTAL	**32,706.5**	**7,988**	**4.09**

Furthermore, our Occupational Health department has implemented a compulsory assessment system for remote work, based on self-checking of working conditions by each employee and subsequent evaluation of data by a specialised technician. In 2024 we carried out 264 risk assessments.

Health and well-being of our people

GRI: 403-6

During the year, we have promoted various health campaigns, responding to one of the material sub-topics and our commitment to promote healthy habits and physical activity.

These initiatives are a great opportunity to increase awareness and knowledge about health and well-being aspects, which affect private and professional life, regardless of where the business unit is located.

The health promotion strategy, developed during 2024, has focussed essentially on the following issues:

- Acquisition of a better understanding of the diseases and good practices.
- Healthy lifestyles, holistic health and enrichment of psychosocial aspects.
- Organisation of ‘Meliá Wellbeing Week’.
- Raising awareness of musculoskeletal disorders.
- Planning of vaccination campaigns.
- Participation in the ‘Healthy Cities’ by Sanitas physical activity programme.
- Dissemination of specific aspects of working conditions.
- Psychological support programme in the Canary Islands and Valencia.

We are convinced that health promotion complemented by preventive monitoring actions and psychosocial risk assessments make it possible to monitor and improve our people’s physical and emotional health.

'Zero Risks-Zero Accidents' Programme

In Mexico, we have launched this campaign aligned with the Sustainable Development Objectives, for the protection of labour rights, the promotion of workers' well-being and health and the reduction of risks.

- Dissemination strategy:

  Display of information about the campaign and its results in public areas. In particular, accident boards are updated for the attention of all staff. In addition, accidents, if any, are discussed at weekly meetings.

- Recognition system:

  We share achievements at bi-monthly meetings, operational centres meetings and executive committee meetings, with the aim of motivating a common culture on safety.

- Implementation strategy, developing actions with various objectives:

  - To guarantee in the induction programme for new recruits knowledge of the risks of the job, to be delivered by the head of the department.
  - To promote and ensure that staff attend training and performance assessments concerning safety.
  - To implement a safety walk-through programme in which preventive and corrective measures for potentially risky practices are implemented.
  - To apply disciplinary measures to employees in case of risky practices not inherent to their job function.
  - To involve and engage workers' representatives in this matter.

- Measurement and monitoring:

  We carry out a continuous review of the actions envisaged in the campaign, including a daily and monthly accident report.

In the other countries where we are present, responsibilities in this area are planned directly by the different business units, in accordance with the requirements set by the Occupational Health and Safety management.

Food Programme (Mallorca, Spain)

As part of the Sustainability Plan of the hotels located in Palma (Mallorca, Spain), a food programme has been launched, aimed at the entire hotel team, with the following objectives:

- To raise internal customer awareness of the benefits of healthy lifestyle and anti-inflammatory diet.
- To guide employees towards a 'Zero Waste' policy.
- To inform about the responsible consumption of animal protein.
- To improve the health of our employees and reduce temporary disabilities in the short, medium and long term.

A series of training courses and sessions are planned:

- An initial session focused on explaining the project, its objectives and benefits.
- Two sessions carried out by the team of nutritionists from Juaneda Hospitales.

- Training pills posted in the staff canteen with recommendations on food, sport and spaces for staff feedback.
- Preparation of menus with less animal protein and without refined flours, saturated fats, sweeteners, sugars or processed foods.
- A subsequent follow-up session.

Given our knowledge and the availability of facilities for customers, an event was organised aimed at the local community to raise awareness among citizens about the importance of a healthy diet.

Collaboration with our stakeholders

GRI: 403-4, 407-1

We promote dialogue and collaboration with various organisations and stakeholders in our value chain, with the aim of enriching their management model with new practices or knowledge in this area.

- Employees:

  We have provided a series of internal communication channels that allow us to hear the concerns and suggestions of employees on this matter. In addition to the complaints channel, we maintain regular contact with the managers of the hotel units and with heads of human resources. We also facilitate direct communication between employees and their line managers.

- Suppliers:

  We actively coordinate with external companies that carry out work on a regular or one-off basis at our facilities, through the relationship between the works and maintenance areas in our business units and the contractors, using the ‘e-coordina’ platform (Spain). One of the objectives set out in our management system is to achieve a zero or low incidence of work-related accidents among contractors at the Group's centres.

- Partners and members:

  With the aim of improving the company's profits and achieving low or moderate accident rates, we have established a series of measures, including the contracting of the company Q-Ready to control absenteeism due to common illness or non-occupational accidents.

- State organisations and sectorial work groups:

  We have participated in various activities with organisations such as the Spanish Association of Occupational Prevention Services (AESPLA [for its acronym in Spanish]) and PRL Innovación. We also promote collaboration with the various sectoral associations located in Spain.

- Customers:

  We collaborate proactively with interested parties to inform about the functioning of our system.

- Owners and members:

  We provide hotel owners and members with better control of accident and absenteeism data due to common illness or non-occupational accidents, by providing them with a service from a company with expertise in this area.

- Workers' representatives:

  We have also strengthened the active interaction between the Health and Safety Committees and the workers' representatives.

- Public and private institutions:

  We foster relationships with the different regional and national authorities, as well as with the labour and social security inspectorate, including the IUF, giving continuity to the agreement signed in 2018.

In addition, we also launched the Employee Assistance Programme (EAP), in collaboration with the Government of the autonomous community of the Canary Islands (Spain), aimed at all employees in the archipelago, which provides free psychological support on any work-related or personal matter for one year.

Equipment for measuring working conditions

In 2024 we made a series of investments for the purposes of reducing occupational risks for our employees, such as the acquisition of 2,309 new adjustable beds which, added to the existing ones, total 7,299 in the last two years, with the aim of minimising the exposure of housekeeping staff to musculoskeletal disorders associated with forced awkward postures in the bed-making process.

Our occupational health department participates actively in projects for defining and designing pilot rooms in which ergonomic, hygienic and safety risks are analysed to reduce impacts in the workplace. They cooperate with the works and maintenance department in order to allocate annual economic resources considering health and safety factors.

The FINE methodology for analysing occupational hazards that we apply includes the study of consequences, exposure and probability. During 2024, the department carried out 311 validations.

Likewise, this area has renewed part of its measuring equipment (dynamometers, light meters and anemometers) in order to improve the service and obtain more reliable results in the analysis of working conditions.

At a global level, the objective of some of the initiatives promoted during this year is to reduce absenteeism rates, a metric that has been trending negatively in recent years, mainly in Spain.

Use of tools and new technologies

We consider digitalisation crucial to progress in mitigating the risks associated with our employees' health and safety, and that is why the company continues to be committed to improve our processes and management.

The department has fulfilled its commitment to move from an in-person training model to a digital format, accessible to any new recruit. In this exercise, the contents and the '**remote training**' programme have been designed in cooperation with Human Resources department. Following the relevant tests, we plan to launch it at the beginning of 2025.

Furthermore, and in order to keep the already available systems up to date, we are implementing the **Ergo AI programme**, which allows ergonomic evaluations to be carried out using artificial intelligence and based on a methodology validated by renowned organisations. This technology achieves greater accuracy in data collection and information processing, which results in an improvement in the quality of the results obtained, allowing for the generation of reports aimed at resolving ergonomic risks.

Likewise, we have launched a pilot robotics project in the buffet service, which consists of the incorporation of four robots: three for clearing away dirty plates, glasses and cutlery from the buffet offices to the dishwasher area and another that takes the clean tableware to the breakfast area.

Advances in the management model

Continuous improvement is one of the key points for the development of occupational health and safety, especially since the renewal of ISO 45001:2018 certification and the WHO Healthy Workplace framework and model, compliance with which involves several measures:

- Updating of the management system procedures, operating instructions and files, based on the requirements of the certification and a Healthy Workplace.
- Establishment of the main lines of action for the Healthy Workplace framework and model, in collaboration with Culture, Compensation and Benefits, and Sustainability departments.
- Preparation of a risk and opportunity assessment.
- Analysis of the context and the interested parties within the context of the occupational health and safety management system and healthy workplace.
- Procurement of an external platform to manage applicable regulations.
- Campaigns to reduce absenteeism.

2025 Commitments

For the coming year, we are committed to make progress in the following action areas:

- To verify the functioning of the occupational health and safety management system (ISO 45001) in the business units based on a sample of 60 centres.
- To reduce the workplace accident rate.
- To promote a total of 12 health promotion awareness campaigns.

Meliá Desert Palm Meliá Collection, UAE

Employees in the value chain

Value chain commitments

At Meliá we build long-term relationships with the main stakeholders in our value chain. Our model is based on trust, respect and mutual benefit, supported by a strong ethical and responsible commitment, consistent with our essence as a family business.

We are aware that our value chain is an essential part of our success, and that teamwork allows us to secure the present and future of the company.

Through our Code of Ethics we are committed to offer a value proposition managed with the professionalism, reliability and trust of a major brand of international prestige that stands out for its soundness and business ethics. We assume responsibilities with respect to our owners, partners and supplier companies.

- To offer a comprehensive service management model that contributes to make their investment profitable and take care of their asset value, managing with the professionalism, reliability and trust of a major brand of international prestige.
- To contribute our professionalism and size to build lasting relationships based on trust, respect and mutual benefit and to promote the integration of responsibility and sustainability criteria in our value chain.

Employees in the value chain include the staff employed by companies owning hotels managed by Meliá and the companies providing us with external products or services. These teams play a crucial role, adding value to operations and helping to fulfil the quality standards defined by the company.

EMPLOYEES IN MANAGED HOTELS (FTE'S)

REGION	SEX	2022	2023	2024
SPAIN	M	1,999.2	2,390.8	2,970.5
	F	2,110.2	2,695.6	3,348.9
	TOTAL	**4,109.4**	**5,086.4**	**6,319.4**
EMEA	M	1,279.4	1,579.7	1,329.6
	F	900.1	1,125.9	835.3
	TOTAL	**2,179.5**	**2,705.6**	**2,164.9**
AMERICA	M	776.7	944.7	776.2
	F	587.6	738.7	637.1
	TOTAL	**1,364.4**	**1,683.3**	**1,413.3**
APAC	M	3,512.9	4,334.2	4,507.7
	F	2,593.6	3,348.3	3,519.4
	TOTAL	**6,106.5**	**7,682.5**	**8,027.1**
CUBA	M	4,746.0	5,569.1	5,764.7
	F	3,909.0	4,336.8	4,916.3
	TOTAL	**8,655.0**	**9,905.9**	**10,681.1**
TOTAL	**M**	**12,314.3**	**14,818.5**	**15,348.8**
	F	**10,100.6**	**12,245.3**	**13,256.9**
	TOTAL	**22,414.9**	**27,063.8**	**28,605.7**

Related policies

GRI:3-3

The Code of Ethics or the Code of Ethics for Suppliers are instruments that bring together the principles and values we expect to be shared by our value chain. This includes any company, corporation, organisation or individual, subcontractor, agent or other representative, and their personnel in all cases. We place special emphasis on the protection of internationally recognised human rights.

In addition, we include the request for adherence to standards of business behaviour such as the Universal Declaration of Human Rights, the Principles of the Global Compact, the Sustainable Development Goals (SDGs) and the Convention on the Rights of the Child and, additionally, sectoral initiatives, such as the Code of Ethics for Tourism of the World Tourism Organization, the ECPAT (Eradicating Child Prostitution Abuse and Trafficking) Code and the Global Sustainable Tourism Council.

Furthermore, this governance model is complemented by all the Group's policies related to hotel management and operations, which are mandatory throughout the portfolio of hotels managed by Meliá Hotels International, regulating areas such as human rights, procurement and contracting of services, risk control and management, human resources, occupational health and safety, climate change and the environment, anti-corruption, sustainability, regulatory compliance, diversity, information security and the rule governing the processing of the complaints channel.

Responsible supply chain

GRI: 2-23, 2-24, 3-3, 308-1, 403-7, 408-1, 409-1, 414-1, 414-2

Social awareness, the competitive environment and the business development encourage all of us to take responsibility for the impacts on the supply chain, requiring behaviour aligned with our values and principles:

- Product quality and service
- Decent working conditions for their employees
- Disapproval of irregular behaviour
- Prohibition of corruption or bribery
- Respect for fundamental rights at work
- Protection of information and assets
- Absolute prohibition of child labour, labour exploitation or forced labour

Our model applies to all players in our value chain, requiring them to also apply it to their own staff.

- Our Occupational Health and Safety Policy
- Respect for human and labour rights
- Preventive criteria in works, services and supply contracts
- Coordination measures, in order to avoid accidents
- Information to third parties about risks and preventive measures
- Minimisation of risks resulting from dissemination or loss of data, both of own employees and those of the value chain.

More information in section Cybersecurity and data protection.

Supply chain governance

The Service Procurement and Contracting Policy is the regulatory framework about the fundamental commitments we assume in the procurement of goods and services, guides our commercial practices and ensures a responsibility model throughout our supply chain, considering social, environmental and ethical aspects. Approved by the Board of Directors in July 2020, it is available to stakeholders on the company's corporate website and is applied in all the countries where we are present. Compliance is mandatory in all centres and business units, as well as for all stakeholders involved in any assessment, approval, selection and recruitment processes.

We promote strong and ethical relationships based on a model of trust, respect and mutual commitment. We assume the obligations that may apply at any given time in accordance with Meliá's internal regulations and, in particular, we ask all supplier companies that wish to establish a commercial relationship with us to sign our Code of Ethics for Suppliers, which we plan to update in 2025. If they have their own code, a Conformity Statement is drawn up to guarantee alignment with our principles, including respect for human rights and protection of the environment.

PRINCIPLES OF THE CODE OF ETHICS FOR SUPPLIERS

The Company includes anti-corruption and anti-bribery clauses in its contracts, as well as clauses on sustainability and compliance with the principles and commitments established in our Code of Ethics.

Supplier approval process

The supplier selection and approval process includes transparency, independence and objectivity principles. It encourages diversification and participation, while ensuring the application of technical, economic and sustainable criteria.

Our supply chain management platform, COUPA, facilitates the validation of relevant documentation in the approval process, new contracts or renewals. Among other things, it provides a certificate of being up to date with social security contribution (TGSS) and tax payments (AEAT) and a current and paid civil liability policy, minimising any potential legal or labour risk.

Thanks to this governance, management and control model, Meliá has the authority to verify compliance with the obligations assumed at any time. Our providers must accept any documentary evidence requests regarding the effective fulfilment of the commitments assumed and, in the case of non-fulfilment, request for the termination of the contract without prejudice to any other compensatory actions that may be applicable.

For greater control, we have the 'e-coordina' platform in Spain. Using this tool, we request the supplier companies to keep up to date all information about occupational risk prevention, payments to the Social Security and Tax Authorities (TGSS and AEAT) and their employees, and in the event of non-compliance actions may be taken.

In addition, they must provide a timesheet for each employee and indicate the people designated to cover days off, holidays or sick leave, as well as their salary, allowing us to make an assessment of the working conditions and salaries of their employees.

Meliá provides the value chain and stakeholders with a specific complaints channel to bring to our attention any active or passive behaviour contrary to the contents of the Code of Ethics for Suppliers. This channel is also available to their staff, as well as to any companies or third parties that have participated in a tender to become Meliá' suppliers.

The complaints or claims submitted are processed by an independent body, the Ethics Committee, applying the same governance and confidentiality model as for internal complaints (Ethics and integrity section). This year we have received 2 complaints from suppliers.

Communication channels

GRI: 2-25

With the aim of promoting and strengthening relationships based on dialogue and smooth communication with our supplier companies, we have promoted direct and two-way communication channels according to the characteristics of each supplier.

Among other things, we are developing an incident management model, through a ticketing system, to collect all notifications related to the provision of the contracted service. After its initial registration, we assign a manager for their resolution.

Risk control system

GRI: 308-2; 407-1; 414-2

In 2018 we carried out a thorough analysis of ESG risks associated with our supply chain. This study served as the basis for determining a regular control and monitoring process in all the countries at greatest risk. With the aim of enriching the process of evaluating and approving suppliers towards a more sustainable model, which consolidates a model of relationship and evolution under ESG criteria, during 2024, we have carried out a pilot test with 70 suppliers located in Spain and Mexico.

This new control system provides us with more information on our suppliers' degree of exposure to ESG risks, as well as on adverse incidents of relative importance. Furthermore, it provides knowledge that will allow us to take the necessary measures to minimise the occurrence or impact of these risks, and serves as a framework that facilitates compliance with the new requirements of sustainability and due diligence. For our part, we take both a preventive and a corrective approach, especially in relation to human rights and privacy, as well as the protection of the environment.

The entirely digital process assigns a score to the risk and facilitates the definition of an action plan that allows us to promote a culture of risk management in our supplier companies. To this end, it includes metrics to evaluate the effectiveness of actions in relation to expected results. These indicators are being defined in collaboration with other entities or players in the sector to ensure a consistent response aligned with best practices to avoid duplication, as in many cases they manage a common supply chain.

The benefits of this risk and opportunity management system are as follows:

- To register, evaluate and carry out a due diligence process through a platform that manages the entire process.
- To provide real-time visibility to all parties involved and raise awareness of the importance of making progress in a management model based on sustainability and responsibility criteria.
- To align the supplier assessment model, regardless of their location and following a classification based on the size or relevance of the supplier.
- To integrate ESG, financial, compliance, labour, geopolitical or cybersecurity risks, as well as regulatory compliance, among others.
- To integrate real-time alert monitoring into the system and the possibility of its integration also into the company's procurement tool.

This year, 378 employees have been trained to use the COUPA procurement management tool.

2025 Commitment

We expect to make progress in the assessment of our supplier companies over the next two years, responding to the requirements of the new European directive on Due Diligence in Human Rights and the Environment, the CSRD, as well as other national and international standards that may be applicable.

The new procurement management tool (COUPA), already implemented in Spain and representing 48% of our portfolio, will be implemented in two other countries in 2025, enabling us to manage supplier relationships for 72% of our hotels.

Impact on the community

Following a successful track record backed by more than 65 years of history, we reinforce our commitment to promote a responsible tourism industry that favours economic and social growth in the destinations where we are present.

This commitment aims to generate shared value among all our stakeholders, building long-term relationships of trust and mutual benefit. We seek a balance between business profitability, necessary for our survival, and social commitment towards the communities in which we operate, involving them in our initiatives.

The tourism sector is undoubtedly a key driver for generating wealth at a global level and has become one of the main sources of employment and economic growth, both directly and indirectly, also adding an extensive network of international, national and local suppliers that act as necessary contributors to the activity.

Furthermore, for the purposes of going further, we promote social, cultural and environmental initiatives, involving local organisations, with the aim of moving towards an increasingly responsible and sustainable business model.

We have a different impact on each environment, whether tangibly or intangibly, thanks to the sharing of knowledge and influence targeted at achieving a change, helping to improve the tourist value chain or enriching the entities with which we interact and collaborate.

Our activity generates tangible impacts through direct or redistributed economic contributions, and also intangible impacts, sharing knowledge and influencing change, helping to improve the tourism value chain or adding value to the entities with which we interact and collaborate.

Governance model

GRI: 2-23, 2-24, 2-28

Our Code of Ethics represents the apex of the pyramid of our governance model. It includes the statement of our commitments to the priority stakeholders with whom we interact in the course of our business.

In this document we assume the responsibility of generating prosperity and economic and social development in the communities, respecting their heritage and promoting their culture, values and traditions.

Likewise, in 2018 the Board of Directors approved the Human Rights Policy that is applicable to the Group globally. Its content reinforces ethical and responsible behaviour that provides social support in our destinations, including our employees, the communities that live and work near the hotels and our entire value chain, with special attention to the most vulnerable groups.

This Policy integrates the most demanding reference standards and international regulations in this area:

- European Directive on the protection of persons who report breaches of Union law
- United Nations Guiding Principles on Business and Human Rights
- United Nations Global Compact
- OECD’s guidelines for companies
- ILO’s Declaration on fundamental principles and rights at work

Our commitment includes the promotion of human rights, the welfare of children and society, and the fight against the sexual exploitation of children and child prostitution. In fact, we are the first tourism company that signed the ECPAT Code of Conduct 15 years ago.

Philanthropy management system

GRI: 2-24, 3-3

We work to consolidate a solid and transparent philanthropy management system, identifying priorities and a framework for action based on the different needs of our destinations. This process ensures management that complies with the established principles of due diligence, always under the required supervision and approval.

The principles that govern our philanthropic activities are as follows:

- **Principle of coherence**, ensuring that philanthropic activities respond to social needs of the communities where we operate, such as the promotion of children's rights and welfare, the fight against sexual exploitation of children, the improvement of the employability of vulnerable groups, the promotion of tourism education and training, the protection of the environment and the enhancement of the natural and cultural heritage of the destinations where we operate.
- **Principle of priority**, with the aim of ensuring that the support provided is limited to prioritised areas of action and the benefits of which have an impact on geographical areas in which the company operates.
- **Principle of selection & cooperation** aimed at organisations that comply with the required national and international standards.
- **Principle of social value contribution**, aligned with the public commitments selected by the company and aimed at seeking a positive impact on the 2030 Agenda and the Sustainable Development Goals.
- **Principle of transparency & control**, ensuring that all collaborations carried out fulfil their purpose, avoiding collaboration for a purpose other than that established or contrary to applicable legislation, acting rigorously in the approval or selection of entities that may be beneficiaries.

This year we have experienced an extreme weather event in the form of a cold front in Valencia (Spain), which has caused unprecedented devastation and has left many people and families in a situation of economic and social vulnerability.

In response to this cold front, at Meliá we made our hotels available. In addition, we launched a crowdfunding initiative to ask our stakeholders for support, with the aim of supporting the affected areas.

We strengthen our link with the community

GRI: 2-25, 2-28, 2-29, 3-3,201-1, 413-1,413-2

Our company operates internationally in 37 countries, in very diverse social and cultural environments where we try to generate a positive and sustainable impact, acting with responsibility and ensuring transparency in our interactions.

We are part of the business, social and economic fabric in the destinations where we operate. We participate in various forums and maintain relationships with local and national public administrations, with the aim of promoting active listening and identifying areas for continuous improvement.

We build relationships of trust with the local community, making sure that we consider their demands and have first-hand knowledge of their interests, paying special attention to groups in situations of particular economic or social vulnerability.

Furthermore, we work with social organisations to respond to their needs or to emergencies that may arise unexpectedly.

Our success is intrinsically linked to the well-being of all the people we support through donations to initiatives promoted by local organisations in favour of human rights, labour rights, equal opportunities, cultural preservation, raising awareness of social issues, as well as supporting local businesses and caring for the environment.

CONTRIBUTION TO ASSOCIATIONS

(Thousands of €)	2021	2022	2023	2024
Total contribution to organisations and associations in the sector*	579.4	610.7	591.9	1,105.5

(*) Organisations selected

RELEVANT ISSUES IN 2024	AMOUNT
Tourism	€961,538
Institutional positioning	€143,932

DONATIONS

TYPE	2022		2023		2024	
Business Foundations	€	21,600	€	28,855	€	43,749
Foundations & Social Entities	€	50,100	€	186,254	€	826,894
Donations in kind	€	158,556	€	1,601	€	—
TOTAL	**€**	**230,256**	**€**	**216,710**	**€**	**870,643**

Philanthropy practices

We promote responsible respect practices in our destinations by raising our guests' awareness of the local environment and culture. Our objective is to minimise the damage of tourist activity on communities and the environment.

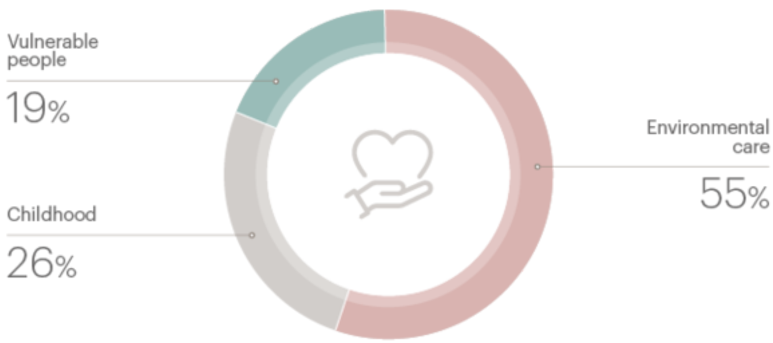
Meliá plays an active role in cooperation with foundations that promote employability, training and integration of vulnerable people or people with disabilities, with the aim of improving the quality of life of those affected and offering opportunities for the professional development of these people. The aim of this cooperation is to offer job opportunities with the help of experts and partners to enhance the success of the programmes in which we participate and contribute to the achievement of the Sustainable Development Goals.

In Spain we work with several foundations such as PINARDI (First Professional Experience Programme), ONCE and La Caixa Foundation (Incorpora Programme), to offer job opportunities to people in vulnerable situations or with disabilities. We aim to establish long-lasting relationships and continuously enrich the value proposition to the selected candidates.

During this year and for the first time, a project has been promoted to encourage employability outside the social context. Meliá and ACCIONA have joined forces to promote an employability initiative in Lisbon (Portugal) with the opening of a new hotel, a joint project that has made it possible to train and select 16 members of the new hotel team.

SDG	MELIA'S COMMITMENT	TARGET GROUP
4 QUALITY EDUCATION	We promote educational activities that foster key skills for development and knowledge.	**Girls, boys, teenagers and women**
8 DECENT WORK AND ECONOMIC GROWTH	We are committed to retain and train talent and to provide diverse and non-discriminatory environments	**Vulnerable people (disability, illness or risk of social exclusion)**
13 ACTION FOR THE CLIMATE	We promote a hotel management model that is efficient and responsible in the consumption of resources and the minimisation of the impact of our activity on the environment and ecosystems.	**Environment**

TYPES OF PHILANTHROPY ACTIONS



SOCIAL IMPACT

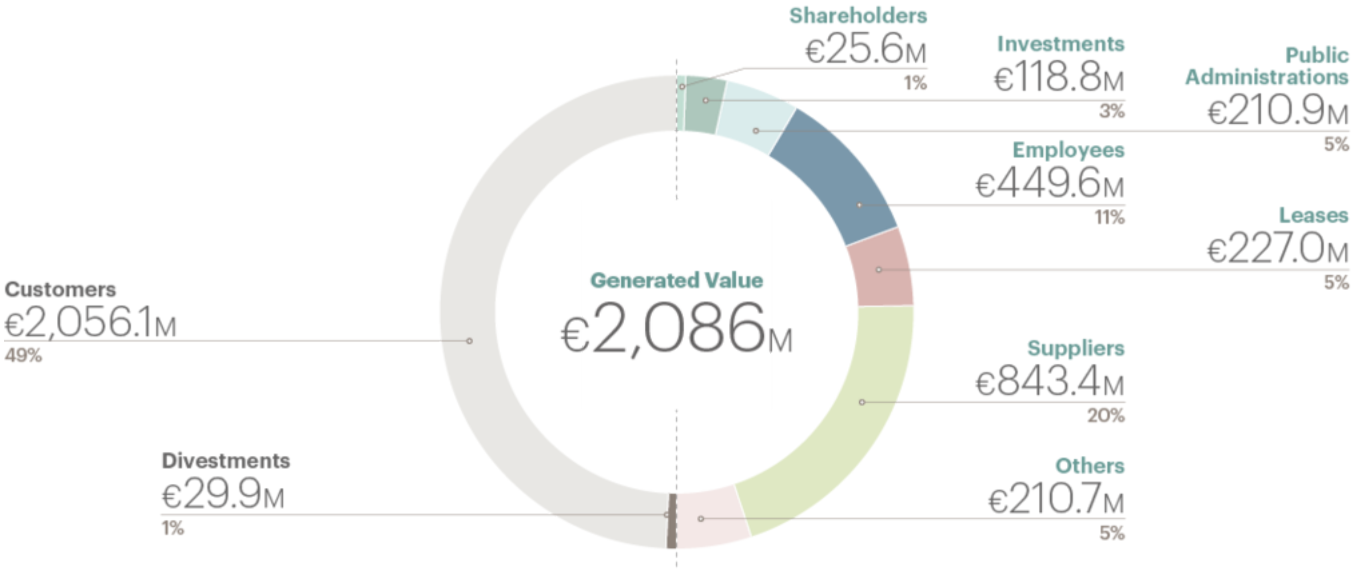
VOLUNTEER ACTIONS BY COUNTRY 2024	BENEFICIARIES
Spain	2,368
Italy	30
Mexico	28
Peru	161
United Kingdom	467
Dominican Republic	75
Vietnam	1

The company will reinforce the measurement of the impact on the community of the actions recorded next year.

2024 Cash Flow Social

The Social Cash Flow shows how we redistribute the wealth generated by providing visibility to the volume of collections and payments made and distributed among all our stakeholders, making it possible to trace the movements in incoming and outgoing cash flows. Our activity contributes to boost local economies, promote investment, acquire products or services, as well as hire workforce or pay taxes, inter alia, with the guarantee of promoting local economy in the destinations where the company operates.

GLOBAL INTEGRATION CASH FLOW



INPUT Value

- **Customers**: Income from hotel operations, other assets and businesses
- **Divestments**: Income from real estate divestments, Group companies, financial assets, etc.

OUTPUT Value

- **Suppliers**: Payments to food & beverage suppliers, external services, transport, supplies, etc.
- **Leases**: Payments to owners of real estate assets used for hotel management and other activities
- **Employees**: Payments to corporate office staff as well as to staff working at owned and managed hotels
- **Public Administration**: Taxes on profit, social contributions, taxes and fees on activities, etc.
- **Investments**: Payments for investments made, maintenance or renovation of Company's assets.
- **Shareholders, Owners and Others**: Shareholder dividends, payments to owners, financial expenses, exchange differences, loans to related parties, etc.

Our customers

Our 2030 vision aims to position us among the world's leading hotel groups in the premium and luxury segment, to assert our leadership in resort and bleisure hotels, and to be recognised as a world leader in excellence, responsibility and sustainability.

According to forecasts, in 2026 the tourism sector will generate around 1,400 million euros worldwide, with an estimated annual growth of 4.1%. Customers of bleisure segment, on which the company is focusing its expansion and growth, are curious, restless, dynamic, and interested in knowing the destination, appreciating its culture, local gastronomy and artistic wealth and respecting the environment and the local community.

A customer-focused organisation

Our international presence in 37 countries allows us to manage a diverse range of customers, currently over 50 million worldwide, which enriches our strategic vision.

Knowledge of our customers' various profiles and the opportunities offered by new technologies help us to anticipate their needs and demands, thus enriching a customised value proposition and ensuring an inclusive approach.

We aim to build long-term relationships, ensuring communication and marketing of our products and services under ethical criteria and respecting human rights. To this end, we use different channels such as our website, apps, public relations ecosystems, social networks, customer service and contact centre, all of which help us to consolidate a direct relationship with our customers throughout the customer journey, while ensuring security and privacy of the information we handle.

Some of these channels, which are bidirectional, facilitate the reception of special requests, including those from vulnerable groups. At the end of their stay, each customer receives a survey to assess their experience at the hotel. The results obtained are part of the variable remuneration of all the teams involved in customer management.

Brand architecture and luxury strategy

Our brand portfolio strengthens the Group's growth strategy, focused mainly on covering the luxury & premium segments. With a firm commitment to improve our positioning with respect to our competitors and respond to our customers' demands, the brand architecture has been updated looking forward, to keep pace with the change in our vision of the new luxury, with the commitment to put customers at the heart of the company's strategy and adapt the value proposition to the interests and expectations of each profile.

Each brand has its own positioning and they all share the values and principles that define us as a Group. Without doubt, it is a strategy focused on offering quality, diverse and customised products and services, while helps us minimise one of the impacts identified in the materiality process.

The customer at the heart of the evolution of our brands

Customers play an essential role in the development of our brands, strategy and growth. We work to promote a model of continuous improvement in our guests' experience, ensuring that their expectations, desires and needs are met when choosing our hotels. In 2024 we have promoted a series of projects that reflect this commitment and reinforce our dedication to listening to our customers and acting accordingly.

Through a survey of our INNSiDE brand customers, we collected and evaluated their experience to design new rooms that meet and exceed their expectations.

Furthermore, following a study carried out with customers of Paradisus by Meliá brand, we have incorporated a new element related to wellness, which is essential in resorts, an 'all-inclusive' modality based on a comprehensive experience, with a 360° approach focused on the future.

Governance model

GRI: 2-23, 2-24, 3-3, 206-1

The Commercial Policy of Meliá Hotels International, of a global scope and approved by the Board of Directors in 2017, defines the guidelines that should govern our relationship with customers. Its objective is to guarantee responsible practices in the marketing and communication of our products and services, avoiding unfair competition and contributing to the sector reputation. Its content includes control mechanisms and regular audits to ensure compliance, monitoring of customer satisfaction and identification of areas for improvement.

In addition, the company drew up a Privacy Policy, in force since 2018, with the commitment to ensure the privacy and integration of the information processed, especially personal data, in order to strengthen the digital trust of our customers.

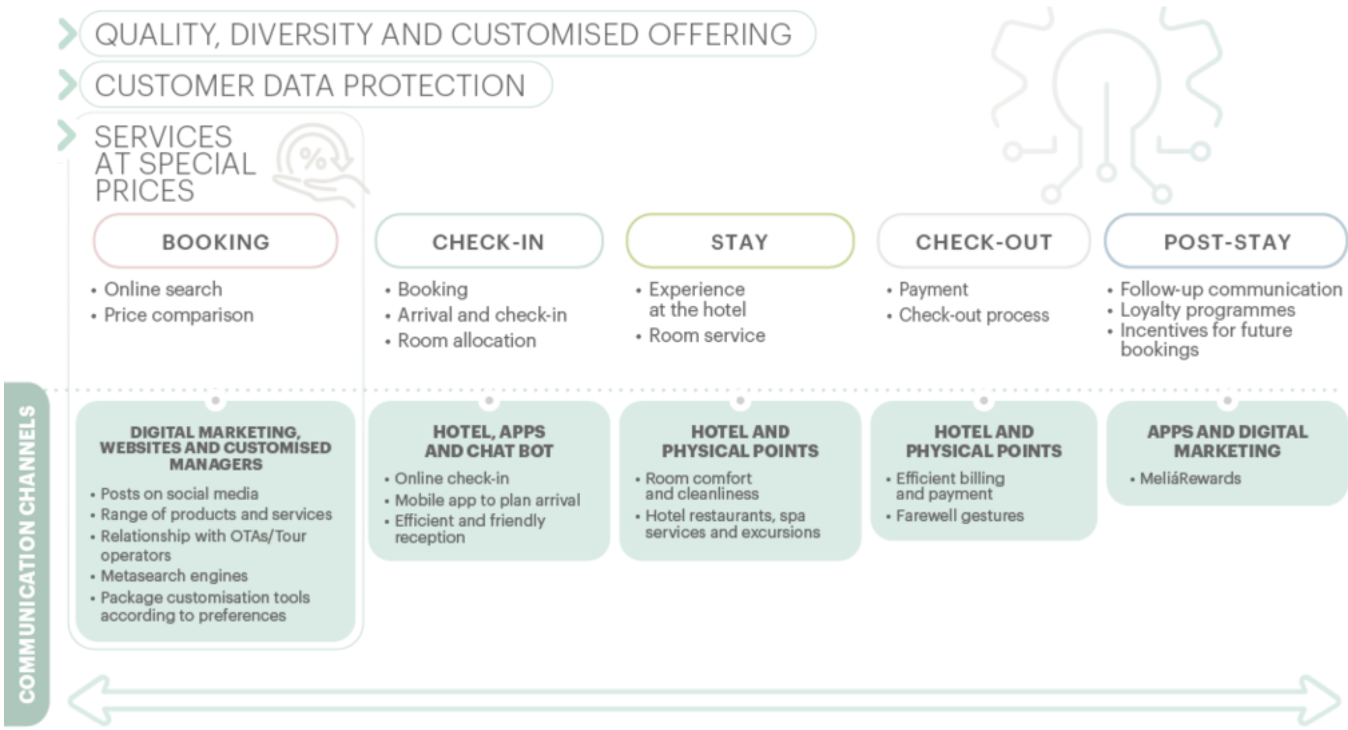
For more information, see Cybersecurity: Security Information section.

Communication channels and customer engagement

GRI: 2-24, 2-25, 2-26, 416-2, 417-2, 417-3

The company has set up various mechanisms aimed at reinforcing a bidirectional, agile and effective communication model in the face of the large number of different circumstances arising in the day-to-day running of our hotels.

One of these tools is myexperience@melia.com, which allows us to receive any kind of suggestion, reflection or inconvenience that may arise during our customers' stay at our facilities. We undertake to respond within 48 hours.



During this year, we have also made online check-in and check-out available to our customers, which contributes to increase customer satisfaction. This technology is currently available in 80 hotels (64% of the portfolio). During the coming year 2025, we plan to continue implementing these processes in more countries and hotels of the company.

Customer Service and Contact Centre

The transformation process, both in terms of technology and service model, which began in 2019, has culminated in 2024 with clear and well-defined objectives:

- To improve customer experience.
- To enhance efficiency and effectiveness.
- To increase revenues.

After five years, we have prioritised over technology our Luxury Service Model, which connects us with our customers, the quality model, which guarantees these standards, as well as the training model, thus fulfilling the objectives set.

- Revenue growth of +13%, with a -10% reduction in budget, which means a 25% increase in ROI and represents 20% of the company's sales in its own channels.

Likewise, during 2024, we have completed the technological transformation of the area and its availability in our business units, securely hosting our key elements in the cloud.

- Workforce Management-Verint, CRM_Salesforce, CMS CSaas Talkdesk and Hotelbook, an individual reservation tool.

We have led the way on the incorporation of predictive models in the omnichannel Customer as a Service (CAAS) tool, TALKDESK. These models have allowed us to prioritise interactions (calls/emails/chat), based on customer value and interaction potential, improving the profitability per contact, as well as the satisfaction level of our most valuable customers.

The model (technological, service, quality and training) has been implemented, centralising more than 60 hotels and becoming their reservations department, serving the customer on their behalf.

On the other hand, 2024 has been the year of consolidation and launch of Hotelbook, the company's own individual reservation tool, allowing us to make all our customers' reservation information visible and cross-cutting.

Hotelbook provides exclusive functionalities focused on increasing conversion, improved operating times, as well as upselling, such as: comparison of rooms, hotels, reservation of different types of rooms under different rates and payment methods.

This transformation journey began in 2019 with the implementation of Salesforce CRM, providing us with 360º customer knowledge and advances in service improvement.

Workforce Management was a turning point in team planning, in 7 languages and in 54 markets, with an impact on efficiency and effectiveness, sizing the teams necessary for the markets and schedules required. Furthermore, we incorporated our assistant based on Google Dialog Flow technology, providing us with more than 16% efficiency.

But undoubtedly, no technology would make sense if, above all this, there were no standards-based service model. The model, which we set in 2023, called Luxury Service Model, is inspired by Leading Hotels of the World and has allowed us to ensure compliance with the 32 items, for any interaction, regardless of the brand or the customer, receiving a rating of 9.51 out of 10 (89% of ratings with maximum score) from more than 214,594 customers.

All of this has been possible not only through constant training, but also through an audited quality model: adherence to processes, communication skills and constant sales.

The knowledge necessary for an advisor to be operational has been developed and digitised by the Customer Service & Contact Centre, through 5 faculties, more than 80 hours, 12 itineraries and 87 courses.

This journey of technological transformation and service culture represents a turning point in 2024, making way, in 2025, for the transfer of all knowledge, learning and technology to our business units, with the aim of providing a unique, consistent and high-quality customer experience, as well as raising the service level, becoming more efficient and effective and increasing revenues, objectives that we set in 2019.

PARTICIPATING CUSTOMERS	RESULT	RESPONSE RATE	RATINGS (MAXIMUM SCORE)
214,594	9.51	22%	89%

Remedy processes

The company has reorganised its organisational structure, promoting a multifunctional and centralised department that assumes the functions and responsibilities related to incidents, complaints and claims sent by our customers. An operational management and control system that is already operating in 51 hotels (40% of our portfolio), with the commitment to include it in 89 hotels within the Meliá family by 2025.

This initiative has allowed us to improve response times, management agility and the level of customer satisfaction.

INCIDENTS RECEIVED

2022	2023	2024
1,919	1,676	**1,947**

All complaints received have been analysed and processed in their entirety, reaching a level of compliance with the 48-hour response ratio of 84.6%. In addition, we provide our customers with a complaints channel through which we have received 31 complaints from customers this year.

Value proposition

GRI: 416-2

Experiences Programme

Focused on enhancing the experience and consolidating our position in the luxury segment, in 2024 we have launched the 'Experiences Programme' for Gran Meliá and The Meliá Collection brands. We offer a menu of exclusive experiences, designed to connect our clients with the local culture, traditions and nature of their destination. During the first quarter of 2025, we plan to implement this programme in all hotels of these brands.

Atithi Groups & Events: Connecting with Indian culture

A new programme that incorporates local traditions and cultures customised for the Indian market. This new concept will be launched at the beginning of 2025 in 15 hotels located in some of our main destinations in Europe, such as Germany, Austria, Spain, France, Italy and the United Kingdom, with potential for growth in other destinations.

'Pet-friendly' programme

In 2024 we launched this new programme designed for implementation across our entire brand portfolio. Its purpose is to ensure that both our customers and their pets enjoy a comfortable and pleasant stay at our hotels, as well as ensuring a harmonious coexistence with customers not travelling with pets. In view of these two realities, we have reinforced some processes to guarantee the cleanliness of the rooms and the care of public spaces, limiting the presence of pets in certain areas, thus guaranteeing a comfortable and satisfactory experience for all our guests.

Currently, this programme is active in 110 hotels (88% of the portfolio), especially in our Lifestyle brands (Zel, INNSiDE and ME) which have adopted the 'Pet-Friendly' standard as part of their attributes.

During 2025, we will continue to develop and improve the advantages of this programme, taking into account the feedback received from our customers during this year.

Sustainable experiences

We want our gastronomic offer to also be a driver of innovation and sustainability. With this in mind, we have designed a new proposal based on local recipes according to the peculiarities of each destination, focusing on attracting and retaining new customers.

Offering high-quality, attractive and valued gastronomic proposal is an important differentiating element for both direct customers and MICE customers.

In Europe, the company has designed the Mediterranean Comfort Food Menu concept, aimed at promoting a gastronomic offer with a greater presence of vegetable products (60%) and aimed at customers appreciating healthy and quality diet.

We have also redesigned our drinks menu by expanding the range of non-alcoholic and natural drinks and including information for customers who are intolerant to certain products.

We ensure that we comply with all legal regulations, including the prohibition to acquire products that contain additives that are harmful to health, such as ADA, BHA and BHT or BVO. Thus, our customers have access to a nutritious and healthy offer, complying with the requirements of the European Union in terms of Food to Fork and the Fitness Check.

Sustainable tourism certifications

In 2024 we relaunched our sustainable hotel tourism certification processes, focusing on those entities renowned throughout Spain and the rest of the world, and endorsed by the Global Sustainable Tourism Council (GSTC) or the World Travel & Tourism Council (WTTC).

Through an individual assessment by hotel, opportunities for improvement are identified and an action plan is established, with the aim of improving our positioning and reputation in terms of sustainability, an attribute that is in high demand today by customers and tourism intermediaries.

Our partner choice has helped to provide greater consistency to our model, providing both internal and external benchmarking, between comparable hotels with similar products and services, and giving us the opportunity to promote improvements and opportunities for hotels. This year we have certified 109 hotels under ownership and lease (87.2%) and 112 under management.

Diversity and inclusion

GRI: 2-24, 2-25, 416-2

We want our customers to perceive our commitment to sustainability as part of their experience and for them to value its integration into the hotel operation.

Equality, diversity and inclusion are fundamental pillars of our Code of Ethics and key elements of our competitiveness and our business model. Furthermore, we are aware that LGBT tourism has grown steadily in recent years. For this reason, we have developed a customised and diverse range of services.

Once again this year, a total of 114 hotels (91% of the portfolio) have renewed their Booking.com ‘Travel Proud’ certification, which offers free training on the use of appropriate language and procedures to create a safe and welcoming environment for guests. Furthermore, since 2023, we are part of LGBTQ+, Queer Destinations, a programme aimed at raising awareness among our teams to avoid any discrimination.

As a result of our awareness and commitment to the current model of society and to responsible and inclusive tourism, we have incorporated Destination Inclusive, with the purpose of offering new experiences, such as private classes with local chefs or personalised yoga sessions next to a crystal-clear cenote. These new experiences have been implemented in Paradisus by Meliá hotels.

Furthermore, during this year we have improved accessibility to beaches for people with reduced mobility, in destinations such as the Dominican Republic or Mexico, investing in access and eliminating physical barriers.

Loyalty and benefits programme

Created as a digital experience, our MeliáRewards loyalty programme allows users to access the various brands of the Group, improve personalisation based on knowledge of their preferences, as well as find out about the benefits we offer and other available services.

This programme has proven to be an element of great strategic value, contributing significantly to the fulfilment of our short, medium and long-term objectives, defined by excellence in customer satisfaction and sustainability.

During 2024, MeliáRewards has been an effective driver of demand, with the historic record of 90 campaigns, including all its brands, hotels and destinations, with total redemption standing at 58% of points issued. The annual campaign 'The MeliáRewards Effect: the more you travel, the greater the Rewards' has included a points credit component to be enjoyed in hotels, reaching an outstanding 40% redemption rate in resort and luxury hotels.

The campaigns were addressed to both end customers and travel agents, offering special commissions and extra points.

We reaffirm our commitment to travel agencies and present a new website for the B2B (business-to-business) segment. This new site www.meliapro.com is a digital platform for professionals that will help travel agents, companies, meeting planners and tour operators in their day-to-day work.

This platform offers new functionalities and significant improvements:

- Complete redesign and segmentation differentiated by customer type.
- A private area to work quickly and efficiently, obtaining and managing updated information in real time on direct reservations with the end customer, from anywhere in the world.
- Access throughout the reservation process to information on the benefits and advantages offered by the MeliáRewards loyalty programme, both for agents and for their end customers.
- Nine main languages adapted to the specific needs of each area in the most competitive and emerging markets.

Furthermore, it facilitates management and control of our teams' reservation process through:

- Technological migration that reduces loading times and improves productivity.
- Access and management of reservations in real time at any time of the day to share them immediately with the end customer.
- Transparent control of agent commissions, receiving them right away.

Customer satisfaction

GRI: 2-25, 2-26

We establish channels for active and constant listening to monitor the satisfaction level and rating from our guests, using our own tools or tools such as ReviewPro, which allow us to obtain results on online reputation and customer satisfaction, with the aim of ensuring a comprehensive view of the customer experience.

	2022	2023	2024	2024 OBJECTIVE	2025 OBJECTIVE
Guest Satisfaction Score (GSS)	82.2%	82.1%	83.9%	82.7%	83%
Net promoter Score (NPS)	44.8	53.3	59.4	53.0	55.0
Quality Penetration Index (QPI)	98.6%	99.2%	99.5%	100%	100%
Global Review Index (GRI)	84.7%	86.2%	86.6%		

The results show a positive evolution in all indicators and their level of fulfilment in relation to the objectives set. They also make it easier to understand the performance of each business unit, understand customer perception and plan specific actions to improve results and meet established objectives.

Control systems

GRI: 2-25

At Meliá Hotels International we have an audit system designed to measure the level of compliance with the service and product standards established by brands. In this process we evaluate the real implementation of the defined standards and attributes to ensure a consistent experience that meets customer expectations and satisfaction.

Audits are carried out annually by both internal teams and external services. Following this assessment, detailed action plans are developed including measures for improvement.

Furthermore, these indicators are complemented by the results of the 'Mystery Guest' programme, which assesses the level of implementation of the standards in our hotels.

During this year, a total of 116 hotels (92% of the portfolio) have been audited worldwide.

MYSTERY GUEST	2023	2023 OBJECTIVE	2024	2024 OBJECTIVE
Result	82.02%	80.00%	**82.60%**	80.00%
Hotels	112	—	116	—

During this year we have extended the audits to include, in a pilot phase, a specific and detailed assessment of the F&B area in a selected group of hotels. This analysis focuses on the fulfilment of the gastronomic offer, service standards, implementation of specific tools and sustainability objectives, such as the reduction of food waste, among other aspects.

Looking ahead to 2025, we plan to implement the initiative in most hotels, reinforcing our commitment to excellence and sustainability.

Innside New York Nomad, USA

08

Governance for good

ME London, United Kingdom

Corporate governance

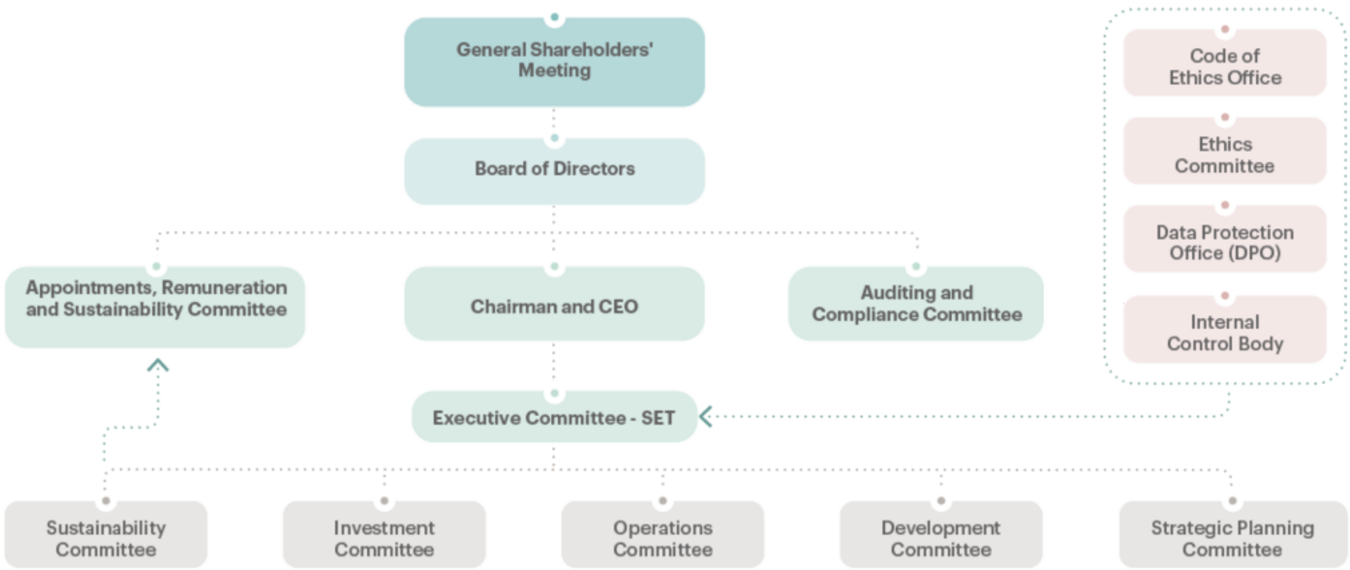
Governance model

Our governance model consists of a set of internal rules, such as policies, regulations, protocols, processes and procedures based on principles of transparency and best practices in corporate governance. This system governs aspects relating to the structure, composition and functioning of our governance model, as well as the principles of action and commitments set out in the Code of Ethics and the policies approved by the Board of Directors.

Our Corporate Governance Policy, approved by the Board of Directors in 2021, sets out the responsibilities and functions of the various governing bodies and establishes the rules of conduct for shareholders, employees, regulatory bodies, public administrations and the Board of Directors. It also defines the commitments made in terms of transparency, internal control and compliance system, as well as the Group's good governance.

Governance structure

GRI: 2-9, 2-10



Our governing bodies are regulated by various rules that underpin their functioning and are the basis of our model: the Company Bylaws, the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors, the Regulations on Functioning of Governing Bodies, the Code of Ethics and the Internal Code of Conduct in the Securities Markets.

Board of Directors

GRI: 2-11

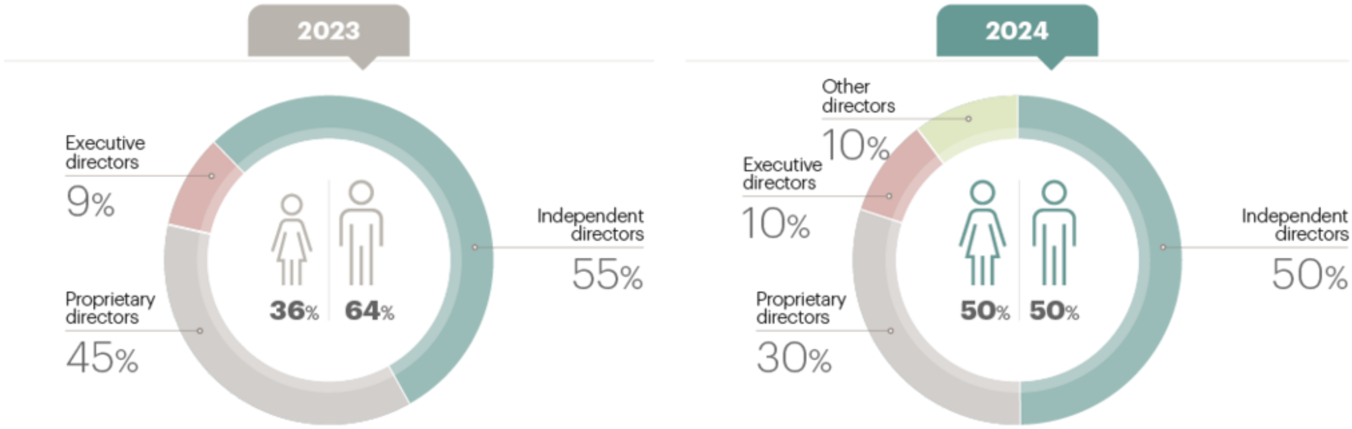
The Board of Directors of Meliá Hotels International is the body responsible for the governance, management and administration of the company. It is responsible for management and representation, except for certain matters that are dealt with by the General Shareholders' Meeting.

It is governed by the provisions of Article 31 et seq. of the Company Bylaws and by the Regulations of the Board of Directors, which set out its structure, composition, powers and functioning.

The Board is made up of renowned professionals with proven experience and a diversity of knowledge, experience, profiles and gender, with the aim of contributing real value to the company, working with integrity and transparency.

Following the passing of Mr Gabriel Escarrer Juliá, Founder and Honorary Chairman, on 26 November 2024, there is a vacancy on the Board of Directors. Until this vacancy is filled by co-option or appointment at the next General Shareholders' Meeting, the Board of Directors is made up of ten members: five independent directors, one executive director, three proprietary directors and one other external director.

COMPOSITION OF THE BOARD



In compliance with recommendation number 34 of the Good Governance Code of Listed Companies and on the occasion of the appointment in 2023 of Mr Gabriel Escarrer Jaume as Chairman and Chief Executive Officer, the functions of the independent lead director have been strengthened. This position is held by Ms María Cristina Henríquez de Luna Basagoiti since June 2024.

In this sense, the Regulations of the Board of Directors, in compliance with best corporate governance practices established by the Good Governance Code of Listed Companies and the Corporate Enterprises Act, assigns the functions below to the Lead Director.

- To chair the Board of Directors in the absence of the chairman and the vice-chairmen, if any.
- To be in contact with investors and shareholders to find out their points of view in order to form an opinion about their concerns, particularly in relation to the company's corporate governance.
- To coordinate the chairman's succession plan.
- To report the concerns of non-executive directors.
- To request the calling of meetings of the Board of Directors or the inclusion of new items on the agenda of meetings already called.
- To coordinate and bring the external directors together.
- To conduct, where appropriate, the regular assessment of the chairman of the Board of Directors.

Functions of the Board of Directors

GRI: 2-12, 2-14

During 2024, the Board of Directors performed various functions relating to the following:

- The General Shareholders' Meeting and the involvement of shareholders: Calling the meeting, setting the agenda, preparing proposals to be submitted for approval, implementing the resolutions approved by the Meeting, etc.
- The policies and strategies of the Company and the Group: Monitoring the Company's Strategic Plan, determining the Group's tax strategy, establishing the shareholder remuneration policy, etc.
- The organisation of the Board of Directors: Monitoring the functioning of the specialised committees, assessing the functioning of the Board, etc.
- The information to be provided by the Company: Preparing the annual accounts and the non-financial information statement, approving the annual corporate governance report, the directors' remuneration report, etc.
- Remuneration of directors and executives: Proposing to the General Shareholders' Meeting the appointment or ratification of directors, monitoring the succession plan for the chairman of the Board etc.
- Strategic Plan: Approval of the new Strategic Plan for 2025 to 2027.
- Regulatory framework: Approval of the Policy on Internal Control over Financial and Sustainability Reporting System and the Sustainability Policy, update of the Code of Ethics, etc.

The Board of Directors and its specialised committees have a platform that gives directors access to information well in advance of each meeting and guarantees confidentiality at all times.

Composition of the Board of Directors

Women
50%

Independence
50%

Director	Position	Type	Expiry of the term of office	Member of specialised Committees
Mr Gabriel Escarrer Jaume	Chairman & CEO	Executive	10 June 2025	-
Mr Alfredo Pastor Bodmer	Member	Proprietary	22 June 2027	-
Mr Luis María Díaz de Bustamante y Terminel	Secretary	Proprietary	16 June 2026	AR&SC
Ms Mercedes Escarrer Jaume	Member	Proprietary	2025 General Shareholders' Meeting	-
Mr Fernando D'Ornellas Silva	Member	Other External	10 June 2025	AR&SC
Ms Carina Szpilka Lázaro	Member	Independent	2025 General Shareholders' Meeting	A&CC / AR&SC
Ms Cristina Henríquez de Luna Basagoiti	Lead Director	Independent	22 June 2027	A&CC
Ms Cristina Aldámiz-Echevarría González de Durana	Chairwoman AR&SC	Independent	16 June 2026	A&CC / AR&SC
Ms Montserrat Trapé Viladomat	Chairwoman A&CC	Independent	16 June 2026	A&CC / AR&SC
Mr Cristóbal Valdés Guinea	Member	Independent	2025 General Shareholders' Meeting	-

During 2024, the following changes were made in the composition of the Board of Directors:

- Resignation of Mr Francisco Javier Campo García as Other External Director, due to his loss of independent status after more than 12 years as external independent director and having held the position of Chairman of both Committees.
- Appointment of Mr Cristóbal Valdés Guinea as a new external independent director.
- Resignation of Hoteles Mallorquines Agrupados, S.L. and, consequently, of its representative natural person Mr José María Vázquez-Pena Pérez, as an external proprietary director.
- Appointment of Ms Mercedes Escarrer Jaume, as an external proprietary director.
- Appointment of Ms María Cristina Henríquez de Luna Basagoiti as a lead director.
- Cessation on death of Mr Gabriel Escarrer Juliá as founder and honorary chairman of the company.

The following changes were made in the Board's specialised committees:

- Appointment of Ms Montserrat Trapé Viladomat (external independent director) as a member of the Appointments, Remuneration and Sustainability Committee, and as chairwoman of the Auditing and Compliance Committee.
- Appointment of Ms Cristina Aldamiz-Echevarría González de Durana (external independent director) as a member of the Auditing and Compliance Committee, and as chairwoman of the Appointments, Remuneration and Sustainability Committee.

Diversity on the Board of Directors and Senior Management

GRI: 405-1

The Board of Directors of Meliá Hotels International is currently made up of five female directors out of a total of ten members, which means that 50% of the Board is made up of women. Therefore, we fulfil the 40% objective provided for by the CNMV's Good Governance Code of Listed Companies, the European Union's Directive 2014/95 (EU) on Diversity, and Organic Law 2/2024 on equal representation and balanced presence of women and men.

PRESENCE OF WOMEN ON THE BOARD

2023	2023 OBJECTIVE	2024	2024 OBJECTIVE	2025 OBJECTIVE
36.4	40%	**50%**	40%	40%

In June 2023, the Board of Directors approved a new Diversity Policy, which establishes the principles, guidelines and main lines of action on diversity and inclusion which govern the company's strategy, ensuring equal opportunities and non-discrimination on grounds of race, colour, sexual orientation, age, gender, culture, work, disability, ideology, religion, or any other circumstance. Likewise, the Director Selection Policy was amended in June 2023, updating the objective of reaching a minimum of 40% of women in 2024. In this sense, it is worth noting that, with the appointment of Ms Mercedes Escarrer Jaume, the company has fulfilled this objective.

Currently, the senior management is made of 12.50% women, as indicated in more detail in the Annual Corporate Governance Report.

Assessment of the Board of Directors

GRI: 2-18

The Board of Directors, on an annual basis, assesses the performance and composition of the Board itself and of the Committees, as well as of the company's top executive. The Appointments, Remuneration and Sustainability Committee is responsible for approving, initiating and monitoring this process. The report with the results for 2024 will be submitted to the Board of Directors during the first quarter of 2025, where the corresponding action plan will be analysed and approved, if appropriate.

In relation to recommendation 36 of the Good Governance Code of Listed Companies, which refers to the assistance of an external consultant to carry out this process, in 2022, the Appointments, Remuneration and Sustainability Committee was advised by the consultancy firm Price Waterhouse Coopers in the review of the assessment questionnaires for the Board of Directors and the top executive.

In 2024, following the conclusions of the 2023 self-assessment, the Appointments, Remuneration and Sustainability Committee led the training plan for the Board of Directors, including the following subjects: (i) Context and trends in the sector; (ii) Digitalisation and new technologies; (iii) Reporting of non-financial or sustainability information.

Competency matrix

GRI: 2-17

The company has a competency matrix for the selection of directors, as well as for the preparation of the Board's training plan, as set out in our Director Selection Policy. In line with best market practices, the matrix is published on the corporate website and details, on an individualised basis, the competences of each of the members of the Board.

ME Barcelona, Spain

Director		Mr Gabriel Escarrer Jaume	Mr Fernando D'Ornellas Silva	Mr Luis María Díaz de Bustamente y Terminel	Mr Alfredo Pastor Bodmer	Ms Carina Szpilka Lázaro	Ms Cristina Henríquez de Luna Basagoiti	Ms Cristina Aldamiz-Echevarría González de Durana	Ms Montserrat Trapé Viladomat	Ms Mercedes Escarrer Jaume	Mr Cristóbal Valdés Guinea
Category		Executive	Other External	Proprietary	Proprietary	Independent	Independent	Independent	Independent	Proprietary	Independent
Position on the Board		Chairman of the Board and CEO	Member		Member	Member	Member and Lead Director	Member and Chairwoman of the Appointments, Remuneration & Sustainability Committee	Member and Chairwoman of the Auditing & Compliance Committee	Member	Member
Committee		-	Appointments, Remuneration & Sustainability	Appointments, Remuneration & Sustainability	-	Auditing and Compliance Appointments, Remuneration & Sustainability	Auditing and Compliance	Auditing and Compliance Appointments, Remuneration & Sustainability	Auditing and Compliance Appointments, Remuneration & Sustainability	-	-
Tenure on the Board (years)		25	12	14	28	8	5	3	2	0	0
Age		53	67	72	80	56	58	54	64	60	55
Member of other Board of Directors			Prosegur				GSK Viscofan	Hochtief	Criteria Caixa		Tubos Reunidos Deoleo
COMPETENCE AND EXPERIENCE											
Tourism industry	40%	✓	✓	✓						✓	
Risk Management	40%	✓	✓				✓		✓		
Financial Management	40%	✓	✓				✓	✓			
Tax	10%								✓		
Environmental	10%							✓	✓		
Social	80%	✓	✓	✓		✓	✓	✓	✓	✓	
Governance	80%	✓	✓	✓	✓	✓	✓	✓	✓		
Asset Management	40%	✓	✓					✓	✓		
Innovation / New Technologies	20%	✓				✓					
Marketing	40%	✓				✓	✓				✓
Large Volume Trade / Retail	20%						✓				✓
International Experience	90%	✓	✓	✓	✓	✓	✓	✓	✓		✓
Academic activity, teaching, research	30%				✓				✓	✓	
TRAINING											
Science / Medicine	10%									✓	
Finance (Business Administration and Management, Economics, etc.)	80%	✓	✓		✓	✓	✓	✓	✓		✓
Legal	40%		✓	✓					✓		✓
Languages (English, French, Italian, Chinese, etc.)	100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

INDEPENDENCE	DIVERSITY	AVERAGE TENURE	AVERAGE AGE
50.00%	50.00%	9.7 years	61.9 years

Conflicts of interest

GRI: 2-15

The Chairman and CEO, Mr Gabriel Escarrer Jaume, as well as other directors, abstained from participating in the deliberation and voting on the matters dealt with at the meetings of the Board of Directors relating to decisions in which they, or a person related to them, could have a potential conflict of interest, direct or indirect, with the company.

Remuneration of the Board of Directors

GRI: 2-19, 2-20, 2-21, 405-2

The remuneration of the Board of Directors is based on our 2025-2027 Directors' Selection Policy, which reflects best market practices, as well as applicable regulations and recommendations. We also follow several remuneration studies prepared by external consultants.

The Directors' Remuneration Policy in force for the current financial year was approved by the General Shareholders' Meeting in 2021, is applicable to years 2022 to 2024 and is governed by the following principles:

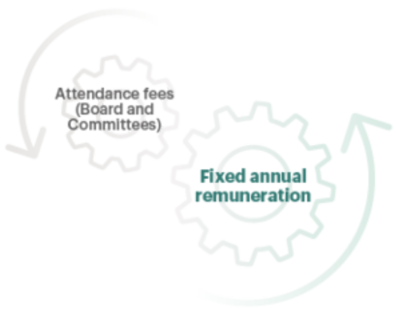
- To promote long-term profitability, business strategy and interests and sustainability of the Company.
- To define a remuneration scheme according to dedication and responsibility assumed by Directors and to market conditions in order to attract and retain the most suitable profiles to cover the knowledge, competencies and experience required in the Board.
- To motivate and reinforce the achievement of the Company's and the Group's results.
- To promote information transparency and commitment to shareholders and investors.

In addition, the new Directors' Remuneration Policy, applicable for years 2025 to 2027, was submitted for approval at the 2024 General Shareholders' Meeting. The main changes included were as follows:

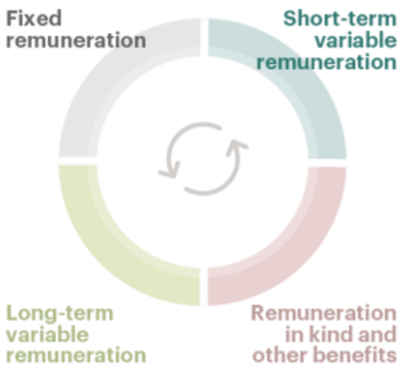
- Reinforcement of the general principle of corporate sustainability.
- Greater clarity in the disclosure of directors' remuneration in their capacity as such.
- Definition of the remuneration of the Lead Director.
- Greater clarity in the disclosure of the metrics and objectives of variable remuneration.
- Modification of the minimum period of long-term variable remuneration plans to three years.
- Other technical improvements.

REMUNERATION SYSTEM

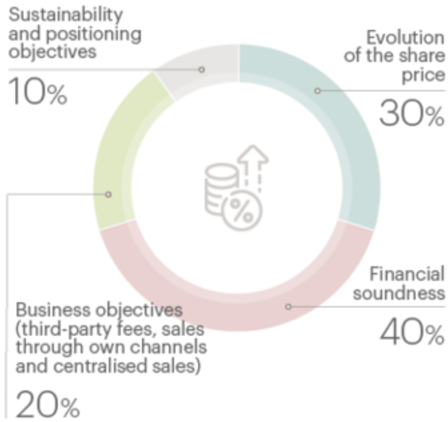
Remuneration structure for Directors in their capacity as such



Remuneration structure of the Chairman and CEO



CEO's long-term variable remuneration



In accordance with the aforementioned Remuneration Policies, the remuneration of the directors in their capacity as such consists of:

- Fixed annual remuneration, for supervisory and decision-making duties.
- Fees for attendance at the meetings of the Board of Directors and the Committees of which they are members.

In addition, the remuneration package for the Chairman and CEO includes a fixed annual remuneration, a short-term variable remuneration, a long-term variable remuneration and a remuneration in kind, as well as other benefits.

In compliance with the Spanish Corporate Enterprises Act, the Board of Directors submitted to the 2022 General Shareholders' Meeting for approval, the long-term remuneration scheme, partially referenced to the Company's share price, for the Executive Director, management personnel and other professionals of the Group.

In the process of preparing the 2024 Annual Report on the Remuneration of Directors, we considered the recommendations from proxy advisors in the run-up to the General Shareholders' Meeting (Glass Lewis and ISS). In this sense, the 2023 Annual Report on the Remuneration of Directors, which was submitted for approval at the 2024 General Shareholders' Meeting, after including the improvements required by the proxy advisors in the previous year, obtained 98.9% of votes in favour.

APPROVAL OF THE ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS

	2021	2022	2023	2024
Approval of the Annual Report on the Remuneration of Directors GSM	99.5%	97.6%	84.6%	**99.0%**

As defined in the Remuneration Policy, the remuneration model for the Board of Directors for 2024 and 2025, is structured as follows:

DETAILS OF THE 2023 & 2024 REMUNERATION FOR THE CEO AND THE SENIOR MANAGEMENT

(thousand €)	2023						2024					
	SALARY	FIXED REMUNERATION	ALLOWANCES	SHORT-TERM VARIABLE REMUNERATION	LONG-TERM VARIABLE REMUNERATION	TOTAL	SALARY	FIXED REMUNERATION	ALLOWANCES	SHORT-TERM VARIABLE REMUNERATION	LONG-TERM VARIABLE REMUNERATION	TOTAL
Chairman - CEO	865	22	38	533		**1.458**	1.004	24	48	694		**1,770**
Non-Executive Directors		216	638			**854**		220	876			**1.096**
Senior Management		2.192		911		**3.103**		2.208		928		**3.136**
Total	**865**	**2.430**	**676**	**1.444**	-	**5.415**	**1.004**	**2.452**	**924**	**1622**	-	**6,002**

- In 2024, the gap between the annual remuneration of the Chairman & CEO and the median remuneration of the entire workforce (consolidated scope) was 77 times, the median salary of employees being €20,616.
- In 2024, the gap between the annual remuneration of the Chairman & CEO and the average remuneration of the entire workforce (consolidated scope) was 80 times, the average salary of employees €20,044.
- In 2024, the average remuneration of Directors and Senior Management (including the Internal Auditor) is €129,448 for women and €170,512 for men.
- In 2024, the average fixed and variable remuneration of Directors and Senior Management is €134,060 for women and €227,063 for men.

Likewise, the objectives of variable remuneration of the Chairman and CEO (the only director with a variable remuneration scheme) for 2024 were as follows:

I. **Set of economic / financial objectives:** It represents 75% of total short-term variable remuneration and comprises two objectives.

- To achieve a certain EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) at year-end 2024. This objective is of a financial nature and represents 40% of total short-term variable remuneration.
- To reduce the Group's indebtedness, i.e. to reach a certain debt ratio in relation to the Group's EBITDA. This objective represents 35% of total short-term variable remuneration.

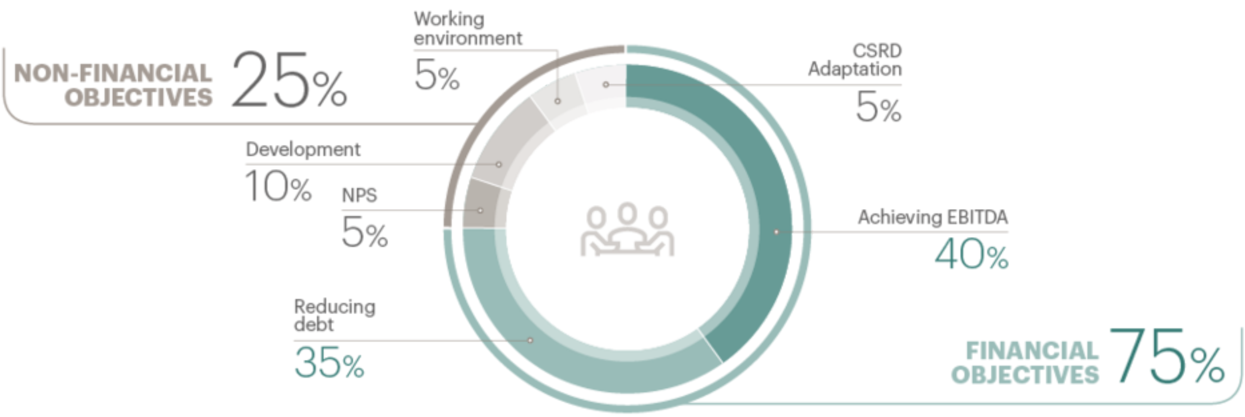
II. **Set of non-financial objectives**: It represents 25% of total short-term variable remuneration and comprises four objectives.

- Customer satisfaction (Net Promoter Score -NPS-), based on the satisfaction level of customers of hotel establishments during 2024. This objective represents 5% of total variable remuneration.
- Development/Management Model, based on the net increase in signed rooms in 2024. This objective represents 10% of total variable remuneration.

- Work environment surveys, representing 5% of total short-term variable remuneration, this objective is measured based on the results obtained in the 'Commitment & Engagement Results' survey launched annually by Human Resources department to certain corporate areas and hotels.
- ESG, representing 5% of total short-term variable remuneration, this objective is measured in terms of the Company's adaptation to the CSRD (Corporate Sustainability Reporting Directive) and the improvement of our environmental, social and governance (ESG) positioning.

(*Details of these can be found in the 2023 Annual Report on the Remuneration of Directors, and their achievement level will be broken down in the 2024 Annual Report on the Remuneration of Directors, to be published on 27 February 2025).

OBJECTIVES OF THE CHIEF EXECUTIVE OFFICER'S VR



In relation to the achievement of the objectives related to the variable remuneration of the Chairman and Chief Executive Officer for 2025, these will be included in the 2024 Annual Report on the Remuneration of Directors.

Board's specialised Committees

In 2024, the functioning of the Board's two specialised Committees has been consolidated in line with the CNMV's recommendations on good governance.

COMPOSITION AND RATIOS OF THE BOARD'S SPECIALISED COMMITTEES

Women	Independence
100%	100%

Auditing and Compliance Committee

Ms Montserrat Trapé Viladomat	Chairwoman	Independent
Ms Carina Szpilka Lázaro	Member	Independent
Ms Cristina Henríquez de Luna Basagoiti	Member	Independent
Ms Cristina Aldámiz-Echevarría González de Durana	Member	Independent

Members	Women	Proprietary directors	External independent directors	Meetings 2024	Chairwoman	Attendance
4	4 (100%)	0 (0%)	4 (100%)	13	Independent Director	100%

Women	Independence
60%	60%

Appointments, Remuneration and Sustainability Committee

Ms Cristina Aldámiz-Echevarría González de Durana	Chairwoman	Independent
Mr Fernando d'Ornellas Silva	Member	Other External
Ms Carina Szpilka Lázaro	Member	Independent
Ms Montserrat Trapé Viladomat	Member	Independent
Mr Luis María Díaz de Bustamante y Terminel	Member	Proprietary

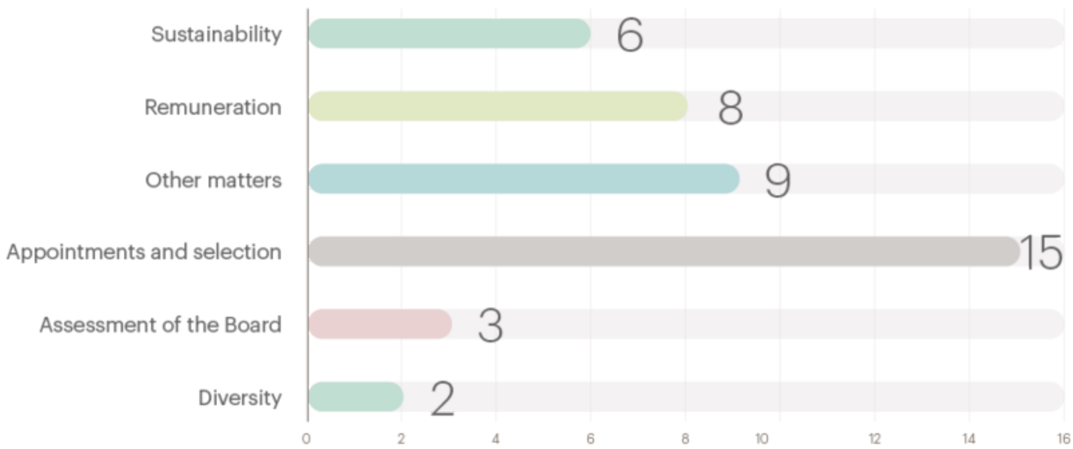
Members	Women	Proprietary directors	External independent directors	Meetings 2024	Chairwoman	Attendance
5	3 (60%)	1 (20%)	3 (60%)	9	Independent Director	100%

Appointments, Remuneration and Sustainability Committee

Its functions are as follows:

- To draw up proposals for the appointment and re-election of directors and senior executives, as well as their remuneration.
- To report on transactions that involve or may involve conflicts of interest.
- To lead the regular assessment of the structure, size, composition and actions of the Board of Directors and the specialised committees, with the appropriate recommendations in each case.
- To ensure that directors' knowledge and experience in terms of sustainability (ESG) are adapted to new trends and best practices in the field.
- To monitor the sustainability strategy and practices and evaluate their degree of compliance in coordination with the Sustainability Committee.
- To propose to the Board of Directors the criteria and conditions of the Remuneration Policy and ensure its transparency.
- During 2024, it is worth noting the Committee's focus on appointments and selection, taking into account the changes in the composition of the Board and the two specialised committees. In terms of remuneration, the new Remuneration Policy applicable to years 2025 to 2027 is of particular note, as well as the Committee's dedication to sustainability-related issues, such as the monitoring of the transposition of the Sustainability Directive and the impact on verification and reporting obligations.

ACTIVITIES OF THE APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE



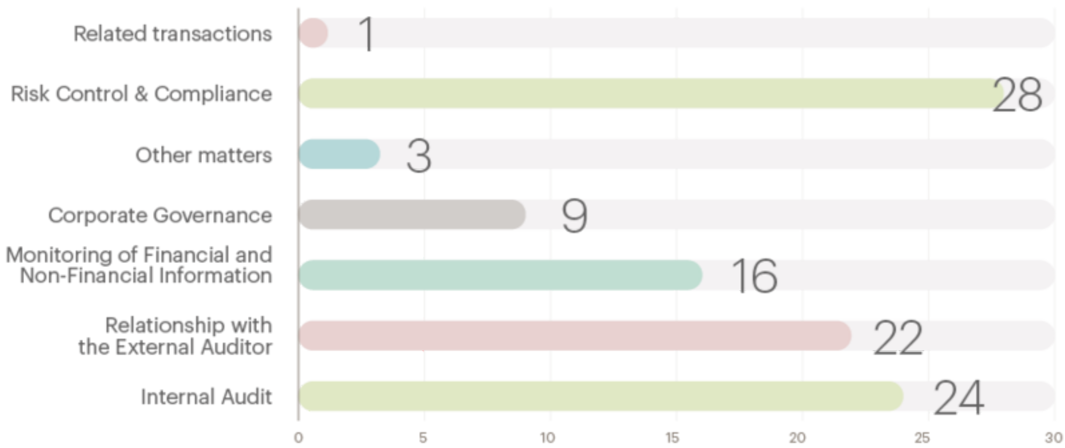
Auditing and Compliance Committee

Its functions are as follows:

- To support the Board in monitoring the effectiveness of the Company's internal control and risk management systems, acting as a channel of communication with internal and external auditors.
- To monitor the preparation of financial and non-financial or sustainability information and its submission to the Board.
- To monitor compliance with legal provisions and internal regulations.
- To monitor the internal audit function.
- To monitor the Risk Control & Compliance function.
- To monitor the relationship with the Group's external auditor (Deloitte).

As for the most important actions of this Committee during 2024, we can highlight the focus on the selection process of the external auditor for 2024 to 2026, the succession of the head of the internal audit function, as well as the monitoring of the implementation of the new Internal Control over Sustainability Reporting System (ICSR).

ACTIVITIES OF THE AUDITING AND COMPLIANCE COMMITTEE



Executive Committee

The Senior Executive Team or SET is the collegiate body that drives the Meliá Hotels International's management, as well as the critical and continuous review of the business. Thus, it ensures fulfilment of the objectives set by the Board of Directors and supports the Chairman and CEO in his management.

Furthermore, it ensures the sustainable growth of the business and the contribution of value to shareholders, promoting strategic projects within its competence. It also establishes priorities, allocates the necessary resources and ensures the achievement of the company's objectives.

It is also responsible for providing the Board of Directors with updated, objective and sufficient information to allow the latter to carry out its supervisory functions.

The current composition of the SET is as follows:

- Mr Gabriel Escarrer Jaume, Chairman of the Board and CEO.
- Mr André P. Gerondeau, Chief Operating Officer – responsible for the areas of hotel operations and Meliá Club.
- Mr Juan Ignacio Pardo García, Chief Real Estate & Sustainability Officer, responsible for the areas of real estate portfolio, asset management, works, maintenance, procurement and sustainability.
- Mr Ángel Luís Rodríguez Mendizábal, Chief Financial Officer, responsible for the areas of finance, tax, investor relations, administration and management control.
- Mr Gabriel Cánaves Picornell, Chief Human Resources Officer, responsible for the Human Resources area and for operations in Cuba.
- Mr Mariano de Cáceres Pérez, Chief Legal & Compliance Officer, responsible for the areas of legal advice, internal audit, risk, compliance and corporate governance.
- Mr Carlos González Santolaya, Chief Strategy Officer, responsible for the strategy, IT and innovation area.

In 2024, the SET has been particularly focused on the following:

- Monitoring of compliance with the 2022-2024 Strategic Plan.
- Preparation of the new Strategic Plan to be submitted to the Board of Directors for approval.
- Monitoring of relevant transactions in the field of asset rotation.
- Monitoring the Company's economic projection by analysing the business from different points of view and identifying those assets or regions with a lower-than-expected performance.
- Monitoring and planning of the Annual Investment Plan (AIP), as well as monitoring of the budget for 2024 and supervision and approval of the budget for 2025.
- Approval of internal regulations (Investment Rule, Credit and Budget Rule).
- Monitoring of the company's strategic projects in areas such as IT (Information Technologies), Human Resources, etc.

General Shareholders' Meeting

GRI: 2-29

The Ordinary General Shareholders' Meeting for 2024 was held on 9 May 2024 with an attendance quorum of 80.60% of the share capital with voting rights, 2.5% higher than in 2023.

Some of the more relevant agreements reached were as follows:

- At the proposal of the Board of Directors, a dividend distribution was approved charged to voluntary reserves with a pay-out of 17.5%.
- Re-election of the Company's and the Group's auditor (Deloitte) for the next three years.
- Approval of the new Directors' Remuneration Policy for 2025 to 2027.

It is also worth noting that the average number of votes in favour was 99.5%, all this after having received 100% of recommendations to vote in favour from the two main proxy advisors in the market: Glass Lewis and ISS.

Business conduct: Ethics and integrity

Governance structure of business conduct

GRI:, 2-23, 3-3

The Board of Directors always acts under due diligence, loyalty and good faith criteria.

The company's value is maximised, in the interest of the shareholders, necessarily through the Board of Directors and Delegate Committees, as well as other management bodies that seek to consolidate and establish a corporate culture under a model of zero tolerance towards any behaviour in breach of our Code of Ethics, applicable legislation or internal policies and regulations, especially those linked to criminal risks to which the Company is exposed within the scope of its operations.

Each of these governing bodies has a defined and assigned a set of functions, which observe the requirements imposed by law, complying in good faith with the contracts entered into and, in general, fulfilling the ethical duties that a responsible business management should reasonably require.

Board of Directors

Its functions are as follows:

- To define the general policies and strategies of the Company and the Group, including the Compliance Policy, Anti-Corruption Policy, Complaints Channel Policy and Risk Control and Management Policy.
- To monitor the effective functioning of the delegate Committees and of any senior management members appointed.
- To conduct, in coordination with the Appointments, Remuneration and Sustainability Committee, an annual assessment of its functioning and that of its committees and establishing, based on the results, an action plan to remedy any deficiencies detected.

Auditing and Compliance Committee

The Auditing and Compliance Committee is a delegate body of the Board of Directors, which performs information and advice functions. Its responsibilities are, inter alia, the following:

- To monitor the implementation and effectiveness of the Company's internal control and risk management systems
- To examine the functions of Internal Audit, Risks and Compliance, ensuring their independence; monitoring and assessing the performance of these areas; approving their budget and annual work plan, as well as the functioning of the Complaints Channel, etc.
- To monitor compliance with the Company's corporate governance rules and codes of conduct, ensuring a corporate culture aligned with our purpose and values.
- To establish and monitor the existence of a crime prevention and detection model.

Executive Committee

The Executive Committee or SET (Senior Executive Team) is the collegiate body that acts as a benchmark for the rest of the organisation and must be an example of leadership and compliance with the company's policies and rules.

Among its functions, it has the duty of guaranteeing the transmission of the company's culture and values, as well as ensuring compliance with the policies and rules within the Group, in terms of anti-corruption, compliance and the complaints channel.

Risk Control and Compliance Department

This department reports directly and hierarchically to the Auditing and Compliance Committee. The head of this department, the Compliance Officer, reports directly to the Board.

Among other tasks, this department promotes a culture of compliance within the organisation, ensuring the implementation of the necessary mechanisms to achieve this.

In addition, it defines the internal Compliance model and supervises the validity of internal controls, specially focusing on criminal compliance, with the aim of promoting a global and forward-looking vision of compliance risks and foreseeing an efficient control thereof, guaranteeing the coordination of their management.

Ethics Committee

It is an independent collegiate body whose main function is to guarantee the proper management of incidents reported through the company's complaints channels.

It has its own regulations that govern its functioning and which were reviewed, updated and approved by the Auditing and Compliance Committee in June 2023. These regulations define the situations or irregularities that can be reported, the management procedure and the protective measures that protect informants, such as confidentiality and the prohibition of retaliation.

Code of Ethics Office

This office is responsible for interpreting and applying the Code of Ethics. It reports directly to the Appointments, Remuneration and Sustainability Committee and to the Executive Committee.

Its activity is governed by its own regulations that establish the rules of organisation and functioning, determining its competencies, composition, internal operation and governance model.

Internal Audit Department

This Department reports hierarchically to the Auditing and Compliance Committee. It is responsible for preparing, coordinating and executing the Annual Audit Plan. The results of the work carried out are submitted to the Auditing and Compliance Committee.

Mechanisms regulating business conduct and corporate culture

GRI: 2-24

The compliance model aims to promote and encourage ethical business conduct and culture in our relationships with stakeholders and has the duty to act diligently in the management of complaints, ensuring the due protection of complainants.

Code of Ethics

The Code of Ethics is the cornerstone of our governance model and includes all the principles and public commitments we make as a company, as well as a set of guidelines for action that organise and give meaning to our culture and values.

We have made many public commitments in different areas that involve everyone connected with our organisation.

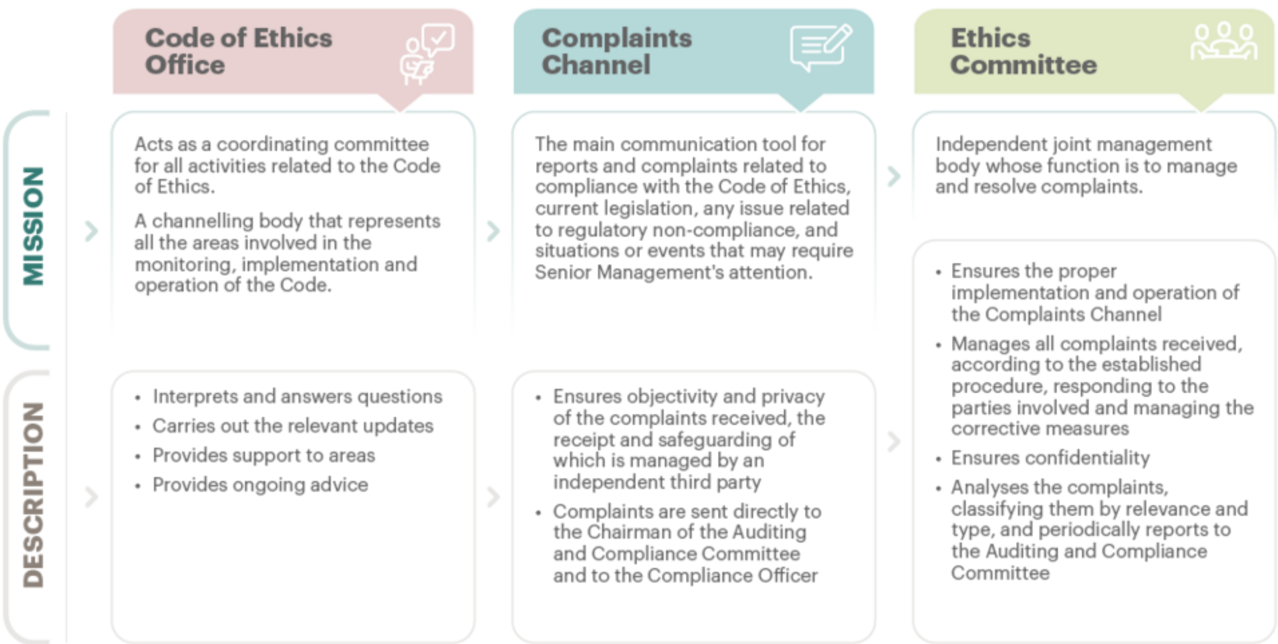
- To comply with applicable national and international legislation and regulatory obligations.
- To take decisive and rigorous action against corruption, fraud or bribery.

This code is a framework to guide the behaviour of people at Meliá and defines the basis that ensure consistency between the company's internal policies, rules, processes and procedures. It acts as a guide to orientate and ensure an ethical relationship with our stakeholders and the commitments we have made to them.

We demand responsible behaviour and ethical and honest conduct. For this reason, adherence to the Code of Ethics is necessary to ensure that all the people who work at Meliá are familiar with its content and integrate the principles, values and commitments of the company in their daily work. The Code of Ethics is available on the corporate website www.meliahotelsinternational.com and on the Employee Portal.

We are committed to act with integrity, ensuring a business model that complies with the law and promotes fairness and honesty. Similarly, we also expect all our stakeholders to apply the same high standards.

We have three control and monitoring mechanisms to guarantee the application of our Code of Ethics



All existing information on these three mechanisms is available through the Employee Portal to ensure maximum dissemination. In addition, the Complaints Channel may also be accessed through the corporate website.

The company's Code of Ethics was reviewed in 2024, and its update was approved by the Appointments, Remuneration and Sustainability Committee in December. As a new development, we have integrated some concepts from the European Directive on Due Diligence with regard to Human Rights and the Environment, as well as guidelines on the use of Artificial Intelligence, and we have defined the responsibilities of the Risk & Compliance Officer, whose mission is to continue reinforcing a culture of ethics and integrity in the company.

Code of Ethics for Suppliers

We are aware of the importance of our suppliers' actions in their value chain. Through the Code of Ethics for Suppliers, we extend our commitments and values so that they are shared and assumed throughout our entire supply chain.

This document is based on the general principles and commitments of the Meliá's Code of Ethics.

PRINCIPLES OF THE CODE OF ETHICS

In the process of registering and approving suppliers, we include a specific clause in the contract regarding the obligation to adhere to this Code of Ethics. If they have their own Code of Ethics, we ensure that it is complied with and that it is aligned with our principles and values.

Any supplier or stakeholder has access to a complaints channel where they can report any behaviour contrary to any of the company's Codes of Ethics.

During 2025, this document will be reviewed with the aim of bringing it into line with the new regulations on ethics, compliance and due diligence in the field of human rights and the environment, within a scope covering all stakeholders.

Diligence in the management of complaints

GRI: 2-25, 2-26, 3-3, 406-1, 411-1, 417-2, 417-3, 418-1

The objective of the complaints channels is to facilitate the reporting of any behaviour, action or event that may constitute a breach or violation of the Code of Ethics, the internal rules, laws and external regulations.

We have an internal complaints channel for employees and another one for external stakeholders. Both are governed through the Complaints Channel Policy and are an essential mechanism for the detection of alleged irregular conduct.

This Policy also defines the role of a person responsible for carrying out their duties objectively, independently and autonomously within the organisation. It also establishes guarantees for the protection of informants or complainants, expressly prohibiting retaliation, including retaliation threats or attempts, and allowing anonymous complaints. It also includes a commitment to periodically review the processes and systems associated with the complaints channel and adapt them when necessary.

01 The party concerned submits the complaint.

02 The Ethics Committee decides whether to accept or reject the complaint.

03 The Committee appoints an investigator and the investigation process begins.

04 The investigator submits a report and proposes courses of action.

05 The Ethics Committee analyses and, where appropriate, validates the proposed actions.

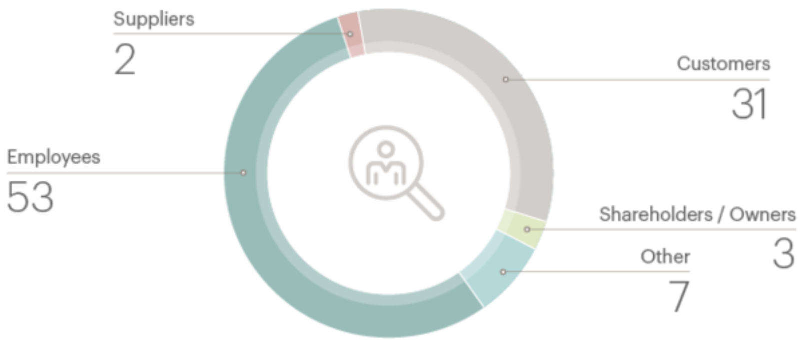
06 If necessary, the Committee informs the party concerned of the actions taken.

If the complaint is rejected

How?

- **On Meliá Home** (employee portal), in the "Code of Ethics" section, clicking on "Complaints Channel".
- **On Meliá's corporate website:** https://www.meliahotelsinternational.com/es/accionistas-e-inversores/gobierno-corporativo/canal-de-denuncias, clicking on "Complaints Channel".
- **Visiting this URL:** http://melia.xperta.es/incidencias/crear
- **By courier or regular mail:** Attn: Ethics Committee Meliá Hotels International, S.A. Gremio Toneleros, n.º 24 (Polígono de Son Castelló) 07009 · Palma de Mallorca

TOTAL COMPLAINTS RECEIVED (AGGREGATE SCOPE)



In 2024, a total of 96 complaints were received through the internal and external complaints channels. Of the total number of complaints admitted, 55% (53) relate to complaints from employees and the remaining 43 (45%) from third parties, the vast majority of whom are customers (aggregate information).

TYPE OF COMPLAINTS (AGGREGATE SCOPE)

Within these types of complaints, several subtypes are included, such as complaints relating to workplace harassment, sexual harassment, discrimination, conflict of interest, violation of human rights, etc.

In relation to workplace or sexual harassment and regarding discrimination, a total of 20 complaints received from hotels (aggregate information) have been investigated, and for cases relating to conflicts of interest, only one complaint has been received and investigated.

All complaints received during 2024 were analysed and reviewed by the Ethics Committee and, following the investigation process carried out, if any, the appropriate corrective measures have been taken through the following actions.

- Training sessions
- Improvements in processes or procedures
- Disciplinary measures

Likewise, the reports investigated have not had a significant impact on the company from an economic, criminal or reputational perspective.

Compliance model

GRI: 2-23, 2-24, 205-1, 205-2, 205-3, 415-1

We define the guiding principles of the Compliance Model in our Compliance Policy, which was updated and approved by the Board of Directors in 2021. In addition to defining our commitments, we provide a common framework for the control and management of compliance risks, especially those that may involve criminal behaviour.

Through this policy, we assume the following global commitments in terms of compliance:

- To comply with national and international legislation and regulatory obligations, as well as their internal regulations.
- To ensure that internal regulations and actions of our executives and managers are based on ethical criteria in line with the Company's principles and values as set out in our Code of Ethics.

The compliance management model is based on the UNE 19601 Standard: Criminal Compliance Management System and the principle of due control, with the aim of complying with the commitments established in the Compliance Policy.

Responsibility for compliance lies with all employees at Meliá, within their scope and level of activity. The management team assumes the role of being an example of the principles and values of the company, always acting in an ethical, honourable and responsible manner in its management.

Due to its high level of exposure, the company's management signs the Executive Behaviour Regulations every two years, which aims to establish the behavioural criteria that should govern its conduct in relation to issues such as conflicts of interest, the use of confidential and inside information, the use of resources, as well as the Family Relations Policy, the Personnel Policy and the Sanctions Policy.

Through this document, the management also states its commitment to comply with and enforce the company's Code of Ethics, as well as its internal policies and rules.

Crime Prevention Protocol

It is the main tool within the company's compliance model. It is a system made up of policies, regulations, procedures and controls. Its objective is to ensure that the risks of committing crimes to which the company is exposed in the course of its activities, are adequately identified, documented, assessed and controlled. All this accompanied by a constant review, updating and continuous improvement, with the aim of preventing and reducing the risks of committing crimes, especially those that entail the criminal liability of the legal person.

This protocol is made up of the following elements:

- The general control environment existing in the group.
- The Criminal Risk Map, which identifies and assesses the criminal offences to which the company is exposed, as well as the associated behaviours. Currently, Meliá has identified 25 risks of this type.
- The company's regulatory framework and the general measures and controls that help to prevent and detect the commission of crimes.
- The specific controls identified for each of the criminal risks identified. At 2024 year-end, there are a total of 378 controls that are updated and assessed annually by the internal audit department. Thus, in the latest review, eight controls were eliminated and nine were identified, increasing from 377 in 2023 to 378 in 2024.

We prepare a periodic report on criminal compliance that is sent to the Executive Committee, the Auditing and Compliance Committee and the Board of Directors, as well as to all affected managers.

In 2024, internal and external audits were carried out to verify the protocol's compliance with the UNE 19601:2017 standard on Criminal Compliance Management Systems.

The external audit, which was carried out by AENOR in May 2024, has allowed us to maintain the certification that confirms that our Criminal Compliance Management System complies with the requirements established by the UNE 19601:2017 standard, evidencing our commitment to best practices in ethics and compliance.

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In addition, our Internal Audit department, acting as a third line of defence, annually reviews the Crime Prevention Protocol with the aim of ensuring the correct and effective implementation of the controls linked to criminal offences. It also carries out reviews of the Internal Control over Financial Reporting System (ICFR) and Internal Control over Sustainability Reporting System (ICSR), as well as of the correct implementation in the business and corporate units of the provisions of our internal policies, rules and processes.

In 2024, a total of 165 (in 2023: 199 and in 2022: 203), audit reports with a global scope were prepared, covering the company's different regions, areas and businesses.

Stress Test - Crime Prevention Protocol

As part of our commitment to excellence in compliance, and with the aim of evaluating the effectiveness and strength of our crime prevention protocol, a stress test was carried out during 2024, a pioneering project in the field of regulatory compliance.

Under the supervision of an external compliance expert, certain factual situations were simulated in relation to specific crimes (money laundering, fraud, bribery and corruption in business), which allowed for the analysis and evaluation of the defence mechanisms implemented by the company.

The result of the test was very positive, determining that the company has an effective and robust compliance model. Furthermore, the results of the test have allowed for the improvement and adjustment of the protocol, further strengthening internal controls and improving the capacity to respond to potential risk situations as those simulated.

Fight against corruption and bribery

We have a firm commitment to fight any type of corruption, as provided for in our Anti-Corruption Policy, updated and approved by the Board of Directors in 2021.

The purpose of this Policy is to establish the principles that govern our actions as a company with the aim of preventing, detecting, reporting and remedying any action that could be classified as corruption or bribery, both active and passive, always under the principle of 'zero tolerance'.

Under this rule we undertake:

- To comply with all legislation and regulatory obligations, both domestic and international.
- To establish mechanisms for the monitoring and control of our principles, values and commitments, guaranteeing the disapproval of irregular behaviour at all times. In particular, action will be taken against any corruption, fraud or bribery practices.
- To reject gifts and courtesies from third parties and not to accept any type of economic consideration, gift or invitation from our suppliers that, due to their value, may exceed the symbolic or mere courtesy.

Business corruption is one of the crimes included in our Crime Prevention Protocol. With the aim of mitigating this criminal risk, **123 specific controls** have been identified and assessed, and three new controls have been incorporated into the 2023 assessment exercise.

On the other hand, internal regulations related to this matter are available:

- The Philanthropy Policy, which expressly prohibits contributions to political parties and their foundations, whether financial or in kind, to trade union organisations, individuals or initiatives promoted in a private capacity.
- The Management and Internal Control Rule, accessible to all employees through the Employee Portal, which establishes guidelines to prevent corruption and fraud in processes such as:
- Receipt, validation and accounting of invoices
- Payments to third parties
- Cash flow and cash management

- Bank reconciliation
- Opening and managing bank accounts

In compliance with this obligation, in 2024, no contributions to political parties or their foundations on behalf of the Group have been made.

Furthermore, as a standard practice, in contracts with third parties, the company requires the inclusion of specific anti-corruption clauses, in order to ensure commitment and alignment with Meliá's principles and values in this area.

During 2024, no case of corruption has been received through the Complaints Channel or any other channel. Likewise, according to the results and reports of the internal audits conducted, no practices have been detected that could expose us to a risk of corruption, therefore, no corrective measures in this area have been necessary.

Prevention of money laundering

In order to prevent this crime, we have formalised the modus operandi in our Money Laundering Manual, which establishes the due diligence measures that must be applied in establishments that carry out currency exchange activities. This internal rule is published on the Employee Portal.

We have an internal control body that is responsible for applying the internal control procedures designed to prevent money laundering in currency exchange activities, and it has ultimate responsibility for the implementation of these internal controls.

Money laundering is also included in our Crime Prevention Protocol. In this respect, in 2024 the company has identified a total of 73 controls compared to the 70 that were part of the previous year's model.

During the current year, no reports regarding money laundering have been received through the complaints channel or any other channel. Likewise, according to the results and reports of the internal audits conducted, no practices have been detected that could expose the company to a risk of money laundering, therefore, no corrective measures in this area have been necessary.

Promotion and encouragement of ethical business conduct and culture

GRI: 205-2

At Meliá, we believe that in order to continuously ensure ethical business conduct, integrity, and compliance, it is necessary that all teams have knowledge on this matter, with the aim of fostering a culture of compliance among our employees and all stakeholders.

The teams located in corporate offices, as well as senior management and heads of business units have an online training course available on our eMeliá platform, which is required as part of the mandatory training programme every two years. This training is also supported by videos and infographics to facilitate understanding. The training activity consists of three modules that refer to:

- Code of Ethics and Complaints Channel: Specific training on the Code, its contents and objectives, as well as the functioning of the Complaints Channel.
- Compliance: Module with a specific focus on the compliance function and culture at Meliá, as well as the role and responsibilities of the company's Compliance Officer.

- Crime Identification and Prevention: Training module that deals with some of the main criminal offences to which the Company is exposed, including corruption and money laundering. It also covers the behaviours or situations that can lead to their commission, and the formalised mechanisms for their prevention.

We offer this course worldwide, reaching more than 13,600 collaborators, including executives and employees. This total includes the members of the teams considered to be especially exposed to criminal risks, including corporate profiles (Executive Committee, senior management and executives) and business units (management and deputy management). The number of personnel at special risk (executives and middle management) in 2024 rose to 1,040, of whom 83% completed the compulsory course.

TRAINING IN ETHICAL BUSINESS CONDUCT AND CULTURE

COVERAGE OF TRAINING	EXECUTIVES	MIDDLE MANAGEMENT	CORE STAFF
TRAINED EMPLOYEES	72%	86%	64%

Likewise, other dissemination and training actions have been carried out in the area of compliance worldwide, mainly through email communications with the dual objective of promoting knowledge of internal regulations and encouraging training.

Within the employee portal, Meliá Home, there is a section called In Good Company, where a specific podcast can be found which explains in detail the key features and elements of the crime prevention protocol, as well as how the complaints channel works.

Risk management

Governance of risk management

GRI: 2-12, 2.-13, 2-23, 2-24, 2-25

Our Risk Control and Management Model is based on three pillars:

1. A Risk Control and Management Policy and an internal standard outlining the general framework for action, along with the basic principles and criteria followed by the company's Risk Management System to align with the strategy.

2. **A governance structure** with specific duties and responsibilities:

- **Board of Directors**

  In Article 5 of its Regulations, the Board of Directors is assigned responsibilities related to the policies and strategies of the Parent Company and the Group, including the Risk Control and Management Policy, which also covers tax-related risks, and the oversight of internal control and reporting systems.

- **Auditing and Compliance Committee**

  According to Article 14 of the Board Regulation, it is in charge of overseeing the efficacy of the internal risk control and management system of the Parent Company, as well as overseeing its Internal Audit and Risks & Compliance areas.

- **Executive Committee (SET)**

  Its duties include promoting the integration of risk management into the company's critical processes, ensuring adequate ownership of the main risks, and monitoring the Group's risk map.

3. A system based on the segregation and independence of duties under the Three Lines of Defence Model, with the Board of Directors holding ultimate responsibility, to ensure comprehensive, cross-cutting management throughout the company.

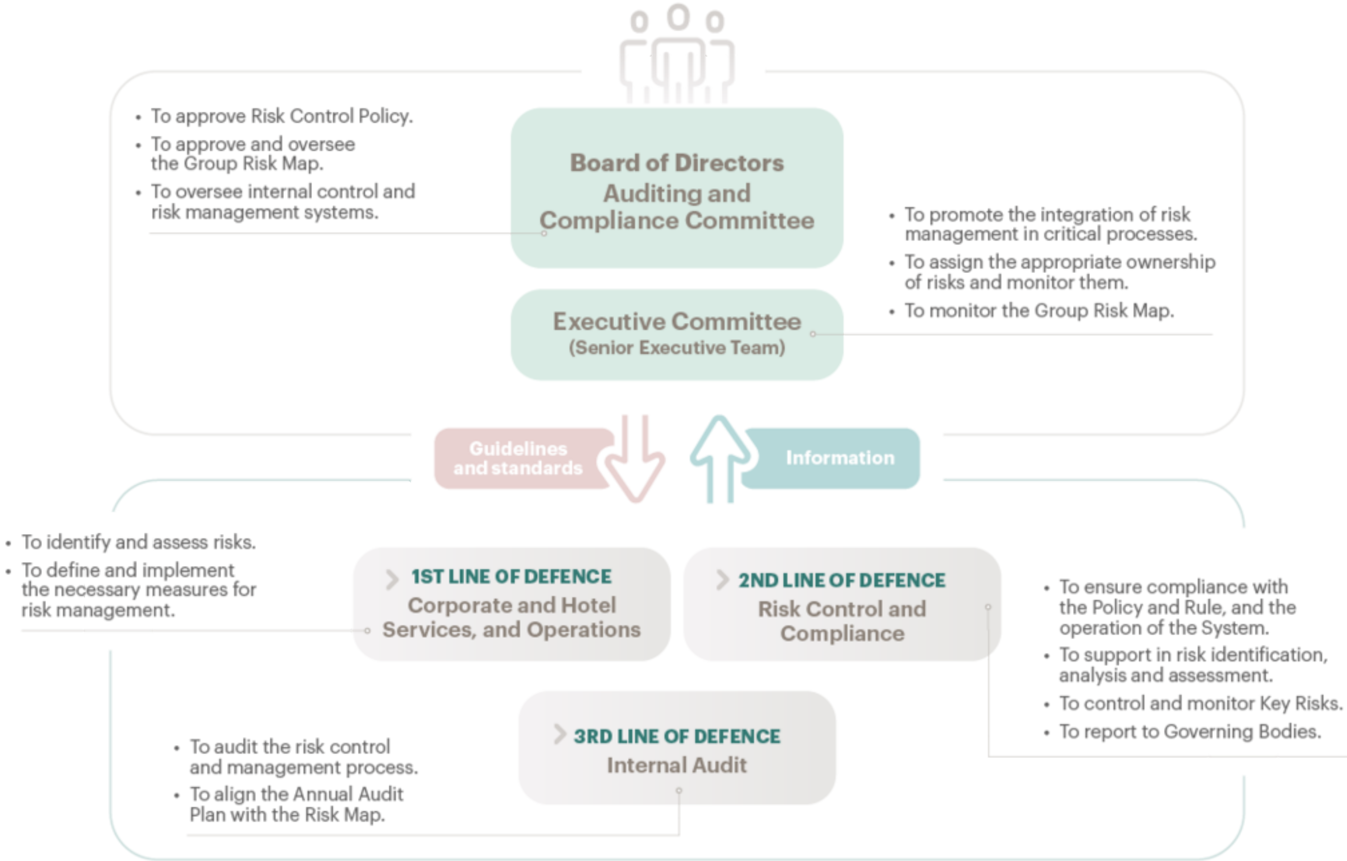
- **First line:** Consisting of the business and organisational units, in charge of identifying, evaluating and managing risks. As a direct consequence, they define and implement the necessary mitigation measures.
- **Second line:** Risk Control and Compliance Department, whose duties include:

  i. To ensure compliance with the Risk Control Policy and standard, ensuring the implementation and proper operation of the Risk Management System.
  ii. To provide support in identifying, analysing and assessing risks.
  iii. To control and monitor key risks.
  iv. To report to governing bodies.

- **Third line:** Internal Audit Department, whose duties include to ensure the proper operation of the Risk Management System by overseeing the first and second lines of defence.

The second and third lines of defence report directly to the Auditing and Compliance Committee, which is in charge of approving the budget for both areas, thus ensuring maximum independence in risk management.

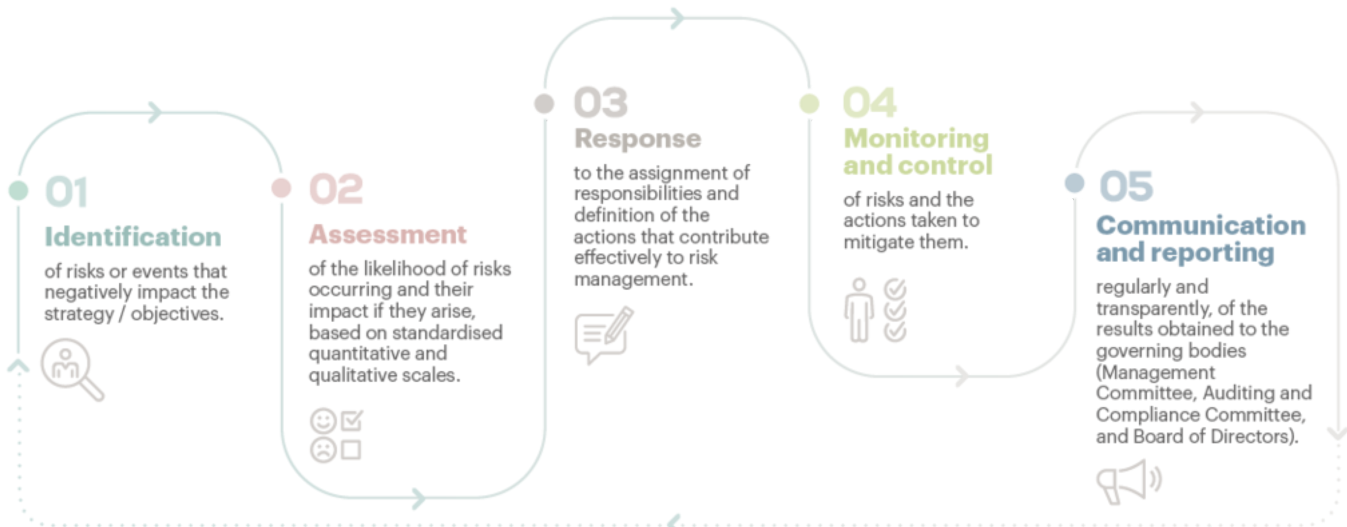
GOVERNANCE OF RISK MANAGEMENT



Risk management model

Our Risk Management Model is based on the COSO methodology (Committee of Sponsoring Organisations of the Treadway Commission). It is a cross-functional model that involves all areas and departments under Corporate Services, Hotel Services and Operations. By applying consistent criteria, it identifies and assesses the main risks that may have an impact on our strategy and goals.

STAGES OF THE RISK MANAGEMENT MODEL



The company has identified a total of **78 risks** grouped into six categories:

35
Operational risks
related to failures that may arise from internal processes and operations.

14
Business risks
arising from the performance of variables intrinsic to the business, such as strategy, competition, market, etc.

8
Compliance risks
resulting from both internal and external regulatory changes, as well as the potential non-compliance with them.

7
Financial risks
impacting financial variables in the business: liquidity, credit, debt, interest rates, etc.

9
Global risks
arising from events beyond our control and for which our management capacity is more limited (natural disasters, geopolitical risks, etc.).

5
Information risks
related to events caused by the improper use, generation and communication of information.

We review and update our risk catalogue on an annual basis. To do this, we analyse external sources (expert reports and publications) and also incorporate feedback from key areas within our organisation.

Risk map

GRI: 3-1, 3-2, 3-3

Executives in charge of 63 different areas within the company participated in the process of updating our risk map in 2024, after receiving specialised training on the subject.

The scale used to assess the impact of risks includes different perspectives, not only financial (income, expenses, EBITDA), but also operational (impact on strategy, reputation, processes and human resources). This stage is completed with a sensitivity and risk profiling analysis.

Moreover, in 2024 we worked on an additional **81 risk maps**, including individual maps provided by each participant and maps from the different areas (Corporate Services, Hotel Services and Operations).

Individual maps enable each area to understand their own risks and define initiatives to mitigate and reduce exposure.

To ensure efficient management of the company's risks, the Risk Map is used as a key input, both for defining the strategy and for setting variable compensation objectives. In fact, the Compensation & Benefits Department provides objective-setting guidelines on an annual basis, one of which is to establish objectives that mitigate the most relevant manageable risks for each area.

Main Risks

Proximity to the centre shows the degree of criticality (the closer, the greater the criticality).

The identification of these risks does not entail their materialisation during the reported year. However, the Group works to put the necessary mechanisms in place to manage and control such risks. The Annual Corporate Governance Report (Section E) provides a more detailed description of the Risk Management Model.

CATEGORY	RISKS	ESG	POTENTIAL IMPLICATIONS	TREND
Global	**Geopolitical risks**	☑	• Terrorism • Political crises or insecurity in countries where we operate • Wars and civil or military uprisings	↑
	Economic uncertainty		• National or international economic crises or uncertainty	→
	Commodity prices	☑	• Price increases or shortages of natural resources and raw materials, which could change the market or even disrupt our operations	↓
	Natural catastrophes or disasters	☑	• Hurricanes, earthquakes, and volcanoes	→
	Pandemics, health crises	☑	• Inability to adapt or respond to minimise the impact of this type of crises at a local or global level, which could even lead to disruptions or full halts of our operations	↓
Business	**Portfolio distribution**			↓
	Competition		• Emergence of disruptive dynamics or operators in the market • Increased competition. Commitment and positioning of the major global hotel groups in the leisure/resort segment • Lack or loss of leadership or competitiveness in certain areas	→
Operational / Information	**Development and growth**	☑	• Lack of growth • Delays in planned openings • Resource requirements and ability to adapt to the pace of business • Right choice of areas, countries and partners	↑
	Emerging technological risks	☑	• Malware and ransomware attacks • Leakage, hijacking or theft of sensitive information, customer data, payment cards, intellectual property, etc. • Cyberattacks, social engineering attacks (e.g. phishing, CEO fraud, etc.), denial of service attacks. Spoofing • Cyber or industrial espionage • Risks arising from artificial intelligence • Etc.	→
	Talent and human resources	☑	• Talent drain or loss • Talent and people management • Succession programmes	↓
	Management model	☑	• Management Model competitiveness • Hotel management culture • New revenue generation • Profitability	↑
	Contract risk	☑		→
Financial	**Financial risks**	☑	• Debt • Investment • Exchange rate	↓

MANAGEMENT AND CONTROL MEASURES

STRATEGIC ROADMAP

During 2024, the strategic pillars and programmes continued to be fully aligned and focused on mitigating the main risks identified. The Roadmap was structured around 4 main strategic pillars or programmes that are developed in several projects made up of multiple initiatives.

CORPORATE STRENGTHENING

Financial and corporate strategy focused on optimising the balance sheet and maximising competitiveness in an ever-changing environment.

MANAGEMENT MODEL

- Quality Growth.- Selective and quality growth that allows us to showcase our management model and consolidate our position as a benchmark in leisure and bleisure hospitality.
- Total Revenue.- To boost additional revenue generation through the sale of experiences with the support of our distribution channel and our loyalty programme.
- F&B Performance Growth.- To turn our F&B division into a Business Partner with its contribution to total revenue and improvement of margins, making it a driver for our expansion.

MANAGEMENT EFFICIENCY

- Digital Efficiency.- To focus on maximising efficiency through current and future digitisation projects with the aim of improving productivity through the combination of people, processes, and technology.
- Smart Operating Model.- To ensure that the new operating model helps us to be more flexible, to make more agile decisions, and to improve the profitability of our operations.
- Advanced Analytics.- To continue developing the group's analytics, providing the Company with a comprehensive and accessible reporting system focused on streamlining and improving decision-making, prioritising non-financial information.

RESPONSIBLE BUSINESS

- Solid Governance.- An agile and flexible governance model as an essential part of the Company's transformation and adaptation.
- Leading the Sustainable Transition.- To make progress in the decarbonisation of our business, activating levers that allow our value chain to evolve towards a more efficient, responsible and sustainable tourism model.
- ESG Business Management.- To consolidate the ESG model across our owned and leased hotels and to offer an attractive and profitable value proposition to owners and partners.
- Stakeholder Impact.- To strengthen a transparent and measurable relationship model, based on our values, that provides tangible and intangible value to our stakeholders through continuous improvement.

These priorities are associated with:

- A CULTURAL TRANSFORMATION PLAN:
  An organisational and cultural transformation process to achieve an agile organisation that integrates digitalisation, increasing our competitiveness in a disruptive and ever-changing environment.
- COMMITMENT TO INNOVATION:
  Through joint formulas where we can explore formulas from other sectors applicable to the hotel industry. To promote and foster a space for innovation where inside business knowledge meets outside experience.

As can be seen on the table above, the company identifies and classifies risks under ESG criteria, also known as non-financial risks or sustainability risks.

Evolution of the average value of risks

The results of the risk map update are analysed by the Executive Committee, the Auditing and Compliance Committee, and the Board of Directors.

On a regular basis, the Risk Control and Compliance Department, together with the managers of the areas involved, reports to the Auditing and Compliance Committee about the main risks identified through a deep dive analysis report.

In 2024, several reports were submitted in relation to the main business and operational risks, structured as follows:

- An analysis of the risk's context and evolution.
- A list of indicators for managing, monitoring and measuring the risk's evolution.
- Any action plans implemented or planned for mitigation, always integrated into the company's strategic plans.

In turn, financial risks are managed by the Auditing and Compliance Committee, which includes them on the agenda for each session. When it comes to technological risks, the head of the Information Technology area reports to the Board of Directors on an annual basis, providing an update on the current situation and any developments, with a special focus on cybersecurity.

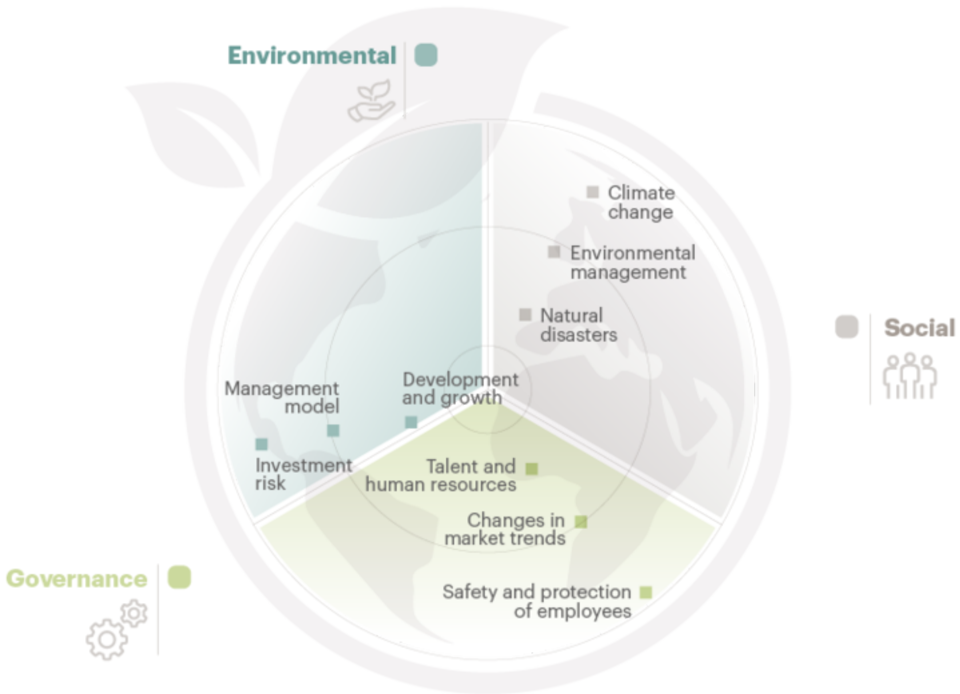
The Board of Directors and the Auditing and Compliance Committee are kept informed at all times to adequately monitor and control the main risks.

Additionally, all Board members receive training on a regular basis with the aim of ensuring that they are sufficiently acquainted with certain issues, including the management of specific risks.

ESG risks

Sustainability-related risks are included in the company's Risk Map. Their management, monitoring and control is assigned to the Group's Sustainability Committee. 37 out of the 78 risks identified at global level are associated with ESG factors (i.e. 47%).

Below are the main ESG risks by dimension.



Being integrated within the company's Risk Management Model, the Sustainability Risk Map follows the same stages and action guidelines established by the Risk Management area, including response to risks, risks monitoring and control, and adopted measures.

On the other hand, the climate change chapter includes an analysis of climate-related risks, assessing the global integration hotel portfolio for geolocation, likelihood of risk materialisation, and a semi-quantitative impact indicator for each of the climate-related risks analysed.

As a result of this first analysis, facilities have been classified by risk level, with a view to defining future risk mitigation measures.

Emerging risks

In a globalised, changing and turbulent world, the uncertainties shaping the course of events are evident. We navigate a landscape of dynamic risk, which is evolving ever faster and often materialises in unexpected ways. The Global Risk Report 2025 published by the World Economic Forum underlines the interconnected nature of modern challenges, from environmental degradation to political instability or social fragmentation, in a context of accelerated technological change and economic uncertainty.

Our world today is less predictable, more impulsive, and more chaotic. In addition to wars and armed conflicts, we will be exposed to influences, risks and all types of threats that will lead to a greater number of disputes, increased social polarisation, less consensus and more unilateral decisions than we have seen in previous decades.

The growing geopolitical, environmental, social or technological challenges may pose a threat to stability and progress, according to the World Economic Forum, and while economic risks currently appear to be less urgent, they remain a concern due to their interconnection with social and geopolitical tensions.

Issues such as climate change, cyberattacks or major technological changes will take on greater significance in our day-to-day lives, and their potential impact on the business world could be significant, depending on the nature of each risk.

In the face of greater complexity, uncertainty and fragmentation, knowledge about those global risks is a valuable tool for all companies, including Meliá Hotels International.

This growing pessimism about the short-term outlook, anticipating some level of instability and, in the medium term, a context of turbulence over the next decade, highlights the deep uncertainties shaping the course of events, but at the same time underscores a much stronger level of preparation and capacity to respond.

Collaboration to strengthen resilience

Against this backdrop, the need for collaboration will be increasingly important and pressing in order to strengthen the resilience of businesses. It will be essential to promote a public-private collaboration model that provides for actual and effective support for the challenges we face.

Such collaboration between public and private entities can help establish efficient incentives and support for transition efforts so as to meet the future demands of society.

The business world is investing in resilience strategies, not only to withstand disruptions, but also to capitalise on emerging opportunities.

Meliá is focused on maintaining its future relevance by actively preparing for a world that requires fast, agile, and flexible changes to adapt to market and customer demands, technological shifts, regulatory changes, and operational challenges, while inspiring our teams in the face of the signs of change and the need for new capabilities.

Climate change: a more tangible reality

Environmental issues are in the spotlight because of their potential impact on our future. 2024 was recognised as the warmest year in history, driven by severe weather phenomena such as the one recently experienced in Valencia (Spain), which explains why climate-related risks continue to spark global concern. However, some countries and governments are calling for a reduction in climate requirements due to the loss of business competitiveness, while others are disengaging from their commitments in the fight against climate change.

The company continues to work on the reduction of its environmental footprint and the preservation of those destinations where biodiversity is a distinguishing mark and essential part of the customer experience. Additionally, this year we have conducted an in-depth analysis of the climate-related risks affecting our owned and leased portfolio to better understand our exposure, broken down by hotel asset, and to devise a short-term adaptation plan, while also considering climate-related risks as a driver of our growth and expansion strategy.

Navigating geopolitical realities

The rise of armed conflicts is now considered one of the most immediate global risks, dominating short-term outlooks. This relevance highlights the volatility of the geopolitical environment in recent years, with increased tensions and ongoing conflicts, such as those in Ukraine or the Middle East, fuelling global unrest.

Geopolitical tensions in different parts of the world create an ever-changing dynamic that may evolve rapidly and is likely to continue generating instability, with an impact not only in directly affected countries, but also in the rest of the world.

Rivalry among the main powers has disrupted established supply chains, introducing unpredictability and economic pressures. Now, businesses are often forced to adapt to significant costs, and tourism companies are no exception. They face exposure to risks related to the international transfer of supplies, currency exchange fluctuations, and the movement and safety of employees and customers. Therefore, it is advisable to analyse how these factors interconnect, in order to develop a risk management plan that can mitigate potential damage.

This interconnection between countries and destinations at global level, or particular events or changes within a country, may have a significant domino effect on travel patterns, not only in that particular country but also around the world. This is why it is so important to analyse contingencies on a quantitative and qualitative basis, to subsequently study potential solutions as well as opportunities for long-term advantages.

The potential impacts of this type of risks may affect a variety of aspects, including declines in travel, which would directly impact tourist flows and, consequently, the income of tourism companies, changes in customer habits, increases in raw material prices, and other significant socioeconomic effects.

Technological risks

The incorporation of Artificial Intelligence entails great expectations as well as dangers. Although not yet a significant concern in the short term, its relevance is expected to grow considerably over the next decade.

Resilient organisations must be ready to face the risks and opportunities arising from AI by assessing their digital and cybersecurity footprint, establishing controls and best practices, and submitting their growth strategies to stress tests.

In business reality, while some jobs could be lost, there will be opportunities for new positions and profiles, along with the capacity to improve processes, enhance the productivity of teams, and develop new skills and abilities, supported by a training model.

The company works to integrate AI into its management model and equip its teams with the necessary tools and skills to embrace new technologies. In our industry, AI will allow us to automate the most routine and low added-value tasks, dedicating human resources to enriching the experience and delivering greater value to customers, owners and partners.

Social risks

Fragmentation and polarisation shape social risks. Political divisions and protectionist policies have intensified social fragmentation around the world. Disinformation and social polarisation have a prominent place among current risks, and the impact of fake news grows more severe each year.

The tourism industry is no stranger to this reality, with increasing protests against the overcrowding of certain destinations, the rising cost of living, or the housing shortage, often due to causes unrelated to the industry.

On a different note, the industry also faces the challenge of attracting new professionals by offering an appealing value proposition that connects them to tourism and can align their expectations with the required skills.

In this context, the company sees talent management as a strategic, holistic, and systemic factor requiring innovative strategies and a robust, attractive value proposition where it is possible to develop a professional career and enjoy employment stability with a long-term vision.

Additionally, the company works to enhance the industry's reputation and generate a positive social impact in the destinations where it operates, identifying opportunities to build relationships and partnerships with key local stakeholders while promoting public-private collaboration and engagement with the local business and social fabric.

Paradisus Cancún, Mexico

Human rights due diligence

The cross-cutting management of intangibles continues to gain relevance, driven by new regulatory environments, such as the European Corporate Sustainability Due Diligence Directive (CSDDD or CS3D), aimed at promoting appropriate measures to prevent or mitigate any adverse impacts detected in the areas of sustainability and the environment, as well as by the growing interest of investors, customers and consumers in the transparency and accuracy of non-financial information.

The European Commission launched this new piece of legislation to expand responsibilities both within and beyond European jurisdiction. The Directive elevates stewardship in sustainability matters to encompass supply chains, with the goal of identifying, preventing, mitigating, and reporting any negative impacts on human rights and the environment across the company's operations, subsidiaries, and value chains, thereby ensuring a sound governance model in this area.

Our double materiality matrix, included in this document, reflects the relevance and significance of this area, in relation to the working conditions of our employees, as well as the protection of data privacy of our main stakeholders: customers, employees and value chain.

A responsibility model

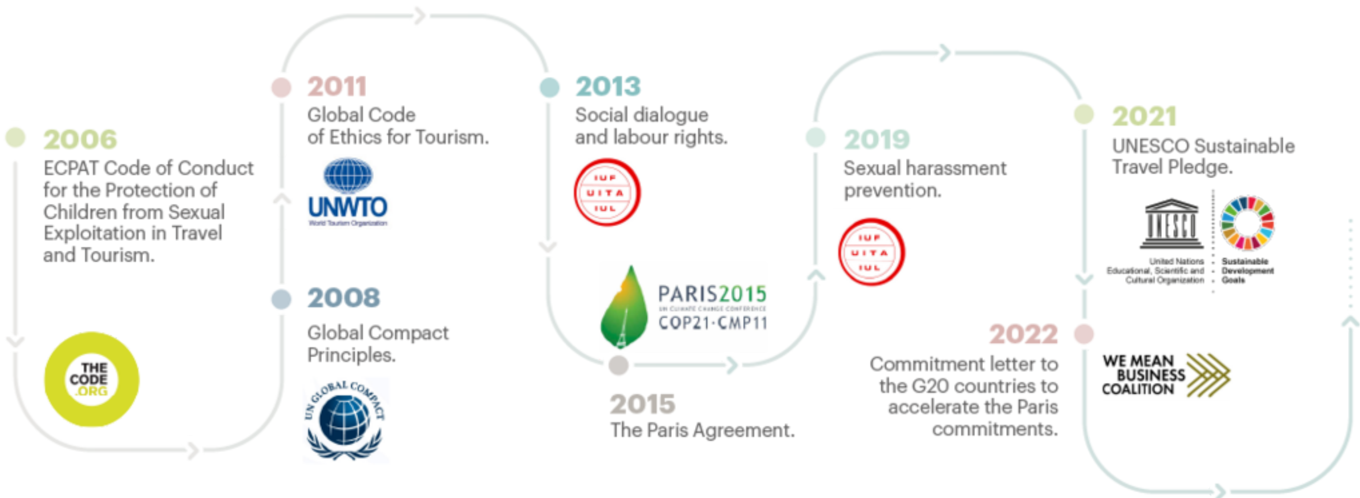
GRI: 2-23

Given the company's growth model and our access to new markets and countries, Meliá has promoted and consolidated a responsible and sustainable hotel management model, while also raising awareness among its stakeholders about the importance of this endeavour.

The company ensures legal compliance and the application of international regulations in this field under the principles, guidelines and commitments made in relation to the protection of human rights.

In 2009, we adhered to the Principles of the United Nations Global Compact, and we have integrated various international frameworks into our management model, including the following:

- International Bill of Human Rights.
- International Covenant on Economic, Social and Cultural Rights.
- Fundamental Principles of the ILO.
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, in addition to specific conventions of the tourism industry.
- Principles of the Global Compact.
- UN Guiding Principles on Human Rights.
- European Directives that apply in this area.



The Universal Declaration of Human Rights, drafted by representatives from around the world with different legal and cultural backgrounds, was the first universal recognition of the basic rights and fundamental freedoms inherent to all human beings as inalienable and applicable in equal measure to all people, regardless of nationality, place of residence, gender, national or ethnic origin, skin colour, religion, language or any other characteristic.

This key principle binds the business world to respect human rights in its activities and operations, avoiding negative impacts or violations and, at the same time, promoting actions that contribute to the targets set in the Sustainable Development Goals (SDGs).

Governance model and management & control system

GRI: 2-23, 2-24, 2-25, 3-3, 407-1,408-1, 409-1

Our Human Rights Policy, approved by the Board of Directors in 2018, reflects our commitment, incorporated into our Code of Ethics, to protecting, respecting and addressing any impact of our business activity on human rights. It also includes an obligation to safeguard and apply due diligence criteria within our management model and operations, outlining the principles that must guide our conduct in this area.

- To defend the dignity and equality of people and ensure a stable and safe work environment.
- To prevent forced labour, any form of slavery, and child labour.
- To facilitate freedom of association and collective bargaining.
- To offer fair and decent working and remuneration conditions.
- Commitments to the environment and settings in which people live.
- Commitments to society and stakeholder groups.
- To ensure promotion, dissemination, visibility and public support.
- Zero tolerance with corruption.

Responsibility for human rights management and compliance lies with the Board of Directors under the guiding principles outlined in our policy.

The company has different tools, channels and control systems in place, available to external stakeholders and employees, to respond forcefully to any violation of human rights and minimise any impacts that may occur in any country where the company is present and operates, irrespective of the nature of such breach: general or related to labour or corruption.

Governance

The various governing bodies assume the functions and responsibilities associated with this area.

- Board of Directors
- Appointments, Remuneration and Sustainability Committee
- Auditing and Compliance Committee
- Executive Committee (SET)
- Sustainability Committee
- Ethics Committee

Auditing and Compliance Committee

Regulatory body that strengthens the general framework defined in our Human Rights Policy.

- Code of Ethics
- Code of Ethics for Suppliers
- Corporate policies
- Equality Plan
- Dhaka Principles

Management tools

Focused on the integration, protection and resolution of incidents in this area.

- Code of Ethics Office
- Complaints Channel
- Crime Prevention Model
- Global Risk Map & ESG
- Supply Chain Due Diligence
- Control Self-Assessment (CSA) Human Rights
- Internal Audits
- Crime Prevention Protocol
- Collective Bargaining Agreements
- Works Councils
- Occupational Health & Safety Committee
- Works Council

Respect for human rights

This manifesto encompasses the entire operational perimeter of the company, extending not only to subsidiaries and group entities, but also to all geographical areas where Meliá is present and operates under management and franchise models. Its mission is to promote the adoption of these principles and engage all key players in the value chain.

In order to safeguard internationally recognised fundamental human rights and minimise any form of violation, abuse or non-compliance with the principles outlined in our policy, we must strengthen our management system as applied to all contracts signed with the different stakeholder groups with whom we maintain relationships: employees, suppliers, contractors, subcontractors, owners, collaborators, partners, and others.

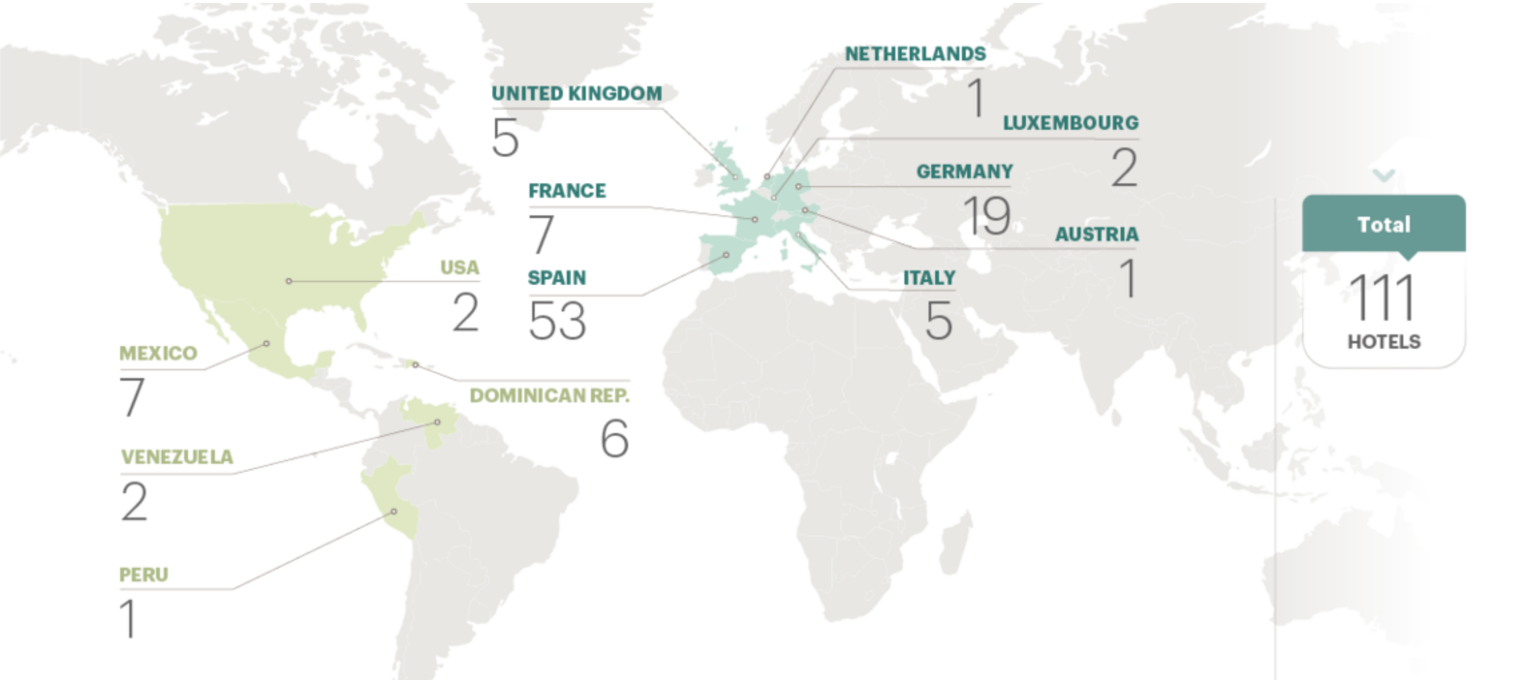
In addition to this, all our people without exception perform their duties in an environment free of exploitation and with maximum guarantees: compliance with minimum working age, fair treatment in hiring processes, access to training, development opportunities, equal pay and non-discrimination, work-life balance, respect for labour rights and holidays, safe working environments, and access to different types of social benefits, among others.

The new European framework pursues the integration of due diligence into all policies and the risk management system, requiring a risk-based due diligence policy.

Control process

Meliá's first human rights assessment was conducted in 2019 and subsequently reviewed and updated in 2022, focused on evaluating the maturity of the management model with respect to this subject and identifying any risks of non-compliance, with the aim of promoting an internal audit procedure.

This self-diagnosis audit gathered responses from 111 hotels in 13 countries to assess the degree of alignment, compliance and protection in terms of human, labour and environmental rights, based on the Principles of the Global Compact—which we joined in 2008—and in line with the Sustainable Development Goals (SDGs).



Following an analysis based on these principles, our level of risk is low, with an appropriate degree of protection and compliance, largely due to the sound governance model and leveraged on corporate policies, the Code of Ethics and our management system.

Due to its relevance for the company, it was agreed to expand this control process to the entire operational portfolio of managed hotels (63% of the portfolio), located in 16 countries, with the aim of consolidating a due diligence management and control model across our value chain.

This year, we initiated this task, which is expected to be completed in 2025, by reviewing the designed model (Control Self-Assessment) in order to identify the new criteria and standards to be adopted, stemming from the new European Directive on the subject, among others.

Also, during 2024, we designed an ESG risk management model for our supply chain and launched a pilot assessment involving 70 suppliers located in Spain and Mexico. This assessment integrates variables that reinforce our commitment to human rights due diligence: compliance, corruption, bribery or fraud—applying international standards—due diligence systems on human rights, labour conditions, or other labour rights.

Complaint and grievance mechanisms

We have communication channels in place for our stakeholders, where anyone aware of a violation or non-compliance with the Human Rights Policy can report it through the complaints channel, which has a dedicated category for human and labour rights and is confidential. 38 out of the 96 complaints received through our complaints channels were related to different aspects of human rights, including 19 potentially severe cases. None of the complaints received were related to violations of the rights of peoples.

2025 commitment

Our commitment for next year is to update our control and evaluation system, consolidating a continuous audit model under a vision of compliance with social safeguards and applying the internal control standards developed by COSO and the Three lines of defence model. Our ambition is to promote a culture of respect for human rights and raise awareness about the importance of watching over the fulfilment of international principles related to human rights.

In an increasingly complex and interconnected world, we have an obligation to consolidate and solidify our management system and uphold respect for human rights in all their dimensions, with special attention to vulnerable groups.

Cybersecurity and Data Protection

Security information

At Meliá we are firmly committed to avoid information security-related risks. In a context of constant digital transformation in which information is an asset, in our Code of Ethics we assume responsibility to protect the personal data provided by our stakeholders to ensure its integrity, availability, security and confidentiality.

For this reason, we have developed a global internal regulatory framework that applies to all business areas, which consists of the Information Security Policy, approved in 2023, and the Privacy Policy, approved in 2018, both ratified by the Board of Directors.

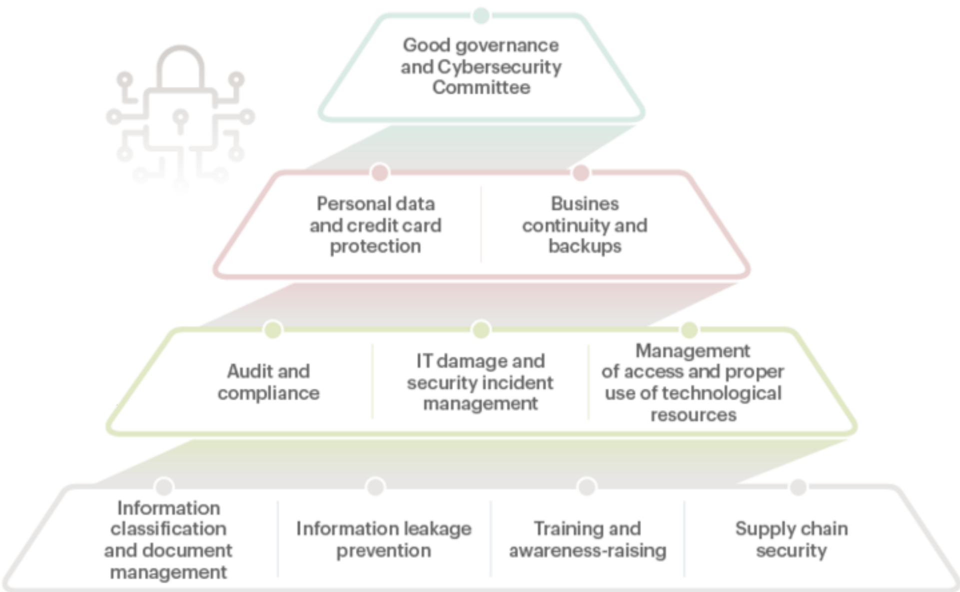
The Information Security Policy is based on the international ISO27001 standard and on the basis and recommendations of the Good Governance Code on Cybersecurity of the CNMV. Its purpose is to establish security management objectives and critical areas, ensuring compliance with the necessary level of protection and with Meliá's principles in all business areas.

In fact, one of its guiding principles is the personal data protection. For the purposes of managing and guaranteeing this protection, we ensure the privacy of the information by establishing technical and organisational measures from the first phase, which involve the processing of personal data and throughout their life cycle.

This policy applies to the Company and its Group and is binding on all the staff and collaborating entities, regardless of their position and role. It also applies to any other natural or legal persons, such as suppliers, customers and other stakeholders or third parties that need to process the information or use our information systems.

We take responsibility for ensuring that everyone in the organisation is aware of and trained in the content of this policy, which is also made available to stakeholders on the corporate website.

GUIDING PRINCIPLES THAT DEFINE THE INFORMATION SECURITY POLICY



Our internal formal framework is completed with cybersecurity rules and all the internal procedures and guidelines comprising it.

We have implemented a robust governance model in this field, led by the Board of Directors as the highest body responsible for the monitoring and proper implementation of our cybersecurity strategy. This includes carrying out periodic assessments and taking appropriate measures to remedy any deficiencies or promote the identified improvements.

The Board entrusts the Auditing and Compliance Committee with the monitoring of and compliance with the principles and commitments assumed, as well as the effectiveness of the internal control and risk management systems. To this end, there is a **Cybersecurity Committee**, a body that adopts any decision on cybersecurity and information security that may substantially affect Meliá's activity, and reports to senior management and the Board of Directors on this matter at least once a year.

Likewise, the Board of Directors is supported by expert advisors, such as the Independent Director Carina Szpilka Lázaro, who has extensive professional knowledge in the field of technology.

In recent years we have added new profiles and teams to minimise any negative impact in this area. This is the case of the Head of Security, who is responsible for coordinating, helping and verifying the implementation of and compliance with the rules, processes and procedures regarding cybersecurity of information systems, both by internal staff and by those involved in our value chain (customers, suppliers, subcontractors and others).

Cybersecurity Committee

- Makes decisions on cybersecurity, monitors compliance with established commitments and principles, and reports to Senior Management.

Frequency: **monthly**

SET

- Makes decisions on cybersecurity that may materially affect the Company's activity.

Frequency: **quarterly**

Board

- Annual report on the situation of cybersecurity and key parameters in this area.

Frequency: **yearly**

Privacy and data protection

We have a Privacy Policy in place which complements the Information Security Policy, which includes the guidelines for the generation, obtaining, processing, storage and/or deletion of information. Its aim is to strengthen the digital confidence of our stakeholders, especially regarding our staff, customers and suppliers.

All management and control measures are intended to guarantee maximum security for the purpose of minimising any risk associated with the dissemination or loss of data of own personnel, the loss of data of workers in the value chain or the loss of customer data, as the main stakeholders.

Furthermore, this rule defines the roles and responsibilities of those who have access to the processing of personal data, the principles to be applied for the processing and the minimum measures appropriate to comply with the policy.

On the other hand, it sets the guidelines to be followed to ensure the proper management of the rights of data subjects, the notification and management procedures in the event of potential contingencies, as well as the monitoring and control mechanisms necessary to ensure the effective implementation of Meliá's privacy management system.

The rule specifically includes a section on non-compliance, with the aim of promoting a philosophy of zero tolerance towards behaviour that may involve breaches of law, regulations or internal processes.

The procedure for notifying, managing and recording security incidents in terms of data protection has the dual objective of minimising the impact, loss or deterioration of said information, and detecting possible security breaches more easily, speeding up their notification. Through this procedure, we ensure transparency in the management of personal data, reduce the impact of incidents, and improve the confidence of our employees, customers and suppliers in our data protection.

In 2024, no sanctions have been imposed relating to data protection.

A centralised management of information security

Thanks to the management system and the good practices in cybersecurity we have implemented, we are able to respond quickly and confidently to the demands and risks that arise in our environment. Our aim is for all stakeholders to benefit from the highest security guarantees implemented by the company.

At Meliá we have a Data Protection Office, a collegiate body that reports to the Risk Control & Compliance area. Its main functions are the following:

- To inform and advise the different areas within the organisation about their corresponding obligations in terms of data protection.
- To collaborate in the monitoring of compliance with these obligations, receiving incident notifications in an efficient and secure manner, determining their severity and potential impact, as well as defining corrective measures to avoid them.
- To as a point of contact with stakeholders, including the relevant supervisory authority, regarding privacy actions that are carried out.

We also have a Security Operations Centre (SOC), which operates thanks to the permanent support of our technological partner. The SOC monitors and manages cybersecurity at a global level, through security prevention, monitoring and control in all our various technological environments. Our objective is to detect, analyse and resolve cybersecurity incidents, and to this end, we rely on specialised tools and services that monitor all the security incidents that have been reported.

In addition, this centre analyses activity on networks, servers, databases, applications and websites in search of anomalies that may indicate a security incident or threat. If an anomaly is identified, the SOC will help to provide a specific response based on defined action protocols to ensure that potential security incidents are identified, analysed, blocked and reported appropriately.

Meliá has a procedure available which describes the steps and assigns the persons responsible for the correct notification, management and recording of security incidents. Our objective is to minimise the impact of any potential incidents and avoid, as far as possible, loss of or damage to any data that has been entrusted to the company. This procedure is mandatory for all internal and external staff.

PROCEDURE FOR SECURITY INCIDENTS

In 2024, we have not detected any cyberattacks nor have we received any customer complaints regarding breaches of privacy through the complaints channels or any other means. Likewise, we have not identified leaks, theft or loss of customer data.

Fraud prevention

Faced with the growing threat of fraud attempts affecting our customers, we have adopted a proactive and tough attitude to prevent and mitigate these actions. During the current period, we have implemented various initiatives to strengthen the security and trust of our customers.

- Development of a personalised service channel, with the aim of immediately dealing with potential cases of fraud. This channel, which is available via email, allows customers to report suspicious incidents and receive direct assistance, thus contributing to a quick and efficient resolution.
- Mass communication to our customers, through communication campaigns that reached more than one million customers in order to make them aware of online fraud and scams. These actions include alerts and specific recommendations to help identify potential threats, protecting against fraud attempts.
- Update of the web platform, www.melia.com, which includes a section for fraud prevention and offers information on good practices, the most common types of fraud and security measures that customers should take.

Looking forward, we are committed to continue to strengthen our prevention strategies, innovating in technology and guaranteeing effective communication channels to offer a secure and reliable environment.

Maximum security in the supply chain

Security in our supply chain is a cornerstone to guarantee the integrity of our processes and the protection of sensitive information. In this sense, we rigorously analyse the security requirements in the contractual management with suppliers, considering the level of access they have or could have to the company's data and technological environments.

In addition, we have implemented a comprehensive technological risk management framework with third parties that allows us to assess information security at each stage of the supply chain and continuously verify compliance rates in technological environments. This ensures greater control and a more effective response to potential vulnerabilities.

Commitment to our public positioning in cybersecurity

Our public positioning in cybersecurity is a key indicator not only for our internal management, but also for third parties, including owners, shareholders, as well as partner and investor entities and individuals. For this reason, during 2024, we have focussed significantly on improving our positioning in terms of cybersecurity, as reflected in the cyber-risk company Bitsight.

Bitsight collects public information about organisations, which could be used by an attacker during the reconnaissance phase of a cyberattack. After recognising the importance of this information, we have prioritised the identification and structuring of the detected assets and created the entity called Meliá Hotels International - Corporate in its system, which consolidates all our assets, identifying it as a Primary Rating.

As of December 2024, the rating achieved by this entity has positioned us as leaders in cybersecurity over our competitors, both nationally and internationally.

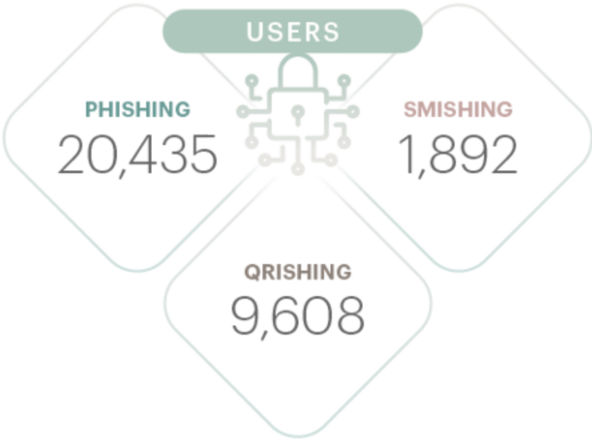
Cybersecurity training and awareness-raising

Staff training and awareness-raising in the field of cybersecurity is also one of the cornerstones for strengthening our capacity to respond to emerging risks and cyberattacks. In this context, the compulsory annual training in cybersecurity and PCI is consolidated as a key tool to minimise risks and guarantee their adequate containment.

Through specific courses and training pills aimed at the different organisational levels of the company, we offer employees practical information on topics such as the use of secure passwords, the detection and prevention of phishing, the proper handling of corporate accounts and devices, the risk of public Wi-Fi networks, the protection of devices and the management of security incidents, among other areas.

In addition, in 2024 we have reinforced security training among our employees by launching simulated attacks such as bating, phishing, QRishing and SMShing, which have helped to identify areas for improvement and reinforce their skills in the face of cyberattacks, as well as enhancing their awareness and attention to the prevention and management of specific threats. Given the relevance and scope of this subject, the simulations have been carried out in the portfolio of owned, rented and managed hotels.

TRAINING CAMPAIGNS



*Employees of aggregate scope.

CYBERSECURITY COURSES

TRAINING	USERS	TOTAL HOURS	HOURS / EMPLOYEE
Initial questionnaire	9,441	472.00	0.05
Secure passwords	8,472	847.00	0.10
Management of permit registrations, changes and cancellations	1,256	62.80	0.05
Sharing of corporate users	7,370	737.00	0.10
Sharing information securely	6,438	322.00	0.05
Secure contracting of technological services	1,007	100.70	0.10
Safe use of mobile devices	5,260	526.00	0.10
Management of customers' personal and banking details	3,405	340.50	0.10
Remote working	2,839	283.90	0.10
PCI (Payment Card Industry) training	1,075	53.75	0.50

*Employees of aggregate scope.

Economic indicators of cybersecurity

Cybersecurity has become a critical factor not only for the protection of the company's digital assets, but also for financial stability and corporate reputation. The economic indicators associated with cybersecurity reflect both the direct costs of protective measures and the financial effects of security incidents and breaches. These measurements are part of the reporting and monitoring carried out by the governing bodies responsible for this area.

Sound management requires managing cybersecurity from a perspective of continuous improvement with the aim of protecting business assets. Thus, we adopt a comprehensive and strategic approach that allows us to mitigate financial risks, strengthen our resilience and consolidate a sustainable competitive advantage.

Short, medium and long-term financial effects

Short term

Incident response costs

In the event of a breach, the company could face significant expenses related to attack mitigation, data recovery and crisis management, such as notifying those affected and hiring external experts.

Medium term

Reputational impact

A security breach can undermine the trust of customers, partners, owners, suppliers and investors, directly affecting sales and revenue.

Regulatory sanctions

Failure to comply with regulations such as GDPR or PCI DSS can result in significant fines.

Increase in cyber insurance premiums

A history of incidents may increase the cost of insurance policies.

Long term

Loss of competitiveness

Damaged reputation and recurring litigation costs may make it difficult to attract new business and strategic partners.

Considerable investment in infrastructure

As threats evolve, constant investment will be necessary to update technology and update obsolete systems.

Reduction in brand value

A history of cybersecurity incidents may negatively affect the company's value perceived by the market.

Annexes

09

Zel Costa Brava, Spain

Good for the planet indicators

Climate change

ENERGY

GRI: 302-1, 302-3

INDICATOR	UNIT	2021	2022	2023	2024
Non-renewable fuels (A+B+C))	GJ	329,889	480,190	433,140	425,382
	MWh	91,636	133,386	120,587	118,162
A. Natural gas	GJ	204,892	312,790	232,606	223,916
	m^3	4,737,606	7,232,465	6,573,030	6,327,454
B. Propane	GJ	101,258	136,770	170,610	174,774
	Tn	2,225	3,006	3,878	3,973
C. Diesel oil	GJ	23,739	30,630	29,924	26,692
	m^3	620	800	846	730
Non-renewable electricity	GJ	238,292	312,901	369,696	345,062
	MWh	66,192	86,917	102,693	95,851
Vapour / heating / refrigeration and other non-renewable energies	GJ	238,425	300,152	222,597	351,143
	MWh	66,229	83,376	97,973	97,540
Total consumption of non-renewable energy	GJ	**806,606**	**1,093,243**	**1,025,433**	**1,121,586**
	MWh	**224,057**	**303,679**	**321,254**	**311,552**
Renewable electricity (green-certified and self-generated)	GJ	391,689	557,149	597,935	588,402
	MWh	108,803	154,764	166,093	163,445
Total energy consumption (non-renewable + renewable))	GJ	**1,198,296**	**1,650,392**	**1,623,368**	**1,709,988**
	MWh	**332,860**	**458,442**	**487,347**	**474,997**
Energy intensity ratio	GJ / stay	**0.188**	**0.138**	**0.124**	**0.134**
	MWh / stay	**0.052**	**0.038**	**0.037**	**0.037**
Total cost of energy consumption	€	37,757,845	70,834,468	79,694,205	67,366,871
Renewable energy percentage	Total consumption	32.7 %	33.8 %	34.1 %	34.4 %
Electricity percentage	Total consumption	52.6 %	52.7 %	55.2 %	54.6 %
Data coverage	Portfolio	100.0 %	100.0 %	100.0 %	100.0 %

NOx Y SOx EMISSIONS

GRI: 305-7

INDICATOR	UNIT	2021	2022	2023	2024
Total NOx emissions	Kg	41,963	60,142	55,697	55,178
Total SOx emissions	Kg	3,240	4,394	4,233	3,812

CARBON FOOTPRINT

GRI: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6

INDICATOR	UNIT	2021	2022	2023	2024
Total Scope 1 emissions	TCO_2eq	20,645	29,525	29,452	27,089
Emission intensity ratio in Scope 1	TCO_2eq / stay	**0.003**	**0.002**	**0.002**	**0.002**
Total Scope 2 emissions	TCO_2eq	71,961	92,672	110,057	106,974
Emission intensity ratio in Scope 2	TCO_2eq / stay	**0.011**	**0.008**	**0.008**	**0.008**
Total Scope 1 and 2 emissions	TCO_2eq	92,606	122,197	139,509	134,063
Emission intensity ratio in Scopes 1 and 2	TCO_2eq / stay	**0.015**	**0.010**	**0.011**	**0.011**
Total Scope 3 emissions**	TCO_2eq	238,849	461,463	555,427	616,096
Emission intensity ratio in Scope 3	TCO_2eq / stay	**0.038**	**0.039**	**0.042**	**0.048**
Total emissions	TCO_2eq	**331,455**	**583,660**	**694,936**	**750,159**
Emission intensity ratio	TCO_2eq / stay	0.052	0.049	0.053	0.059
Data coverage	portfolio	100%	100%	100%	100%

(**) Scope 3: Selection of categories of significance.

SCIENCE-BASED TARGET INITIATIVE (SBTi)

GRI: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6

INDICATOR	UNIT	2018	2024	2018-2024	2024T
Total Scope 1 emissions (SBTi)	TCO_2eq	87,413	69,007	-21.1%	-25.2%
Emission intensity ratio in Scope 1 (SBTi)	TCO_2eq / stay	**0.003**	**0.002**	**-16.4%**	
Total Scope 2 emissions (SBTi)	TCO_2eq	380,849	373,045	-2.0%	-25.2%
Emission intensity ratio in Scope 2 (SBTi)	TCO_2eq / stay	**0.012**	**0.012**	**3.7%**	
Total Scope 1 and 2 emissions (SBTi)	TCO_2eq	468,261	442,052	-5.6%	-25.2%
Emission intensity ratio in Scopes 1 and 2 (SBTi)	TCO_2eq / stay	**0.015**	**0.015**	**—%**	

(*) Scope 2: Calculated based on location; therefore, it is not possible to visualise the impact of improvement actions in energy savings and efficiency, such as the procurement of 100% renewable electricity (Spain, Italy, France, Germany, the Netherlands, Luxembourg, and the United Kingdom).

Water resources

GRI: 303-3, 303-4,, 303-5

WATER

INDICATOR	UNIT	2021	2022	2023	2024
Extraction from municipal water supply (or other water services)	m^3	2,679,996	3,348,824	3,510,780	3,515,361
Extraction of salt water	m^3	249,388	342,541	280,966	306,536
Extraction of fresh groundwater	m^3	2,973,669	4,066,780	4,783,629	5,254,204
Extraction of fresh surface water	m^3	–	–	–	–
Total water extraction	m^3	**5,653,665**	**7,758,145**	**8,575,375**	**9,076,101**
Discharge: water returned to the source of extraction	m^3	5,653,665	7,758,145	8,575,375	9,076,101
Total net consumption of water	m^3	–	–	–	–
Intensity ratio of net water consumption	**m^3 / stay**	**0.889**	**0.651**	**0.655**	**0.713**
Data coverage	Portfolio	100 %	100 %	100 %	100 %

Circular economy and use of resources

GRI: 301-2, 306-5

NON-HAZARDOUS WASTE

INDICATOR	UNIT	2021	2022	2023	2024
A. Volume of waste generated	Tn	6,065	17,104	19,863	26,474
B. Volume of waste used/recycled/sold	Tn	3,976	9,319	10,010	8,946
Total waste discarded (A-B)	**Tn**	**2,089**	**7,785**	**9,853**	**17,528**
Recycling rate	Separate collection	66%	55%	50%	34%
Data coverage	Portfolio	100%	100%	100%	100%

NON-HAZARDOUS WASTE

In tonnes	Total	Organic	Glass	Packaging	Paper	Residual waste
Waste diverted from disposal						
Preparation for reuse	0	0	0	0	0	0
Recycled	8,877	4,518	1,585	402	1,276	1,096
Other recovery operations	69	3	62	0	0	4
Total waste diverted from disposal	**8,946**	**4,520**	**1,647**	**402**	**1,276**	**1,101**
Recycling rate	**33.8%**	**31.0%**	**65.0%**	**56.0%**	**83.0%**	**15.0%**
Waste sent to disposal						
Incineration	2,698	649	233	92	9	1,715
Landfill	11,615	6,576	477	191	177	4,194
Other disposal operations	3,217	2,693	175	32	67	250
Total waste sent to disposal	**17,528**	**9,917**	**884**	**314**	**253**	**6,159**
Disposal rate	**66.2%**	**69.0%**	**35.0%**	**44.0%**	**17.0%**	**85.0%**
Actual waste generated	**16,339**	**10,422**	**1,350**	**348**	**804**	**3,415**
Estimated waste generated	**10,134**	**4,015**	**1,181**	**368**	**725**	**3,845**
Total waste generated 2024	**26,474**	**14,437**	**2,531**	**717**	**1,529**	**7,260**
Total waste generated 2023	**19,863**	**6,054**	**3,463**	**1,003**	**2,446**	**6,896**
Total waste generated 2022	**17,104**	**3,318**	**2,959**	**1,148**	**1,895**	**7,784**

Good for the people indicators

Talent management

AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND AGE (FTE)

GRI: 2-7, 405-1

REGION	GENDER	YEAR	MANAGEMENT				MIDDLE MANAGEMENT				CORE STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
SPAIN	M	2024	–	45.56	46.96	92.53	30.92	403.53	193.39	627.85	691.43	1,527.66	719.06	2,938.15	3,658.52
		2023	–	56.59	56.93	113.51	23.42	397.67	186.09	607.18	607.18	1,543.02	750.03	2,900.23	3,620.93
		2022	–	65.18	52.50	117.68	16.87	318.13	122.87	457.88	491.40	1,584.17	664.45	2,740.02	3,315.57
	F	2024	–	34.71	16.90	51.61	50.47	415.26	157.41	623.14	718.37	1,880.65	934.47	3,533.49	4,208.24
		2023	–	47.04	22.66	69.70	28.95	400.19	166.19	595.33	691.36	1,971.72	958.85	3,621.92	4,286.95
		2022	–	47.91	17.88	65.79	14.89	344.40	90.18	449.48	568.73	1,921.61	843.90	3,334.23	3,849.51
	TOTAL	2024	–	80.28	63.86	144.14	81.40	818.79	350.80	1,250.99	1,409.80	3,408.31	1,653.53	6,471.64	7,866.77
		2023	–	103.62	79.59	183.21	52.37	797.86	352.28	1,202.51	1,298.54	3,514.73	1,708.88	6,522.16	7,907.88
		2022	–	113.09	70.38	183.47	31.76	662.54	213.06	907.36	1,060.13	3,505.78	1,508.34	6,074.25	7,165.08
EMEA	M	2024	1.00	21.74	14.08	36.83	31.95	207.91	45.79	285.65	342.87	423.29	159.97	926.13	1,248.61
		2023	0.59	21.17	14.94	36.69	25.83	179.14	30.63	235.60	314.86	459.88	163.79	938.53	1,210.82
		2022	–	20.41	10.32	30.73	9.68	145.94	22.36	177.98	288.75	499.87	132.85	921.48	1,130.19
	F	2024	0.46	7.07	1.37	8.90	51.98	171.59	39.14	262.71	358.38	318.68	103.59	780.65	1,052.26
		2023	–	6.93	1.19	8.12	39.24	138.46	34.68	212.38	336.07	352.77	100.27	789.11	1,009.61
		2022	–	5.09	2.00	7.09	23.06	130.10	26.16	179.32	310.00	357.92	83.04	750.95	937.36
	TOTAL	2024	1.46	28.81	15.46	45.73	83.93	379.50	84.93	548.36	701.25	741.97	263.56	1,706.77	2,300.87
		2023	0.59	28.09	16.13	44.81	65.07	317.60	65.31	447.98	650.93	812.64	264.06	1,727.64	2,220.43
		2022	–	25.50	12.32	37.82	32.74	276.04	48.52	357.30	598.75	857.79	215.89	1,672.43	2,067.55
AMERICA	M	2024	–	8.65	15.43	24.07	27.03	289.74	97.88	414.65	1,659.19	2,237.03	520.32	4,416.54	4,855.26
		2023	–	12.12	24.89	37.00	13.65	166.94	61.44	242.02	1,632.50	2,485.63	522.25	4,640.38	4,919.41
		2022	–	16.25	18.11	34.36	13.19	151.13	48.17	212.48	1,576.11	2,495.49	395.80	4,467.40	4,714.25
	F	2024	–	2.55	3.17	5.72	15.83	202.98	57.01	275.83	1,186.26	1,548.46	210.04	2,944.76	3,226.30
		2023	–	5.68	4.01	9.69	8.76	137.50	44.78	191.03	1,148.77	1,577.07	199.33	2,925.17	3,125.88
		2022	–	6.30	2.00	8.30	6.42	123.46	35.03	164.91	1,006.46	1,447.81	138.58	2,592.85	2,766.05
	TOTAL	2024	–	11.20	18.59	29.79	42.86	492.73	154.89	690.47	2,845.45	3,785.49	730.36	7,361.30	8,081.56
		2023	–	17.80	28.89	46.69	22.40	304.44	106.22	433.05	2,781.27	4,062.70	721.58	7,565.55	8,045.29
		2022	–	22.55	20.11	42.66	19.60	274.59	83.20	377.39	2,582.57	3,943.29	534.38	7,060.25	7,480.30
APAC	M	2024	–	2.28	1.00	3.28	2.00	16.96	–	18.96	0.47	0.33	–	0.80	23.04
		2023	–	7.82	1.67	9.49	1.59	10.43	–	12.02	0.29	–	–	0.29	21.79
		2022	–	5.39	3.00	8.39	1.18	10.40	–	11.58	–	–	–	–	19.97
	F	2024	–	0.33	–	0.33	3.75	20.98	1.00	25.73	1.37	3.49	–	4.86	30.93
		2023	–	0.73	1.15	1.88	2.08	21.69	0.78	24.55	0.40	4.44	–	4.84	31.28
		2022	–	1.00	1.00	2.00	2.36	17.74	0.78	20.88	0.52	6.50	–	7.03	29.91
	TOTAL	2024	–	2.61	1.00	3.61	5.75	37.95	1.00	44.70	1.84	3.82	–	5.66	53.96
		2023	–	8.55	2.82	11.37	3.66	32.13	0.78	36.57	0.69	4.44	–	5.13	53.07
		2022	–	6.39	4.00	10.39	3.54	28.14	0.78	32.46	0.52	6.50	–	7.03	49.88
CUBA	M	2024	–	–	1.42	1.42	–	4.00	2.00	6.00	–	16.49	11.00	27.49	34.91
		2023	–	–	1.00	1.00	–	–	–	–	–	20.72	9.95	30.67	31.67
		2022	–	–	1.00	1.00	–	–	–	–	–	27.00	5.33	32.33	33.33
	F	2024	–	0.58	–	0.58	–	1.00	–	1.00	–	16.40	6.00	22.40	23.98
		2023	–	–	–	–	–	–	–	–	1.00	17.51	3.06	21.57	21.57
		2022	–	–	–	–	–	–	–	–	–	16.30	2.00	18.30	18.30
	TOTAL	2024	–	0.58	1.42	2.00	–	5.00	2.00	7.00	–	32.89	17.00	49.89	58.89
		2023	–	–	1.00	1.00	–	–	–	–	1.00	38.23	13.01	52.24	53.24
		2022	–	–	1.00	1.00	–	–	–	–	–	43.30	7.33	50.63	51.63
TOTAL		2024	1.46	123.47	100.33	225.27	213.93	1,733.97	593.62	2,541.52	4,958.35	7,972.47	2,664.44	15,595.26	18,362.05
		2023	0.59	158.06	128.44	287.08	143.51	1,452.02	524.59	2,120.12	4,732.43	8,432.75	2,707.54	15,872.71	18,279.92
		2022	–	167.54	107.81	275.35	87.64	1,241.31	345.56	1,674.51	4,241.97	8,356.67	2,265.95	14,864.59	16,814.45

AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND TYPE OF WORKDAY (FTE)

GRI: 2-7, 401-1

REGION	GENDER	YEAR	MANAGEMENT			MIDDLE MANAGEMENT			CORE STAFF			TOTAL
			FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	
SPAIN	M	2024	92.35	0.18	92.53	620.37	7.47	627.85	2,864.47	73.67	2,938.15	3,658.52
		2023	112.82	0.70	113.51	599.04	8.14	607.18	2,822.67	77.56	2,900.23	3,620.93
		2022	116.75	0.93	117.68	453.88	4.00	457.88	2,688.36	51.66	2,740.02	3,315.57
	F	2024	51.53	0.08	51.61	604.29	18.84	623.14	3,287.14	246.35	3,533.49	4,208.24
		2023	69.45	0.25	69.70	568.16	27.17	595.33	3,354.59	267.33	3,621.92	4,286.95
		2022	65.54	0.25	65.79	445.92	3.56	449.48	3,197.98	136.26	3,334.23	3,849.51
	TOTAL	2024	143.88	0.26	144.14	1,224.67	26.32	1,250.99	6,151.62	320.02	6,471.64	7,866.77
		2023	182.27	0.95	183.21	1,167.20	35.31	1,202.51	6,177.27	344.89	6,522.16	7,907.88
		2022	182.29	1.18	183.47	899.80	7.56	907.36	5,886.34	187.92	6,074.25	7,165.08
EMEA	M	2024	36.83	–	36.83	284.00	1.65	285.65	889.40	36.73	926.13	1,248.61
		2023	36.69	–	36.69	234.67	0.93	235.60	912.85	25.68	938.53	1,210.82
		2022	30.73	–	30.73	176.26	1.72	177.98	864.05	57.43	921.48	1,130.19
	F	2024	8.90	–	8.90	247.42	15.29	262.71	710.60	70.04	780.65	1,052.26
		2023	8.12	–	8.12	201.45	10.93	212.38	724.49	64.62	789.11	1,009.61
		2022	7.09	–	7.09	166.52	12.81	179.32	674.68	76.27	750.95	937.36
	TOTAL	2024	45.73	–	45.73	531.42	16.95	548.36	1,600.00	106.78	1,706.77	2,300.87
		2023	44.81	–	44.81	436.12	11.87	447.98	1,637.34	90.30	1,727.64	2,220.43
		2022	37.82	–	37.82	342.78	14.52	357.30	1,538.73	133.70	1,672.43	2,067.55
AMERICA	M	2024	24.07	–	24.07	414.65	–	414.65	4,416.54	–	4,416.54	4,855.26
		2023	37.00	–	37.00	242.02	–	242.02	4,640.38	0.01	4,640.38	4,919.41
		2022	34.36	–	34.36	212.48	–	212.48	4,465.07	2.33	4,467.40	4,714.25
	F	2024	5.72	–	5.72	275.83	–	275.83	2,944.26	0.50	2,944.76	3,226.30
		2023	9.69	–	9.69	191.03	–	191.03	2,925.00	0.17	2,925.17	3,125.88
		2022	8.30	–	8.30	164.91	–	164.91	2,588.95	3.90	2,592.85	2,766.05
	TOTAL	2024	29.79	–	29.79	690.47	–	690.47	7,360.80	0.50	7,361.30	8,081.56
		2023	46.69	–	46.69	433.05	–	433.05	7,565.38	0.17	7,565.55	8,045.29
		2022	42.66	–	42.66	377.39	–	377.39	7,054.02	6.23	7,060.25	7,480.30
APAC	M	2024	3.28	–	3.28	18.96	–	18.96	0.80	–	0.80	23.04
		2023	9.49	–	9.49	12.02	–	12.02	0.29	–	0.29	21.79
		2022	8.39	–	8.39	11.58	–	11.58	–	–	–	19.97
	F	2024	0.33	–	0.33	25.73	–	25.73	4.86	–	4.86	30.93
		2023	1.88	–	1.88	24.55	–	24.55	4.84	–	4.84	31.28
		2022	2.00	–	2.00	20.88	–	20.88	7.03	–	7.03	29.91
	TOTAL	2024	3.61	–	3.61	44.70	–	44.70	5.66	–	5.66	53.96
		2023	11.37	–	11.37	36.57	–	36.57	5.13	–	5.13	53.07
		2022	10.39	–	10.39	32.46	–	32.46	7.03	–	7.03	49.88
CUBA	M	2024	1.42	–	1.42	6.00	–	6.00	27.49	–	27.49	34.91
		2023	1.00	–	1.00	–	–	–	30.67	–	30.67	31.67
		2022	1.00	–	1.00	–	–	–	32.33	–	32.33	33.33
	F	2024	0.58	–	0.58	1.00	–	1.00	22.40	–	22.40	23.98
		2023	–	–	–	–	–	–	21.57	–	21.57	21.57
		2022	–	–	–	–	–	–	18.30	–	18.30	18.30
	TOTAL	2024	2.00	–	2.00	7.00	–	7.00	49.89	–	49.89	58.89
		2023	1.00	–	1.00	–	–	–	52.24	–	52.24	53.24
		2022	1.00	–	1.00	–	–	–	50.63	–	50.63	51.63
TOTAL		2024	225.01	0.26	225.27	2,498.26	43.26	2,541.52	15,167.96	427.30	15,595.26	18,362.05
		2023	286.13	0.95	287.08	2,072.94	47.18	2,120.12	15,437.35	435.36	15,872.71	18,279.92
		2022	274.17	1.18	275.35	1,652.43	22.08	1,674.51	14,536.74	327.85	14,864.59	16,814.45

AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTE)

GRI: 2-7, 401-1

REGION	GENDER	YEAR	MANAGEMENT			MIDDLE MANAGEMENT			CORE STAFF			TOTAL
			PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	
SPAIN	M	2024	92.44	0.08	92.53	625.77	2.08	627.85	2,809.05	129.09	2,938.15	3,658.52
		2023	113.39	0.13	113.51	605.46	1.72	607.18	2,802.47	97.77	2,900.23	3,620.93
		2022	117.68	–	117.68	452.81	5.07	457.88	2,547.52	192.50	2,740.02	3,315.57
	F	2024	51.61	–	51.61	617.81	5.33	623.14	3,358.96	174.54	3,533.49	4,208.24
		2023	69.70	–	69.70	591.97	3.36	595.33	3,481.39	140.53	3,621.92	4,286.95
		2022	65.79	–	65.79	446.73	2.75	449.48	3,087.17	247.06	3,334.23	3,849.51
	TOTAL	2024	144.06	0.08	144.14	1,243.58	7.41	1,250.99	6,168.01	303.63	6,471.64	7,866.77
		2023	183.09	0.13	183.21	1,197.43	5.07	1,202.51	6,283.86	238.29	6,522.16	7,907.88
		2022	183.47	–	183.47	899.54	7.81	907.36	5,634.69	439.57	6,074.25	7,165.08
EMEA	M	2024	36.83	–	36.83	278.08	7.57	285.65	795.44	130.69	926.13	1,248.61
		2023	36.69	–	36.69	226.97	8.63	235.60	847.39	91.13	938.53	1,210.82
		2022	30.73	–	30.73	175.69	2.29	177.98	838.79	82.69	921.48	1,130.19
	F	2024	8.90	–	8.90	255.94	6.77	262.71	668.24	112.40	780.65	1,052.26
		2023	8.12	–	8.12	209.24	3.14	212.38	712.87	76.24	789.11	1,009.61
		2022	7.09	–	7.09	176.30	3.02	179.32	672.41	78.55	750.95	937.36
	TOTAL	2024	45.73	–	45.73	534.02	14.34	548.36	1,463.69	243.09	1,706.77	2,300.87
		2023	44.81	–	44.81	436.21	11.77	447.98	1,560.26	167.37	1,727.64	2,220.43
		2022	37.82	–	37.82	351.99	5.31	357.30	1,511.19	161.24	1,672.43	2,067.55
AMERICA	M	2024	22.76	1.32	24.07	366.05	48.60	414.65	3,449.48	967.06	4,416.54	4,855.26
		2023	36.78	0.22	37.00	216.32	25.70	242.02	3,603.00	1,037.38	4,640.38	4,919.41
		2022	34.21	0.15	34.36	186.49	26.00	212.48	3,194.99	1,272.41	4,467.40	4,714.25
	F	2024	5.72	–	5.72	252.66	23.16	275.83	2,244.02	700.74	2,944.76	3,226.30
		2023	9.19	0.50	9.69	175.73	15.30	191.03	2,203.54	721.62	2,925.17	3,125.88
		2022	8.30	–	8.30	153.11	11.79	164.91	1,740.85	852.00	2,592.85	2,766.05
	TOTAL	2024	28.47	1.32	29.79	618.72	71.76	690.47	5,693.49	1,667.81	7,361.30	8,081.56
		2023	45.97	0.72	46.69	392.05	41.01	433.05	5,806.54	1,759.01	7,565.55	8,045.29
		2022	42.51	0.15	42.66	339.60	37.79	377.39	4,935.84	2,124.41	7,060.25	7,480.30
APAC	M	2024	3.28	–	3.28	9.96	9.00	18.96	0.80	–	0.80	23.04
		2023	8.90	0.58	9.49	4.79	7.23	12.02	0.29	–	0.29	21.79
		2022	8.19	0.21	8.39	5.07	6.52	11.58	–	–	–	19.97
	F	2024	0.33	–	0.33	14.16	11.58	25.73	4.28	0.58	4.86	30.93
		2023	1.88	–	1.88	13.20	11.35	24.55	3.51	1.33	4.84	31.28
		2022	2.00	–	2.00	12.37	8.51	20.88	5.04	1.99	7.03	29.91
	TOTAL	2024	3.61	–	3.61	24.12	20.58	44.70	5.08	0.58	5.66	53.96
		2023	10.78	0.58	11.37	17.99	18.58	36.57	3.80	1.33	5.13	53.07
		2022	10.19	0.21	10.39	17.44	15.02	32.46	5.04	1.99	7.03	49.88
CUBA	M	2024	1.42	–	1.42	6.00	–	6.00	27.49	–	27.49	34.91
		2023	1.00	–	1.00	–	–	–	30.67	–	30.67	31.67
		2022	1.00	–	1.00	–	–	–	32.33	–	32.33	33.33
	F	2024	0.58	–	0.58	1.00	–	1.00	22.40	–	22.40	23.98
		2023	–	–	–	–	–	–	21.57	–	21.57	21.57
		2022	–	–	–	–	–	–	18.30	–	18.30	18.30
	TOTAL	2024	2.00	–	2.00	7.00	–	7.00	49.89	–	49.89	58.89
		2023	1.00	–	1.00	–	–	–	52.24	–	52.24	53.24
		2022	1.00	–	1.00	–	–	–	50.63	–	50.63	51.63
TOTAL		2024	223.86	1.40	225.27	2,427.43	114.09	2,541.52	13,380.16	2,215.11	15,595.26	18,362.05
		2023	285.66	1.42	287.08	2,043.68	76.44	2,120.12	13,706.71	2,166.01	15,872.71	18,279.92
		2022	274.99	0.36	275.35	1,608.58	65.93	1,674.51	12,137.39	2,727.20	14,864.59	16,814.45

NEW CONTRACTS BY GENDER, AGE, PROFESSIONAL CATEGORY, TYPE OF CONTRACT AND TYPE OF WORKDAY (No.)

LEVEL	AGE	TYPE OF CONTRACT							TYPE OF WORKDAY						
		PERMANENT			TEMPORARY			TOTAL	PERMANENT			TEMPORARY			TOTAL
		F	M	TOTAL	F	M	TOTAL		F	M	TOTAL	F	M	TOTAL	
MANAGEMENT	<30	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	30 - 50	2	4	6	–	1	1	7	2	5	7	–	–	–	7
	>50	–	7	7	–	–	–	7	–	7	7	–	–	–	7
	2024	2	11	13	–	1	1	14	2	12	14	–	–	–	14
	2023	5	14	19	1	3	4	23	6	17	23	–	–	–	23
	2022	2	10	12	–	1	1	13	2	11	13	–	–	–	13
MIDDLE MANAGEMENT	<30	24	29	53	10	8	18	71	34	37	71	–	–	–	71
	30 - 50	75	118	193	25	43	68	261	97	161	258	3	–	3	261
	>50	14	29	43	4	6	10	53	18	35	53	–	–	–	53
	2024	113	176	289	39	57	96	385	149	233	382	3	–	3	385
	2023	99	152	251	27	25	52	303	124	177	301	2	–	2	303
	2022	99	147	246	19	41	60	306	118	186	304	–	2	2	306
CORE STAFF	<30	1,289	1,576	2,865	805	1,114	1,919	4,784	1,996	2,635	4,631	98	55	153	4,784
	30 - 50	885	1,080	1,965	700	759	1,459	3,424	1,526	1,806	3,332	59	33	92	3,424
	>50	160	136	296	108	107	215	511	251	234	485	17	9	26	511
	2024	2,334	2,792	5,126	1,613	1,980	3,593	8,719	3,773	4,675	8,448	174	97	271	8,719
	2023	2,431	2,756	5,187	1,601	2,077	3,678	8,865	3,872	4,734	8,606	160	99	259	8,865
	2022	2,959	3,102	6,061	1,802	2,292	4,094	10,155	4,477	5,234	9,711	284	160	444	10,155
TOTAL	2024	2,449	2,979	5,428	1,652	2,038	3,690	9,118	3,924	4,920	8,844	177	97	274	9,118
	2023	2,535	2,922	5,457	1,629	2,105	3,734	9,191	4,002	4,928	8,930	162	99	261	9,191
	2022	3,060	3,259	6,319	1,821	2,334	4,155	10,474	4,597	5,431	10,028	284	162	446	10,474

TURNOVER RATE FOR AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA AND AGE (%)

GRI: 401-1

REGION	GENDER	INVOLUNTARY TURNOVER				VOLUNTARY TURNOVER				TOTAL TURNOVER			
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
SPAIN	M	9.3	6.5	6.1	7.1	18.7	9.5	3.3	10.6	28.0	16.0	9.4	17.7
	F	9.6	9.1	8.9	9.2	16.2	9.6	3.1	9.6	25.8	18.7	12.0	18.8
	2024	9.4	7.9	7.6	8.2	17.4	9.5	3.2	10.1	26.9	17.4	10.8	18.3
	2023	4.4	4.1	3.4	4.0	14.5	8.8	3.7	8.9	18.9	13.0	7.1	12.9
	2022	20.8	12.8	8.9	13.7	16.2	8.8	5.7	9.8	36.9	21.6	14.6	23.5
EMEA	M	8.0	4.7	1.8	5.4	18.9	14.4	5.8	14.7	26.8	19.1	7.6	20.1
	F	5.2	3.3	–	3.8	19.0	13.0	5.3	14.7	24.2	16.3	5.3	18.4
	2024	6.5	4.1	1.1	4.6	18.9	13.8	5.6	14.7	25.5	17.9	6.6	19.3
	2023	7.4	6.9	5.4	6.9	24.2	18.7	14.3	20.3	31.6	25.6	19.7	27.2
	2022	10.5	6.8	8.0	8.3	25.7	23.3	14.2	23.2	36.2	30.0	22.2	31.5
AMERICA	M	19.8	15.0	13.1	16.8	27.8	20.7	9.2	22.6	47.6	35.7	22.3	39.4
	F	20.0	13.2	10.4	16.0	29.3	21.9	13.2	24.6	49.4	35.1	23.6	40.6
	2024	19.9	14.2	12.3	16.5	28.4	21.2	10.5	23.4	48.3	35.4	22.7	39.9
	2023	13.0	11.1	7.3	11.5	30.8	24.1	13.2	26.0	43.7	35.2	20.5	37.6
	2022	11.1	9.2	6.8	9.9	34.6	25.8	16.0	28.9	45.7	35.1	22.7	38.7
APAC	M	–	9.1	–	7.7	33.3	–	–	3.8	33.3	9.1	–	11.5
	F	–	6.7	–	5.4	–	6.7	–	5.4	–	13.3	–	10.8
	2024	–	7.7	–	6.3	11.1	3.8	–	4.8	11.1	11.5	–	11.1
	2023	–	8.5	20.0	8.3	12.5	5.1	–	5.6	12.5	13.6	20.0	13.9
	2022	–	1.9	–	1.6	–	7.7	–	6.3	–	9.6	–	7.9
CUBA	M	–	–	–	–	–	9.1	–	5.4	–	9.1	–	5.4
	F	–	–	–	–	–	–	–	–	–	–	–	–
	2024	–	–	–	–	–	5.0	–	3.3	–	5.0	–	3.3
	2023	–	–	–	–	–	–	–	–	–	–	–	–
	2022	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL	2024	14.9	10.3	8.1	11.6	23.8	15.2	5.2	16.6	38.7	25.5	13.3	28.2
	2023	9.6	7.4	4.5	7.7	24.9	16.5	6.9	17.8	34.5	23.9	11.4	25.4
	2022	13.7	10.5	8.3	11.3	28.1	18.0	8.7	20.0	41.8	28.5	17.1	31.3

DISMISSALS BY PROFESSIONAL CATEGORY, AGE AND GENDER (No.)

GRI: 401-1

GENDER	YEAR	MANAGEMENT				MIDDLE MANAGEMENT				CORE STAFF				TOTAL
		<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
M	2024	0	1	2	3	7	25	11	43	332	276	38	646	692
	2023	0	1	2	3	2	30	10	42	282	339	47	668	713
	2022	0	1	3	4	0	13	5	18	148	191	16	355	377
F	2024	0	2	0	2	1	13	6	20	173	158	29	360	382
	2023	0	1	2	3	2	17	4	23	97	145	14	256	282
	2022	0	0	1	1	0	5	1	6	40	72	10	122	129
TOTAL	2024	0	3	2	5	8	38	17	63	505	434	67	1,006	1,074
	2023	0	2	4	6	4	47	14	65	379	484	61	924	995
	2022	0	1	4	5	0	18	6	24	188	263	26	477	506

AVERAGE REMUNERATION & GAP BY PROFESSIONAL CATEGORY AND AGE (€ AND RATIO)

GRI: 405-2

TYPE OF REMUNE-RATION	GENDER	YEAR	MANAGEMENT				MIDDLE MANAGEMENT				CORE STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
FIXED REMUNE-RATION	M	2024	63.907 €	98.729 €	131.780 €	**113.590 €**	32.415 €	39.590 €	46.055 €	**40.439 €**	12.938 €	15.356 €	18.883 €	**14.847 €**	**18.879 €**
		2023	–	90.505 €	125.084 €	**106.864 €**	35.657 €	42.726 €	46.526 €	**43.142 €**	12.573 €	15.262 €	19.196 €	**14.801 €**	**18.356 €**
		2022	–	87.681 €	120.018 €	**100.315 €**	31.375 €	40.657 €	42.813 €	**40.492 €**	10.892 €	14.320 €	18.417 €	**13.500 €**	**16.813 €**
	F	2024	69.000 €	81.594 €	104.815 €	**87.736 €**	33.220 €	39.048 €	42.719 €	**39.061 €**	15.023 €	17.290 €	21.643 €	**17.095 €**	**19.927 €**
		2023	–	77.870 €	96.749 €	**84.446 €**	33.611 €	38.994 €	39.033 €	**38.507 €**	14.772 €	17.423 €	21.150 €	**17.042 €**	**19.426 €**
		2022	–	79.203 €	97.931 €	**83.885 €**	31.587 €	37.882 €	41.016 €	**37.861 €**	13.706 €	16.463 €	20.673 €	**16.077 €**	**18.243 €**
	GAP	2024	(0.08)	0.17	0.2	**0.23**	-0.02	0.01	0.07	**0.03**	-0.16	-0.13	-0.15	**-0.15**	**-0.06**
		2023	–	0.14	0.23	**0.21**	0.06	0.09	0.16	**0.11**	-0.17	-0.14	-0.1	**-0.15**	**-0.06**
		2022	–	0.1	0.18	**0.16**	-0.01	0.07	0.04	**0.06**	-0.26	-0.15	-0.12	**-0.19**	**-0.09**

TYPE OF REMUNE-RATION	GENDER	YEAR	MANAGEMENT				MIDDLE MANAGEMENT				CORE STAFF				TOTAL
			<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	
FIXED REMUNE-RATION	M	2024	72.951 €	121.646 €	166.038 €	**141.596 €**	33.750 €	42.978 €	50.871 €	**43.976 €**	12.976 €	15.411 €	18.945 €	**14.896 €**	**19.626 €**
		2023	–	111.109 €	157.574 €	**133.087 €**	37.334 €	46.661 €	51.162 €	**47.089 €**	12.602 €	15.356 €	19.317 €	**14.875 €**	**19.073 €**
		2022	–	106.693 €	151.347 €	**124.139 €**	33.034 €	44.526 €	46.939 €	**44.273 €**	10.925 €	14.381 €	18.494 €	**13.553 €**	**17.486 €**
	F	2024	82.800 €	98.614 €	129.395 €	**106.769 €**	35.128 €	42.981 €	47.397 €	**42.893 €**	15.086 €	17.376 €	21.724 €	**17.172 €**	**20.521 €**
		2023	–	94.783 €	118.290 €	**102.971 €**	35.724 €	43.024 €	43.045 €	**42.356 €**	14.841 €	17.528 €	21.236 €	**17.131 €**	**19.976 €**
		2022	–	97.940 €	119.172 €	**103.248 €**	33.524 €	41.914 €	45.925 €	**41.860 €**	13.768 €	16.539 €	20.745 €	**16.148 €**	**18.751 €**
	GAP	2024	-0.14	0.19	0.22	**0.25**	-0.04	0	0.07	**0.02**	-0.16	-0.13	-0.15	**-0.15**	**-0.05**
		2023	–	0.15	0.25	**0.23**	0.04	0.08	0.16	**0.1**	-0.18	-0.14	-0.1	**-0.15**	**-0.05**
		2022	–	0.08	0.21	**0.17**	-0.01	0.06	0.02	**0.05**	-0.26	-0.15	-0.12	**-0.19**	**-0.07**

PAY GAP BY PROFESSIONAL CATEGORY AND COUNTRY (RATIO)

GRI: 405-2

FIXED REMUNERATION	YEAR	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL	CHINA	USA
MANAGEMENT	2024	14%	48%	29%	37%	-10%	100%	41%	–%	100%	100%
	2023	15%	40%	14%	20%	-12%	26%	2%	–%	17%	31%
	2022	12%	24%	-18%	21%	-10%	–%	-102%	–%	39%	33%
MIDDLE MANAGEMENT	2024	6%	-11%	6%	6%	11%	-2%	1%	30%	28%	-11%
	2023	9%	12%	15%	11%	6%	-2%	–%	18%	16%	-5%
	2022	6%	10%	12%	9%	2%	6%	4%	22%	5%	2%
CORE STAFF	2024	–%	4%	–%	–%	-5%	-3%	–%	21%		-6%
	2023	1%	6%	–%	2%	-1%	2%	4%	11%	–%	17%
	2022	2%	–%	2%	3%	-1%	3%	6%	21%	–%	7%

TOTAL REMUNERATION	YEAR	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL	CHINA	USA
MANAGEMENT	2024	16%	55%	31%	40%	-8%	100%	45%	–%	100%	100%
	2023	17%	46%	15%	25%	-9%	30%	3%	–%	17%	–%
	2022	13%	29%	-17%	27%	-7%	–%	-107%	–%	38%	36%
MIDDLE MANAGEMENT	2024	5%	-12%	6%	6%	10%	-5%	–%	31%	22%	-13%
	2023	8%	12%	15%	11%	6%	-4%	-3%	16%	11%	
	2022	5%	8%	12%	9%	1%	5%	2%	20%	3%	–%
CORE STAFF	2024	–%	4%	–%	–%	-5%	-4%	–%	21%		-6%
	2023	1%	6%	–%	1%	-1%	2%	4%	11%	–%	
	2022	2%	–%	2%	3%	-1%	3%	7%	21%	–%	7%

BASE SALARY COMPARED TO LOCAL MINIMUM SALARY BY GENDER (RATIO)

GRI: 202-1

RATIO	YEAR	GENDER	SPAIN	DOMINICAN REPUBLIC	MEXICO	GERMANY	FRANCE	ITALY	UNITED KINGDOM	BRAZIL
BASE SALARY/MINIMUM SALARY IN COUNTRY	2024	M	1.00	1.00	1.00	1.13	1.01	1.00	1.00	1.08
		F	1.00	1.00	1.00	1.13	1.01	1.08	1.00	1.08
BASE SALARY / MINIMUM SALARY IN COUNTRY	2023	M	1.08	1.00	1.00	1.11	1.00	1.00	1.00	1.08
		F	1.08	1.00	1.00	1.04	1.00	1.00	1.00	1.08
BASE SALARY / MINIMUM SALARY IN COUNTRY	2022	M	1.12	1.00	1.00	1.00	1.00	1.01	1.00	1.08
		F	1.06	1.00	1.00	1.00	1.00	1.08	1.09	1.08

TRAINING BY PROFESSIONAL CATEGORY AND GENDER (HOURS & HOURS PER EMPLOYEE)

GRI: 404-1

PROFESSIONAL CATEGORY	AGE	WOMEN	MEN	HOURS	HOURS X EMPLOYEE
MANAGEMENT	<30	9	29	38	19.04
	30-50	1,838	1,573	3,411	24.37
	>50	389	670	1,058	11.76
	2024	2,235	2,272	4,508	19.43
	2023	2,684	3,853	6,538	26.58
	2022	1,906	2,232	4,138	17.46
MIDDLE MANAGEMENT	<30	2,828	2,614	5,442	16.69
	30-50	18,474	20,615	39,089	18.64
	>50	4,042	5,204	9,246	14.77
	2024	25,344	28,433	53,777	17.64
	2023	25,888	25,585	51,473	21.65
	2022	10,924	10,498	21,422	13.27
CORE STAFF	<30	42,024	44,781	86,805	11.39
	30-50	48,490	55,020	103,510	11.16
	>50	9,081	11,512	20,593	8.59
	2024	99,594	111,313	210,908	10.93
	2023	97,448	106,780	204,229	11.36
	2022	46,422	45,757	92,179	7.65
TOTAL	**2024**	**127,174**	**142,019**	**269,192**	**11.92**
	2023	**126,021**	**136,219**	**262,240**	**12.73**
	2022	**59,253**	**58,487**	**117,739**	**8.47**

INVESTMENT IN TRAINING (€ AND RATIO)

YEAR	TOTAL INVESTMENT	INVESTMENT PER EMPLOYEE	INVESTMENT ON SOCIAL COST
2024	4.358.090 €	237 €	0.76%
2023	4.656.565 €	255 €	0.84%
2022	2.283.615 €	136 €	0.48%

TRAINING BY SUBJECT (HOURS & HOURS PER EMPLOYEE)

SCHOOLS	HOURS	NO. EMPLOYEES	HOURS/WORKFORCE
Language School	6,400	255	25.10
Sustainability	3,078	1,898	1.62
Equality, diversity and inclusion	1,826	2,139	0.85
Occupational health and safety	32,707	7,988	4.09
Security information	4,687	7,270	0.64
Cybersecurity	5,281	5,593	0.94
Ethical culture	7,101	4,917	1.44
Support in digitalisation	17,454	4,295	4.06
Digital disconnection	565	1,129	0.50
Feel the beat	17,113	5,695	3.00
Training in the hotel industry	172,982	18,941	9.13

TRAINING BY NATIONALITY (HOURS & HOURS PER EMPLOYEE)

NATIONALITY	HOURS	EMPLOYEES	HOURS X EMPLOYEE
Spanish	98,530	7,776	12.67
Dominican	79,517	5,892	13.50
Mexican	47,088	4,682	10.06
Italian	9,530	793	12.02
German	5,197	575	9.04
Other nationalities	29,329	2,858	10.26

COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE (%)

GRI: 2-30, 3-3,

COUNTRY	COLLECTIVE BARGAINING		SOCIAL DIALOGUE
	EEA EMPLOYEES	NON-EEA EMPLOYEES	REPRESENTATION AT WORKPLACE (EEA ONLY)
Germany	100%		—%
Austria	100%		—%
Spain	100%		100%
France	100%		100%
Italy	100%		—%
Luxembourg	100%		100%
Portugal	100%		100%
USA		—%	
Mexico		100%	
Peru		—%	
United Kingdom		—%	
Dominican Republic		100%	
Venezuela		—%	

*Countries with more than 50 employees. *EEA: European Economic Area

EMPLOYEES' COMMITMENT RATE

RATE	2023	2023 OBJECTIVE	2024	2024 OBJECTIVE	2025 OBJECTIVE
Global Commitment	87.3%	85.0%	**87.4%**	85.0%	87.0%

PARENTAL LEAVE (No.)

GRI: 401-3

REGION	YEAR	PARENTAL LEAVE		
		M	F	TOTAL
SPAIN	**2024**	**208**	**165**	**373**
	2023	131	150	281
	2022	113	90	203
EMEA	**2024**	**41**	**138**	**179**
	2023	27	29	56
	2022	27	36	63
AMERICA	**2024**	**0**	**161**	**161**
	2023	190	196	386
	2022	147	107	254
APAC	**2024**	**1**	**0**	**1**
	2023	2	1	3
	2022	1	2	3
TOTAL	**2024**	**250**	**464**	**714**
	2023	350	376	726
	2022	288	235	523

GENDER DIVERSITY

CATEGORY	WORKFORCE			OBJECTIVE	OBJECTIVE YEAR
	2022	2023	2024		
Total women in workforce	45.2%	46.6%	**46.6%**		
Women in executive positions	29.1%	30.4%	**28.2%**		
Women in junior executive positions	49.0%	49.6%	**45.6%**		
Women in senior management positions, maximum of 2 levels below the CEO	23.5%	29.4%	**23.5%**	40.0%	2030
Women in management positions in revenue-generating roles	65.0%	71.0%	**71.0%**		
Women in STEM* positions	31.6%	22.4%	**24.9%**		

DIVERSITY OF NATIONALITIES

Nationality	WORKFORCE			EXECUTIVE POSITIONS (JUNIOR, MIDDLE AND SENIOR MANAGEMENT)		
	2022	2023	2024	2022	2023	2024
Spanish	37.8%	37.5%	**37.0%**	56.5%	57.0%	**50.2%**
Dominican	22.1%	23.0%	**23.0%**	5.4%	5.0%	**8.7%**
Mexican	20.3%	18.9%	**18.8%**	9.0%	8.3%	**11.4%**
German	3.3%	3.1%	**3.2%**	8.1%	7.7%	**7.9%**
Italian	3.2%	3.3%	**3.7%**	4.7%	4.8%	**5.4%**
Venezuelan	0.9%	1.1%	**1.1%**	1.1%	1.3%	**1.2%**
French	1.3%	1.1%	**1.1%**	2.5%	2.3%	**2.1%**

DIVERSITY OF MINORITIES (FTE'S)

TYPE	AGE	EMPLOYEES			WORKFORCE		
		2022	2023	2024	2022	2023	2024
DISABILITY	<30	8	7	**12**	0.2%	0.1%	**0.2%**
	30-50	53	44	**69**	0.5%	0.4%	**0.7%**
	>50	30	22	**29**	0.9%	0.7%	**0.9%**
	TOTAL	**91**	**73**	**109**	**0.5%**	**0.4%**	**0.6%**
GENERATIONAL	<30	4,330	4,877	**5,174**	25.7%	26.7%	**28.2%**
	30-50	9,766	10,043	**9,830**	58.1%	54.9%	**53.5%**
	>50	2,719	3,361	**3,358**	16.2%	18.4%	**18.3%**
	TOTAL	**16,814**	**18,280**	**18,362**	**100.0%**	**100.0%**	**100.0%**

TRAINEES (No.)

REGION	GENDER	2022	2023	2024
SPAIN	M	105	231	280
	F	166	365	413
	TOTAL	**271**	**596**	**693**
EMEA	M		209	188
	F		309	311
	TOTAL	–	**518**	**499**
AMERICA	M		1	11
	F		4	21
	TOTAL	–	**5**	**32**
APAC	M			1
	F			
	TOTAL	–	–	**1**
CUBA	M			
	F			
	TOTAL	–	–	–
TOTAL	**M**	**105**	**441**	**480**
	F	**166**	**678**	**745**
	TOTAL	**271**	**1,119**	**1,225**

EMPLOYEES IN THE VALUE CHAIN (FTE)

GRI: 2-8

REGION	GENDER	2022	2023	2024
SPAIN	M	1,999.2	2,390.8	2,970.5
	F	2,110.2	2,695.6	3,348.9
	TOTAL	**4,109.4**	**5,086.4**	**6,319.4**
EMEA	M	1,279.4	1,579.7	1,329.6
	F	900.1	1,125.9	835.3
	TOTAL	**2,179.5**	**2,705.6**	**2,164.9**
AMERICA	M	776.7	944.7	776.2
	F	587.6	738.7	637.1
	TOTAL	**1,364.4**	**1,683.3**	**1,413.3**
APAC	M	3,512.9	4,334.2	4,507.7
	F	2,593.6	3,348.3	3,519.4
	TOTAL	**6,106.5**	**7,682.5**	**8,027.1**
CUBA	M	4,746.0	5,569.1	5,764.7
	F	3,909.0	4,336.8	4,916.3
	TOTAL	**8,655.0**	**9,905.9**	**10,681.1**
TOTAL	**M**	**12,314.3**	**14,818.5**	**15,348.8**
	F	**10,100.6**	**12,245.3**	**13,256.9**
	TOTAL	**22,414.9**	**27,063.8**	**28,605.7**

Occupational health and safety

OCCUPATIONAL HEALTH INDICES - EMPLOYEES

GRI: 403-9, 403-10

INDICATOR	GENDER	OCCUPATIONAL ACCIDENTS			OCCUPATIONAL DISEASE		
		2022	2023	2024	2022	2023	2024
INCIDENCE INDEX/RATE	M	45.86	32.84	40.73	0.11	0	0.41
	F	50.51	54.39	54.09	0.53	1.18	0.23
	TOTAL	47.96	42.83	46.94	0.3	0.55	0.33
FREQUENCY INDEX/RATE	M	25.55	18.33	22.76	0.06	0	0.23
	F	28.23	30.76	30.59	0.29	0.67	0.13
	TOTAL	26.76	24.05	26.38	0.17	0.31	0.18
SEVERITY INDEX/RATE	M	0.45	0.34	0.4	0	0	0.02
	F	0.49	0.71	0.68	0.02	0.04	0.01
	TOTAL	0.51	0.51	0.53	0.01	0.02	0.02
No. OF INCIDENTS	M	421	322	400	1	0	4
	F	383	461	462	4	10	2
	TOTAL	804	783	862	5	10	6

INDICATOR	GENDER	2022	2023	2024
No. OF DEATHS	M	1	0	0
	F	0	0	0
	TOTAL	1	0	0

METHODOLOGY
Incident rate: (No. Incidents * 1,000)/Average Workforce
Frequency rate: (No. Incidents * 1,000,000)/Hours worked
Severity rate: (Days lost * 1.000)/Hours worked
Percentage of absenteeism: (Hours lost * 100)/Hours worked

ABSENTEEISM

GRI: 403-9, 403-10

INDICATOR	GENDER	OCCUPATIONAL ACCIDENTS			OCCUPATIONAL DISEASE			COMMON CONTINGENCY			TOTAL ABSENTEEISM		
		2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
PERCENTAGE OF ABSENTEEISM	M	0.36	0.27	0.32	–	–	0.02	3.65	4.46	4.93	4.00	4.73	5.26
	F	0.48	0.56	0.53	0.02	0.03	0.01	5.64	7.99	8.64	6.13	8.58	9.19
	TOTAL	0.41	0.40	0.42	0.01	0.02	0.01	4.54	6.09	6.64	4.96	6.50	7.08
Nº OF DAYS LOST	M	7,350	5,911	7,014	1	–	371	75,093	101,898	111,290	82,444	107,809	118,675
	F	8,122	10,628	10,266	260	647	181	95,592	159,565	170,654	103,974	170,840	181,101
	TOTAL	15,472	16,539	17,280	261	647	552	170,685	261,463	281,944	186,418	278,649	299,776
Nº OF HOURS OF ABSENTEEISM	M	58,800	46,811	55,982	8	–	2,968	600,744	783,763	865,875	659,552	830,574	924,825
	F	64,976	83,565	80,527	2,080	5,091	1,448	764,736	1,197,660	1,305,440	831,792	1,286,316	1,387,415
	TOTAL	123,776	130,376	136,508	2,088	5,091	4,416	1,365,480	1,981,423	2,171,316	1,491,344	2,116,890	2,312,240

REPRESENTED WORKFORCE - OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

GRI: 403-8

	YEAR	SPAIN	EMEA	APAC	AMERICA	CUBA	TOTAL
WORKFORCE	**2024**	100.0 %	17.4 %	— %	98.7 %	— %	**88.4 %**
	2023	100.0 %	17.5 %	— %	98.7 %	— %	**88.8 %**
	2022	97.0 %	75.7 %	— %	83.7 %	— %	**85.6 %**

Social action

GRI: 2-28

(In thousands of €)	2021	2022	2023	2024
Total contribution to organisations and associations in the sector*	579.4	610.7	591.9	1,105.5

(*) Selection of organisations

RELEVANT ISSUES FOR MELIA IN 2024	AMOUNT	
Tourism	€	961,538
Institutional position	€	143,932

Governance for Good indicators

Good Governance

CENTRALISED PROCUREMENT - Consolidated	UNIT	2021	2022	2023	2024
Board Members	Nº	11	11	11	10
External proprietary directors	%	36.4	36.4	36.4	30.0
External independent directors	%	54.5	54.5	54.5	50.0
Attendance at the Board (in person and by proxy)	%	100.0	95.0	91.0	100.0
Average tenure on the Board	Years	8.8	8.5	11.1	9.7
Average age of Directors	Years	63.8	64.9	66.1	61.9
Women on the Board	%	36.4	36.4	36.4	50.0
Board Meetings	Nº	6	6	8	8
Quorum at GSM	%	74.88	77.31	78.10	80.60
Women in senior management	%	16.70	16.70	—	12.50
Compliance with CGG of CNMV (Compliant)	%	78.13	78.13	78.13	82.81

Supply chain

GRI: 204-1

CENTRALISED PROCUREMENT - Consolidated	UNIT	2021	2022	2023	2024
Total portfolio of suppliers (Tier 1)	**Nº**	**5,198**	**6,633**	**6,548**	**6,703**
Portfolio of local suppliers	Nº	4,707	5,924	5,720	5,775
	%	90.55%	89.31%	87.35%	86.16%
Total critical suppliers	**Nº**	**129**	**184**	**72**	**54**
Critical Tier 1 suppliers	Nº	19	20	18	21
Critical non-Tier 1 suppliers	Nº	110	164	54	33
Volume of purchases - Critical Tier 1 suppliers	%	9.00%	6.02%	5.58%	5.47%
Total volume of purchases	**€**	**287,429,168**	**443,682,395**	**546,909,067**	**609,436,219**
Volume of local purchases	€	237,373,769	392,858,079	462,461,325	516,097,621
	%	82.59%	88.54%	84.56%	84.68%
Volume of purchases Headquarters Spain	€	170,293,549	314,651,062	395,691,247	473,563,095
Volume of purchases Headquarters Dominican Republic	€	41,002,405	60,838,628	72,944,369	67,537,037
Volume of purchases Headquarters Mexico	€	40,820,266	50,103,897	57,155,601	50,105,094
Volume of purchases Headquarters Germany	€	3,183,342	757,360	361,180	1,912,712
Volume of purchases Headquarters United Kingdom	€	16,187,918	11,955,123	5,887,410	5,867,174
Volume of purchases Headquarters France	€	7,855,719	963,639	899,276	879,065
Volume of purchases Headquarters Italy	€	8,085,970	4,412,687	13,294,936	7,156,100

Report on eligibility and alignment with EU Taxonomy

GRI: 201-2, 203-1, 203-2

Introduction

1.1 Overview

One of the main goals of the EU Sustainable Finance Action Plan is to guide cash flows towards sustainable investments. In this context, the EU Taxonomy Regulation entered into force in mid-2020 and has established certain new obligations for companies.

Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investments (hereinafter 'the Taxonomy' or 'the Regulation'), provides a standard mandatory classification system to determine which economic activities are considered 'environmentally sustainable' in the EU.

At present, the EU has published a catalogue of sustainable activities covering the six environmental objectives that will be available: climate change mitigation, climate change adaptation, pollution prevention and control, transition to a circular economy, sustainable use and protection of water and marine resources, and protection and restoration of biodiversity and ecosystems.

Based on this, companies must submit annual reports on the classification of their activities as environmentally sustainable in accordance with the EU Taxonomy. To this end, an initial distinction between Taxonomy-Eligibility and Taxonomy-Alignment is required.

Firstly, it is necessary to determine whether a particular activity is eligible. An activity is eligible to the extent that it agrees with the descriptions detailed in the Taxonomy delegated acts establishing the technical criteria and requirements for each environmental objective. These descriptions are associated with certain NACE codes intended to guide the eligibility analysis process.

In a second step, the activities previously identified as Taxonomy-eligible are analysed to determine whether they align with the Taxonomy and can therefore be considered environmentally sustainable. For an eligible activity to be considered aligned, it must meet all of the following three criteria:

- The activity should make a Substantial Contribution (SC) to an environmental objective.
- The activity should Do No Significant Harm (DNSH) to the other environmental objectives.
- The company should comply with certain Minimum Safeguards (MS).

1.2 Objective and scope

According to Article 1.1, Regulation (EU) 2020/852 applies to companies that are subject to the obligation of filing a non-financial statement or a consolidated non-financial statement in accordance with Article 19 bis or Article 29 bis of Directive 2013/34/EU of the European Parliament and of the Council, respectively.

Pursuant to the above-mentioned regulatory provisions, Meliá Hotels International S.A. (hereinafter 'the company' or 'Meliá') is obliged to comply with Regulation (EU) 2020/852 and report on the specific key performance indicators relating to the eligibility and alignment of its activities, in the prescribed form and substance.

Therefore, in compliance with the legal requirements outlined above, and following an analysis of the economic activities carried out by Meliá, this document details the percentage of total revenue/CapEx/OpEx that is eligible and aligned in accordance with the Taxonomy for the 2024 financial year. These KPIs were calculated for the consolidated Group and the entities within it, ensuring compliance with the criteria established by the Regulation regarding the information used as a basis for all indicators.

Meliá's main activity has been identified as eligible under the 'Protection and restoration of biodiversity and ecosystems' objective, taxonomic activity 2.1: Hotels, holiday, camping grounds and similar accommodation.

2. Main results

2.1 Indicators (KPIs)

In the 2024 financial year, Meliá reported a total revenue of €1.826 million (+5%), with a total CapEx of €50 million (-35%), and a total OpEx of €155 million (-2%). The CapEx for this year was considerably reduced in comparison with the investments made in previous years to update and reposition our hotels.

Based on the eligibility and alignment analysis, these totals are eligible and aligned as follows:

TAXONOMY SUMMARY TABLE

INDICATOR	BREAKDOWN	2023	2024
A. REVENUE	**Total**	**1.733.411.853,36 €**	**1.826.028.722,53 €**
	Eligible	1.548.575.416,90 €	1.539.837.313,99 €
	% Non-eligible	11%	16%
	% Eligible	89%	84%
	% Aligned	—%	—%
B. OPEX	**Total**	**158.824.159,63 €**	**155.377.735,04 €**
	Eligible	46.743.795,43 €	48.846.195,14 €
	% Non-eligible	71%	69%
	% Eligible	29%	31%
	% Aligned	—%	—%
C. CAPEX	**Total**	**76.740.397,32 €**	**50.108.840,27 €**
	Eligible	74.497.306,78 €	49.644.259,59 €
	% Non-eligible	3%	1%
	% Eligible	97%	99%
	% Aligned	—%	—%

2.1.1 Revenue

In EUR million					Substantial contribution						No significant harm						MS			
Economic activities		Code	Total revenue	Share of revenue	Climate change mitigation	Climate change adaptation	Sustainable use of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water and marine resources	Sustainable use of water and marine resources	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum safeguards	Share of revenue compliant with the Taxonomy in 2024	Enabling activity	Transition activity
No.	Activity		€	%	%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned)																				
2,1	Hotels and similar accommodation	I-55	0.0	0%						0%	N	N	N	N	N	N	S	0%		
Revenue from sustainable activities (A.1)			0.0	0%	0	0				0%								0%		
A.2. Activities that are taxonomy-eligible, but not environmentally sustainable (eligible but not aligned)																				
2.1	Hotels and similar accommodation	I-55	1,539.8	84%																
Revenue from eligible but non-sustainable activities (A.2)			1,539.8	84%														0%		
TOTAL (A.1.+ A.2.)			**1,539.8**	**84%**														**0%**		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Revenue from non-eligible activities			286.2	16%																
TOTAL (A + B)			**1,826.0**	**100%**																

2.1.2 OpEx

In EUR million					Substantial contribution						Do no significant harm						MS			
Economic activities		Code	Total revenue	Share of revenue	Climate change mitigation	Climate change adaptation	Sustainable use of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water and marine resources	Sustainable use of water and marine resources	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum safeguards	Share of OpEx compliant with the Taxonomy in 2024	Enabling activity	Transition activity
No.	Activity		€	%	%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned)																				
2.1	Hotels and similar accommodation	I-55	0.0	0%						0%	N	N	N	N	N	N	S	0%		
OpEx on sustainable activities (A.1)			0.0	0%	0	0				0%								0%		
A.2. Activities that are taxonomy-eligible, but not environmentally sustainable (eligible but not aligned)																				
2,1	Hotels and similar accommodation	I-55	48.8	31%																
OpEx volume on eligible but not sustainable activities (A.2)			48.8	31%														0%		
TOTAL (A.1.+ A.2.)			**48.8**	**31%**														**0%**		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
OpEx on non-eligible activities			106.5	69%																
TOTAL (A + B)			**155.4**	**100%**																

2.1.2 CapEx

In EUR million

Economic activities		Code	Total revenue	Share of revenue	Substantial contribution: Climate change mitigation	Substantial contribution: Climate change adaptation	Substantial contribution: Sustainable use of water and marine resources	Substantial contribution: Transition to a circular economy	Substantial contribution: Pollution prevention and control	Substantial contribution: Protection and restoration of biodiversity and ecosystems	Do no significant harm: Climate change mitigation	Do no significant harm: Climate change adaptation	Do no significant harm: Sustainable use of water and marine resources	Do no significant harm: Sustainable use of water and marine resources	Do no significant harm: Pollution prevention and control	Do no significant harm: Protection and restoration of biodiversity and ecosystems	MS: Minimum safeguards	Share of CapEx compliant with the Taxonomy in 2024	Enabling activity	Transition activity
No.	Activity		€	%	%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned)																				
7,7	Acquisition and ownership of buildings	L-68	0.0	0%	0	0				0%	N	N	N	N	N	N	S	0%		
2,1	Hotels and similar accommodation	I-55	0.0	0%						0%	N	N	N	N	N	N	S	0%		
CapEx on sustainable activities (A.1)			0.0	0%	0	0				0%								0%		
A.2. Activities eligible to the taxonomy, but not environmentally sustainable (eligible but not aligned)																				
7,7	Acquisition and ownership of buildings	L-68	0.3	1%																
2,1	Hotels and similar accommodation	I-55	53.2	99%																
CapEx volume on eligible but not sustainable activities (A.2)			53.6	99%														0%		
TOTAL (A.1.+ A.2.)			53.6	99%														0%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
CapEx on non-eligible activities			0.5	1%																
TOTAL (A + B)			**54.0**	**100%**																

2.2 Accounting policy

In compliance with section 1.2.1 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, below is a description of the method used to determine and allocate revenue, investment in property, plant and equipment, and operating expenses to the numerator and denominator of each reported indicator. For each indicator, the total values of revenue, CapEx, and OpEx specific to each activity were used, in accordance with the regulatory requirements for eligibility, to calculate the amount and percentage of eligibility of Meliá's activities.

2.2.1 Revenue

For the revenue indicator, based on the statement of profit or loss, the relevant line items were selected in accordance with the Commission Delegated Regulation (EU) and the Final Report - Advice on article 8 of the Taxonomy Regulation published by ESMA on 26 February 2021.

Thus, we selected the income items recognised under IAS 1, paragraph 82, letter (a): revenue, presenting separately the interest revenue calculated using the effective interest method. This includes:

- revenue from contracts with customers reported under IFRS 15;
- lease income reported under IFRS 16, including both operating lease income and finance lease income, interest income on finance lease receivables and other receivables, calculated using the effective interest method; and
- other sources of income, where applicable.

To calculate the denominator, only the relevant line items of Meliá's statement of profit or loss were selected, in accordance with previously defined accounting criteria. These items are: (a) room sales; (b) food sales; (c) beverage sales; (d) sales of different services; (e) sales of derivative activities; (f) real estate sales; (g) sales returns; (h) provision of various services; (i) income from loyalty programme fees; and (j) income from franchise fees. The final figure was the sum of these line items in consolidated profit or loss after adjustments, as they all comply with the EU Regulation requirements.

The numerator was also calculated using Meliá's statement of profit or loss, considering only the line items identified as eligible based on the Taxonomy analysis. To do this, an initial screening was carried out by assessing the economic activity of each company that contributes to the Group's profit or loss. After determining which companies perform eligible activities under the Regulation, we identified the profit or loss associated with owned or leased assets falling under activity 2.1: Hotels, holiday, camping grounds and similar accommodation.

2.2.2 CapEx

To calculate this KPI, we used the CapEx breakdown by project, taken from analytical accounting. Based on this data, following the criteria defined in Annex I and II, section 1.1 of the Commission Delegated Regulation (EU), we selected the categories to be included pursuant to the Regulation, i.e. those reported in accordance with the International Accounting Standards (hereinafter IAS). These categories are: (a) Development - rebranding and pre-openings; (b) IT; (c) Business; (d) Operations; (e) Strategic Plan; and (f) Risks. When applying the International Financial Reporting Standards (IFRS) adopted by Regulation (EC) No. 1126/2008, the Group includes the costs accounted for in accordance with:

- IAS 16 - Property, Plant and Equipment - paragraph 73, letter (e), items (i) and (iii);
- IAS 38 - Intangible Assets - paragraph 118, letter (e), item (i);
- IAS 40 - Investment Property - paragraph 76, letters (a) and (b) (for the fair value model);
- IAS 40 - Investment Property - paragraph 79, letter (d), items (i) and (ii) (for the cost model);
- IFRS 16 - Leases - paragraph 53.

Capital expenses incurred through joint ventures were also included under CapEx.

The denominator is calculated using a list of Group projects qualifying as CapEx under Article 8, based on consolidated figures after adjustments, indicating whether each project is eligible according to the accounting criteria established by the Regulation. The total sum of the amounts from these projects is the denominator.

To calculate the numerator, the same list of Group projects is used, adding up only those projects that are considered eligible in accordance with Taxonomy criteria, i.e. mainly those related to assets or processes within the activity 'Hotels, holiday, camping grounds and similar accommodation'.

2.2.3 OpEx

For the OpEx indicator, to avoid duplications, the Group's consolidated statement of profit or loss after adjustments was used.

In accordance with applicable legal provisions (Annex I, section 1.1 of the Commission Delegated Regulation (EU) and the Final Report - Advice on article 8 of the Taxonomy Regulation published by ESMA on 26 February 2021), the relevant line items were selected for calculation purposes. Thus, the OpEx calculation was only based on non-capitalised direct costs reported in the statement of profit or loss for the year in relation to:

- Research and development expenses.
- Short-term lease expenses.
- Maintenance and repairs, as well as other related direct expenses required to ensure the continuous and efficient operation of these assets.
- Operating expenses similar to those above that were incurred through joint operations were also included under OpEx. However, the operating expenses of joint ventures were not considered.

To calculate the denominator, the relevant line items of Meliá's statement of profit or loss were selected, in accordance with previously defined criteria. These were as follows: (a) Other Leases; (b) Other IFRS16 Leases; (c) Short-Term High or Low-Value Leases; (d) Long-Term Low-Value Leases; (e) Royalties and Others; (f) Offshore Leases; (g) Repairs and Maintenance; (h) Hotel Leases; (i) IFRS16 Hotel Leases. Meliá does not have a R+D line item.

Therefore, the OpEx denominator was the sum of these line items from the companies within the consolidated Group.

To calculate the OpEx numerator, the same figures taken to calculate the denominator were used, adding up only Taxonomy-eligible line items under the same criteria described in the paragraphs above, i.e. considering assets inherently related to the activity 'Hotels, holiday, camping grounds and similar accommodation'.

2.2.4 Double counting

To avoid the double counting of the figures related to these activities, the organisation has implemented appropriate supervision and control measures to ensure consistency and reliability in data collection and processing, as well as the integrity and traceability of information from the source to the reporting of indicators.

To this end, the company has defined responsibilities and appropriate segregation mechanisms to supervise process tasks, as well as to ensure consistency in accounting criteria and the correct application of established assumptions, thus avoiding any duplication in the allocation of activities or inter-company relations across the various indicators.

2.3 Diagnosis of compliance with technical criteria

2.3.1 Analysis of the main activity

The main activity of Meliá Hotels International is the provision of short-term tourism accommodation, related to taxonomic activity 2.1 of Annex IV, within the 'Protection and restoration of biodiversity and ecosystems' objective: Hotels, holiday, camping grounds and similar accommodation.

This activity includes the provision of short-term tourism accommodation with or without associated services, including cleaning, food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities, and conference and convention facilities. Therefore, the taxonomy analysis for the 2024 financial year concluded that 84% of Meliá Hotels International's revenue, 99% of CapEx, and 31% of OpEx was eligible under activity 2.1: 'Hotels, holiday, camping grounds and similar accommodation', including a pre-assessment of future alignment.

2.3.2 Substantial Contribution (SC) criteria

As stated above, in terms of Substantial Contribution, the activity 'Hotels, holiday, camping grounds, and similar accommodation' is the most relevant one. According to Substantial Contribution criteria in respect of the protection and restoration of biodiversity and ecosystems, the company does not have a specific contractual arrangement in place, over at least a five-year period, with any organisation involved in the preservation or restoration of areas in the destinations where the company operates. It also lacks a specific action plan to contribute to the conservation of nature and does not meet the other contribution criteria.

The company will further analyse contribution criteria for the protection and restoration of biodiversity and ecosystems in the coming years to evaluate whether it would be feasible to achieve a certain level of alignment. Therefore, we must conclude that our activity is not aligned.

2.3.3 Do No Significant Harm (DNSH) criteria

Regarding Do No Significant Harm criteria in respect of the same activity, in particular those related to climate change adaptation, 2024 has seen our first steps towards the objective of meeting the criteria established in Appendix A of ANNEX IV. As mentioned in the Climate Change section above, we have deepened our analysis of climate vulnerabilities and risks to comply with the specifications outlined in that Appendix. However, we consider that our vulnerabilities assessment model still needs further improvement.

Regarding the other criteria, we cannot conclude that our activities meet the requirements established in the Regulation.

It is worth noting that, to achieve alignment, the company will face a significant challenge requiring strategic and sustained efforts. Although it is important to acknowledge that short-term success may not be within reach, the approach we have adopted gives us confidence in an eventual positive outcome.

2.4 Information regarding Minimum Safeguards

2.4.1 Introduction

Apart from the fulfilment of certain objective technical criteria for each of our activities, alignment involves compliance with a series of Minimum Safeguards by the company.

Essentially, the purpose of Minimum Safeguards (MS) as outlined in Article 18 of Regulation (EU) 2020/852, of the European Parliament and of the Council, is to prevent an investment from qualifying as sustainable if it entails negative impacts on:

- Human Rights, including workers' rights.
- The fight against corruption and bribery.
- Taxation.
- Competition law.

These Minimum Safeguards do not preclude the implementation of stricter requirements in terms of health, safety, and others, as may be applicable under European Law.

2.4.2 Statement of compliance

The requirements outlined in this analysis were interpreted based on the guidelines provided by the EU's Platform on Sustainable Finance in the Final Report on Minimum Safeguards published in October 2022.[1]

[1] See Final Report on Minimum Safeguards (europa.eu)

a. Human rights

Meliá Hotels International has been working for years to establish a human rights management and governance system that was initiated with the approval of its Human Rights Policy by the Board of Directors in 2018, outlining the company's express commitments in this area.

The company has assumed as its own the universal cornerstones for the protection and defence of these rights, including the Principles of the Global Compact—of which it has been a member since 2008—and the UN's Universal Declaration of Human Rights. It also follows and applies other international frameworks of relevance for the business sector (the International Bill of Human Rights, the International Covenant on Economic, Social and Cultural Rights, as well as the Fundamental Principles of the ILO, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy), along with the specific covenants applicable to the tourism industry, as is publicly stated in the aforementioned corporate policy.

Respect for human rights, in accordance with international standards, is inseparable from Meliá Hotels International's approach to management and its values and origin as a family business. This has led Meliá to put its commitments into practice and work to integrate them across the value chain.

To this end, Meliá applies its own Codes of Ethics, which serve as a general framework for employees, suppliers and stakeholders, along with the aforementioned corporate policy and other specific standards, including public ones such as the UK's Modern Slavery Act.

Since 2018, Meliá has a Code of Ethics for Suppliers to ensure they embrace the company's commitments, principles and values from the outset of the commercial relationship. This code stems from and is based on the general principles and commitments assumed in Meliá's Code of Ethics, with each supplier undertaking specific commitments in relation to regulatory compliance, non-discrimination, safe work environments, zero tolerance for abuse and coercion, zero tolerance for slavery, prohibition of child labour, payment of fair wages, respect for freedom of opinion and association, and environmental protection. These topics are covered in the 'Business conduct: Ethics and integrity' section, which expressly refers to Meliá's due diligence in respect of suppliers.

Additionally, Meliá has adopted and integrated into its processes an express commitment to manage this area with due diligence and conduct periodic reviews. In 2022, three years following its first human rights self-assessment, the company reviewed and updated its Control Self-Assessment (CSA) in order to identify new risks and criteria relating to human rights within business operations. This new approach takes a step further down the path of the most demanding standards, adding the Dhaka Principles regarding responsible recruitment and the guidelines of the Modern Slavery Act (United Kingdom) to the frameworks already included in our first self-assessment, such as the Principles of the Global Compact, the ILO guidelines, and the United Nations Guiding Principles on Human Rights. The approach is reflected in the human rights governance and management model, included in the 'Human rights due diligence' section.

This section details the structure of Meliá's due diligence model, aligned with the principles and goals of the Global Compact, and defines the bodies involved in management, the relevant internal rules, and the tools and levers available for the company to ensure due diligence.

With this update, Meliá covers different areas relating to labour rights (recruitment, remuneration and hiring, occupational environment and health, social dialogue, supply chain, and complaints channel), environment (recognised as a human right in our policy) and the fight against corruption.

Through periodic reviews, Meliá measures the perception of protection and likelihood of rights violations in the hotel units, as well as the management's capacity to address them, while also understanding the potential negative impact that any violation could have on our activity.

Since one of the key elements in human rights due diligence is the availability of complaints channels, Meliá provides information in this regard in the 'Business conduct: Ethics and integrity' section. The company always discloses the nature of any complaints received through this channel that are directly related to human rights. None of the complaints received in 2024 had a significant impact on the company from a criminal, financial or reputational perspective.

It is worth noting that Meliá's complaints channel is open for any stakeholder who believes that their rights have been violated, and is publicly accessible online and offline. Thus, in the event of a possible violation, Meliá processes each complaint involving all necessary bodies with a view to resolving and remedying any negative impact that may have been caused. Meliá's commitment to the defence of these rights implies that the company is ready to collaborate openly with any entity that requests it.

During 2024, Meliá did not receive any request or notice in this regard, nor was it sued or convicted for any violations of these rights.

b. Fight against corruption and bribery

Meliá Hotels International's Code of Ethics establishes certain global commitments, including the duty to take rigorous and forceful action against any practice involving corruption, fraud or bribery.

Moreover, the Code of Ethics includes the following among the commitments undertaken in respect of the public administrations: 'Not accepting or offering any kind of bribe, financial or in kind, and maintaining an attitude of active fight against corruption and the prevention of crime and money laundering.'

These commitments established in the Code of Ethics are embodied in Meliá's Anti-Corruption Policy (updated in 2021). The aim of this policy is to establish the principles that must govern our actions as a company in order to prevent, detect, report and rectify any activity that may be considered corruption or bribery, whether active or passive, in accordance with applicable regulations, always under a principle of zero tolerance for these practices. This policy also includes the following commitments:

- To comply with all legislation and regulatory obligations, both domestic and international.
- To establish mechanisms for the monitoring and control of our principles, values and commitments, guaranteeing the disapproval of irregular behaviour at all times. In particular, action will be taken against any practice of corruption, fraud or bribery.
- To reject gifts and courtesies from third parties and not to accept any type of economic consideration, gift or invitation from our suppliers that, due to their value, may exceed the symbolic or mere courtesy.

In addition to the above, the company has a Crime Prevention and Detection Protocol in place, with the main purpose of preventing or reducing any risks of criminal activity, especially those involving the criminal liability of legal persons.

This protocol is certified by AENOR, accrediting that the Criminal Compliance Management System meets the requirements established in the UNE 19601:2017 standard (renewed in 2024).

Corruption is one of the criminal offences covered by our Crime Prevention Protocol, and is subject to specific checks that are assessed on an annual basis to mitigate this criminal risk.

The company has further internal policies and rules in place, comprised within the Crime Prevention Protocol, which establish guidelines or instructions aimed at preventing corruption, including but not limited to the following:

- Compliance Policy, whereby the company assumes the commitment to comply with national and international laws and regulations, as well as its internal rules, and to ensure that internal rules and the actions of executives and managers are based on ethical criteria, aligned with the principles and values upheld by the company and its Code of Ethics.
- Philanthropy Policy, expressly prohibiting contributions of any type whatsoever (financial or in kind) to political parties and their foundations, as well as to trade unions, individuals, or privately promoted initiatives.
- Hotel Management and Internal Control Rule, establishing clear guidelines aimed at preventing corruption and fraud in various internal processes, among other aspects.

To ensure the proper implementation of the Code of Ethics, as well as the internal policies and rules, Meliá has complaints channels in place (internal for employees and external for third parties) to facilitate the reporting of active or passive behaviour contrary to the Code of Ethics or any other regulation, specifically including corruption, bribery, fraud, and others.

The company also has an Internal Audit Department that acts as a third line of defence and reviews compliance with internal policies and rules. On an annual basis, it also reviews the Crime Prevention Protocol to ensure appropriate and effective implementation of the controls established therein.

During 2024, it produced a total of 165 audit reports with a global scope (in 2023: 199 and in 2022: 203), providing coverage to the various regions, areas and businesses of the company. Based on these reviews and on the results of the audits, no practice was detected in 2024 that could expose the company to a crime of corruption or fraud.

c. Taxation

Taxation, as a critical part of corporate responsibility, is overseen by Meliá's Board of Directors. The Board of Directors approves the tax strategy and monitors its implementation and the management of tax risks at least annually. Among other pillars, the tax strategy defines compliance with applicable laws and regulations as fundamental, respecting both their letter and spirit. Meliá publishes its tax strategy on the corporate website.

The company has endowed itself with internal rules, internal control processes and a complaints channel to ensure tax compliance. Compliance with tax obligations is regularly reviewed and there is an organisational structure with appropriate means allocated, including a professional team that receives ongoing training.

Meliá's corporate structure is aligned with the business and complies with the legal requirements and standards on corporate governance. The company does not use instrumental entities in tax havens.

Furthermore, Meliá upholds the highest standards of transparency in tax matters, as has been recognised by independent expert reports, and publishes information on its tax strategy and taxes paid.

Tax risk management at Meliá is based on internal processes, systems and controls (ICFR, key controls, and others). The Tax Department, as the body in charge of tax compliance, manages the Group's tax risks and has implemented processes that, along with robust information management systems, ensure the reliability and traceability of data and minimise the chance of human error in this area.

d. Competition law

Meliá Hotels International plays a leading role in the tourism industry. This entails an obligation to act with due responsibility in healthy competition with other players in the tourism value chain. As a result of this commitment, the company aims to contribute to sustainable tourism as a driver of progress and well-being in society, actively collaborating with industry organisations and, in particular, maintaining a relationship of respect and transparency with competitors.

In broad outlines, Meliá has set clear communication, marketing and sales targets in this regard, establishing and maintaining connections with all its stakeholders and providing them with open, accurate, clear and transparent information about the company's mission, strategy, objectives and achievements.

These communication efforts are also intended to enhance our corporate reputation by truthfully and accurately portraying the company's image, and to establish and maintain the necessary communication channels to invite all stakeholders to take part in its leadership and reputation.

Thus, Meliá's commitments to the tourism industry and its competitors are primarily focused on exercising leadership in a responsible and ethical way, fully aware of the impact and consequences its behaviour as a benchmark company can have on the entire sector.

The company consequently avoids any practice that might directly or indirectly be deemed to be contrary to the free establishment of terms and conditions in the markets where it operates. In fact, during 2024 the company did not receive any sanction in this regard in any of the markets where it sells or provides its services.

Additionally, the company contributes to protecting and enhancing the industry's reputation, as it actively participates and shares its expertise and best practices in local, national and international forums, associations and other relevant entities and institutions. In turn, this helps strengthen its own positioning, as further explained in the 'Listening to our stakeholders' section, competitors being included among stakeholders in Meliá's view.

The 'Impact on the community' section identifies different business and non-business circles and entities to which the company is a member, all with the goal of fostering leadership and sharing insights and best practices. By attending these forums, Meliá responsibly fulfils its role as a leading company in tourism, avoiding positions that could have a negative impact on the industry and actively collaborating in joint initiatives to foster continuous progress and enhance the reputation of the tourism sector at the local, regional, national and supranational level.

Meliá maintains a dialogue that promotes active listening and collaboration with other companies in the industry, irrespective of whether they are competitors or not. In this way, Meliá acts in good faith, ethically and honestly, promoting friendly and mutually beneficial relationships within the industry, giving due consideration to its competitors and refraining from soliciting customers or collecting customer information through unethical methods.

Fair and ethical communication and marketing of products and services, excluding deceptive advertising, are essential for Meliá, as its customers are its raison d'être. Consequently, its competitive behaviour, based on ethics, leads it to comply with applicable regulations in every country where it provides or markets its services.

The company uses the best available systems to protect the information and data entrusted to it by customers, always acting with due diligence and responsibility in processing such data, with a special focus on personal data protection, as detailed in the 'Cybersecurity and data protection' section—a key area of technological development, in which it provides training for its teams, given its relevance.

Furthermore, Meliá markets its products and services in a proper, transparent, truthful and honest manner, avoiding deceptive advertising or any other practice that may mislead or deceive customers. Our loyalty levels and NPS confirm that customers appreciate the level of transparency and quality of the value proposition put forward by the company.

In this context, there are also various channels available through which customers can have access to clear information about services, terms and conditions, and prices, as well as channels through which customers can file complaints if they deem it appropriate.

As concerns the ethical management of alliances, Meliá assumes the commitment to not establish commercial relationships with third parties who do not share its values, or who have been proven to violate any applicable legal provisions, as outlined in the 'Business conduct: Ethics and integrity' section and other policies.

Lastly, Meliá organises regular training sessions and other initiatives aimed at raising awareness among staff about competition matters, as well as how to communicate and market our products and services, both on our own channels (website, app, Contact Centre) and through third parties such as OTAs and others, to ensure that they provide accurate, transparent and ethical information, and to prevent discrepancies across the different channels.

All employees have access to courses on our digital learning platform during onboarding to ensure they have the necessary information regarding competition before starting their work at the company. By way of example, in the Contact Centre, our teams of agents specialising in supporting customers who are booking or modifying an existing reservation via phone, chat, or email, undergo an annual PCI Audit that assesses the efficiency of their service, with a focus on data processing and communication with customers.

Checks are conducted on an annual basis—more frequently in some cases—to verify legal aspects such as terms and conditions, privacy policies, and the processing of personal and/or professional data from our customers, suppliers, etc., to ensure proper maintenance of the data stored in our systems. From a strategic standpoint, before entering into any collaboration or commercial relationship with external partners, we ensure that we share the same values and that the appropriate contractual obligations are respected.

3. Qualitative information

3.1 Assessment of compliance with Regulation (EU) 2020/852

3.1.1 Information on the assessment of compliance with Regulation (EU) 2020/852

In accordance with section 2.1 of Annex IV for the objective relating to the 'Protection and restoration of biodiversity and ecosystems: Hotels, holiday resorts, camping grounds and similar accommodation', the main activities carried out by Meliá in this category could be associated with several NACE codes, in particular I55.10 (Hotels and similar accommodation), I55.20 (Holiday and other short-stay accommodation) and I55.30 (Camping grounds, recreational vehicle parks and trailer parks), pursuant to the statistical nomenclature of economic activities established by Regulation (EC) No. 1893/2006.

3.1.2 Contextual information on eligibility indicators

In accordance with section 1.2.3 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, the reported results of the key indicators presented in the 'Main results' section are set out, in particular the criteria applied and the assumptions made.

Non-Financial and Diversity Reporting Requirements (Law 11/2018)

CONTENT	RELATED GRI	REPORT SECTIONS
Business Model		
Description of the Group's business model, including the business environment, organisation and structure, markets in which it operates, objectives and strategies, and the main factors or trends that may affect its evolution	2-1, 2-2, 2-3, 2-4, 2-5	About this Report - Group information - Scope of the Report - External verification
	2-6	Macroeconomic overview of the tourism industry
	2-6	Business model - Our business model
	2-9, 2-14, 2-22	Sustainability governance Responsible business
	2-29, 3-1, 3-2, 3-3	Listening to our stakeholders Double Materiality - Main steps of the process Corporate governance - General Shareholders' Meeting
	2-9, 2-10, 2-11, 2-12, 2-14, 2-15, 2-17, 2-18, 405-1	Corporate governance - Governance structure - Board of Directors - Functions of the Board of Directors - Diversity on the Board of Directors and Senior Management - Assessment of the Board of Directors - Competency matrix - Conflicts of interest
Policies & Risks		
A description of the policies applied by the Group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as verification and control procedures	2-12, 2-13, 2-23, 2-24, 2-25	Risk management - Governance of risk management
The main risks associated with the Group's activities, including how the Group manages those risks and the procedures used to detect and evaluate them	3-1, 3-2, 3-3	Risk Management - Risk map
	2-29, 3-1, 3-2	Listening to our stakeholders Double Materiality - Main steps of the process
	2-25, 2-26	Business conduct: Ethics and integrity - Diligence in the management of complaints
Environmental Issues		
Global Information		
Detailed information on the current and foreseeable effects of the company's activities on the environment, environmental assessment or certification procedures, resources allocated to the prevention of environmental risks and the application of the precautionary principle	2-12, 2-23, 2-24, 3-1, 3-2, 3-3	Climate Change - ESG management and climate change governance - Risks and opportunities arising from climate change - Related policy - Strategy against climate change - Related actions and resources
Pollution		
Measures to prevent, reduce or remedy carbon emissions taking into account any form of air pollution specific to a given activity	3-3, 305-7	Climate Change - Strategy against climate change - Related actions and resources Good for the Planet indicators - NOX AND SOX EMISSIONS
Circular Economy		
Measures of prevention, recycling, reuse, other forms of recovery and disposal of waste	2-23, 2-24, 2-25, 3-3, 301-2, 306-1, 306-2, 306-3, 306-4, 306-5	Circular economy and use of resources - Related policies - Management system - Related actions and resources - Resource inputs and outputs Good for the Planet indicators - Circular economy and use of resources
Actions to combat food waste	301-2	Circular economy and use of resources - Related actions and resources

Sustainable use of resources		

CONTENT	RELATED GRI	REPORT SECTIONS
Water consumption	2-23, 2-24, 2-25, 3-1, 3-3, 303-1, 303-2, 303-3, 303-4, 303-5	Responsible water management - Management of incidents, risks and opportunities - Related policies - Actions and resources related to water resources - Water consumption Good for the Planet indicators - Water resources
Consumption of raw materials and measures taken to improve the efficiency of their use	306-4	Circular economy and use of resources - Related actions and resources
Consumption of energy and measures taken to improve energy efficiency and the use of renewable energies	3-3, 302-1, 302-3, 302-4, 302-5	Climate Change - Actions and resources related to climate change policies - Consumption data and energy mix Good for the Planet indicators - ENERGY
Climate Change		
Major elements of greenhouse gas emissions generated as a result of the company's activities	305-1, 305-2, 305-3, 305-4, 305-5, 305-6	Climate Change - Strategy - Gross GHG emissions in Scopes 1, 2 and 3, and total GHG emissions - Gross GHG emissions in Scope 3 Good for the Planet indicators - CARBON FOOTPRINT - SCIENCE-BASED TARGET INITIATIVE (SBTi)
Measures taken to adapt to the consequences of climate change	201-2, 203-1, 203-2	Climate Change - Risks and opportunities arising from climate change Report on eligibility and alignment with EU Taxonomy
Medium and long-term voluntary targets for reducing greenhouse gas emissions	305-5	Climate change - Strategy
Protection of biodiversity		
Measures taken to preserve or restore biodiversity	2-23, 2-24, 2-25, 3-3	Biodiversity and ecosystems - Related policies and our strategy - Management of dependencies, incidents, risks and opportunities - Related actions and resources
Impacts caused by activities or operations in protected areas	304-1, 304-2, 304-3	Biodiversity and ecosystems - Management of dependencies, incidents, risks and opportunities
Social and Staff-related Issues		
Employment		
Total number and breakdown of staff by gender, age, country and professional category	2-7, 2-8, 405-1	Talent management - Profile of our workforce Good for the People indicators - Talent management - AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND AGE (FTE) - EMPLOYEES IN THE VALUE CHAIN
Total number of employment contracts and breakdown by type	2-7, 401-1	Good for the People indicators - Talent management - AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (FTE) - AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTE)
Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category	2-7, 401-1	Good for the People indicators - Talent management - AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND TYPE OF WORKING DAY (FTE) - AVERAGE WORKFORCE BY GENDER, GEOGRAPHIC AREA, PROFESSIONAL CATEGORY AND TYPE OF CONTRACT (FTE)
Number of dismissals by gender, age and professional category	401-1	Good for the People indicators - Talent management - TURNOVER RATE OF AVERAGE STAFF BY GENDER, GEOGRAPHIC AREA AND AGE (%) - DISMISSALS BY PROFESSIONAL CATEGORY, AGE AND GENDER (PEOPLE)
Average remuneration and its evolution broken down by gender, age and professional category or equal value	405-2	Good for the People indicators - Talent management - AVERAGE REMUNERATION & PAY GAP BY PROFESSIONAL CATEGORY AND AGE (€ AND RATIO) - PAY GAP BY PROFESSIONAL CATEGORY AND COUNTRY (RATIO)
Pay gap in the remuneration of similar job positions or as an average across the company	202-1	Good for the People indicators - Talent management - BASE SALARY COMPARED TO LOCAL MINIMUM SALARY BY GENDER (RATIO)
Average remuneration of directors and executives	2-19, 2-20, 2-21, 405-2	Corporate governance - Remuneration of the Board of Directors
Implementation of employee disconnection policies	2-23, 401-3	Talent management - Social protection Good for the People indicators - Talent management - PARENTAL LEAVE

CONTENT	RELATED GRI	REPORT SECTIONS
Employees with disabilities		Good for the People indicators - Talent management - DIVERSITY OF OTHER MINORITIES
Organisation of work		
Organisation of the work schedule	2-23, 2-24, 3-3	Talent management - Social protection
Number of hours of absenteeism	403-9, 403-10	Good for the People indicators - Occupational health and safety - ABSENTEEISM
Measures aimed at facilitating the enjoyment of a work-life balance and encouraging the exercise of co-responsibility by both parents	2-23, 2-24, 3-3, 401-3	Talent management - Social protection Good for the People indicators - Talent management - PARENTAL LEAVE
Health and Safety		
Health and safety conditions at work	403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-8	Occupational health and safety - Governance model - Risk management - Health and well-being of our people - Collaboration with our stakeholders Employees in the value chain - Responsible supply chain Good for the People indicators - Occupational health and safety - REPRESENTED WORKFORCE - OCCUPATIONAL HEALTH AND SAFETY COMMITTEES
Occupational accidents, in particular frequency and severity	403-9	Good for the People indicators - Occupational health and safety - OCCUPATIONAL HEALTH INDICES - EMPLOYEES
Occupational illnesses, broken down by gender	403-10	Good for the People indicators - Occupational health and safety - OCCUPATIONAL HEALTH INDICES - EMPLOYEES
Social Relationships		
Organisation of social dialogue	2-29, 2-30, 402-1	Talent management - Social dialogue Good for the People indicators - COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE (%)
Percentage of staff covered by a collective agreement	2-30, 3-3	Good for the People indicators - COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE (%)
Assessment of collective agreements, particularly in relation to occupational health and safety	403-1, 403-4	Occupational health and safety - Governance model
Training		
Policies implemented and total number of training hours by professional category	2-23, 2-24, 2-25, 3-3, 404-1, 404-2	Talent management - Organisational and governance model - Training and skills development Good for the People indicators - Talent management - TRAINING BY PROFESSIONAL CATEGORY AND GENDER (TOTAL HOURS & HOURS PER EMPLOYEE)
Universal Accessibility		
Universal accessibility for people with disabilities	3-3	Talent management - Equal treatment and opportunities
Equality		
Measures taken to promote equality of treatment and opportunities between women and men; equality plans.	2-23, 2-24, 2-25, 3-3	Talent management - Equal treatment and opportunities
Measures adopted to promote employment	3-3, 404-1, 404-2, 404-3	Talent management - Quality employment - Remuneration, compensation and benefits - Training and skills development
Policy against any type of discrimination and, where applicable, for the management of diversity. Protocols against sexual harassment and gender-based harassment. Integration and universal accessibility for people with disabilities.	2-23, 2-24, 2-25	Talent management - Equality, diversity and inclusion Business conduct: Ethics and integrity - Governance structure of business conduct - Diligence in the management of complaints - Mechanisms regulating business conduct and corporate culture
Human Rights		
Implementation of human rights due diligence procedures Prevention of human rights violation risks and, where appropriate, measures to mitigate, manage and remedy potential abuses	2-23, 2-24, 2-25, 3-3	Human rights due diligence - Governance model and management and control system
Complaints about human rights violations	2-26, 3-3, 406-1, 411-1	Business conduct: Ethics and integrity - Diligence in the management of complaints

CONTENT	RELATED GRI	REPORT SECTIONS
Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization in relation to respect for freedom of association and the right to collective bargaining. The suppression of discrimination in employment and occupation. The suppression of forced or compulsory labour. The effective abolition of child labour.	2-28, 3-3, 407-1, 408-1, 409-1	Talent management - Social dialogue - People management Occupational health and safety - Collaboration with our stakeholders Employees in the value chain - Responsible supply chain Impact on the community - Governance model - Philanthropy management system - We strengthen our links with the community Human rights due diligence - Governance model and management & control system
Corruption and Bribery		
Measures adopted to prevent corruption and bribery	2-23, 2-24, 2-25, 2-26, 3-3, 205-1, 205-2, 205-3, 415-1	Business conduct: Ethics and integrity - Governance structure of business conduct - Mechanisms regulating business conduct and corporate culture - Diligence in the management of complaints - Compliance model - Promotion and encouragement of ethical business conduct and culture
Measures to combat money laundering	2-23, 2-24, 2-25, 2-26, 3-3	Business conduct: Ethics and integrity - Governance structure of business conduct - Mechanisms regulating business conduct and corporate culture - Diligence in the management of complaints - Compliance model
Contributions to foundations and non-profit entities	2-28	Impact on the community – We strengthen our links with the community Good for the People indicators - Social action
Society		
Commitments of the company to sustainable development		
The impact of the company's activity on employment and local development	2-23, 2-24, 2-25, 3-3, 201-1	Impact on the community - Governance model - Philanthropy management system - We strengthen our links with the community
The impact of the company's activity on local peoples and territories	201-1, 204-1, 413-1, 413-2	Impact on the community – We strengthen our links with the community Governance for Good indicators - Supply chain
Relationships with stakeholders in the local communities and forms of dialogue	2-29	Listening to our stakeholders Impact on the community – We strengthen our links with the community
Partnership or sponsorship actions	2-28	Impact on the community – We strengthen our links with the community Good for the People indicators - Social action
Subcontracting and Suppliers		
Incorporation of social, gender-equality and environmental considerations into the procurement policy	2-23, 2-24, 2-25, 3-3, 308-1, 414-1	Employees in the value chain - Responsible supply chain - Communication channels Human rights due diligence - A responsibility model - Governance model and management and control system
Consideration of the social and environmental responsibility of suppliers and subcontractors	308-2, 407-1, 408-1, 409-1	Employees in the value chain - Responsible supply chain - ESG risk control system Human rights due diligence - Governance model and management and control system
Supervision systems, audits and audit results	3-3, 308-2, 414-2	Employees in the value chain - Related policies - Responsible supply chain - ESG risk control system
Consumers		
Measures for the health and safety of consumers	2-23, 2-24, 3-3	Our customers - Governance model - Communication channels and customer relationship - Diversity and inclusion
Complaint systems, received complaints and their resolution	2-25, 2-26, 3-3, 206-1, 416-2, 417-2, 417-3, 418-1	Our customers - Governance model - Communication channels and customer relationship - Value proposition - Diversity and inclusion - Customer satisfaction - Control systems Business conduct: Ethics and integrity - Diligence in the management of complaints
Tax information		

CONTENT	RELATED GRI	REPORT SECTIONS
A description of the policies applied by the Group, including due diligence procedures for the assessment, prevention and mitigation of risks and impacts, as well as verification and control procedures	2-23, 2-24, 207-1, 207-2	Tax transparency - A tax strategy based on values
Profit obtained by country and taxes paid on profit	207-4	Tax transparency - Aligned with responsible taxation
Public subsidies received	201-4	Financial indicators - Grants and allowances received

Methodology for calculating the carbon footprint SBTi

We calculate and report the carbon footprint for all facilities where we have operational control, i.e. owned and leased hotels.

The methodology used to calculate the carbon footprint follows the procedure laid down in the internationally recognised GHG Protocol.

The following scopes are considered to calculate the carbon footprint:

SCOPE 1

Scope 1 greenhouse gas emissions are those resulting from burning fuel for heating and/or DHW or from leaks of fluorinated gases in our own facilities.

SCOPE 2

Scope 2 greenhouse gas emissions are indirect emissions resulting from the generation of energy that is acquired by the company for consumption, i.e. not produced in our own facilities. This category includes the purchase of electricity, district heating and district cooling.

SCOPE 3

Due to the nature of our business model, Scope 3 emissions are very significant in our activity. Therefore, in line with recommended best practices, we continue taking steps forward in measuring our Scope 3 footprint, which includes the following categories in our value chain:

Categories 1 and 2: Purchase of goods & services and purchase of capital goods

Indirect emissions under this category are estimated through an economic input/output analysis, using a proprietary tool with this methodology and the emission factors from the CEDA 5 database (the Comprehensive Environmental Data Archive v5.0 or CEDA provides information on the emissions incorporated during the life cycle per monetary unit spent on goods and services).

Based on our methodology for calculating emissions, firstly, the annual expenses incurred for each group of items purchased during the reporting year are broken down, taking into account the company code assigned to each group, which helps determine whether it falls under OPEX or CAPEX. Secondly, the expenditure incurred for each group of items is multiplied by the emission factor that best fits its denomination according to CEDA.

The main data used for category 1 calculations are as follows:

- It includes all upstream emissions associated with the production of all goods or services purchased or acquired during the reporting year.
- It includes goods (tangible products) and services (intangible products).
- Source: Procurement companies database.

- Emission factors from CEDA 5 (Comprehensive Environmental Data Archive v5.0).

The main data used for category 2 calculations are as follows:

- This category includes all upstream emissions associated with equipment and/or capital goods acquired during the reporting year.
- Source: Procurement companies database.
- Emission factors from CEDA 5 (Comprehensive Environmental Data Archive v5.0).

Category 3: Fuel and energy consumed by the company (not included in Scopes 1 and 2)

These are emissions associated with fuel and energy consumed that are not included in Scopes 1 or 2. We calculate these emissions because our fuel and energy consumption is a significant part of Scope 3 emissions.

We use the AEI database (2018 version) and, in accordance with the updated standard, the electricity emission factors and grid loss data obtained from global emissions data sources (IEA, DEFRA and individual countries) that are used to calculate transmission and distribution losses, as well as emissions associated with the extraction, production and transport of fuels.

Category 5: Waste treatment

The emissions associated with the management of waste generated on site are calculated taking into account the emissions resulting from its treatment by third parties (recycling, composting, landfill disposal and incineration).

The emissions associated with the management of waste generated on site are calculated according to the type of treatment: recycling, composting, landfill disposal or incineration, and the emission factors assigned to each.

Category 6: Business travel

Scope 3 emissions associated with business travel are obtained from air travel reports provided by our partner American Express Global Business Travel - Emissions associated with business flights, based on the number of kilometres travelled and the emission factor provided by DEFRA (Department for Environment, Food & Rural Affairs).

Category 7: Commuting to work (employees)

In 2019, with the aim of calculating the emissions associated with commuting by our employees worldwide, we launched a survey to gather data on the distance each of them travels daily from home to work, together with the means of transport used and the number of trips made each day.

Total emissions for 2024 have been calculated based on this information and the emission factors obtained from the GHG Protocol.

Category 11: Use of sold products

This includes Scope 1 and 2 emissions from hotels operated on a management basis.

Glossary

TERM	DEFINITION
ARR - Average Room Rate	Average price per occupied room
Asset light	Expansion or growth strategy based on management or franchise models, therefore involving little investment
B2B - Business to Business	Sale of products & services between two businesses
B2C - Business to Customer	Sale of products & services to end customers
BIM - Building Information Modelling	Digital representation of a built asset that enables the integration of structured data to enhance the knowledge and performance of the asset throughout its life cycle
Bleisure	Compound term formed by the words business and leisure
Business development	Department focused on developing and promoting business growth from the commercial perspective, as well as identifying new business opportunities
CAPEX	A set of investments made in an asset, at a specific time, classified according to the type of investment (building, technology, furniture, etc.)
CDP - Carbon Disclosure Project	Entity that evaluates the positioning of organisations in relation to climate change
CNMV - Comisión Nacional del Mercado de Valores	Spanish body in charge of overseeing and monitoring securities markets and business activity
COP - United Nations Climate Change Conference	Annual meeting of the countries that have ratified the commitments made in relation to climate change and the reduction of emissions to mitigate global warming
COSO - Committee of Sponsoring Organizations of the Treadway Commission	Reference framework for the implementation of risk management and internal control systems
CSA - Corporate Sustainability Assessment	Annual sustainability assessment of companies conducted by S&P Global
CSRD - Corporate Sustainability Reporting Directive	European directive on corporate reporting that replaces Directive 2014/95/EU (Law 11/2018) and lays down the rules governing sustainability reporting
CUBG - Código unificado buen gobierno (Spain)	Regulation applicable to listed companies aimed at ensuring transparency in the Spanish securities markets
Customer Journey	Encompasses all stages and contact points of customers during their trip or hotel stay
EBITDA	Gross operating profit before interest, taxes, depreciation and amortisation
E-commerce/Electronic commerce	Distribution, purchase and sale of products and services offered via the internet
EMEA	Geographical area including Europe, Middle East and Africa
ESG	Acronym for Environmental, Social and Governance
ESRS - European Sustainability Reporting Standards	European standards produced to facilitate corporate reporting under CSRD and structure disclosures on environmental, social and governance issues by companies
Essential brands	A group of brands within a particular segment that share certain properties, services and experiences
F&B	Food and Beverage
GDPR - General Data Protection Regulation	European Union regulation aimed at enhancing the protection of personal data
GRI - Global Reporting Initiative	A global standard for the preparation of sustainability reports that evaluates both qualitative and quantitative data to be disclosed
GSS - Guest Satisfaction Score	An indicator that measures customer satisfaction in relation to certain products or services

TERM	DEFINITION
GSTC - Global Sustainable Tourism Council	Entity in charge of managing global standards for sustainability in travel and tourism
High-end	Segment associated with a high purchasing power and the demand for exclusivity, luxury, authenticity and excellence
Lifestyle hotels	A category of hotels characterised by having a unique identity and personality
Aggregate information	Includes information on owned, leased and managed hotels
Consolidated information	Includes information on owned and leased hotels (scope of consolidation or global integration)
Joint Venture (JV)	A joint investment with legal entity status that acquires ownership of a hotel establishment
KPI	An indicator or quantitative metric to measure performance against predefined targets using a specific unit of measurement
Luxury brands	A group of brands within a particular segment that share certain properties, services and experiences characterised by luxury, quality and a personalised service
MICE - Meetings, Incentives, Conferences and Exhibitions	Segment associated with incentives, meetings and other corporate events
NPS - Net Promoter Score	An indicator to measure the level of recommendation from customers regarding their hotel experience
SDG - Sustainable Development Goals	Comprises 17 global goals of the United Nations 2030 Agenda in economic, social, and environmental matters
OPEX	Grouping of various expenses related to a company's operations
OTA (Online Travel Agency or tour operator)	Operators or agents offering tourist packages or tourism services and products
e-Learning Platform	Online learning platform that includes different courses and programmes to train teams
PCI Security Standards Council	Data Security Standard for the payment or credit card industry
Pipeline	Portfolio of signed hotels pending opening
PMS - Property Management System	Technology platform for operational management at hotels
Premium brands	A group of brands that share certain properties, services and experiences characterised by certain quality criteria and a personalised service
Proxy Advisors	Entities that provide consulting services to investors, mainly institutional, in relation to the exercise of voting rights associated with the ownership of shares in listed companies
QPI - Quality Penetration Index	Quality index referenced against competitors. It provides a reputation metric in relation to the competition.
Revenue Management	Focused on income management and marketing for hotels
ReviewPro	Analytical tool that enables hotel operators to aggregate, organise and manage their online presence and reputation
RevPAR - Revenue Per Available Room	Indicator measuring the revenue generated by the sale of rooms divided by the total number of rooms available
Variable remuneration	Benefits that supplement annual remuneration and are linked to the fulfilment of certain targets or metrics
SBTi - Science Based Targets initiative	Initiative that allows to set targets associated with the reduction of emissions, based on scientific criteria, to support organisations in defining their goals according to established standards
SCIIF - Sistema de Control Interno sobre la Información Financiera	Spanish internal control framework designed to ensure the reliability of financial information, as well as accounting and reporting processes
SET - Senior Executive Team	Steering committee comprising the company's top management
Stakeholders	Refers to the multiple parties involved who are considered in the approaches involving all the actors that make up a business ecosystem
Sustainability Yearbook	Yearbook published by S&P Global recognising the companies that are best positioned and valued for their performance in the field of sustainability
Upgrade	Offering a customer the possibility to book a higher room category than initially purchased
Upscale	Segment of hotels with the highest product and service standards or a superior category
Vice-Chair	Organisational category with a senior executive profile

Meliá Hotels International, S.A. and Subsidiaries

Independent Limited Assurance Report on the Non-Financial Information Statement for 2024

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT ON THE NON-FINANCIAL INFORMATION STATEMENT OF MELIÁ HOTELS INTERNATIONAL, S.A. AND SUBSIDIARIES FOR 2024

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

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Non-Financial Information Statement ("NFIS") for the year ended 31 December 2024 of Meliá Hotels International, S.A. and subsidiaries ("Meliá", "the Group" or "the Meliá Group"), which forms part of the Management' Report ("MR") of the Meliá Group.

The content of the Group's Management' Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the "Non-Financial and Diversity Reporting Requirements (Law 11/2018)" Appendix and the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the MR.

Responsibilities of the Directors

The preparation and content of the NFIS included in the Meliá Group's Management' Report are the responsibility of the directors of Meliá Hotels International, S.A. The NFIS included in the Meliá Group's Management' Report was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as the other criteria described as indicated for each matter in the "Non-Financial and Diversity Reporting Requirements (Law 11/2018)" Appendix and the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the MR.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The Board of Directors of Meliá Hotels International, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Deloitte Auditores, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1) which requires the firm to design, implement and operate a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is also substantially lower.

Our work consisted of making inquiries of management and the various units of Meliá that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Meliá personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2024 NFIS based on the materiality analysis performed by Meliá and described in the “Double Materiality” section of the NFIS, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2024 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2024 NFIS.
- Verification, by means of sample-based tests, of the information relating to the contents included in the 2024 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the directors and management.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and the delegated acts adopted pursuant to that Regulation establish, for the first time for 2024, the obligation to disclose information on how and to what extent an undertaking's activities are associated with aligned economic activities in relation to the environmental objectives on sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the prevention and restoration of biodiversity and ecosystems (the other environmental objectives) and in relation to certain activities included in the climate change mitigation and climate change adaptation objectives, in addition to the information on eligibility required in 2023 for the aforementioned activities. Therefore, the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the accompanying Management' Report of the Meliá Group does not include comparative information on alignment in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. In addition, it should be noted that the directors of Meliá Hotels International, S.A. have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the accompanying MR of the Meliá Group. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Meliá Hotels International, S.A. and subsidiaries for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as the criteria described as indicated in the "Non-Financial and Diversity Reporting Requirements (Law 11/2018)" Appendix and the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the MR.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE AUDITORES, S.L.

José Ricardo González Rosal

27 February 2025

Consolidated Annual Accounts

2024

MELIÃ HOTELS INTERNATIONAL | Leisure at heart, business in mind

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

Consolidated Balance Sheet

(Thousand €)	Note	31/12/2024	31/12/2023
NON-CURRENT ASSETS			
Goodwill	9	27,164	27,088
Other intangible assets	9	81,183	79,239
Property, Plant and Equipment	10	1,594,373	1,578,149
Right of use	17	1,517,855	1,375,854
Investment property	11	156,832	117,898
Investments measured using the equity method	12	206,876	240,820
Other non-current financial assets	13,1	129,071	149,673
Deferred tax assets	19,2	296,574	289,886
TOTAL NON-CURRENT ASSETS		4,009,928	3,858,607
CURRENT ASSETS			
Inventories	14,1	31,988	29,837
Trade and other receivables	14,2	265,480	227,315
Current tax assets		24,118	35,812
Other current financial assets	13,1	79,001	123,345
Cash and other cash equivalents	14,3	171,272	160,229
TOTAL CURRENT ASSETS		571,859	576,538
TOTAL GENERAL ASSETS		4,581,787	4,435,145
EQUITY			
Share capital	15,1	44,080	44,080
Share premium	15,1	1,079,054	1,079,054
Reserves	15,2	411,939	433,010
Treasury shares	15,3	(1,509)	(1,615)
Retained earnings	15,4	(710,465)	(920,599)
Translation differences	15,5	(202,901)	(240,157)
Other measurement adjustments	15,5	(2,652)	1,429
Profit/(loss) for the year attributed to parent company	8	140,626	117,734
NET EQUITY ATTRIBUTED TO THE PARENT COMPANY		*758,172*	*512,936*
Non-controlling shareholdings	15,6	311,705	50,211
TOTAL NET EQUITY		1,069,877	563,147
NON-CURRENT LIABILITIES			
Bonds and other negotiable securities	13,2	52,143	52,082
Bank loans	13,2	769,022	958,390
Lease liabilities	17 & 13,2	1,312,338	1,301,464
Other non-current financial liabilities	13,2	56,268	33,713
Capital grants and other deferred income	16,1	270,374	298,631
Provisions	16,2	41,036	37,677
Deferred tax liabilities	19,2	212,746	167,930
TOTAL NON-CURRENT LIABILITIES		2,713,927	2,849,887
CURRENT LIABILITIES			
Bonds and other negotiable securities	13,2	11,242	24,585
Bank loans	13,2	111,555	288,837
Lease liabilities	17 & 13,2	151,595	147,989
Trade creditors and other payables	18,1	473,383	505,276
Current tax liabilities		23,845	9,451
Other current liabilities	13,2	26,363	45,973
TOTAL CURRENT LIABILITIES		797,984	1,022,111
TOTAL GENERAL LIABILITIES AND NET EQUITY		4,581,787	4,435,145

Consolidated Income Statement

(Thousand €)	Note	2024	2023
Operating income		2,012,786	1,928,801
Results from assets sale		43,496	3,395
Total Operating income and Results from assets sale	**7,1**	**2,056,282**	**1,932,196**
Supplies	7,2	(202,389)	(209,528)
Staff costs	7,3	(570,278)	(544,741)
Other expenses	7,4	(669,111)	(645,325)
Total Operating expenses		**(1,441,778)**	**(1,399,594)**
EBITDAR (*)		**614,504**	**532,602**
Leases	17,2	(39,149)	(42,840)
EBITDA (*)	**6,1**	**575,355**	**489,762**
Depreciation and impairment Property, Plant and Equipment and Other intangible assets	7,5	(102,333)	(114,368)
Depreciation and impairment Right of use	7,5	(139,559)	(144,395)
EBIT/ Profit /(Loss) from operating activities		**333,463**	**230,999**
Exchange differences		(43)	1,977
Borrowings	7,7	(63,585)	(73,905)
Financial expense leases	17,.2 , 7,7	(38,454)	(33,385)
Other financial income		4,023	10,715
Net financial income	**7,6**	**(98,059)**	**(94,598)**
Profit /(Loss) from companies carried by the equity method	**12**	**(10,980)**	**12,916**
NET INCOME BEFORE TAX		**224,424**	**149,317**
Income Tax	19,7	(62,383)	(19,209)
CONSOLIDATED NET INCOME		**162,041**	**130,108**
a) Attributed to the parent company	8	140,626	117,733
b) Attributed to minority interests	15,6	21,415	12,375
BASIC EARNINGS PER SHARE IN EUROS	8	0.64	0.53
DILUTED EARNINGS PER SHARE IN EUROS	8	0.64	0.53

* See definitions in Note 2.4

Consolidated Statement of Changes in Equity

(Thousand €)	Note	Capital	Share Premium	Other Reserves	Treasury Shares	Retained Earnings	Measurement Adjustments	Net Income of Parent Company	Total Result	Minority Interest	Total NET EQUITY
NET EQUITY AT 31/12/2022		**44,080**	**1,079,054**	**435,552**	**(3,936)**	**(1,027,440)**	**(224,814)**	**110,694**	**413,189**	**32,661**	**445,850**
Total recognised income and expenses		**-**	**-**	**(658)**	**-**	**(4,223)**	**(13,914)**	**117,734**	**98,939**	**12,741**	**111,680**
Operations with treasury shares	15,3	-	-	(1,884)	2,321	-	-	-	437	-	437
Other operations with shareholders and owners		-	-	-	-	421	-	-	421	4,797	5,218
Operations with owners and shareholders		**-**	**-**	**(1,884)**	**2,321**	**421**	**-**	**-**	**858**	**4,797**	**5,655**
Distribution 2022 net income	15,4	-	-	-	-	110,694	-	(110,694)	-	-	-
Other variations		-	-	-	-	(51)	-	-	(51)	11	(40)
Other variations in net equity		**-**	**-**	**-**	**-**	**110,643**	**-**	**(110,694)**	**(51)**	**11**	**(40)**
NET EQUITY AT 31/12/2023		**44,080**	**1,079,054**	**433,010**	**(1,615)**	**(920,599)**	**(238,728)**	**117,734**	**512,936**	**50,211**	**563,147**
Total recognised income and expenses		**-**	**-**	**(688)**	**-**	**(4,807)**	**33,175**	**140,626**	**168,306**	**26,141**	**194,447**
Distribution of dividends	8	-	-	(20,590)	-	-	-	-	(20,590)	-	(20,590)
Operations with treasury shares	15,3	-	-	207	105	-	-	-	312	-	312
Other operations with shareholders and owners	15,6	-	-	-	-	98,386	-	-	98,386	235,360	333,746
Operations with owners and shareholders				**(20,383)**	**105**	**98,386**	**-**	**-**	**78,108**	**235,360**	**313,468**
Distribution 2023 net income	15,4	-	-	-	-	117,734	-	(117,734)	-	-	-
Other variations		-	-	-	-	(1,179)	-	-	(1,179)	(6)	(1,185)
Other variations in net equity		**-**	**-**	**-**	**-**	**116,555**	**-**	**(117,734)**	**(1,179)**	**(6)**	**(1,185)**
NET EQUITY AT 31/12/2024		**44,080**	**1,079,054**	**411,939**	**(1,509)**	**(710,465)**	**(205,553)**	**140,626**	**758,172**	**311,705**	**1,069,877**

Consolidated Statement of Comprehensive Income

(Thousand €)	Note	2024	2023
Net consolidated income		**162,041**	**130,108**
Other comprehensive income:			
Items that will not be transferred to results			
Other results attributed to equity		(2,400)	(2,062)
Equity consolidated companies	12	(1,039)	(22)
Actuarial gains and losses in post-employment plans	16,2	(935)	(1,029)
Total Items that will not be transferred to results		**(4,374)**	**(3,113)**
Items that may be subsequently transferred to results			
Translation differences	15,5	42,158	(11,157)
Cash flow hedges	13,3	(5,731)	(3,697)
Equity consolidated companies	12	(1,080)	(1,385)
Tax effect	19,2	1,433	924
Total ittems that may be transferred to results		**36,780**	**(15,315)**
Total Other comprehensive income		32,406	(18,428)
TOTAL COMPREHENSIVE INCOME		**194,447**	**111,680**
a) Attributed to the parent company		168,306	98,939
b) Attributed to minority interests		26,141	12,741

Consolidated Cash Flow Statement

(Thousand €)	Note	2024	2023
1. OPERATING ACTIVITIES			
Net Income before tax		224,424	149,317
Result adjustments:			
Depreciation and impairment	9,10,17	241,892	258,763
Profit/(loss) from companies carried by the equity method	12	10,980	(12,916)
Net Financial Income	7	98,059	94,598
EBITDA		**575,355**	**489,762**
Results from assets sale	7	(41,771)	(3,395)
Other result adjustments		300	(27,954)
Trade and other receivables		(34,614)	(39,948)
Other assets	14,1	(2,151)	349
Trade creditors and other payables		(27,421)	7,403
Other Liabilities		(28,085)	
Income taxes paid		(24,186)	(28,993)
Total net cash flows from operating activities (I)		**417,427**	**397,224**
2. INVESTMENT ACTIVITIES			
Dividend income		11,202	10,646
Investment (-):			
Investments in associates and joint ventures		(2,019)	(20,687)
Loans to associates and joint ventures		(11,315)	(19,600)
Property, plant and equipment, intangible assets and investment property	9,10,11	(79,215)	(122,229)
Non-current financial investments		(1,604)	(17,261)
Share purchase		(37,937)	-
Divestments (+):			
Loans to associates and joint ventures		-	37,344
Property, plant and equipment, intangible assets and investment property	9,10,11	1,410	1,600
Current financial investments	13,1	52,579	11,367
Total net cash flows from investment activities (II)		**(66,899)**	**(118,820)**
3. FINANCING ACTIVITIES			
Dividend payments (-)	8	(25,608)	-
Proceeds from changes in shareholdings in subsidiaries without loss of control		359,982	-
Payments for changes in shareholdings in subsidiaries without loss of control	15,3	(27,947)	-
Treasury stock	15,3	74	438
Debt interest paid (-)	13,2	(61,010)	(67,152)
Debt issue	13,2	515,010	79,146
Debt redemption and repayment	13,2	(908,403)	(110,969)
Leases	17,2	(187,850)	(184,658)
Other financial liabilities (+/-)		(7,596)	23,033
Total net cash flows from financing activities (III)		**(343,348)**	**(260,162)**
4. GROSS INCREASE/ DECREASE IN CASH OR EQUIVALENTS (I+II+III)		**7,180**	**18,242**
5. Effect of exchange rate changes in cash or equivalents (IV)		**3,777**	**(6,859)**
6. Effect of changes in the scope of consolidation (V)		**86**	**166**
7. NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+V)		**11,043**	**11,549**
8. Cash and cash equivalents at the beginning of the year		**160,229**	**148,680**
9. Cash and cash equivalents at the year end (7+8)		**171,272**	**160,229**

Notes to the Consolidated Annual Accounts

Note 1. Corporate Information

The parent or controlling company, Meliá Hotels International, S.A., hereinafter the “Company” or the “Parent Company” is a Spanish public limited company that was incorporated in Madrid, Spain, on 24 June 1986 under the registered name of Investman, S.A. On 1 June 2011, the General Shareholders' Meeting approved the change of name to Meliá Hotels International, S.A. In 1998, the Company moved its registered address to Calle Gremio Toneleros, 24, Palma de Mallorca.

Meliá Hotels International, S.A. and its subsidiaries and associates (hereinafter, the “Group” or the “Company”) form a Group comprising companies that are mainly engaged in tourist activities, in general, and more specifically, in the management and operation of hotels under ownership, lease, management or franchise arrangements, as well as in vacation club operations. The Group is also engaged in the promotion of all types of businesses related to the tourist and hotel industry or leisure and recreational activities, as well as the participation in the creation, development and operation of new businesses, establishments or companies, in the tourist and hotel industry or any other leisure or recreational business. Likewise, some companies within the Group carry out real estate activities by taking advantage of the synergies obtained in hotel development as a result of the massive expansion process undertaken.

In any event, all those activities that special laws reserve for companies which meet certain requirements that are not met by the Company are expressly excluded from the corporate purpose; in particular, the activities that the law restricts to Collective Investment Institutions or to Stock Market intermediary firms are excluded.

With over 65 years of history, Meliá Hotels International has consolidated its international presence with 362 hotels in 37 countries, mainly Spain, Latin America, rest of Europe and Asia. With a solid experience in nine brands to attend the different demands of its customers, which evidences its leadership in vacation hotel industry and bleisure, Meliá Hotels International aims to position itself amongst the world’s leading hotel groups in the upper-medium segment, as well as to be recognised as a world leader in terms of excellence, responsibility and sustainability.

Note 2. Basis of Presentation of the Consolidated Annual Accounts

The Meliá Hotels International Group presents its consolidated annual accounts in accordance with the International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) in force at 31 December 2024, published by the International Accounting Standards Board (IASB) and adopted by the European Union.

These consolidated annual accounts are formulated by the Board of Directors of the parent company and are pending approval by the General Shareholders' Meeting, and they are expected to be approved without changes.

The figures on the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and the accompanying Notes to the Annual Accounts, all of them in consolidated form, are stated in Euro, rounded to thousands, except where otherwise indicated.

The Group’s consolidated annual accounts have been prepared on a historical cost basis, i.e. the fair value of the consideration given or received for goods and services; except for those items listed under heading ‘investment property’, and for the financial instruments classified as financial assets and liabilities at fair value through profit or loss and at fair value through other comprehensive income, which are measured at fair value (see Note 4.9). It should be mentioned that the balances from the Venezuelan Group companies have been restated at current cost, in accordance with IAS 29, since Venezuelan economy is considered as hyperinflationary (see Note 3.15).

2.1. Changes in Accounting Policies, Estimates, and Errors.

Changes in EU-IFRS

This fiscal year, the Group has adopted the amendments and/or interpretations approved by the European Union which application was not obligatory in 2023.

- Amendment to IAS 1: “Classification of liabilities as current and non-current and classification of non-current liabilities with covenants”.
- Amendment to IFRS 16: “Lease Liability in a Sale and Leaseback”.
- Amendment to IAS 7 and IFRS 7: “Financing agreements with suppliers”.

The accounting policies applied are consistent with those of the previous year, considering the adoption of the standards and interpretations mentioned above which have no greater impact on the consolidated Financial Statements or the financial position of the Group.

The amendments to standards issued and approved for use in the EU prior to the formulation date of these consolidated annual accounts, and which will enter into force on subsequent dates, are the following:

- Amendment to IAS 21: "Lack of convertibility".

It is not expected that the adoption of the abovementioned standards will have significant impacts on the Group's consolidated financial statements.

2.2. True Image

These consolidated annual accounts have been prepared on the basis of the internal accounting records of the parent company, Meliá Hotels International, S.A., and the accounting records of the rest of the companies included in the scope of consolidation as detailed in Annex 1 and Annex 2, duly adjusted according to the accounting principles established in the IFRS adopted by the EU; and fairly present the equity, financial position and results of operations of the Company, and the cash flows for the related year.

2.3. Comparability

These consolidated annual accounts include the figures for year 2024 and, for comparison purposes, those for year 2023, of each of the items in the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement, all of them in consolidated form.

2.4. Alternative Performance Measures

The main alternative performance measures (APM) used by the Company are listed below, as well as the basis on which they are calculated, such measures being regarded as the measures of future or past financial performance, financial position or cash flows.

Key financial indicators

The Group uses various subtotals from the EBIT. These subtotals are broken down in the Consolidated Income Statement, where their reconciliation in relation to the EBIT can be observed, as well as their comparative values.

- EBITDAR: Earnings before interest, tax, depreciation, amortisation, & variable hotel rent. EBITDAR allows comparability among the hotel business units operated by the Group, regardless of the method through which the operation rights were acquired.

- EBITDA: Earnings before interest, tax, depreciation & amortisation. It offers an estimate of the net cash flow from operating activities. To this end, this indicator is also reported as a subtotal in the Consolidated Cash Flow Statement.

Other financial indicators

- EBITDAR and EBITDA without capital gains: The purpose of this indicator is to offer a measurement of the Company's operating income, excluding certain results from the property segment mainly related to the variation of the fair value of investment property and the asset rotation. Revenues and expenses derived from those activities are excluded from the calculation of EBITDA without capital gains, giving rise to revenues without capital gains, measurement used to calculate margins without capital gains.

The reconciliation of EBITDAR and EBITDA without capital gains for year 2024, in relation to the subtotals reported in the Consolidated Income Statement, is as follows:

(Thousand €)	Revenues	Expenses	EBITDAR	Leases	EBITDA
Consolidated Income Statement	2,056,282	(1,441,778)	614,504	(39,149)	575,355
Investment property valuation results	(43,496)	1,725	(41,771)		(41,771)
Without capital gains	2,012,786	(1,440,053)	572,733	(39,149)	533,584

The Group has obtained a positive change in value, net of capital gains on fixed assets for the amount of EUR 38.3 million as a result of the review of the value of the Group's investment property (see Note 10 and Note 11).

In addition, revenues from fixed assets capital gains include EUR 3.6 million relating to the Group's asset rotation segment.

For comparison purposes, the calculation for year 2023 is shown below:

(Thousand €)	Revenues	Expenses	EBITDAR	Leases	EBITDA
Consolidated Income Statement	1,932,196	(1,399,594)	532,602	(42,840)	489,762
Investment property valuation results	(3,395)	163	(3,232)		(3,232)
Without capital gains	1,928,801	(1,399,431)	529,370	(42,840)	486,530

Revenues from fixed assets capital gains for the amount of EUR 3.4 million related to the net amount of the review of the value of the Group's investment property (see Note 11).

- EBITDAR and EBITDA margin without capital gains: The margin offers a percentage ratio of the revenues the Company may recognise in operating income. For the operational decision-making of the Company, the abovementioned revenues, EBITDA and EBITDAR without capital gains are taken into consideration. There follows the calculation for 2024 and 2023:

(Thousand €)	2024	2023
Income without capital gains	2,012,786	1,928,800
EBITDAR without capital gains	572,733	529,370
EBITDAR margin without capital gains	28.45%	27.45%
EBITDA without capital gains	533,584	486,530
EBITDA margin without capital gains	26.51%	25.22%

- Net Debt: This indicator is used to measure the financial leverage. It is calculated as the difference between debt with credit entities, securities issues and short- and long-term lease liabilities less cash and cash equivalents. The reconciliation of this indicator with the different headings in the Consolidated Balance Sheet for 2024 and 2023 is shown below:

(Thousand €)	31/12/2024	31/12/2023
Bonds and Other Negotiable Securities (Non-Current)	52,143	52,082
Bank Loans (Non-current)	769,022	958,390
Bonds and Other Negotiable Securities (Current)	11,242	24,585
Bank Loans (Current)	111,555	288,837
Cash and other cash equivalents	(171,272)	(160,229)
Net Debt without Lease	772,691	1,163,664
Lease liabilities	1,463,933	1,449,453
Net Debt	2,236,624	2,613,118

- Net debt ratio over EBITDA: This indicator is usually used by financial analysts, investors and stakeholders related to the Company. This is the ratio between the Company's payment commitments (Net Debt) and its capacity to generate cash flows from the transaction (EBITDA without capital gains). There follows the calculation for 2024 and 2023:

(Thousand €)	2024	2023
Net Debt	2,236,624	2,613,118
EBITDA without capital gains	533,584	486,530
Net Debt over EBITDA	4.19	5.37

- GAV (Gross Asset Value): The Company periodically carries out a valuation of its non-financial fixed assets through an independent expert.

  The Gross Asset Value (GAV) is the aggregated sum of the result of such valuation for all the assets owned by the Group, and the assets owned by associates and joint ventures weighted by the Group's percentage of interest in such companies. In Note 10 the Gross Asset Value for both groups of assets according to the last valuation is broken down.

Hotel management stats:

The hotel industry uses basic statistical data to analyse how the hotel establishments can generate revenues and how they evolve over time.

The indicators broken down below only affect the hotel business shown as a segment in Note 6.

- Occupancy rate: The percentage ratio obtained by dividing the occupied rooms by the available rooms. Available rooms mean the number of physical rooms multiplied by the number of days the room has been ready to be occupied. Likewise, occupied rooms (sold) are calculated as the number of days the physical rooms have been effectively occupied during the period.

  This indicator offers a measurement of the use of the available capacity of the hotels, which is used by the management team to calculate the demand for a specific hotel or group of hotels in a specific time frame. Likewise, it is also used to set the average price per room, depending on whether the demand for rooms increases or decreases.

  The calculation details of the occupancy rate of hotels operated under lease and under ownership by the Group in 2024 and 2023 are broken down as follows:

Number of Rooms	2024	2023
Available Rooms	10,001,026	10,465,526
Occupied Rooms	6,948,236	7,085,809
Occupancy Rate	69.5%	67.7%

- ARR (Average room rate): The average room rate is calculated by dividing the total room revenue (see Note 7.1) by the occupied rooms. It measures the average price per room reached by a hotel in a specific time frame and provides valuable information as for price dynamics and type of customers of a specific hotel or group of hotels. Thus, this measurement is widely used in the industry and by the management team in order to estimate the prices the Company can charge based on the type of customer. Likewise, the changes applied to the average price per room have a different impact on revenues as well as on the business profitability in comparison with those applied to the occupancy rate. The result of the ARR calculation for 2024 and 2023 is as follows:

	2024	2023
Room Income	1,194,602	1,123,977
Occupied Rooms	6,948,236	7,085,809
ARR (euros)	171.93	158.62

- RevPar (Revenue per available room): Revenue per available room is the result of dividing the total room revenue (see Note 7.1) by the number of available rooms. The management team uses this indicator to evaluate the business performance, since it is correlated with the two key indicators of the operations of a hotel or group of hotels: the occupancy rate and the average price per room. Likewise, the RevPar is used to measure and compare the performance in comparable periods between similar hotels.

  The result of the RevPar calculation for 2024 and 2023 is as follows:

	2024	2023
Room Income	1,194,602	1,123,977
Available Rooms	10,001,026	10,465,526
RevPAR (euros)	119.45	107.40

2.5. Consolidation

Subsidiaries

Subsidiaries are the companies over which the Group exercises effective control, generally accompanied by more than half of the voting rights.

In addition to the shareholding percentage, when assessing whether a controlling interest is held in a company, the Group considers the following aspects:

- Influence over the investee, giving the Group the ability to manage its significant activities.
- Right to the variable returns from its shareholding in the investee.
- Ability to use its influence over the investee to have an impact on the amount of the returns obtained.

According to the full consolidation method, the financial statements of subsidiaries are consolidated as from the date on which control is transferred to the Group and are excluded from the consolidation as from the date on which such control ceases to exist. Intra-group balances and transactions are eliminated in full.

Associates and Joint Ventures

Associates are all companies over which the Group exercises significant influence but not control. Significant influence generally includes between 20% and 50% of the voting rights and means the power to participate in the financial and operating policy decisions of the investee company.

Joint ventures are joint agreements in which the parties that hold joint control under such agreements hold rights over the net assets thereof. The unanimous consent of the parties sharing control is required under these agreements.

Associates and joint ventures are consolidated using the equity method. According to this method, the carrying value of the investment is recognised initially at cost and is increased or decreased to recognise the Group's interest in the results and in the income and expenses directly recognised in equity of the associate or joint venture after the date of acquisition. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

The Group's share in profit or loss after the date of acquisition of associates and joint ventures is recognised under heading Profit / (Loss) from companies carried by the equity method in the Consolidated Income Statement, and its share in movements in other comprehensive income is directly recognised in equity, including the relevant adjustment to the carrying value of the investment.

Where the accumulated losses incurred by an associate or joint venture result in a negative equity, the Group adds the amount of any other item that may be considered to be greater in value than the net investment until said investment is reduced to zero. From that moment on, the Company takes into account any additional losses by recognising a liability, only to the extent that it has incurred legal or constructive obligations or has made payments on behalf of the investee company or joint venture.

Currently, the Group does not participate in joint ventures that must be included using the proportional consolidation method.

Consistency in terms of timing and measurement

All subsidiaries included in the scope of consolidation close their fiscal year on 31 December, so the relevant annual accounts for 2024 have been used for consolidation purposes, and if the annual accounts have not yet been prepared, the corresponding accounting records have been used, once the appropriate measurement adjustments to ensure compliance with the relevant IFRS adapted by the European Union have been carried out.

Business combinations

If the business combination is achieved in stages, the carrying value on the acquisition date of the interest in the acquiree's equity previously held by the acquirer is remeasured at fair value on the acquisition date, and any loss or profit arising from this new measurement is recognised in the income statement for the year.

In business combinations, the excess between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as Goodwill in the Consolidated Balance Sheet.

The excess between the acquirer's interest, where appropriate, after reassessing the identification and valuation of the identifiable assets, liabilities and contingent liabilities, and the cost of the business combination, is recognised in the income statement for the year.

When the Group first applied IFRS, it did not apply IFRS 3 retrospectively to business combinations that occurred before the date of transition, and it availed itself of the exemption provided for in IFRS 1 "First-time Adoption of International Financial Reporting Standards", therefore, the existing goodwill provided for in the Spanish legislation as at 31 December 2003, net of accumulated depreciation to that date, was allocated to the goodwill under the heading Intangible Assets.

Changes in percentage interest in subsidiaries without change of control

Once control is obtained, any subsequent operations in which the controlling company acquires more non-controlling interests, or sells interests without losing control, are accounted for as transactions with equity instruments. It follows from the above that:

- Any difference between the amounts by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in consolidated equity and attributed to the owners of the controlling company.
- The carrying value of the goodwill is not adjusted, and no gains or losses are recognised in the Consolidated Income Statement.

Sale of controlling interests

When the Group ceases to have control over a subsidiary, any retained interest is recognised at fair value at the date when control is lost, and the change in the carrying amount is recognised in the income statement for the year. In the case of companies owning hotels, the result is recognised as Capital gains of fixed assets in the Consolidated Income Statement (see Note 3.11). The fair value is the initial carrying amount for the purposes of the subsequent recognition of the interest retained as associate, joint venture or financial asset.

Loss of significant influence

If the Group no longer exercises significant influence over the associate or joint venture, it measures and recognises the investment maintained at fair value. Any difference between the carrying value of the associate at the time significant influence is lost and the fair value of the investment maintained plus the income obtained on the sale is recognised in the Consolidated Income Statement.

Elimination of inter-company transactions

The inter-company balances for inter-company transactions relating to loans, leases, dividends, financial assets and liabilities, sale and purchase of inventories and fixed assets and provision of services, have been eliminated. Regarding the sale and purchase transactions, the unrealised profit margin with regard to third parties has been reversed so that the corresponding assets are stated at cost, thus adjusting the depreciations carried out.

Non-controlling interests

The proportional part of equity corresponding to the Group's non-controlling interests, calculated in accordance with IFRS 10, is recorded under this heading of the Consolidated Balance Sheet.

Profit or loss attributed to non-controlling interests

This relates to the share in consolidated profit or loss for the year corresponding to the non-controlling interests.

Translation of the annual accounts of the foreign companies

All the assets and liabilities of companies with a functional currency other than the euro and which are included in the scope of consolidation, are translated to euro at the exchange rate existing at year end.

Items in the Profit and Loss Account have been translated at the exchange rates existing on the dates on which the relevant transactions were carried out.

The difference between the amount of the foreign companies' equity, including the balance of the Profit and Loss Account calculated according to the previous paragraph, translated at the historical exchange rate, and the equity position resulting from the translation of assets and liabilities as mentioned in the first paragraph, is recorded with a positive or negative sign, as appropriate, in the equity of the Consolidated Balance Sheet, under the Translation differences heading, net of the portion of such difference corresponding to non-controlling interests, which is recorded under the Non-controlling interests item in equity in the Consolidated Balance Sheet.

Goodwill and fair value adjustments of the Balance Sheet items upon the acquisition of interests in a foreign company, are recognised as assets and liabilities of the company acquired and, therefore, translated at the exchange rate existing at year end, and the exchange differences that may arise are recognised under the Translation differences heading.

Upon total or partial disposal or reimbursement of contributions of a company with a functional currency other than the Euro, cumulative translation differences since 1 January 2004 (date of transition to IFRS) relating to said company, recognised in the consolidated equity, are taken to the Consolidated Income Statement as a gain or loss on disposal.

2.6. Accounting Valuations and Estimates

Directors have prepared the Group's consolidated annual accounts using judgments, estimates and assumptions which have an effect on the application of the accounting policies described in Note 3, as well as on the balances of assets, liabilities, income and expenses and the breakdown of contingent assets and liabilities at the issuance date of these annual accounts.

Such estimates and assumptions are based on historical experience and other factors considered reasonable and relevant under the circumstances. The carrying amount of assets and liabilities, which is not readily apparent from other sources, has been established based on these estimates. These estimates and assumptions are periodically reviewed; the effects of the reviews on the accounting estimates are recognised whether in the year in which they are realised, if they have an effect solely on such period, or in the period under review and future periods, if the review affects both periods. However, the uncertainty inherent in the estimates and assumptions could lead to results that may require an adjustment to the carrying amounts of assets and liabilities affected in future periods.

The estimates made are detailed, where appropriate, in each of the explanatory notes of the Consolidated Balance Sheet captions. The estimates and judgment that have a significant impact on the amounts recognised in the consolidated financial statements and may involve adjustments in future years are set out below:

Estimated impairment loss on goodwill and other non-financial assets

The Group verifies annually whether there is an impairment loss in respect of goodwill and other fixed assets, in accordance with Notes 3.1, 3.2 and 3.12. The recoverable amounts of cash-generating units under lease and those other than hotels with which goodwill is associated are calculated from its value in use.

On the other hand, the recoverable amounts of cash-generating units under ownership have been determined based on the fair value estimated according to the appraisals undertaken by independent experts using valuation techniques such as expected discounted cash flows from such assets.

These calculations are based on reasonable assumptions in accordance with past yields obtained and future production and market development expectations.

However, cash flow projections have a considerable degree of uncertainty due to the possible effects that some factors, such as the geopolitical context, inflation or environmental risks, inter alia, have on the occupancy rate and the average price per room, which may lead to adjustments in the carrying amounts of the assets of the cash-generating units in the future, in particular, of those under lease, given the significant difference between the fair value and the carrying value of most of the assets under ownership.

Corporate income tax

The calculation of income tax requires the interpretation of the tax legislation applicable to the countries in which the Group companies operate. There are also several factors related mainly, but not exclusively, to changes in tax laws and changes in the interpretation of tax laws currently in force that require the use of estimates by the directors of the parent company.

Directors of the parent company must carry out significant estimates to determine the amount of the deferred tax assets that can be recognised, by considering the amounts and the dates on which future taxable profits will be obtained and the reversal period of the taxable temporary differences.

Where there is an uncertainty in relation to the income tax treatments, the Group assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is likely to accept an uncertain tax treatment, the effect of the uncertainty on the taxable profit (tax loss), tax bases, unused tax losses and unused tax credits or the corresponding tax rates is reflected. The effect of the uncertainty is reflected using the method that, in each case, better foreshadows the resolution of the uncertainty: the most probable amount or the expected value. In each case, the Company makes an assessment of whether each uncertain tax treatment must be considered separately or jointly with another or several uncertain tax treatments, in line with the approach that better foreshadows the resolution of the uncertainty.

Note 19 includes the breakdowns regarding corporate income tax estimates.

Fair value of derivative financial instruments

The fair value of derivative financial instruments that are not traded in an active market is determined using measurement techniques, as specified in Note 3.5. The Group uses a variety of methods and makes assumptions that are based mainly on market conditions at the Consolidated Balance Sheet date. Most of these measurements are obtained from the financial institutions with which the instruments were contracted or are determined by reference to the fair value of the asset from which these derive.

Fair value of investment property

The Group uses the fair value method in measuring investment property. The estimation of this fair value is mainly carried out based on the appraisals undertaken by independent experts using valuation techniques such as expected discounted cash flows from such assets, as well as regular updates of the Company based on such studies.

Post-employment benefits

The cost of defined benefit pension plans is calculated using actuarial valuations. Actuarial valuations require the use of assumptions on discount rates, asset yields, salary increases, mortality tables and rotation, as well as the retirement age of employees with right to these benefits. These estimates are subject to significant uncertainties due to the long-term settlement of these plans.

The valuation of these commitments has been calculated by reputable independent experts using actuarial valuation techniques. Note 16.2 gives details of the assumptions used to calculate these commitments.

Inflation and exchange rate to be applied to the consolidation of Venezuelan subsidiaries

In October 2021, Venezuela replaced the Bolívar soberano (VES), which was applied until such date, with the Bolívar digital (VED), by dividing the value of the new currency by 1,000,000. (VED 1 = VES 1,000,000).

However, since 2017 and due to the ongoing complex political and economic situation in the country, the Company considers that the different official exchange rates do not reflect the economic situation of the country and, therefore, decided to internally estimate the exchange rate that is most appropriate for the consolidation of the financial statements of its subsidiaries in Venezuela.

This estimated exchange rate, based on the high inflation to which the price of goods and services of the country are subjected, has been calculated based on the last official exchange rate of 2014, updated according to the corresponding inflation rate in each period from then on.

The inflation considered for this calculation in 2024 has been 98.84%; 185.71% in 2023, both estimates based on studies carried out by independent experts. The Central Bank of Venezuela has published inflation figures for 2024 of 26.27%.

The Group will continue to assess the political and economic situation in the country in order to adopt any change in the exchange rate which may be applicable for the consolidation of its Venezuelan subsidiaries.

2.7. Cash Flow Statements

The consolidated cash flow statement includes the cash movements during the fiscal year, calculated by the indirect method. The expressions used in the consolidated cash flow statement have the following meanings:

- Cash flows: Inflows and outflows of cash or other cash equivalents, these being understood to be investments for a period of less than 3 months with high liquidity and low risk of changes in value.
- Operating activities: These are the activities that constitute the main source of ordinary income for the Group, as well as other activities that cannot be classified as investment or financing.
- Investment activities: The acquisition, sale or other disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that result in changes in the size and composition of the equity and of liabilities of a financial nature.

Cash flows from operating activities include the capital gains generated by asset rotation activities, if transactions are carried out during the year, while the net carrying amount of the assets disposed of is recognised under the heading Investment activities.

In relation to lease payments, the total amount of the cash flows paid in each fiscal year is divided between principal (included in financing activities) and interest (included also in financing activities).

Note 3. Accounting Policies

3.1. Intangible Assets

Goodwill

Goodwill generated on consolidation represents the difference between the acquisition price of fully consolidated subsidiaries and the Group's interest in the market value of identifiable assets and liabilities of subsidiaries.

Goodwill generated in acquisitions prior to the date of transition to IFRS is recorded in the Consolidated Balance Sheet at the net value recorded as of 31 December 2003, net of the corresponding impairment, if any.

Goodwill is not depreciated. Instead, goodwill review studies are carried out annually to identify any impairment losses. Impairment losses are recognised if the recoverable value, determined based on the current value of future expected cash flows of the cash-generating units associated with goodwill and discounted at a rate which considers the specific risks of each generating unit, is lower than the amount initially assigned. Impairment loss recognised for goodwill shall not be reversed in subsequent periods. These measurements are carried out internally. Note 9 includes details regarding their calculation.

Other intangible assets

Other intangible assets relate to several software applications, as well as transfer rights and industrial property.

Software applications are valued at cost price or production cost and depreciated using the straight-line method over their estimated useful life of 5 to 10 years. Software maintenance-related expenses are recognised as an expense when incurred.

The investments in technological innovation incurred by the Group in producing identifiable and unique software programmes controlled by the Group are included under this heading. In addition, these comply with the following conditions:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Company intends to use or sell the intangible asset.
- The Company can use or sell the intangible asset.
- It can be demonstrated how the intangible asset will generate probable future financial benefits.
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be reliably measured.

The directly attributable costs that are capitalised as part of the software programmes include the labour cost of the staff developing the programmes and a suitable percentage of general costs.

Transfer rights relate mainly to the acquisition costs of operating and management rights for various hotels and are depreciated using the straight-line method over the term of the agreements related to these rights.

Investments carried out in trademarks, which are initially recognised at cost, are not amortised as their useful life is indefinite. The remaining items included in industrial property are amortised on a straight-line basis over a five-year period.

At each year end, the Group assesses whether there is an indication of impairment loss of this type of assets, and if so, the recoverable amount of these assets is estimated according to the methodology described in Note 3.2.

3.2. Property, Plant and Equipment

Property, plant and equipment is stated at cost, including transaction costs, plus the financial expenses directly attributable to the acquisition, construction and renovation incurred to bring the assets into operating conditions, if any, less accumulated depreciation and any impairment losses according to the provisions of this Note.

The repairs which do not extend the useful life or the production capacity of the assets and the maintenance expenses are charged directly to the Consolidated Income Statement. Costs that extend or improve the useful life of the assets or can only be used with the item of property, plant and equipment are capitalised as an increase in their value.

The Group depreciates its property, plant and equipment by the straight-line method over the years of estimated useful life, as follows:

Buildings	40-50 years
Plant	15-18 years
Machinery	10-18 years
Furniture	10-15 years
Software	3-8 years
Vehicles	5-10 years
Other fixed assets	4-8 years

Such depreciation, however, is adjusted for those assets associated with lease contracts, which are depreciated over the shorter of the assets' useful life and the lease term.

The useful life and residual value of property, plant and equipment are reviewed at each Consolidated Balance Sheet date, specifically considering whether climate-related risks require a change in the useful life and residual value of assets. Land is not subject to systematic depreciation since it is considered to have indefinite useful life, however it is subject to impairment tests.

The Other fixed assets heading also includes the amount of the inventory of spare parts valued at realisable value. Breakages and losses are recorded as Disposals, and their cost is recognised under heading “Other operating expenses” in the Consolidated Income Statement.

Impairment of property, plant and equipment and intangible assets

At each year end, the Company assesses whether there is an indication that an asset may be impaired. If such indication exists, the asset’s recoverable amount is estimated. An asset’s or cash-generating unit’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and value in use, and is determined individually for each asset, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. Regularly, the Group obtains valuations carried out by independent experts of the fair value of its owned hotel assets whether operated by the Company or leased to third parties, as well as certain hotels under lease. Such valuations are completed with the valuations made internally.

When determining the value of the assets, the valuation criterion most used by the experts is the discounted cash flow, since hotel investments are generally valued according to the potential future income. In certain cases, other valuation methods are used, such as the comparables method or the residual value method. The latter method is mainly used to value plots and land.

At the end of the years in which valuations by independent experts are not obtained, the Group assesses whether there is an indication that its tangible assets may be impaired. For owned hotels, the Group considers whether there is any indication that they have suffered an impairment loss mainly based on the operating result of the various cash-generating units, as well as observable external sources of information revealing that the value of the asset during the period has decreased more than expected as a consequence of the passage of time or its normal use, due to changes that may have occurred in the environment in which the hotel operates. In addition, other factors such as geopolitical circumstances, economic situation or natural disasters that may affect the recoverable amount of such assets are taken into account.

If such indication exists, or when annual impairment test for an asset is required, the Group estimates the asset's recoverable amount on the basis of the methodology used in the last valuation carried out by the independent expert for the relevant asset or cash-generating unit.

In assessing value in use, the Group projects future cash flows by considering the budget approved by the governing bodies of the Company for 2025, and applying growth assumptions that are consistent with the market in which the asset operates and its historical performance for a period of 10 years and estimating a residual value according to a long-term growth rate not higher than the expected growth of the economy and the sector in which the asset operates. In the case of assets under lease, cash flows are projected for the estimated term of the lease, as described in Note 3.12. Estimated future cash flows are discounted using a discount rate before taxes which reflects changes in the value of money over time in the current market and the specific risks of the asset which have not been adjusted in the estimated future cash flows, mainly the risks of the business and the country in which the asset is located, as well as the significant climate risks that may affect it.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying value is reduced to its recoverable amount. Losses due to impairment of ongoing activities are recognised in the Consolidated Income Statement in the expense category in accordance with the function of the impaired asset.

An assessment is made each year end as to whether there is any indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. This reversal is recognised in the Consolidated Income Statement for the year. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.3. Investment Property

The investments carried out by the Group to obtain lease income or capital gains, and which generate cash flows independently of the other assets held by the Group, are recorded under this heading.

After the initial recognition made for the total amount of the costs related to the asset acquisition transaction, the Group has chosen the application of the fair value model, therefore, all investment properties are recognised at fair value, and any upward and downward changes in fair value occurred are included under headings Other operating expenses and Capital gains of fixed assets in the Consolidated Income Statement. In the case of disposals of investment property, the difference between the fair value of the agreed consideration and the carrying amount is included in heading Capital gains of fixed assets in the Consolidated Income Statement.

At each year end, the Group updates the fair value assessment of each property, either through the valuation made by an independent expert, or by contrasting the main variables used in the last available valuation made by the expert with updated information. The best evidence of the fair value is the current prices in an active market for similar properties. Where this information is not available, future discounted cash flows are estimated, on the basis of the budget approved by the governing bodies of the Company for the next year, and applying growth assumptions in line with the market in which such asset operates.

3.4. Segment Reporting

Information on operating segments is presented according to the internal information as provided to key decision-makers within the Group. Key decision-makers means the Senior Executive Team (SET), which is responsible for allocating resources and evaluating performance of operating segments. The SET is a collegiate body consisting of the Chief Officers of each General Management and the CEO (Chief Executive Officer).

3.5. Financial Instruments

The Group recognises financial assets or financial liabilities in its Consolidated Balance Sheet when it becomes party to the contractual clauses of the related instrument.

Financial Assets

Financial assets within the scope of IRFS 9 are classified, according to the valuation criteria, as financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification in one category or another will depend on the characteristics of the financial asset's contractual cash flows and on the management model of the Company used to manage such assets.

Financial assets are initially measured at fair value, except for trade receivables, which are measured at their transaction price if they do not have a significant financial component.

Financial assets at amortised cost

This classification includes the amounts recorded under the Trade and other receivables heading, and all the collection rights included in headings Other non-current financial assets and Other current financial assets.

Such assets are subsequently recognised at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or are impaired.

Non-current deposits and guarantees are measured at amortised cost using the effective interest method, however they are not discounted, since the effect of the restatement would not be significant.

These assets are maintained in order to obtain contractual cash flows and they only give rise to principal and interest payments on the outstanding principal amount.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include held-for-trading financial assets acquired for the purposes of selling them mainly in the short term, as well as unlisted equity instruments of companies over which no control or significant influence is exercised.

Operations involving the assignment of financial assets

The Company derecognises an assigned financial asset when it assigns the contractual rights to receive the cash flows generated by the asset or, even when retaining such rights, it assumes a contractual obligation to pay them to the assignees and the risks and rewards associated with the ownership of the asset are substantially transferred.

In case of assignment of assets in which the risks and rewards associated with the ownership of the financial asset are substantially retained, the assigned financial asset is not derecognised in the Consolidated Balance Sheet and a related financial liability is recognised for an amount equal to the consideration received, which is subsequently measured at amortised cost. The transferred financial asset continues to be measured according to the same criteria applied prior to the transfer. The income derived from the assigned asset and the expenses derived from the related financial liability are recognised in the Consolidated Income Statement without offset.

Impairment of financial assets

The Company applies a simplified approach when calculating the expected credit losses of financial assets at amortised cost and, where appropriate, a value adjustment for the expected credit losses over the entire life of the asset is recognised at each closing date. To do that, the Group has established a matrix of provisions based on its history of credit losses, adjusted by the prospective factors specific for such assets.

Due to the characteristics of the main sector in which the Company operates, the customers of the hotel segment have minimal risk of insolvency.

In relation to the Vacation Club customers, the Company can terminate the contracts, therefore, the impact of the cancellation of such receivable would also imply the derecognition in the accounts of liabilities pending to be executed.

Financial Liabilities

Financial liabilities within the scope of IRFS 9 are classified, according to the valuation criteria, as financial liabilities measured at amortised cost, financial liabilities at fair value through profit and loss, and financial liabilities at fair value through other comprehensive income. These liabilities are initially recognised at fair value adjusted for directly attributable transaction costs. All non-derivative financial liabilities of the Group are included within the category Financial liabilities measured at amortised cost.

Financial expenses deriving from financial liabilities are recognised as they accrue.

The Group derecognises financial liabilities when the obligations giving rise to them cease to exist.

Issuance of debentures and other marketable securities

Debt issues are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost applying the effective interest method. Bonds with a maturity exceeding twelve months are classified as non-current liabilities, while those with shorter maturity than that are included under current liabilities.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received, net of any issue costs and any discount or premium on settlement associated with these loans.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Bank loans and credit facilities

Loans are initially recognised at the amount received, net of transaction costs. After initial measurement, they are carried at amortised cost using the effective interest method.

Trade creditors and other payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

Note 3.12 provides information on the valuation method and accounting policies regarding this type of liabilities.

Other financial liabilities at amortised cost

The remaining financial liabilities that relate to payment obligations as detailed in Note 13, are also measured at amortised cost using the effective interest method. However, financial liabilities with short-term maturities and which have no contractual interest rate are measured at their face value provided the effect of not adjusting the cash flows is not material.

Derivative Financial Instruments

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss or as accounting hedges, with the latter relating to financial assets or liabilities at fair value through other comprehensive income. In both cases, derivative financial instruments are initially recognised at fair value on the date on which they are arranged, and this fair value is regularly adjusted. Derivatives are carried as assets, under heading Other financial assets, when the fair value is positive and as liabilities, under heading Other financial liabilities when the fair value is negative. They are classified as current or non-current depending on the estimated timing of cash flows.

Accounting Hedges

The Company has opted to continue to apply the requirements on accounting hedges under IAS 39, in accordance with paragraph 7.2.21 of IRFS 9.

The Company applies hedge accounting to those operations in which the hedge is expected to be highly effective; that is, when the changes in the fair value or in the cash flows of the items covered by the hedge are offset by the changes in the fair value or cash flows of the hedging instruments with an effectiveness comprised between 80% and 125%. In addition, at the inception of the hedge, the relationship between the hedged item and the derivative financial instrument designated for that purpose is formally documented.

The Group has various interest rate swaps classified as cash flow hedges. Changes in the fair value of these derivative financial instruments are reflected in equity, under the heading Other measurement adjustments, being allocated by the part considered an effective hedge to the Consolidated Income Statement insofar as the item being hedged is also settled. The fair value is entered in the accounts according to the date of trade.

The fair value of interest rate swaps is determined through the discounted cash flow measurement technique according to the characteristics of each contract, such as the face amount and the collection and payment schedule. The discount factors used to obtain said value are calculated based on the curve of the zero-coupon rates obtained from the deposits and rates listed in the market on the date of measurement. The resulting fair value is adjusted for the own credit risk and that of the counterparty, according to IFRS 13. These values are obtained from studies carried out usually by the financial institutions with which the Group has contracted these instruments.

Derivatives not qualifying for hedge accounting

Any profit or loss arising from changes in the fair value of derivatives which do not qualify to be classified as hedging instruments are directly recognised in the Consolidated Income Statement for the year. The fair value of these derivative financial instruments is obtained based on studies carried out by independent experts.

3.6 Non-Current Assets Held for Sale and Discontinued Operations

If there are assets which carrying value is expected to be recovered through a sale rather than by means of their continued use, such assets are recorded under the heading Non-current assets held for sale.

They are recognised at the lower of their carrying amount and fair value less costs to sell. The Company recognises an impairment loss for initial or subsequent write-down of the asset to fair value less costs to sell. The Company recognises a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognised.

In the Consolidated Income Statement, income and expenses from discontinued operations are presented separately from the income and expenses from continued operations, under profit/(loss) after taxes. Assets held for sale are not depreciated.

The non-current assets that are for sale, within the asset rotation segment, but which are still operated by the Group until their sale, are not reclassified under this heading in the Consolidated Balance Sheet and are maintained in the Consolidated Balance Sheet according to their nature.

3.7. Inventories (Commercial Inventories, Raw Materials and Other Supplies)

Raw and ancillary materials are measured at their average acquisition cost, which is generally lower than their net realisable value, any necessary measurement adjustments being made in case their estimated realisable value is lower than their cost. The acquisition price includes the amount included in the invoice plus all additional expenses incurred until the goods are stored in the warehouse. The net realisable value is the estimated selling price less the costs estimated to be incurred in the selling processes.

3.8. Treasury Shares

Treasury shares are presented as a decrease in the Group's equity and are stated at cost without carrying out any measurement adjustments.

Gains and losses obtained on disposal of treasury shares are recorded directly against equity.

3.9. Government Grants

Government grants are recognised at fair value only when there is a reasonable certainty that the conditions for receiving the grant will be fulfilled and such grants will be effectively received.

Where the grant relates to an expense item, it is taken to the income statement over the period necessary to match the grant, on a systematic basis, with the costs to be offset by the grant.

Where the grant relates to an asset, the fair value is recognised as deferred income and is taken to the income statement based on the expected useful life of such asset.

3.10. Provisions and Contingencies

Provisions are recognised when the Group:

- Has a present obligation, legal or implicit, because of a past event.
- It is probable that an outflow of funds including economic benefits will be required to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

Provisions are carried at the present value of the best possible estimate of the amount needed to settle or transfer to a third party the obligation. Adjustments due to updating the provision are recognised as a financial expense as they accrue. Provisions maturing in one year or less with a non-significant financial effect are not discounted.

Provisions are reviewed at each Consolidated Balance Sheet date and are adjusted to reflect the current best estimate of the liability at such date, taking into account the risks and uncertainties relating to the obligation.

On the other hand, contingent liabilities are the possible obligations, arising from past events, the materialisation of which is subject to the occurrence of future events which are not entirely under the Group's control, and those present obligations, arising as a result of past events, which are not likely to give rise to an outflow of resources for their settlement or which cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the accounts, but are disclosed in the notes to the consolidated annual accounts (see Note 21).

Post-employment benefits

Post-employment plans are classed as defined contribution plans or defined benefit plans.

Defined contribution pension plans

Defined contribution plans are those plans under which the Group makes fixed contributions to an independent entity and does not have any legal, contractual or implicit obligation to make additional contributions if the independent entity does not hold sufficient assets to satisfy the commitments assumed.

Contributions are recognised as employee benefits when they accrue.

Defined benefit pension plans

Pension plans that are not defined contribution plans are considered as defined benefit plans. In general, defined benefit plans fix the amount of the benefit that the employee will receive on retirement, usually based on one or more factors such as age, number of years of service and remuneration.

The Group recognises in the Consolidated Balance Sheet a provision for defined benefit awards established in collective bargaining agreements in an amount corresponding to the difference between the present value of the committed benefits and the fair value of any assets linked to the benefit commitments which will be used to settle the obligations, less any past service costs still not recognised, if any.

If an asset results from the above-mentioned difference, its valuation may not exceed the current value of the economic benefits that may be available in the form of reimbursements from the plan or reductions in future contributions to the plan.

Past service costs are recognised immediately in the Consolidated Income Statement unless they involve non-vested rights, in which case they are taken to the consolidated income statement on a straight-line basis over the period remaining to the vesting of the past service rights.

The current value of the obligation is determined using actuarial calculation methods and unbiased financial and actuarial assumptions that are mutually compatible. The Company recognises directly in the Consolidated Statement of Comprehensive Income, the profits and losses arising from the change in the current value, and, where applicable, the plan assets, as a result of the changes in actuarial assumptions or adjustments made on the basis of experience.

Certain collective bargaining agreements in force and applicable to some Group companies establish that permanent staff for a specified number of years employed by the Company who opt to terminate their employment contract will be entitled to a cash award equal to a number of monthly salary payments which is proportional to the number of years of service. During the fiscal year, an assessment of these commitments has been performed in accordance with the actuarial assumptions contained in Group's own rotation model, by applying the calculation method known as the projected unit credit method and the population assumptions corresponding to the PER2020 tables.

The balance of provisions, as well as the capitalisation of payments for future services, cover these acquired commitments, based on an actuarial analysis prepared by an independent expert. This valuation is detailed in Note 16.2.

The Group has duly externalised the pension commitments and obligations stipulated in collective bargaining agreements subject to the Ministerial Order of 2 November 2006. Assets related to these externalisation operations are recognised as a reduction in the balance of the acquired commitments.

3.11. Revenue Recognition

The operating revenues arising from contracts with customers are recognised as the obligations undertaken with such customers are met by the Company.

When recognising such revenues, the 5-stage analysis included in IFRS 15 is carried out, in order to determine the amount and the moment of revenue recognition for each of the contracts with customers of its operating segments:

- Identification of the customer's contract.
- Identification of the performance obligations.
- Determination of the transaction price.
- Allocation of the price to the various performance obligations.
- Revenue recognition according to the fulfilment of each obligation.

Such revenues are shown net of discounts, refunds and value added tax. The Group bases its return estimates on past results, having regard to the type of customer, the type of transaction and the specific circumstances of each agreement.

Sale of rooms and other related services

Revenues deriving from the sale of rooms are daily recognised based on the services provided by each hotel establishment and including "in-house" customers, i.e. those that are still lodged at the hotel at the time daily production is closed. For this type of contracts, the only execution obligation identified is that of the own hotel service, which includes making available the hotel rooms to the customers.

Where the hotel rate includes services such as food and beverage (breakfast, half board or full board), an additional execution obligation is identified, to which a differentiated price is allocated on the basis of the expected cost plus a margin approach. It is worth mentioning that in hotels marketed only under all-inclusive regime (mainly located in America), this is not considered as a differentiated service, however, for the purposes of breakdown, a percentage of the rate is allocated to item 'revenues for food and beverages'.

In any case, the execution obligations undertaken with hotel customers are considered as fulfilled over time, during the stay of the customer in the establishment, and the Group recognises the daily revenues corresponding to the services consumed by the customer on that date.

Within the hotel business segment, the Company manages the customer loyalty programme "Meliá Rewards", which consists of rewarding customers who stay in hotels or use services provided by associates and joint ventures, through a series of points that are exchangeable for rewards such as, among other things, free stays in hotels managed by the Group.

If a hotel customer is member of the loyalty programme and accumulates points for his/her stays, a differentiated performance obligation is identified, to which an amount is allocated depending on the fair value of such points, and will be met at the time the member of the programme uses the points obtained, by deferring until such time the recognition of revenues in the Consolidated Income Statement of the Group, for the amount allocated to such obligation.

Additionally, other services provided directly by the hotels, such as rent of rooms, organisation of events, rent of commercial premises to third parties, etc... are included under heading 'Other business revenues' in the table included in Note 7.1 to these consolidated annual accounts and are recognised depending on the IRFS applicable at the time in which the service is rendered.

Provision of hotel management services

With regard to contracts with hotel owners for the management of their establishments, there are several performance obligations identified in each of the contracts. The main obligation of the Group in such contracts is to provide hotel management services for these establishments. The consideration for these services is established as a percentage of the amount of the total revenues and the Gross Operating Profit (GOP) generated by the management of the Group. Every month, the Company recognises the corresponding revenues in the Consolidated Income Statement depending on the progress of both magnitudes for each of the hotel management contracts, according to the contractual terms and conditions set out in each of them.

The other performance obligations differentiated in the hotel management contracts relate to services linked to such activity, such as fees for reservations made through the own channels of Meliá Group, hotel services centralised in the group's management companies, or licences for use of own or centrally managed software applications. The Company recognises the revenues from the provision of these services as these obligations are met which, in the case of fees for reservations, coincide with the customer's stay in the hotel.

These revenues are broken down in Note 7.1 to these consolidated annual accounts.

Sale of vacation club units

With regard to the contracts for the sale of vacation club units, the Group has identified as a performance obligation the provision of the marketed units to Club customers in their corresponding weeks. Regardless of the contract term, such obligation is considered to be met when the customer uses such weeks, moment in which the revenues are recognised in the Consolidated Income Statement. The Group distributes the consideration received in proportion to the number of weeks included in the contract, deferring the recognition of revenues, net of the costs incurred in obtaining them, until the moment of use and recognising the amount of non-used weeks under heading 'Capital grants and other deferred income' in liabilities of the Consolidated Balance Sheet, which are weighted taking into account the percentage of rights not used based on the historical performance of the portfolio of vacation club customers.

The consideration agreed in most of these contracts with customers of the vacation club includes the payment of interest derived from the deferred payments agreed in such contracts. The Group recognises the revenue from such interest over time when the right to receive it is generated, since the customers have the possibility to pay in advance the outstanding amounts.

Fixed assets capital gains

The Company actively manages its real estate assets portfolio. In general, these are sales transactions for asset rotation which can be organised through the direct sale of the asset or through the sale of the company owning such asset. The net income of such transactions is shown under heading Operating revenues as Fixed assets capital gains and is calculated as set out in paragraph 71 of IAS 16, by deducting from the fair value of the consideration received the carrying amount of the assets disposed of. Likewise, the increase in the fair value of investment property is recognised under this heading in the Consolidated Income Statement, as stated in Note 3.3.

Likewise, this operating segment of the Company includes sales transactions and/or the contribution of hotels to associates and joint ventures for the purposes of maximising present and future cash flows of this portfolio. These transactions involve the derecognition of the hotels in the consolidated annual accounts and the recognition of the consideration received, whether in cash or the retained interest, or a combination of both.

The Group recognises the retained residual interest in such hotel businesses at fair value, taking any change in the carrying value to the income statement, as detailed in Note 2.5. Therefore, the recognised capital gains tally with the obtained capital gains.

Lease income

Income deriving from leases of investment properties is recognised on a straight-line basis over the term of the lease and is included as operating revenues under the asset management segment.

Interest income

Interest income is recognised using the effective interest method for all the financial instruments measured at amortised cost. The effective interest rate is the rate that exactly discounts payments made and received in cash estimated over the expected life of the financial instrument. Interest income is recognised as financial income in the Consolidated Income Statement.

Dividends

Income from dividends is recognised when the right of the Group to receive the corresponding payment is established.

3.12. Leases

The Group assesses at inception of an agreement whether the agreement contains a lease. If this is the case, the corresponding lease liability and right of use are recorded. Otherwise, the lease payments are recognised as an operating expense as the economic benefits of the leased assets are realised.

The lease liability is initially calculated as the present value of the fixed or substantially fixed lease payments which have not been disbursed on that date, discounted by using an incremental rate during the minimum non-cancellable period, and considering the extension options that can reasonably be exercised and the periods with option to terminate that are not reasonably possible to exercise.

The initial recognition of the right-of-use asset includes the initial measurement of the liability, including the payments made before the start of the lease and the initial direct costs, discounting the rewards received. It is a common practice to establish clauses in hotel lease contracts that require some payments to improve the asset by the lessee. In such circumstances, these improvements are not specific and are included as further payments to be discounted, affecting both the liability and the right of use.

Subsequently, the right of use is measured at cost less any accumulated depreciation and impairment losses. The depreciation period is the lease term or the useful life of the underlying asset, whichever occurs first. Additionally, the value is adjusted if new measurements of the liability are made due to circumstances affecting the amounts of the payments or the lease term. Some of these changes require a review of the discount rate used.

The Group applies IAS 36 in order to determine whether a right-of-use asset is impaired and recognises any impairment losses identified.

The Company has applied the following accounting policies, estimates and criteria:

Scope

The Company applies the low-value exemption for lease contracts which underlying assets do not exceed USD 5,000 and the short-term exemption for lease contracts with a duration of less than one year. Lease and non-lease components are not separated in those assets in which these components are not likely to affect the total lease value.

The Company considers that the hotel management agreements are not within the scope of IRFS 16 application and, therefore, management revenues are recognised under IFRS 15 (see Note 3.11).

Lease payments

In addition to fixed (or, basically, fixed) payments included in lease contracts, the Company includes in lease payments the following circumstances:

Most hotel lease contracts include a contingent payment based on the consumer price index of the country in which the asset is located, which usually is reviewed every year, and is applied to the payments due, with lease liabilities and rights of use being recalculated based on such review. The index value at the date of lease inception is considered in the calculation of the lease payments.

In lease contracts with variable payment for which a minimum lease payment is set for defined periods, this amount is considered in the initial calculation, with the amount of the variable payment exceeding such minimum lease payment being recognised as an expense under heading Leases in the Consolidated Income Statement.

Lease term

Regardless of the date of execution of the agreement, for the purposes of recognition in the Group's consolidated financial statements, the initial date of the agreement is considered to be the date on which the hotel is effectively occupied, and which, in general, corresponds to the opening date.

The Company considers the minimum non-cancellable term as the initial term set forth in the lease contract, without including the potential extensions if they are unlikely to be exercised. In order to determine whether an extension will be exercised with reasonable certainty, some key features have been defined and taken into account by the Group to determine whether there are economic rewards that justify such exercise: payments not adjusted to market conditions, investments to be made and the particularity of the hotel asset, among others.

Discount rate

Given the difficulty in setting the interest rate implicit in hotel lease contracts, the Group has decided to calculate the incremental borrowing rate as applicable to each agreement. The model for the calculation of incremental rates is based on a risk-free rate, the asset's economic context risks (country) and the risk inherent in the Company, all this weighted by the temporary value of cash flows as determined in the schedule of minimum lease payments stipulated in each lease contract.

Impairment of right-of-use assets

In general, right-of-use assets do not generate separate cash inflows, therefore, their impairment assessment must be made as part of a cash-generating unit and, consequently, the Group adjusts the calculation of the recoverable amount of such cash-generating unit as described in this Note. In this respect, the Group excludes from the carrying amount of the cash-generating unit the lease liabilities and also excludes from the calculation of the value in use the payments linked to such liabilities. By contrast, the Group includes in the calculation of the value in use the variable payments since they are not included in the lease liability, as well as the lease renewal payments when the term thereof is shorter than the cash flow projection period of the cash-generating unit.

In assessing value in use, the Group projects future cash flows by considering the budget approved by the governing bodies of the Company for 2025, net of tax, and applying growth assumptions that are consistent with the market in which the asset operates and its historical performance for the remaining period, until a period equal to the lease term is completed. The discount rates used in determining the recoverable amount are also adjusted in a way consistent with the underlying cash flows and the corresponding cash-generating unit, affecting such cash flows with the specific risks of the assets which have not been adjusted in estimated future cash flows, mainly business risks and those of the countries in which the assets are located, as well as significant climate risks that may affect them.

3.13. Corporate Income Tax

The corporate income tax expense for the year is calculated as the sum of the current tax in each of the subsidiary companies included in these consolidated annual accounts, except for the existing 4 consolidated tax groups, which parent companies are: Meliá Hotels International, S.A., Sol Meliá France S.A.S., Melcom Joint Venture, S.L. and Inversiones Explotaciones Turísticas, S.A., which are treated as one unit each.

This calculation arises from the application of the corresponding tax rate to the tax base for the year, after applying the existing tax credits and deductions, plus the change in deferred tax assets and liabilities recorded. This amount is recognised in the Consolidated Income Statement, unless the tax relates to items recognised directly in consolidated equity, in which case the corresponding tax expense is also recognised in consolidated equity.

Current tax assets and liabilities are the estimated amounts payable or receivable. The tax rates used are those in force at the consolidated Balance Sheet date.

Items for which the tax determination is uncertain but for which it is probable that future cash outflows to a tax authority will occur, are recognised in provisions. These provisions are measured at the best estimate of the amount that is expected to be paid in relation thereto. The assessment is based on the opinion of tax professionals within the Company with prior experience on this matter and, in certain cases, with the advice of independent experts.

Deferred tax assets and liabilities are calculated for all the temporary differences existing at the Consolidated Balance Sheet date as the difference between the carrying amounts of the assets and liabilities and their tax bases.

Deferred tax assets and liabilities are only offset if there is a legally enforceable right to offset the current tax assets with current tax liabilities and when they relate to income taxes levied by the same tax authority and on the same taxable entity, or different taxable entities which intend to settle current tax liabilities and assets on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from goodwill for which depreciation is not deductible for tax purposes, or from the initial recognition of other assets and liabilities in a transaction, except in the case of a business combination, which affects neither accounting nor taxable profit or loss.

Likewise, deferred tax liabilities are recognised for all taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except when the following conditions are jointly met: the parent company is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that they will be recovered by the generation of sufficient taxable profits against which the deferred tax asset and carry-forward of unused tax credits and unused tax losses can be used, excluding the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction, except in the case of a business combination, which affects neither accounting nor taxable profit or loss.

Likewise, deferred tax assets for all deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, are only recognised when the following conditions are jointly met: it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be used.

At each Consolidated Balance Sheet date, the recovery of the deferred tax assets is reviewed and adjusted to the amount which is expected to be recovered based on the taxable profit available, calculated according to prudence criteria and excluding the potential profits deriving from the disposal of properties, given the uncertainty concerning their realisation dates, which depend on market conditions, and the different tax consequences depending on the nature of the transactions carried out.

Deferred tax assets and liabilities are measured based on their expected materialisation and on the tax legislation and tax rates approved, or substantively approved on the Consolidated Balance Sheet date.

3.14. Transactions in Foreign Currency

Debit and credit balances in foreign currency are initially measured at the exchange rate in force on the transaction date and are subsequently translated at the exchange rate prevailing at the end of each year.

Exchange differences are treated as income or expenses in the year in which they occur, except for those arising from financing transactions granted to subsidiaries abroad which have been considered as an increase in the value of the net investment in such businesses since the settlement of such transactions is not foreseen or likely to occur according to the financial and equity situation of the subsidiaries, as provided for in IAS 21 “The Effects of Changes in Foreign Exchange Rates.”

3.15. Functional Currency and Hyperinflationary Economies

The Euro is the presentation currency of the Group and its parent company Meliá Hotels International, S.A.

The functional currency of each of the companies within the Group is the currency of the main economic environment in which the company operates. At the end of 2024 and 2023, the Venezuelan economy was classified as hyperinflationary, since it meets the characteristics of the economic environment laid down in IAS 29 “Financial Reporting in Hyperinflationary Economies”.

Consequently, the Balance Sheets of the Venezuelan companies in the scope of consolidation have been restated based on a current cost approach that reflects the effects of changes in the price indices on their non-monetary assets and liabilities.

Likewise, the increase or decrease in purchasing power resulting from the application of the change in the price index to the net monetary position is taken to the Income Statement of these companies. The restatement effect on the current monetary unit of the remaining items of the profit and loss account of Venezuelan companies is also included in the Income Statement.

For the purposes of enhancing the true image of the consolidated financial statements and given the obvious economic link between the recognised impacts due to hyperinflation and the devaluation which are recorded in the country in recent years, the Group presents the two effects in the consolidated equity, by recognising both the effect of the restatement of non-monetary items and the effect of the differences arising from the conversion into euros, directly under the heading Retained earnings in equity.

The accumulated impacts of both magnitudes broken down separately for 2024 and 2023 are shown below:

(Thousand €)	31/12/2024	31/12/2023
Asset Revaluation	319,468	320,985
Retained earnings decrease	(500,962)	(500,079)

According to certain studies conducted by independent experts, hyperinflation at year end stands at around 98.84%. In 2023, the inflation rate rose to 185.71% (see Note 2.6).

There are no other companies within the scope of consolidation which are considered as hyperinflationary economies at the end of 2024 and 2023.

Note 4. Financial Risk Management Policy

The General Policy for Risk Control, Analysis and Management of Meliá Group establishes the core principles and guidelines that govern the activities for control and management of risks, both financial and non-financial, faced by the Group. This policy establishes a reduced tolerance for financial risks; therefore, mitigation of risks is a priority in the management of this type of risks in order to minimise the potential adverse effects of these risks on the consolidated annual accounts. The actions planned in such management are reviewed and updated periodically.

The Group's activities are mainly exposed to several risks: market risk (interest rate risk, foreign exchange risk and price risk), liquidity risk, credit risk, environmental risks and geopolitical risks. The Meliá Hotels International Group, through the management it conducts, tries to minimise the potential adverse effects of these risks on the consolidated annual accounts.

Additional information on these risks is provided below:

4.1. Interest Rate Risk

The Group's consolidated annual accounts include certain items subject to fixed and variable interest.

The Group maintains a policy of partially hedging against changes in interest rates by obtaining different financial derivatives that allow it to contract a fixed rate for a specified period of time that it applies to financing transactions with variable rates.

The structure of the debt as at 31 December 2024 is as follows (these amounts do not include accrued but unpaid interest nor business lease liabilities):

(Thousand €)	Fixed Interest	Variable Interest	Total
Simple Bonds	52,500		52,500
European Commercial Papers (ECP)	11,100		11,100
Bank loans	312,010	424,158	736,168
Mortgage-backed loans	85,429	55,914	141,343
Credit facilities		828	828
TOTAL DEBT	461,039	480,900	941,939

Variable interest rate debts are basically tied to Euribor and SOFR, depending on the currency in which the debt is denominated.

As at 31 December 2024, the Group has various interest rate swaps contracted which are classed as cash flow hedging instruments. The bank loans and mortgage-backed loans at a variable rate hedged by these swaps are shown in the Fixed Interest column for the part of capital hedged. Additional breakdowns are included in Note 13.3.

In addition, the Company has various guarantees and deposits for different transactions, which are broken down in Note 21.2.

For comparison purposes, information for year 2023 is as follows:

(Thousand €)	Fixed Interest	Variable Interest	Total
Simple Bonds	52,500		52,500
European Commercial Papers (ECP)	24,800		24,800
Bank loans	292,587	528,297	820,884
Mortgage-backed loans	94,819	158,409	253,227
Credit facilities		171,623	171,623
TOTAL DEBT	464,706	858,328	1,323,035

The sensitivity, in thousand euro, of 2024 and 2023 profit or loss to interest rate variations (in basis points) is as follows:

Variation	2024
+ 25	1,202
- 25	(1,202)

The above sensitivity analysis has been carried out considering an average increase/decrease throughout the year in the basis points indicated in the table. The effect of the interest rate swaps included in Note 13.3 has been considered in this calculation.

4.2. Foreign Exchange Risk

The Group operates internationally and, therefore, is exposed to exchange rate risks on transactions in foreign currencies.

Foreign exchange risk arises from commercial, financial and investment transactions, as well as from the translation of the financial statements of subsidiaries which are denominated in a functional currency other than the presentation currency of the Group.

Despite not having financial instruments contracted (swaps, foreign exchange insurance), in order to mitigate these potential risks, the Group develops policies aimed at maintaining a balance between cash collections and payments of assets and liabilities denominated in foreign currencies.

The table below includes a sensitivity analysis carried out based on the appreciation and depreciation against the euro of the main currencies in which the Company operates, mainly the US dollar, on pre-tax profit or loss and on equity of relevant subsidiaries (showing with a plus sign a greater expense and a decrease in the consolidated equity) assuming that all other factors remain the same:

	2024		2023	
(Thousand €)	+10%	-10%	+10%	-10%
Profit & Loss	6,131	(6,131)	5,246	(5,246)
Equity	71,841	(71,841)	62,866	(62,866)

86.6% of the Group’s financial debt is mainly denominated in Euros (76% in 2023), with 13.4% of the debt being denominated in other currencies (24% in 2023), thus adjusting to the cash generation in different currencies.

This allows the Group to manage a natural coverage of its debts, given the cash generation in those currencies.

4.3. Liquidity Risk

The Group's liquidity policy ensures the fulfilment of its payment commitments without having to raise funds on burdensome terms. To that end, different management procedures are used, such as the maintenance of credit facilities committed for sufficient amount and flexibility, the diversification of the coverage of financing needs through the access to different markets and geographical areas, and the diversification of the maturities of the issued debt.

The table below summarises the maturities of the Group's financial liabilities as at 31 December 2024, based on face amounts by maturity:

(Thousand €)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Simple Bonds			52,500		52,500
European Commercial Papers (ECP)	11,100				11,100
Loans	19,623	86,539	765,301	6,048	877,511
Credit facilities			828		828
Lease liabilities	44,003	144,445	680,284	1,581,932	2,450,664
TOTAL	74,726	230,984	1,498,913	1,587,980	3,392,603

The Company considers that, given the debt policies in place, the debt maturity schedule, the cash position and the availability of credit facilities, taking into account de Group budget for the financial year 2025 as part of the new Strategic Plan, the Group is able to meet its obligations as at 31 December 2024 with solvency.

The average interest rate on these financial liabilities in 2024 is 5.56%. In 2023, the average interest rate was 5.16%. The rates used for lease liabilities are excluded from the calculation of this average interest rate.

Likewise, the Company has an active management policy for the maintenance of the average maturity periods of the borrowings, as well as the recurrent renewals of short- and medium-term credit facilities.

For comparison purposes, the maturities at the 2023 year end were as follows:

(Thousand €)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Simple Bonds				52,500	52,500
European Commercial Papers (ECP)	15,300	9,500			24,800
Loans	58,918	221,085	769,876	24,233	1,074,112
Credit facilities	3,073		168,549		171,622
Lease liabilities	46,690	135,420	608,170	1,608,335	2,398,615
TOTAL	123,981	366,005	1,546,595	1,685,068	3,721,649

4.4. Price Risk

Price risk of the Group's inventories mainly arises from the fluctuations in the price and the availability of food and beverages that the Group sells to its customers. However, the Directors consider that changes in prices are insignificant and are transferred to the selling price of food and beverages, therefore, the Group does not conduct price hedging transactions.

Likewise, the Group is exposed to equity price risks of financial investments in equity instruments. Investments in equity instruments in unlisted companies are broken down in Note 13 and are held for strategic purposes and not for the purposes of trading with them, and they are mainly focused on entities owning hotel assets. Given the reduced percentage of equity interest in these companies, in case of variations not exceeding 10% of the fair value of the assets of the entities in which the Group holds equity instruments without exercising significant influence, these would not significantly affect the carrying amount of these investments in the Consolidated Balance Sheet.

On the other hand, the Group has no relevant investments in equity instruments of listed companies.

4.5. Credit Risk

The credit risk arising from the default of a counterparty (customer, supplier, or financial entity) is mitigated by the Group's policies regarding the diversification of customer portfolios, source markets, oversight of concentration and on-going in-depth debt control. In addition, in some cases the Group carries out other financial operations which allow the reduction of credit risks, such as assignments of receivables.

The Group's receivable periods range between 21 and 90 days; the average period of collection of receivables in 2024 was 34.73 days; 34.49 days in 2023. The age of trade receivables at the year end is included in Note 14.2.

4.6. Environmental Risks

The fight against climate change, the environment protection and the responsibility assumed to address the risks and opportunities arising from climate change are the priority strategic lines of the Group's commitment to sustainability and the protection of tourist destinations. For this reason, the Group continues to promote an efficient and responsible hotel management model, both in the consumption of resources and the minimisation of the impact of its activity, and incorporates ESG risks arising from climate change into its Global Risk Map.

In terms of climate change mitigation, the Group drives three major levers with the aim of facilitating the decarbonisation of its business model: firstly, the optimisation of energy consumption, with initiatives such as the implementation of environmental monitoring, control and management systems, the integration of sustainable criteria in new building processes, among others. Secondly, the migration towards renewable energy sources, with actions such as the installation of photovoltaic panels and the contracting of renewable guarantees, etc. and thirdly, raising awareness of our value chain by offering sustainable products and services for hotels under management.

In terms of risk management and adaptation, the Group has updated and deepened the analysis carried out in 2021 based on the guide of recommendations prepared by the Task Force on Climate Related Financial Disclosure (TCFD). Thus, it has not only extended the assessment to the entire portfolio of owned and leased hotels, but has also included the methodologies proposed in the new regulatory reporting framework. In the short term, the Group has developed a set of preventive measures, such as specific protocols and continuity plans to manage extreme weather events (heavy rainfall, hurricanes or exposure to extreme temperatures) that will complement future adaptation plans.

4.7. Geopolitical Risks

The Group is not indifferent to geopolitical and macroeconomic tensions. Recent conflicts around the world have not negatively affected the Group's hotel reservations as there has been no direct exposure to the countries involved.

The stalemate in conflicts and the recent increase in tensions between the various world power blocks, as well as an increase in tariffs between various world powers, could add pressure to the global supply chain. This could lead to a pick-up in inflation, which could affect demand.

Notes 4.1 and 4.4 detail the exposure of the Group to interest rate risks and price risks, including the existing specific or natural hedging.

4.8. Capital Management Policy

The main objectives of the Group's capital management are to guarantee financial stability in the short and long term, to ensure the necessary liquidity for daily operations and investments, positive evolution of the Meliá Hotels International S.A.'s share value and an appropriate remuneration to shareholders through the distribution of dividends.

The financial position is also backed by the strong support of the banks and the Company's asset base. At present, 15% (19.1% at the 2023 year end) of the total debt relates to mortgage loans secured by the Group's assets.

4.9 Estimate of Fair Value

Fair value means the amount that may be received on the sale of an asset, or paid for the transfer of a liability, in an orderly transaction between market participants at the measurement date.

Regarding assets and liabilities recognised at fair value in the Consolidated Balance Sheet, the following hierarchy levels have been established in accordance with the variables used in the different measurement techniques:

Level 1: Based on prices quoted in active markets

Level 2: Based on other observable market variables, either directly or indirectly

Level 3: Based on non-observable market variables

The amounts recognised at fair value as at 31 December 2024 according to the hierarchy levels are broken down below:

(Thousand €)	31/12/2024			
	Level 1	Level 2	Level 3	Total
Investment property			156,832	156,832
Financial Assets at fair value:				
Hedging derivatives		599		599
Trading portfolio derivatives		61	25,325	25,386
Trading portfolio	310			310
Unlisted equity instruments			23,242	23,242
TOTAL ASSETS	**310**	**660**	**205,399**	**206,369**
Financial Liabilities at fair value:				
Hedging derivatives		3,667		3,667
Trading portfolio derivatives			9,200	9,200
TOTAL LIABILITIES	**0**	**3,667**	**9,200**	**12,867**

Financial instruments included in Level 1 relate to equity instruments of listed companies, which are measured through observable prices in active markets.

Financial instruments included in Level 2 comprise interest rate swap derivatives and are measured by financial institutions and independent experts using measurement techniques, mainly, discounted cash flows, based on observable market data.

Investment property included in Level 3 is measured through discounted cash flow techniques supported by studies from independent experts and their internal updates. As mentioned in Note 11, this heading includes investments made by the Group to obtain rental income or capital gains, such as interest in three apartment owners' associations in Spain, one shopping centre in America and other land and properties in Spain. For the purposes of estimating future cash flows, expected growth rates are considered, both in lease prices and hotel operations, as appropriate, as well as other variables not directly observable.

Derivative assets and liabilities in the trading portfolio included in Level 3 comprise two call options and one put option (the latter embedded in a granted drag-along right) on shareholdings in companies owning hotels managed by the Group. In calculating the value of these derivatives, the Group relies on independent expert reports, either on the value of the underlying asset or on the value of the shareholdings themselves.

Finally, unlisted equity instruments included in Level 3 comprise mainly minority interests in companies owning hotels managed by the Group, which are detailed in Note 13.1.

For comparison purposes, the balances recorded in the different hierarchies at the end of 2023 are included below:

(Thousand €)	31/12/2023			
	Level 1	Level 2	Level 3	Total
Investment property			117,898	117,898
Financial Assets at fair value:				
Hedging derivatives		2,835		2,835
Trading portfolio derivatives		929	20,399	21,328
Trading portfolio	229			229
Unlisted equity instruments			20,954	20,954
TOTAL ASSETS	**229**	**3,765**	**159,251**	**163,245**

Note 5. Scope of Consolidation

The companies that comprise the Group present individual annual accounts, according to the regulations applicable in the country in which they operate.

Details of the companies included in the scope of consolidation as at 31 December 2024 are included in Annex 1 and Annex 2, which are classified as subsidiaries, associates and joint ventures.

Meliá Brasil Administraçao, which corporate purpose is the hotel management, operates various hotels under management. As the hotels under management are properties in joint ownership and are not legally authorised to carry out operating activities, Meliá Brasil Administraçao has assumed the operation of such hotels on behalf of the joint owners, given the requirements of local regulations. Income and expenses arising from the operation of these establishments are not included in the Consolidated Income Statement, since the risks and revenues arising therefrom are returned to the joint owners. Only income arising from the management of these establishments is included in the Consolidated Income Statement.

The Tunisian company, Tryp Mediterranee, in which Meliá Hotels International, S.A. holds an 85.4% stake, is in dissolution process and therefore, is excluded from the Group's scope of consolidation since, currently, the Group has no control or significant influence over this company during such process.

The Group holds a 19.94% stake in the Venezuelan companies El Recreo Plaza C.A. and El Recreo Plaza & Cia. C.A. through the direct stake of 20 % held by its subsidiary holding company MIA Exhold, S.A. and, therefore, the equity method is applied since the Group has significant influence.

The companies Ayosa Hoteles S.L., S'Argamassa Hotelera, S.L. and Meliá Hotels Orlando, LLC are fully consolidated, although only 50% or less of the voting rights are held. This is because the Group considers that it has the capability to control the variable yields of such companies through the hotel management contracts that the Group has entered into with them.

5.1. Business Combinations

In 2024 and 2023, no business combinations have taken place.

5.2. Other Scope Changes

In 2024, the following changes have been made to the scope of consolidation:

Acquisition of 50% of Melcom Joint Venture, S.L.

In April 2024, the group's parent company acquired an additional 50% interest in Melcom Joint Venture, S.L. for the amount of EUR 66 million. This company owns 100% of the shares in Pelicanos Property, S.L.U. and Bellver Property, S.L.U. (the 3 companies were previously accounted for using the equity method) and, at the time of the transaction, also 50% of the shares in Adprotel Strand, S.L. (fully consolidated).

As a result of this transaction, the stake in Adprotel Strand, S.L. has increased to 100% without change of control, and the companies Melcom Joint Venture, S.L., Pelicanos Property, S.L.U. and Bellver Property, S.L.U. have been fully consolidated. These companies hold lease contracts for two hotels in Spain, which were previously operated by Melia Hotels International, S.A. under lease contracts. As a result, investments accounted for by the equity method decreased by EUR 19 million, assets and liabilities for the amount of EUR 158 million and EUR 104 million, respectively, were included, and minority interests were reduced by EUR 28 million, with a positive impact on reserves of EUR 0.2 million.

Transfer of 38.2% of Adprotel Strand, S.L.

In January 2024, the company Mugolu, S.L. has been incorporated, to which, subsequently, 100% of the shares in Adprotel Strand, S.L. were contributed following the aforementioned transaction with Melcom Joint Venture, S.L. The company Cala Galdana Property, S.L.U. (formerly named Wamabe Iberia, S.L.), to which the hotel Melia Cala Galdana has been contributed, has also been incorporated.

Following this contribution, the companies Cala Galdana Property, S.L.U. and Inversiones Hoteleras La Jaquita, S.A., owners respectively of the hotels Melia Cala Galdana and Gran Melia Palacio de Isora, were in turn contributed to the company Adprotel Strand, S.L., which subsequently issued preferred shares for the amount of EUR 300 million with a new partner acquiring 38.2% of its share capital (see Note 15).

Transfer of 25% of Punta Cana Reservations, S.L.U.

In December 2024, the Group sold 25% stake in Punta Cana Reservations, S.L.U. for the amount of USD 63 million, without loss of control. This company owns 100% of the shares in Inversiones Areito, S.A., which in turn owns the Paradisus Palma Real Golf & SPA and Zel Punta Cana hotels, both located in the Dominican Republic (see Note 15).

In addition to the above, the following changes took place without significant impact:

Additions

On 1 January 2024, the spin-off of five Mexican companies took place, giving rise to five new companies that are fully consolidated.

In September, the company Meliá Hotels Albania, SH.P.K., wholly owned by the Group, was incorporated. Its corporate purpose is the provision of management services to establishments located in the country. This transaction had no material impact on the Group's consolidated annual accounts.

Disposals

In 2024, Sol Melia Europe, B.V., wholly owned by Meliá Hotels International, S.A., was dissolved. This transaction had no significant impact on the Group.

Acquisition of additional stake in companies accounted for using the equity method

The Group has increased its stake by 1.07% in the Owners' Association of Meliá Castilla hotel through the purchase of ten apartments. This transaction has not involved significant impacts on the Consolidated Financial Statements.

In addition, two apartments were also acquired in the Owners' Association of Meliá Costa del Sol hotel, increasing the Group's stake by 0.329%.

These transactions have not had significant impacts on the Consolidated Financial Statements.

For comparison purposes, changes in 2023 were as follows:

Additions

On 31 May 2023, the companies Fuerteventura Beach Property, S.L., Santa Eulalia Beach Property, S.L. and Hoteles Marmel, S.L. (formerly Starmel Hotels OP2, S.L.,), in which Meliá Hotels International, S.A. holds a 20% stake, were included in the consolidated financial statements of Meliá Group using the equity method, with a valuation of EUR 17.5 million, an amount paid by Meliá Hotels International, S.A. This amount included EUR 4.2 million of contributions from shareholders. These 3 companies own 2 hotels in Fuerteventura and 1 hotel in Ibiza, which became operated by Meliá Group under lease.

On the other hand, in the second half of the year, Detur Panamá, S.A. was fully consolidated following the purchase of an additional 50% of the hotel asset owned by this company. This hotel establishment, valued at EUR 5.3 million as at 31 December 2023, is closed since 2020.

In addition, two new companies Peturoliso, S.L.U. and Soici Nefsol, S.L.U. were incorporated with 100% shareholding, with no significant impacts on the Group's Consolidated Financial Statements.

Disposals

During the first half of 2023, the dissolution of the company Golf Katmandú, S.L. took place, in which the Group held a 50% stake, and which was accounted for using the equity method.

The company Third Project 2012, S.L., wholly owned by Meliá Group, was also liquidated. At year end, Mosaico Hoteles S.A., a company in which the Group held a 35% stake and which was previously accounted for using the equity method, was merged with Homasi, S.A., also 35% owned by the Group and also accounted for using the equity method.

These disposals had not had significant impacts on the Group's Consolidated Financial Statements.

Acquisition of additional stake in companies accounted for using the equity method

The Group increased its stake by 0.494% in the Owners' Association of Meliá Costa del Sol hotel through the purchase of three apartments. In addition, the stake in the Owners' Association of Meliá Castilla hotel increased by 0.417% through the purchase of four apartments. These transactions had not had significant impacts on the Group's Consolidated Financial Statements.

5.3. Name Changes

In 2024 the company Wamabe Iberia, S.L., incorporated in the current year, changed its name to Cala Galdana Property, S.L.U.

In 2023 the company Starmel Hoteles Op2, S.L. changed its name to Hoteles Marmel, S.L.

Note 6. Segment Reporting

The segments included below make up the organisational structure of the company and their results are reviewed by the key decision-makers within the Group:

- Hotel management: This relates to the fees received for operating hotels under management and franchise agreements. It also includes the intra-group charges to the Group's hotels that are under ownership or under lease, as well as other services, such as commissions.
- Hotel business: The results obtained from the operation of hotel units owned or leased by the Group are included in this segment. Likewise, income generated by the food & beverage business is also included since this activity is considered to be fully integrated into the hotel business due to the majority sale of packages the price of which includes room and board, and therefore, a real segmentation of the associated assets and liabilities would be unfeasible.
- Other business linked to hotel management: This segment includes additional income from the hotel business, such as casinos or tour-operator activities.
- Real Estate: This segment includes the capital gains on asset rotation, and real estate development and operation. Likewise, it includes the income and expenses deriving from the change in fair value of investment property.
- Vacation club: It includes the results deriving from the sale of rights of shared use of specific vacation complex units.
- Corporate segments: These relate to structural costs, results linked to the intermediation and marketing of room and tourist service reservations, as well as corporate costs of the Group which cannot be assigned to any of the abovementioned three business divisions.

The segmentation of Meliá Hotels International is due to the diversification of operations existing in the Company based on hotel management, hotel operation, real estate and vacation club.

Certain headings included in the business and geographical segmentation tables are presented in an aggregate manner, due to the impossibility of splitting them into the various specified segments.

The policies for the determination of transfer prices applied by the Company in transactions between Group companies are similar to those applied in transactions with third parties.

6.1. Information by Operating Segments

The segmentation for 2024 of the Consolidated Income Statement and the items in the Consolidated Balance Sheet as at 31 December 2024, relating to operations, is as follows:

	Hotel							
(Thousand €)	Hotel Management	Hotel Business	Other business with hotel management	Real Estate	Vacation Club	Corporate	Eliminations	Balance 31/12/2024
INCOME STATEMENT								
Operating income and Results from assets sale	410,979	1,751,291	100,385	57,850	91,959	147,727	(503,909)	**2,056,282**
Operating expenses	(276,233)	(1,263,774)	(94,951)	(14,493)	(81,472)	(214,765)	503,909	**(1,441,779)**
EBITDAR	**134,746**	**487,517**	**5,434**	**43,358**	**10,487**	**(67,038)**		**614,503**
Leases		(38,825)	(323)					**(39,149)**
EBITDA	**134,746**	**448,692**	**5,110**	**43,358**	**10,487**	**(67,038)**		**575,355**
Depreciation and impairment	(2,560)	(217,615)	(1,004)	(558)	(328)	(19,827)		**(241,892)**
EBIT	**132,186**	**231,076**	**4,107**	**42,800**	**10,159**	**(86,865)**		**333,462**
Net financial income								**(98,059)**
Associates net income		12,421		(3,459)		(19,943)		**(10,980)**
Profit before tax								**224,424**
Tax								**(62,383)**
CONSOLIDATED NET INCOME								**162,041**
ATTRIBUTED TO THE PARENT COMPANY								**140,626**
Attributed to minority interests								**(21,415)**
ASSETS & LIABILITIES								
Property,plant and equipment and intangible ass	25,169	1,477,721	8,472	7,510	55,599	128,248		**1,702,719**
Right of use	889	1,510,957	1,014	1,540	28	3,427		**1,517,855**
Investments in associates		151,713		6,087		49,077		**206,876**
Other non-current assets								**582,477**
Current operating assets	143,478	61,373	19,191	7,400	131,004	539,975	(604,954)	**297,468**
Other current assets								**274,391**
TOTAL ASSETS								**4,581,787**
Borrowings								**943,963**
Other non-current liabilities								**580,424**
Current operating liabilities	93,307	406,142	39,813	3,090	225,279	138,574	(432,822)	**473,383**
Other current liabilities								**50,208**
Lease liabilities	994	1,456,459	1,112	1,819	29	3,520		**1,463,933**
TOTAL LIABILITIES								**3,511,910**

Within income from the Hotel Management segment, EUR 168 million of management fees are recorded, of which EUR 14.9 million relates to associates and joint ventures. The remaining income mainly relates to sales commissions.

Additionally, heading Other business with hotel management includes EUR 62.3 million of income from intra-group turnover to the hotel business segment. Additionally, income and expenses linked to the tour operator activities of the company Sol Caribe Tours, S.A. for the amount of EUR 21.2 million and EUR 18.8 million, are included.

Regarding operating income in the Real Estate segment (or Asset Management), revenues are included for the amount of EUR 39.9 million relating to the change in fair value of investment property (see Note 11.)

Under Property, Plant and Equipment, within the hotel segment, additions for works and renovations in hotels were recognised for the total amount of EUR 54.1 million (see Note 10).

Eliminations during the year included the inter-segment turnover for management fees and commissions totalling EUR 254.8 million. The provision of corporate services amounted to EUR 127.8 million. In addition, disposals relating to operating expenses item mainly relate to hotel business for the amount of EUR 312.5 million.

The segmentation for 2023 of the Consolidated Income Statement and the items in the Consolidated Balance Sheet as at 31 December 2023, relating to operations, is as follows:

(Thousand €)	Hotel							
	Hotel Management	Hotel Business	Other business with hotel management	Real Estate	Vacation Club	Corporate	Eliminations	Balance 31/12/2023
INCOME STATEMENT								
Operating income and Results from assets sale	336,310	1,671,058	104,201	15,611	73,442	174,042	(442,468)	**1,932,196**
Operating expenses	(226,149)	(1,219,836)	(97,227)	(9,821)	(64,512)	(224,518)	442,468	**(1,399,594)**
EBITDAR	**110,162**	**451,223**	**6,974**	**5,790**	**8,930**	**(50,476)**		**532,602**
Leases		(42,414)	(425)					**(42,840)**
EBITDA	**110,162**	**408,808**	**6,548**	**5,790**	**8,930**	**(50,476)**		**489,762**
Depreciation and impairment	(2,612)	(239,478)	(793)	(571)	(339)	(14,970)		**(258,763)**
EBIT	**107,550**	**169,330**	**5,755**	**5,219**	**8,591**	**(65,446)**		**230,999**
Net financial income								**(94,597)**
Associates net income		7,005		(6,593)		12,504		**12,916**
Profit before tax								**149,319**
Tax								**(19,209)**
CONSOLIDATED NET INCOME								**130,109**
ATTRIBUTED TO THE PARENT COMPANY								**117,733**
Attributed to minority interests								**(12,375)**
ASSETS & LIABILITIES								
Property,plant and equipment and intangible ass	28,335	1,459,871	7,728	8,095	57,972	122,475		**1,684,476**
Right of use	1,746	1,367,720	3,007	756	44	2,580		**1,375,854**
Investments in associates		190,821		5,127		44,871		**240,820**
Other non-current assets								**557,457**
Current operating assets	145,170	164,144	15,883	5,922	67,446	468,210	(609,623)	**257,151**
Other current assets								**319,387**
TOTAL ASSETS								**4,435,145**
Borrowings								**1,323,894**
Other non-current liabilities								**537,951**
Current operating liabilities	165,493	525,695	35,818	1,960	141,576	155,414	(520,681)	**505,276**
Other current liabilities								**55,424**
Lease liabilities	1,857	1,435,629	3,169	1,070	44	7,684		**1,449,453**
TOTAL LIABILITIES								**3,871,998**

Within income from the Hotel Management segment, EUR 154 million of management fees was recorded, of which EUR 13.1 million related to associates and joint ventures. The remaining income mainly related to sales commissions.

Additionally, heading Other business with hotel management mainly included income and expenses linked to the tour operator activities of the company Sol Caribe Tours, S.A. for the amount of EUR 25.1 million and EUR 22.2 million, respectively. On the other hand, within this segment, EUR 58 million of income from intra-group turnover to the hotel business segment was included.

Regarding operating income in the Real Estate segment (or Asset Management), revenues were included for the amount of EUR 3.4 million relating to the change in fair value of investment property (see Note 11).

Under Property, Plant and Equipment, within the hotel segment, additions for works and renovations in hotels were recognised for the total amount of EUR 56.5 million (see Note 10).

Disposals during 2023 included the inter-segment turnover for management fees and commissions totalling EUR 225.6 million. The provision of corporate services amounted to EUR 129.3 million.

On the other hand, disposals relating to operating expenses item for 2023 amounted to EUR 272.5 million.

6.2. Information by Geographic Areas

Information by operating segments is the best format to represent the Group's financial information because it provides a better understanding of the yield obtained as well as the annual monitoring. Likewise, the different geographic areas are broken down by revenues and assets according to the countries in which the cash-generating units are located and in which the Group operates (see Note 1):

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	Eliminations	31/12/2024
Operating income and Results from assets sale	1,215,488	508,456	710,515	10,116	(388,294)	2,056,282
Total Assets	2,076,637	1,449,432	1,046,992	8,725		4,581,787

(*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Europe, excluding Spain.

Intra-group turnover among the different geographical segments amounted to EUR 388.3 million, of which EUR 250.2 million related to Spain, EUR 62.7 million to EMEA, EUR 72.5 million to America and EUR 2.9 million to Asia.

Regarding operating income by country, some noteworthy countries were Mexico with EUR 282 million and the Dominican Republic with EUR 335 million in the America segment. In EMEA segment, Germany, Italy and United Kingdom contributed EUR 202 million, EUR 96 million and EUR 94 million respectively.

Likewise, under item Total assets, the Dominican Republic's contribution for the amount of EUR 438 million, and the Mexican's contribution for the amount of EUR 426.6 million stand out under the America heading. With respect to EMEA segment, noteworthy are the contributions from the United Kingdom and Germany for the amount of EUR 616.3 million and EUR 405.3 million, respectively.

For comparison purposes, the balances corresponding to the previous year are as follows:

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	Eliminations	31/12/2023
Operating income and Results from assets sale	1,126,568	469,294	640,786	8,790	(313,242)	1,932,196
Total Assets	1,931,066	1,477,050	1,017,783	9,245		4,435,145

(*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Europe, excluding Spain.

Intra-group turnover among the different geographical segments amounted to EUR 313.2 million, of which EUR 211.1 million related to Spain, EUR 53.6 million to EMEA, EUR 46.3 million to America and EUR 2.2 million to Asia.

Regarding operating income by country, some noteworthy countries were Mexico with EUR 262.6 million and the Dominican Republic with EUR 284.6 million in the America segment. In EMEA segment, Germany Italy and United Kingdom contributed EUR 181 million, EUR 79 million and EUR 92 million respectively.

Likewise, under item Total assets, the Dominican Republic's contribution for the amount of EUR 420.8 million, and the Mexican's contribution for the amount of EUR 404 million stood out under the America heading. With respect to EMEA segment, noteworthy were the contributions from the United Kingdom and Germany for the amount of EUR 602.4 million and EUR 418.3 million, respectively.

Note 7. Income and Expenses

7.1. Operating Revenues and Fixed Assets Capital Gains

The breakdown of the balance of this caption in the Consolidated Income Statement for 2024 and 2023 is as follows:

(Thousand €)	2024	2023
Room sales	1,194,602	1,123,977
Food and beverages	446,457	433,639
Other business revenues	46,371	82,115
Hotel management revenues	74,283	65,584
Sale of vacation club units	82,069	68,647
Real estate income	13,919	12,197
Results from assets sale	43,496	3,395
Other revenues	155,084	142,642
TOTAL	2,056,282	1,932,196

The Group has recognised income from Fixed assets capital gains for the amount of EUR 39.9 million as a result of the review carried out on the value of the Group's investment property (see Note 10). In 2023, fixed assets capital gains included EUR 3.4 million relating to this same item (see Note 11).

In addition, this heading includes EUR 3.6 million relating to the segment of asset rotation for land in Brazil (see Note 10).

Turnover from sales and loyalty commissions included in Other revenues amounted to EUR 66.7 million. In 2023, this figure amounted to EUR 47.8 million.

Other revenues also include EUR 21.1 million from the company Sol Caribe Tours, S.A., as a result of the development of its activity as tour operator. In 2023, this figure amounted to EUR 25 million. In addition, revenues from casino activities amounting to EUR 3.7 million (EUR 4.3 million in 2023) are included under this heading.

Finally, in 2024 EUR 7.4 million of grants have been recorded in Other revenues. In 2023, grants for the amount of EUR 6.1 million were recorded.

7.2. Supplies

The breakdown of the balance of this caption in the Consolidated Income Statement for 2024 and 2023 is as follows:

(Thousand €)	2024	2023
Food and beverages consumption	146,837	148,559
Ancillary goods consumption	32,582	34,305
Sundry consumption	22,970	26,664
TOTAL	202,389	209,528

7.3. Staff Costs

Staff costs are broken down as follows:

(Thousand €)	2024	2023
Wages,salaries and equivalent	448,006	430,936
Social security	94,515	89,994
Other social expenses	25,937	20,418
Allowances	1,819	3,392
TOTAL	570,278	544,741

The average number of employees of Meliá Hotels International, S.A. and its subsidiaries over the last two fiscal years and broken down by job category is as follows:

	2024			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Management staff	158	67	225	198	89	287
Middle management	1,353	1,188	2,542	1,097	1,023	2,120
Core staff	8,309	7,286	15,595	8,510	7,363	15,873
TOTAL	9,820	8,542	18,362	9,805	8,475	18,280

7.4. Other Operating Expenses

The breakdown of the balance of this caption in the Consolidated Income Statement for 2024 and 2023 is as follows:

(Thousand €)	2024	2023
Sundry rentals	9,982	9,361
Maintenance and repairs	106,247	106,623
External services	166,176	144,654
Transport and insurance	24,165	23,550
Banking expenses	27,211	24,488
Advertising and promotions	48,670	50,797
Supplies	91,751	102,929
Travel and ticketing expenses	9,350	8,158
Activity tax	27,950	26,541
Various external services	146,979	136,254
Other expenses	10,629	11,969
TOTAL	669,111	645,325

7.5. Depreciation and Impairment

The breakdown of the balance of this caption in the Consolidated Income Statement for 2024 and 2023 is as follows:

(Thousand €)	2024		2023	
	Impairment	Depreciation	Impairment	Depreciation
Intangible assets		16,902	886	17,035
Property, plant & equipment	7,498	77,933	15,103	81,343
Right of use	(7,728)	147,288	(7,122)	151,516
TOTAL	(231)	242,123	8,867	249,895

Depreciation of property, plant & equipment item includes EUR 1.3 million relating to the impact of the accelerated depreciation of assets consisting of hotels operated under operating leases to adapt their useful lives to the term of such lease contracts. In 2023, this impact amounted to EUR 4.3 million.

The negative impact resulting from the valuation of assets carried out in the current year is included under heading Impairment of property, plant & equipment and has had a particular impact on a hotel located in the United Kingdom. In addition, EUR 2.5 million of impairment on the hotel asset that the Group owns in Panama is also included (Note 10). In 2023, Impairment of property, plant and equipment heading included an impairment for the amount of EUR 12.3 million of an establishment in the Dominican Republic.

Likewise, Impairment of rights of use heading includes the amount of the net reversal of the impairment associated with certain lease contracts, as a result of the activity recovery during the year. This amount of EUR 7.7 million relates to a total of 13 hotels, of which 7 are located in Spain, 4 in Germany and 2 in France. In 2023, the net reversal of the impairment of rights of use related to a total of 21 hotels, of which 15 are located in Spain.

7.6. Financial Income and Expenses

The breakdown of financial income and expenses included in the Consolidated Income Statement in 2024 and 2023 is as follows:

(Thousand €)	2024	2023
Dividend income	2,142	1,736
Interest income	9,434	9,613
Other financial income	2,685	8,409
Disposal of financial assets income		2
Total Financial Income	**14,261**	**19,760**
Interest expenses	(63,585)	(73,905)
Financial expense leases	(38,454)	(33,385)
Other financial expenses	(3,333)	(2,582)
Surplus bad debt provision	(3,110)	(15,144)
Change in fair value of financial instruments	(3,795)	8,681
Total Financial Expenses	**(112,277)**	**(116,335)**
Exchange differences (Net Value)	(43)	1,977
NET FINANCIAL INCOME	**(98,059)**	**(94,598)**

Heading Surplus bad debt provision includes the provision for loans granted to the company accounted for using the equity method Sierra Parima, S.A. (see Note 20.1).

Information on the Group's bank financing is included in Note 13.2 and on the valuation of financial instruments at fair value in Note 13.3.

Note 8. Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the parent company by the average number of ordinary shares outstanding during the year. Both variables are adjusted by the effect of dilutive potential shares. At the end of 2024 and 2023, there were no potential ordinary shares and, therefore, there was no need for such adjustment.

The table below shows the calculations made in 2024 and 2023 for both variables:

(Thousand €)	BASIC		DILUTED	
	2024	2023	2024	2023
Net income attributed to the parent company	**140,625,846**	**117,734,002**	**140,625,846**	**117,734,002**
Number of ordinary shares	220,400,000	220,400,000	220,400,000	220,400,000
Average weighted treasury shares	(231,779)	(230,695)	(231,779)	(230,695)
Total number of shares	**220,168,221**	**220,169,305**	**220,168,221**	**220,169,305**
Earnings per share	**0.64**	**0.53**	**0.64**	**0.53**

The Company maintains its commitment to provide an attractive, predictable and sustainable dividend over time, in line with its strategy of creating value for shareholders. This policy is compatible with the priority of maintaining an adequate level of equity, guaranteeing the investment capacity for future growth.

In this context, the General Shareholders' Meeting agreed in May 2024 to distribute a gross dividend per share of EUR 0.0935, excluding treasury shares, which led to a disbursement of EUR 20.6 million in the second half of 2024. This amount represents a pay-out of 17.5% of the consolidated profit attributed to the parent company in 2023.

Likewise, the Board of Directors will propose to the next General Shareholders' Meeting an increase in the pay-out compared to the previous year, with the aim of gradually achieving the remuneration levels prior to the pandemic.

Note 9. Intangible Assets

The breakdown of the cost and accumulated depreciation of intangible assets is as follows:

(Thousand €)	Balance 31/12/2023	Depreciation and impairment	Additions	Disposals	Exchange Differences	Balance 31/12/2024
GROSS VALUE						
Goodwill	27,088				76	27,164
Transfer rights	54,587		14,502		584	69,673
Computer software	256,593		4,421	(425)	36	260,625
Other intangible assets	7,437				(163)	7,274
Total Gross Value	**345,705**	**0**	**18,923**	**(425)**	**533**	**364,736**
ACCUMULATED DEPRECIATION						
Transfer rights	(13,893)	(3,751)			(576)	(18,220)
Computer software	(219,284)	(13,144)		425	(27)	(232,030)
Other intangible assets	(6,201)	(7)			69	(6,140)
Total Accumulated depreciation	**(239,378)**	**(16,902)**	**0**	**425**	**(534)**	**(256,390)**
NET CARRYING VALUE	**106,327**	**(16,902)**	**18,923**	**(0)**	**(0)**	**108,347**

Additions in Transfer rights heading relate to investments in five hotel management contracts, three of which are located in Spain.

Assets included in Other intangible assets mainly relate to investments made in brands which, as explained in Note 3.1, are not depreciated as their useful life is considered to be indefinite.

For comparison purposes, the breakdown of these movements in 2023 was as follows:

(miles de €)	Balance 31/12/2022	Depreciation and impairment	Additions	Disposals	Exchange Differences	Balance 31/12/2023
GROSS VALUE						
Goodwill	27,940	(886)			34	27,088
Transfer rights	22,559		32,356		(329)	54,587
Computer software	245,200		11,646	(215)	(37)	256,593
Other intangible assets	7,306				131	7,437
Total Gross Value	**303,005**	**(886)**	**44,002**	**(215)**	**(201)**	**345,705**
ACCUMULATED DEPRECIATION						
Transfer rights	(12,823)	(1,357)			287	(13,893)
Computer software	(203,848)	(15,672)		215	21	(219,284)
Other intangible assets	(6,106)	(7)			(89)	(6,201)
Total Accumulated depreciation	**(222,777)**	**(17,035)**	**0**	**215**	**219**	**(239,378)**
NET CARRYING VALUE	**80,228**	**(17,921)**	**44,002**	**0**	**18**	**106,327**

EUR 10.7 million were included in section Additions of Computer software, framed in the technological innovation project carried out by the Company.

Additions in Transfer rights caption mainly included EUR 11 million for the 15-year extension of the management rights of 7 hotels and 3 leisure centres in Mallorca, as well as EUR 19.1 million for the management rights of 7 strategic hotels spread over different areas of Spain, the lease contract of which expired in 2023.

Goodwill

The amounts resulting from business combinations are recognised in the balance of Goodwill, according to Note 2.5. The net carrying amounts of goodwill existing prior to the adoption of the IFRS are also included.

The amounts concerned by company are as follows:

(Thousand €)	31/12/2024	31/12/2023
Apartotel, S.A.	504	504
Hotel Metropolitan, S.A.S.	1,181	1,181
Cadstar France, S.A.S.	813	813
Ihla Bela de Gestao e Turismo, Ltd.	927	927
Lomondo, Ltd.	5,354	5,279
Hotel Alexander, S.A.S.	887	887
Operadora Mesol, S.A. de C.V.	465	465
Prodigios Interactivos, S.A.	14,780	14,780
Sol Melia Italia S.R.L.	2,253	2,253
TOTAL	**27,164**	**27,088**

Goodwill linked to the company Lomondo Ltd. has changed due to the exchange rate effect.

Such units are shown in the following table:

Company	Cash Generating Units (C.G.U.)
Apartotel, S.A.	Meliá Castilla, Meliá Costa del Sol and Meliá Alicante hotels
Hotel Metropolitan, S.A.S.	Meliá Paris Vendöme hotel
Cadstar France, S.A.S.	Melia Collection Villa Marquis, Paris Opera & Melia Collection Maison Colbert hotels
Ihla Bela de Gestao e Turismo, Ltd.	Melia Península Varadero, Meliá Las Dunas, Tryp Cayo Santa María, Meliá Cayo Santa María, Tryp Habana Libre & Tryp Cayo Coco hotels
Lomondo, Ltd.	Meliá White House hotel
Hotel Alexander, S.A.S	Meliá Paris Champs Elysées hotel
Operadora Mesol, S.A. de C.V.	Meliá Cozumel, Meliá Puerto Vallarta, Paradisus Cancún & Paradisus Los Cabos hotels
Prodigios Interactivos, S.A.	Hotel Distribution Platform
Sol Melia Italia S.R.L.	Melia Milan Il Duca hotel

Cash-generating units mainly relate to hotels operated or managed. In the case of goodwill associated with cash-generating units of hotels under ownership or lease, the recoverable amount is determined jointly with the other assets of the cash-generating unit, according to the methodology described in Note 3.2.

In the case of goodwill associated with other cash-generating units, the risk factors taken into account by the Company are the expected exchange rates for the currencies in which cash flows are generated by each cash-generating unit and the risk-free interest rates in each of the geographic areas in which the cash flows are generated.

According to the impairment tests carried out, there is no evidence of impairment of the Group's goodwill in 2024.

Note 10. Property, Plant and Equipment

Movements in the different headings of gross value of property, plant and equipment and their accumulated depreciation and impairment during the year are as follows:

(Thousand €)	Balance 31/12/2023	Depreciation and impairment	Additions	Disposals	Transfers	Perimeter variations	Exchange Differences	Balance 31/12/2024
GROSS VALUE								
Land	411,784			(2,748)			8,007	417,043
Buildings	1,413,086		16,501	(7,348)	56		42,968	1,465,263
Plant and Machinery	448,364		13,490	(7,585)	175		8,695	463,139
Other fixed assets	464,930		20,977	(24,549)	8,190		9,954	479,502
Works in progress	11,971		2,798		(280)		381	14,870
Total Gross Value	**2,750,136**	**0**	**53,766**	**(42,230)**	**8,141**	**0**	**70,005**	**2,839,817**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
Land	(5,201)							(5,201)
Buildings	(516,072)	(40,361)		7,348			(16,182)	(565,266)
Plant and Machinery	(307,844)	(22,857)		7,585			(4,851)	(327,967)
Other fixed assets	(342,868)	(21,935)	333	24,549			(7,090)	(347,011)
Total Accumulated Depreciation and Impairment	**(1,171,986)**	**(85,152)**	**333**	**39,482**	**0**	**0**	**(28,122)**	**(1,245,444)**
NET CARRYING VALUE	**1,578,149**	**(85,152)**	**54,100**	**(2,748)**	**8,141**	**0**	**41,883**	**1,594,373**

Main additions during the year relate to investments made in hotels located in Spain for a total amount of EUR 24.6 million, of which EUR 7.5 million were carried out in the Balearic Islands and EUR 8.2 million in the Community of Madrid. Internationally, main additions took place in the Dominican Republic, for a total amount of EUR 18.4 million, mostly due to the investment made in the hotel establishment operated under the Zel brand.

Heading Transfers includes a transfer for the amount of EUR 8.1 million from the heading Rights of use in the Consolidated Balance Sheet (see Note 17).

Disposals include an amount of EUR 2.8 million deriving from the sale of registered land in Brazil (see Note 2.4).

Regarding the balance included under heading Works in Progress, EUR 9.1 million relates to a hotel in the Dominican Republic which is being renovated; in 2023 the amount was EUR 7.9 million.

Depreciation and impairment expenses include a value adjustment for the amount of EUR 2.5 million in an establishment in Panama due to the adjustment of the asset value at fair value and the negative impact resulting from the asset valuation carried out in the current year, for the amount of EUR 4 million, in a hotel establishment located in Spain and, to a greater extent, in a hotel establishment located in the United Kingdom (Note 7.5).

The exchange rate has positively affected the value of fixed assets due to the appreciation of the dollar and the pound sterling against the euro.

For comparison purposes, the information for year 2023 is shown below:

(Thousand €)	Balance 31/12/2022	Depreciation and impairment	Additions	Disposals	Transfers	Perimeter variations	Exchange Differences	Balance 31/12/2023
GROSS VALUE								
Land	413,360		426				(2,001)	411,784
Buildings	1,421,468		18,471	(43,161)	820	26,790	(11,303)	1,413,086
Plant and Machinery	474,335		17,235	(41,283)		400	(2,322)	448,364
Other fixed assets	474,771		18,274	(26,784)	921	1,940	(4,192)	464,930
Works in progress	11,912		2,049		(1,741)		(249)	11,971
Total Gross Value	**2,795,846**	**0**	**56,455**	**(111,228)**	**0**	**29,130**	**(20,068)**	**2,750,136**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
Land					(5,201)			(5,201)
Buildings	(498,390)	(53,127)		45,082		(14,307)	4,669	(516,072)
Plant and Machinery	(329,942)	(20,481)		41,782	5,201	(6,758)	2,353	(307,844)
Other fixed assets	(347,690)	(22,839)		26,250		(1,818)	3,229	(342,868)
Total Accumulated Depreciation and Impairment	**(1,176,022)**	**(96,446)**	**0**	**113,114**	**0**	**(22,883)**	**10,251**	**(1,171,986)**
NET CARRYING VALUE	**1,619,825**	**(96,446)**	**56,455**	**1,886**	**0**	**6,247**	**(9,816)**	**1,578,149**

Main additions in the year related to investments made in Spain, totalling EUR 26.5 million, of which EUR 13.3 million were carried out in the Balearic Islands. Internationally, the main additions took place in Mexico for an amount of EUR 5.2 million, Italy for an amount of EUR 5.5 million and the Dominican Republic for an amount of EUR 11.8 million.

Disposals mainly related to 15 hotels that were operated under lease by the Group, and which in 2023 became operated under management. In addition, a transfer for the amount of EUR 2.7 million to Rights of Use in the Consolidated Balance Sheet was included.

Heading Accumulated depreciation and Impairment included a value adjustment for the amount of EUR 12.3 million euros in an establishment in the Dominican Republic.

Regarding Works in progress balance, EUR 7.9 million related to a hotel in the Dominican Republic under renovation.

Heading Scope changes included the incorporation of the company Detur Panamá, S.A., following the acquisition of an additional 50% of the hotel asset owned by this company (see Note 5).

The exchange rate negatively affected the value of fixed assets due to the depreciation of the dollar against the euro. The negative effect of this depreciation was offset by the appreciation of the pound sterling against the euro.

Other considerations

There are 7 owned properties that have been mortgaged to secure several loans at the end of 2024, and their net carrying value amounts to EUR 406.3 million; in 2023 the total number of properties was 9 and their net carrying value amounted to EUR 499.2 million.

As at 31 December 2024 and 2023, the Directors consider that there was sufficient insurance coverage for their assets.

Net capital gains derived from the restatement of assets carried out by the parent company, based on various legal regulations and voluntary restatement prior to 1997, in order to correct the effects of monetary inflation, were as follows:

(Thousand €)	
Restatement of budgets for 1979	24,848
Restatement of budgets for 1980	28,852
Restatement of budgets for 1981	1,197
Restatement of budgets for 1982	26,480
Voluntary restatement before 1990	3,146
Restatement under R.D.L. 7/96	53,213
TOTAL	**137,736**

Asset valuation

The Company has entrusted an asset valuation to the independent expert CBRE, with a valuation date of 31 December 2024 and whose report has been concluded during the period of preparation of these consolidated financial statements. The result of this report reflects an increase in value of 13.88% since the valuation of June 2022 carried out by the same expert, mainly due to the renovation and repositioning processes of its properties, and to the continuity of its strategy for the upper and luxury segments.

The value of the Group's owned assets amounts to EUR 4,7 billion, to which EUR 561 million is added for the Company's interest in other assets held in associates and joint ventures. The sum of these two figures amounts to EUR 5,3 billion and is above the figure of the portfolio in 2022, which amounted to EUR 4,6 billion.

At the valuation date, the Company has a portfolio of 91 assets with a net book value of 2,188 million euros, including hotels and other assets, distributed as follows: 58 assets in Spain, representing 43.2% of the total portfolio value, 7 assets in Europe representing 14.57% of the total value, 9 assets in Mexico representing 19.62% of the total value, 10 in the Dominican Republic, representing 20.19% of the total value, 6 assets in the Southern Cone of South America, representing 2.06% of the total valuation, and 1 asset in the United States, representing 0.36% of the total value.

The report sets the average price per room at EUR 265 thousand, which implies an increase in value of 12% with respect to the value obtained in the financial year 2022.

When determining the value of the assets, the valuation criterion most used by CBRE has been the discounted cash flow, since hotel investments are generally valued according to the potential future income. In certain cases, other valuation methods have been used, such as the comparables method or the residual value method. The latter method has been mainly used to value plots and land. Regardless of the valuation criterion, the result thereof has been checked by comparing it with other parameters such as stabilised returns, price per room or leveraged IRR.

Discounted cash flow method (DCF): Financial projections have been prepared for a 10-year period; the flows for the tenth year have been used to project the next 5 years and the cash flows for fiscal year 16 have been discounted at an exit multiple, dependent upon historical transactions, expected profitability and other factors such as age, location, maintenance conditions of the property, etc. Financial projections have been estimated by considering the operating revenues and income that a reasonably efficient operator could achieve, including the investments necessary to attain such level based on the property condition. According to the DCF method, the projected net profits for the hotel or the commercial asset over 10 years are discounted to present values using an appropriate discount rate. The value of the hotel derived from the capitalised profits in the tenth year is also taken to present values. Capital expenditure (Capex) is incorporated into the cash flow when necessary, reflecting planned investments and their impact on the generation of future income.

The valuations made by CBRE are based on CBRE Hotels' opinion on the business forecasts for each property. In preparing these projections, it has been considered the commercial performance of each asset, the planned capital expenditures (Capex) and any changes in supply or demand of which we are aware. The first year of the projections begins on the valuation date (31 December 2024) and covers a period of 10 years, assuming a constant inflation rate of 2.00% per annum.

The discount rates used by CBRE in the valuation, depending on the geographic region in which the assets are located, are shown in the following table:

	Discount Rates	Exit Rates
Spain	7.50%-10.3%	5.50%-8.3%
Rest of Europe	6.80%-9.3%	4.80%-6%
Latin America	11.25%-13%	8.5%-10%

Comparables method: This valuation criterion takes into account the balance between the supply and demand at the time of the valuation. This means an evaluation of the property based on an analysis of the latest market transactions and a comparison of these with the average price per room.

Residual value method: This is the method generally used to value urban land, whether or not it has buildings on it. This involves determining the price that could be paid for the property, given the gross value of the development and the total cost of the project, taking into account the margins applied in the market once the characteristics of the property and the risks inherent in the project have been factored in.

Note 11. Investment Property

The balance of investment property includes the net carrying value of investments made by the Group to obtain rental income or capital gains, such as interest in three apartment owners' associations in Spain operated as hotels, one shopping centre in America and other land and properties in Spain.

Movements recorded in 2024 according to the type of assets included under this heading are detailed in the following table:

(Thousand €)	Balance 31/12/2023	Additions	Disposals	Exchange Differences	Balance 31/12/2024
Apartments in Spain	95,337	41,085			136,422
Shopping Centres in America	6,054		(1,515)		4,539
Other properties in Spain	16,507	774	(1,410)		15,871
TOTAL	117,898	41,859	(2,925)	0	156,832

Main additions and disposals relate to the value review of investment property based on the asset valuation carried out this year and described in Note 10.

In addition, Additions of Apartments in Spain are included for the amount of EUR 2 million as a result of the acquisition of apartments in the three owners' associations in which the Group holds interest.

Disposal of Other properties in Spain relates to the sale of land located in Cantabria.

The breakdown of profit or loss for investment property in the Group's Consolidated Income Statement is as follows:

(Thousand €)	Apartments Spain	Shopping Centres America	Other Properties Spain	Total
Operating income		212	59	271
Operating expenses		(1,958)		(1,958)
EBITDA	0	(1,747)	59	(1,687)
Net Financial Income	368			368
Net Income in Associates	6,235			6,235
CONTRIBUTION TO GROUP NET INCOME	6,603	(1,747)	59	4,916

The contribution of the apartments in Spain relates to the proportional part of the results for the year of the companies which are accounted for using the equity method. Such apartments relate to establishments which are operated by the Group under management through associates and joint ventures, and which generate income for the amount of EUR 8.8 million that is not included in the above table.

The contribution of the shopping centre in America relates to the part in the Income Statement of the operating company, which in the current year has been affected by the aforementioned value adjustment. The contribution of other properties in Spain relates to the lease of one establishment located in Madrid.

For comparison purposes, the information for year 2023 is shown below:

(Thousand €)	Balance 31/12/2022	Additions	Disposals	Balance 31/12/2023
Apartments in Spain	89,662	5,675		95,337
Shopping Centres in America	6,054			6,054
Other properties in Spain	19,177		(2,670)	16,507
TOTAL	114,893	5,675	(2,670)	117,898

Item Additions of Apartments in Spain included EUR 1 million as a result of the acquisition of apartments in two of the three owners' associations in which the Group holds interest. The other additions related to the value review of the investment property having an impact on the Operating revenues and fixed assets capital gains in the Income Statement.

Disposals of Other properties in Spain related to the sale of one property located in Balearic Islands.

The breakdown of profit or loss for investment properties in the Group's Consolidated Income Statement in 2023 is as follows:

(Thousand €)	Apartments Spain	Shopping Centres America	Other Properties Spain	Total
Operating income		262	40	302
Operating expenses		(217)		(217)
EBITDA	0	44	40	84
Net Financial Income	557			557
Net Income in Associates	4,897			4,897
CONTRIBUTION TO GROUP NET INCOME	5,454	44	40	5,539

The contribution of the apartments in Spain related to the proportional part of the results for the year of the companies which are accounted for using the equity method. Such apartments generated income derived from their operation under management for the amount of EUR 7.3 million that is not included in the above table.

The contribution of the shopping centre in America related to the part in the Income Statement of the operating company, while the contribution of the other properties in Spain related to the lease of one establishment located in Madrid.

Nota 12. Investments Measured Using the Equity Method

The financial investments relating to shareholdings in associates and joint ventures have been measured using the equity method.

Balances and movements of this heading are as follows:

(Thousand €)	%	Balance 31/12/2023	Net Income 2024	Additions	Disposals	Exchange Differences	Balance 31/12/2024
Evertmel Group (*)	49.00%	25,899	(1,231)		(404)		24,264
Altavista Hotelera, S.A.	48.74%	38,502	1,412	79			39,993
Melcom Group (*)	50.00%	18,436	479		(18,915)		0
Producciones de Parques Group (*)	50.00%	22,918	2,787		(331)		25,373
Fourth Project 2012, S.L.	50.00%	1,768	391		(819)		1,340
Melia Hotels USA Group (*)	50.00%		158			(158)	
Holazel, S.L. (JV)	50.00%	1,792	(371)				1,421
Yagoda Inversiones, S.L.U.	50.00%	137	(107)	95			125
Sierra Parima, S.A.	50.00%		(3,459)	3,537		(79)	
TOTAL JOINT VENTURES		**109,452**	**59**	**3,711**	**(20,470)**	**(236)**	**92,516**
Homasi, S.A.	35.00%	61,016	(22,343)	2	(1,450)		37,225
Plaza Puerta del Mar, S.A.	20.01%	6,486	395		(379)		6,502
Promedro Group (*)	20.00%	8,399	1,722		(681)		9,440
Turismo de Invierno, S.A.	21.42%	4,002	355		(118)		4,238
C.P. Meliá Castilla	33.71%	7,535	3,919	254	(2,635)		9,073
C.P.Meliá Costa del Sol	24.03%	6,773	2,316	80	(3,395)		5,774
El Recreo Group (*)	19.94%	5,979		976			6,955
Inversiones Guiza, S.A.	49.85%	(9)	(1)				(9)
Hellenic Hotel Management	40.00%	(76)					(76)
Mosaico Hoteles, S.A.	35.00%	(1)					(1)
Starmel Hotels JV, S.L.	20.00%	(135)					(135)
Hoteles Marmel, S.L.	20.00%	4,683	(129)				4,554
Fuerteventura Beach Property, S.L.	20.00%	6,137	(123)	321	(37)		6,298
Santa Eulalia Beach Property, S.L.	20.00%	7,609	(28)	1,269	(17)		8,832
Renasala Group (*)	30.00%	12,971	2,879	3	(164)		15,689
TOTAL ASSOCIATES		**131,368**	**(11,039)**	**2,906**	**(8,875)**	**0**	**114,360**
TOTAL		**240,820**	**(10,980)**	**6,617**	**(29,345)**	**(236)**	**206,876**

(*) Companies pertaining to the same business line are jointly presented:

Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.
Producciones de Parques Group which comprises the companies Producciones de Parques, S.L., Tertian XXI S.L.U.
Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,Llc and Melia Hotels Florida Llc.
Promedro Group which comprises the companies Promedro,S.A. and Nexprom,S.A.
El Recreo Group which comprises the companies El Recreo Plaza, C.A. and El Recreo Plaza & Cía. C.A.
Renasala,S.L. Group which comprises the companies Renasala,S.L, Starmel Hoteles OP S.L.U, Torremolinos Beach Property, S.L.U, Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U. San Antonio Beach Property, S.L.U.
Melcom Group which comprises the companies Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture, S.L.

Disposals during the year mainly relate to the derecognition for the amount of EUR 18.9 million of Melcom Group, which has been fully consolidated (see Note 5.2), as well as the distribution of dividends of several companies amounting to EUR 9.1 million.

The loss posted by the company Homasi, S.A. is due to the impairment of the shareholding it holds in companies that own the operating rights of five hotels in the Republic of Cuba.

Shareholding movements in associates and joint ventures in 2023 were as follows:

(Thousand €)	%	Balance 31/12/2022	Net Income 2023	Additions	Disposals	Exchange Differences	Balance 31/12/2023
Evertmel Group (*)	49.00%	20,620	(2,983)	8,498	(235)		25,899
Altavista Hotelera, S.A.	48.74%	37,222	1,205	75			38,502
Melcom Group (*)	50.00%	17,413	1,023				18,436
Producciones de Parques Group (*)	50.00%	22,993	160	328	(564)		22,918
Fourth Project 2012, S.L.	50.00%	3,038	501		(1,771)		1,768
Melia Hotels USA Group (*)	50.00%		(396)	341		54	0
Holazel, S.L. (JV)	50.00%	1,000	(708)	1,500			1,792
Yagoda Inversiones, S.L.U.	50.00%	318	(407)	226			137
Sierra Parima, S.A.	50.00%	3,933	(6,593)	2,622		37	0
TOTAL JOINT VENTURES		**106,538**	**(8,197)**	**13,590**	**(2,570)**	**92**	**109,452**
Homasi, S.A.	35.00%	54,640	2,728	5,097	(1,450)		61,016
Plaza Puerta del Mar, S.A.	20.01%	6,685	559		(758)		6,486
Promedro Group (*)	20.00%	6,882	1,521		(4)		8,399
Turismo de Invierno, S.A.	21.42%	3,767	236		(2)		4,002
C.P. Meliá Castilla	32.64%	4,651	2,801	83			7,535
C.P.Meliá Costa del Sol	23.70%	4,551	2,096	125			6,773
El Recreo Group (*)	19.94%	4,352		1,627			5,979
Inversiones Guiza, S.A.	49.85%	(9)					(9)
Hellenic Hotel Management	40.00%	(76)					(76)
Mosaico Hoteles, S.A.	35.00%	2,109	88		(2,197)		0
Detur Panamá, S.A.	49.93%		(556)	556			0
Starmel Hotels JV, S.L.	20.00%	83	9,344		(9,562)		(135)
Hoteles Marmel, S.L.	20.00%	(1,672)	256	6,099			4,683
Fuerteventura Beach Property, S.L.	20.00%	1,840	(351)	4,647			6,137
Santa Eulalia Beach Property, S.L.	20.00%	738	106	6,765			7,609
Renasala Group (*)	30.00%	11,112	2,285		(426)		12,971
TOTAL ASSOCIATES		**99,654**	**21,113**	**24,999**	**(14,400)**		**131,368**
TOTAL		**206,192**	**12,916**	**38,589**	**(16,970)**	**92**	**240,820**

(*) Companies pertaining to the same business line are jointly presented:
Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.
Producciones de Parques Group which comprises the companies Producciones de Parques, S.L. and Tertian XXI S.L.U.
Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,Llc and Melia Hotels Florida Llc.
Promedro Group which comprises the companies Promedro,S.A. and Nexprom,S.A.
El Recreo Group which comprises the companies El Recreo Plaza, C.A. and El Recreo Plaza & Cía. C.A.
Renasala,S.L. Group which comprises the companies Renasala,S.L, Starmel Hoteles OP S.L.U, Torremolinos Beach Property, S.L.U, Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U. San Antonio Beach Property, S.L.U.
Melcom Group which comprises the companies Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture, S.L.

The increase in heading Net income of associates in 2023 was mainly due to the profit generated by the company Starmel Hotels JV, S.L. on the sale in June of its 3 subsidiaries, which own and operate 3 vacation hotels in Fuerteventura and Ibiza, generating a profit attributed to the Group of EUR 8.9 million. As a result of this transaction, an additional earning of EUR 11 million was generated in favour of Meliá Group, which is included under heading of other operating income in the Consolidated Income Statement.

Additions in the period mainly related to contributions from shareholders of Fuerteventura Beach Property, S.L., Santa Eulalia Beach Property, S.L. and Hoteles Marmel, S.L. amounting to EUR 17.5 million (see Note 5), whereby Melia Group held direct shareholdings in these companies (formerly subsidiaries of Starmel Hotels JV, S.L.). Shareholders' contributions to the companies of Evertmel Group amounting to EUR 8.5 million were also included.

The decrease in net income in joint ventures compared to 2022 was mainly due to the reversal in 2022 of impairments of fixed assets in some companies owning assets.

In this regard, as at 30 June 2023, the majority shareholder of the companies comprising Evertmel Group sold its total stake in these companies, with Meliá Group maintaining the same percentage stake it already held in these companies as at 31 December 2022.

Likewise, the additions in Sierra Parima related to the hedge of negative equity as a result of the losses generated by this company in recent years.

Disposals mainly related to the distribution of dividends of various companies amounting to EUR 10.6 million and reimbursements of shareholders' contributions made by Starmel Hotels JV, S.L. amounting to EUR 2.7 million.

Information on the most relevant associates and joint ventures

Details of the Balance Sheet and Income Statement of certain associates and joint ventures with greater significance by volume of assets and net income are as follows:

(Thousand €)	Evertmel Group (*)	Altavista Hotelera, S.L.	PDP Group (*)	Renasala Group (*)	Homasi, S.A.	Total
EBITDA	12,431	9,993	11,744	25,403	4,140	63,710
Depreciation	(5,864)	(3,100)	(2,448)	(4,354)	(3)	(15,770)
Net financial profit/loss	(8,421)	(3,030)	(1,716)	(7,109)	(67,976)	(88,251)
Income tax	(721)	(966)	(2,006)	(4,343)		(8,036)
NET INCOME	**(2,574)**	**2,897**	**5,573**	**9,596**	**(63,838)**	**(48,346)**

(Thousand €)	Evertmel Group (*)	Altavista Hotelera, S.L.	PDP Group (*)	Renasala Group (*)	Homasi, S.A.	Total
NON-CURRENT ASSETS	**211,404**	**125,974**	**75,570**	**202,507**	**113,385**	**728,840**
Cash and other cash equivalents	6,679	5,996	7,575	12,800	9,359	**42,410**
Other current assets	9,628	34	2,868	22,426	5,472	**40,429**
CURRENT ASSETS	**16,308**	**6,030**	**10,443**	**35,226**	**14,831**	**82,838**
TOTAL GENERAL ASSETS	**227,711**	**132,005**	**86,013**	**237,733**	**128,216**	**811,678**
Non-current financial liabilities	147,607	28,788	25,864	141,305		**343,564**
Other non-current liabilities	5,923	10,464	3,140	3,568		**23,095**
NON-CURRENT LIABILITIES	**153,530**	**39,252**	**29,005**	**144,872**		**366,659**
Current financial liabilities	1,325	4,710	6,052	27,700	6,567	**46,354**
Other current liabilities	22,803	6,416	4,925	11,430	239	**45,814**
CURRENT LIABILITIES	**24,128**	**11,126**	**10,978**	**39,130**	**6,806**	**92,168**
TOTAL GENERAL LIABILITIES	**177,658**	**50,378**	**39,982**	**184,002**	**6,806**	**458,827**

(*) Companies pertaining to the same business line are jointly presented:
Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.
PDP Group which comprises the companies Producciones de Parques, S.L. and Tertian XXI S.L.U.
Renasala Group which comprises the companies Renasala,S.L, Starmel Hotels OP S.L.U, Torremolinos Beach Property, S.L.U, Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U, and San Antonio Beach Property, S.L.U.

Evertmel Group and the company Altavista Hotelera, S.L., are owners of hotels which are operated by other Group companies through lease contracts.

Renasala Group and Producciones de Parques, S.L. Group are made up of companies which own and operate hotels. In addition, they have contracts entered into with the parent company of the Group through which management fees are invoiced.

For comparison purposes, amounts for 2023 are shown below:

(Thousand €)	Evertmel Group (*)	Melcom Group (*)	Altavista Hotelera, S.L.	PDP Group (*)	Renasala Group (*)	Homasi, S.A.	Total
EBITDA	10,750	14,947	9,705	9,758	21,828	6,775	73,763
Depreciation	(5,795)	(3,488)	(3,090)	(8,009)	(4,955)	(4)	(25,340)
Net financial profit/loss	2,978	(7,136)	(3,316)	(1,006)	(6,916)	1,024	(14,372)
Income tax	(1,078)	4,564	(827)	(422)	(2,341)		(104)
Attributed to minority interests		(3,532)					(3,532)
NET INCOME	**6,856**	**5,356**	**2,472**	**321**	**7,616**	**7,795**	**30,416**

(Thousand €)	Evertmel Group (*)	Melcom Group (*)	Altavista Hotelera, S.L.	PDP Group (*)	Renasala Group (*)	Homasi, S.A.	Total
NON-CURRENT ASSETS	**213,463**	**169,705**	**129,343**	**78,005**	**206,767**	**171,910**	**969,193**
Cash and other cash equivalents	10,622	21	5,956	1,653	12,500	6,092	36,844
Other current assets	8,863	9,770	24	5,268	8,539	11,557	44,021
CURRENT ASSETS	**19,485**	**9,792**	**5,979**	**6,920**	**21,039**	**17,649**	**80,865**
TOTAL GENERAL ASSETS	**232,949**	**179,497**	**135,322**	**84,925**	**227,805**	**189,559**	**1,050,058**
Non-current financial liabilities	145,009	2,233	33,350	30,397	78,440		289,429
Other non-current liabilities	6,195	72,163	11,778	3,368	3,450		96,955
NON-CURRENT LIABILITIES	**151,204**	**74,396**	**45,128**	**33,765**	**81,890**		**386,384**
Current financial liabilities	1,467	65,263	4,487	6,067	88,908	5,320	171,514
Other current liabilities	26,838	6,799	7,139	3,974	11,902	611	57,263
CURRENT LIABILITIES	**28,305**	**72,063**	**11,626**	**10,041**	**100,811**	**5,931**	**228,777**
TOTAL GENERAL LIABILITIES	**179,509**	**146,459**	**56,755**	**43,805**	**182,701**	**5,931**	**615,161**

(*) Companies pertaining to the same business line are jointly presented:
Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo S.L.
Renasala Group which comprises the companies Renasala,S.L, Starmel Hotels OP S.L.U, Torremolinos Beach Property, S.L.U, Palmanova Beach Property, S.L.U, Puerto del Carmen Beach Property, S.L.U, and San Antonio Beach Property, S.L.U.
PDP Group which comprises the companies Producciones de Parques, S.L., Tertian XXI S.L.U. and Golf Katmandú
Melcom Group which comprises the companies Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture, S.L.

Note 13. Other Financial Instruments

13.1. Other Financial Assets

The table below includes the breakdown by categories of financial instruments, recorded in the heading Other financial assets of current and non-current assets in the Consolidated Balance Sheet for years 2024 and 2023:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
1. Financial instruments at amortized cost:						
Loans to associates and joint ventures	31,507	49,660	81,167	33,391	76,596	109,987
Other loans	13,066	8,172	21,238	24,376	20,160	44,536
Other items	52,719	3,411	56,130	70,224	2,925	73,149
2. Financial instruments at fair value through other comprehensive income:						
Cash flow hedges	207	392	599	617	2,219	2,835
3. Financial instruments at fair value through profit or loss:						
Trading Portfolio		310	310		229	229
Trading Portfolio derivatives	8,330	17,056	25,386	111	21,217	21,328
Unlisted equity instruments	23,242		23,242	20,954		20,954
TOTAL	**129,071**	**79,001**	**208,072**	**149,673**	**123,345**	**273,018**

The table does not include the headings Trade and other receivables and Cash and other cash equivalents, which also relate to financial assets, as described in Note 3.5. Additional breakdowns are included in Note 14 to that effect.

Financial instruments subsequently measured at amortised cost

The table below shows a breakdown by nature of financial assets included in this item for 2024 and 2023:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Loans to associates and joint ventures	31,507	49,660	81,167	33,391	76,596	109,987
Other loans	13,066	8,172	21,238	24,376	20,160	44,536
Deposits	1,573	679	2,251	1,556	1,152	2,707
Guarantee deposits	11,679	2,672	14,351	11,701	1,723	13,423
Club Melia customers	39,467		39,467	56,968		56,968
Financial deposits		61	61		51	51
TOTAL	**97,292**	**61,243**	**158,535**	**127,991**	**99,680**	**227,672**

Loans to associates heading has decreased by EUR 36.1 million relating to loans granted to the company Melcom Joint Venture, S.L., as a result of the acquisition of an additional 50% stake in that company in April 2024, after which this company was fully consolidated (see Note 5.2).

Note 20.1 Information on related parties includes a breakdown of the other balances recorded as Loans to associates and joint ventures.

Loans granted to and receivables from several companies with which the Company does business in various operating segments are included under heading Other loans; the most significant amounts are as follows:

- Loans granted to various unrelated companies with which the Group has a business relationship for the amount of EUR 8.7 million.
- Loans granted to owners of several hotels operated by the Group under lease, management and franchise for the amount of EUR 13.3 million.
- Amount receivable from the owner of a hotel in Brazil, as a result of the claim filed by the Group for the termination of a management contract for reasons attributable to the owner, for the amount of EUR 11.9 million.

Long-term guarantees granted by the Company basically relate to the rent for hotels leased by the Group through accepted promissory notes. Since such guarantees are granted to ensure compliance with an obligation associated with such agreements, they are not recognised at current value but at face value.

The balance of Club Meliá relates to the amounts financed in the long-term to customers of the vacation Club in the sale of timeshare rights. They are recognised at face value because these financing agreements include a market interest rate.

Likewise, balance of Club Meliá in the short term is broken down in Note 14.2 Trade and Other Receivables.

The Financial deposits item includes long-term amounts in banks and with a maturity over 3 months, therefore, these cannot be considered as other cash equivalents.

Financial instruments at fair value through other comprehensive income

Cash flow hedge activities relate to interest rate swaps, which are explained in Note 13.3.

Financial instruments at fair value through profit or loss

Trading portfolio derivatives are explained in Note 13.3.

Trading portfolio includes listed equity instruments the market prices of which are used to determine the fair value of these investments.

Below is the breakdown and movement of unlisted equity instruments, which mainly relate to shareholdings in companies that own hotels managed by the Group

(Thousand €)	%	Balance 31/12/2023	Additions	Balance 31/12/2024
Hotelera Sancti Petri, S.A.	19.50%	2,634		2,634
Port Cambrils Inversions, S.A.	10.00%	980		980
Inveragua RD, S.A.S	14.24%	131		131
Valle Yamury, S.A.	8.00%	358		358
Victoria Hotels & Resorts, S.L.	7.50%	16,928	2,288	19,216
Other financial assets		9		9
TOTAL INVESTMENT		21,040	2,288	23,328
IMPAIRMENT LOSSES		(85)		(85)
NET CARRYING VALUE		20,954	2,288	23,242

Additions during the year relate to the revaluation of shares due to changes in their fair value.

For comparison purposes, movements for year 2023 were as follows:

(Thousand €)	%	Balance 31/12/2022	Additions	Disposals	Balance 31/12/2023
Hotelera Sancti Petri, S.A.	19.50%	2,634			2,634
Port Cambrils Inversions, S.A.	10.00%	980			980
Inveragua RD, S.A.S	14.24%	131			131
Valle Yamury, S.A.	8.00%	358			358
Victoria Hotels & Resorts, S.L.	7.50%	15,822	1,106		16,928
Other financial assets		9			9
TOTAL INVESTMENT		19,934	1,106		21,040
IMPAIRMENT LOSSES		(85)			(85)
NET CARRYING VALUE		19,848	1,106		20,954

The registered offices, activities and accounting information in thousand euro of the investees in which the Group holds a non-significant shareholding at 2024 year end are included below:

(Thousand €)	REGISTERED OFFICE	ACTIVITY	Capital	Reserves	Net Income	%	TBV	NBV
Hotelera Sancti Petri, S.A.	Gremio Toneleros, 24 Palma de Mallorca (España)	Owner and operator hotel	8,000	2,341	2,850	19.50%	2,572	2,634
Port Cambrils Inversions, S.A.	Rambla Regueral, 11 Tarragona (España)	Owner and operator hotel	6,000	839	457	10.00%	730	980
Valle Yamury, S.A. (*)	Velázquez, 106 Madrid (España)	Holding and owner	4,970	(1,570)	192	8.00%	287	279
Inveragua RD, S.A.S. (*)	Avda. Lope de Vega, 4 Santo Domingo (República Dominicana)	Holding	891	(163)	(5)	14.24%	103	131
Victoria Hotels & Resorts, S.L. (**)	Paseo del Club Deportivo, 1 (Madrid)	Owner and operator hotel	15,340	192,980	33	7.50%	15,626	19,215
Other companies			3				3	3
			35,204	194,427	3,527		19,322	23,243

(*) No Financial Statements are available as at 31 December 2024 for these companies
(**) The companies Victoria Hotels & Resorts, S.L., Crisalian, S.L.U. and Lierinto. S.L.U. are included

13.2. Other Financial Liabilities

The table below shows the breakdown by categories of financial instruments, recorded in the headings Bonds and other negotiable securities, Bank borrowings and Other financial liabilities of current and non-current liabilities in the Consolidated Balance Sheet for 2024 and 2023:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
1. Financial instruments at fair value through other comprehensive income:						
- Cash flow hedges	2,767	900	3,667			
1. Financial instruments at fair value through profit or loss:						
- Trading portfolio derivatives	9,200		9,200			
2. Other financial liabilities at amortized cost:						
- Bonds and other negotiable securities	52,143	11,242	63,385	52,082	24,585	76,667
- Bank borrowings	769,022	111,555	880,578	958,390	288,837	1,247,227
- Lease liabilities	1,312,338	151,595	1,463,933	1,301,464	147,989	1,449,453
- Other financial liabilities	44,302	25,462	69,764	33,713	45,973	79,686
TOTAL	2,189,771	300,755	2,490,526	2,345,649	507,385	2,853,034

Balances under heading Trade creditors and other payables which are also considered as financial liabilities, are not included, as explained in Note 3.5. Additional breakdowns are included in Note 18 to that effect.

The following table shows the reconciliation of changes in assets and liabilities from financing activities. Debt issues and redemptions (Bonds and other negotiable securities and Bank borrowings), as well as Derivative financial instruments (hedges and trading portfolio) have been considered:

(Thousand €)	Bonds and Bank borrowings	Financial instruments at fair value	
		Assets	Liabilities
BALANCE AT 31/12/2022	1,359,092	22,181	25
Financing cash flow	(31,823)		
Exchange differences	(3,375)		
Changes in fair value		1,983	(25)
BALANCE AT 31/12/2023	1,323,894	24,164	0
Financing cash flow	(393,394)		
Exchange differences	13,462		
Changes in fair value		1,822	(12,867)
BALANCE AT 31/12/2024	943,962	25,985	(12,867)

Lease payments are broken down in Note 17.

Financial instruments at fair value through other comprehensive income

Cash flow hedge activities relate to interest rate swaps, as explained in Note 13.3.

Financial instruments at fair value through profit or loss

The balances of derivatives in trading portfolio are explained in Note 13.3.

Bonds and other negotiable securities

The table below shows the debt issues recorded under this heading and their balances at the end of 2024 and 2023:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Bonds and debentures	52,143	204	52,347	52,082	204	52,286
European Commercial Papers (ECP)		11,038	11,038		24,381	24,381
TOTAL	52,143	11,242	63,385	52,082	24,585	76,667

Euro Commercial Paper Programme (ECP)

In June 2024, the commercial paper programme ("Euro-Commercial Paper Programme" or ECP) was renewed, with maturity date on 27 May 2025, subject to English law, for the maximum amount of EUR 300 million, whereby debt instrument issues can be made in Europe with a maturity of less than 364 days, up to the said amount.

In 2024, issues were made for a total amount of EUR 69.3 million, and there were outstanding issues for the amount of EUR 11.1 million of face amount at year end (EUR 24.8 million at 2023 year end).

Simple bonds

On 19 November 2018, the parent company issued simple bonds for the total amount of EUR 30 million with the following characteristics:

Issue price	€30,000,000
Face amount	€100,000
Maturity	12 years
Debt rank	Senior unsecured
Issue price	100%
Issue date	19/11/2018
Maturity date	19/11/2030
Coupon	3,30% Fixed
Repayment price	100%

On 25 May 2021, an increase in the face amount of the bond for the amount of EUR 22.5 million was carried out. Such issue was at a price equal to 98.385% of the face amount.

Bank borrowings

The breakdown by nature and by maturity of the Group's bank borrowings at the end of 2024 and 2023 is as follows:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Bank loans	645,983	87,556	733,539	571,165	248,121	819,286
Mortgage loans	122,212	18,049	140,261	218,675	31,431	250,106
Credit policies	828		828	168,549	3,073	171,622
Interest		5,950	5,950		6,212	6,212
TOTAL	769,022	111,555	880,578	958,390	288,836	1,247,226

The total amount of credit facilities drawn down was EUR 0.83 million; (EUR 171.6 million in 2023); and at the end of 2024 an additional balance of EUR 275.67 million was available (in 2023 the balance was EUR 169.9 million).

Bank debt increases for new bank financing in 2024 amount to EUR 445.71 million (without including simple bonds or amounts for renewal of the ECP). In 2023, the amount was EUR 42.6 million. In 2024, EUR 654.6 million was repaid, of which EUR 414.4 million was early repaid, and interest amounting to EUR 61.0 million was also paid.

The Group's mortgage loans are secured by 7 hotels with a total net carrying amount of EUR 406.3 million; in 2023 the net carrying amount of the mortgaged assets amounted to EUR 499.2 million, as stated in Note 10.

Maturity of bank borrowings is as follows:

(Thousand €)	2025	2026	2027	2028	2029	> 5 years	Total
Bank loans	87,556	122,045	251,972	150,851	110,386	10,729	733,539
Mortgage loans	18,051	37,094	15,848	48,664	8,590	12,014	140,261
Credit policies		828					828
Interest	5,950						5,950
TOTAL	111,557	159,967	267,820	199,515	118,977	22,743	880,578

Lease liabilities

Note 17 includes a breakdown of Lease liabilities.

Other financial liabilities

The table below shows the breakdown of the items under this heading at the end of 2024 and 2023:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Fixed asset suppliers		3,852	3,852		2,917	2,917
Guarantees received	996	706	1,702	951	758	1,709
Other payables	14,379	641	15,020	(74)	15,023	14,950
Debt to associates	28,299	4,743	33,042	32,478	8,090	40,568
Dividends payable		330	330		4,836	4,836
Other financial liabilities	627	15,190	15,817	358	14,349	14,707
TOTAL	44,302	25,462	69,764	33,713	45,973	79,686

The amount of Debt to associates and joint ventures is broken down in Note 20.

13.3. Hedge Activities and Other Derivatives

The breakdown by maturity of the fair values of the Group's derivative financial instruments at the end of 2024 and 2023 is as follows:

(Thousand €)	31/12/2024			31/12/2023		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Hedge derivatives assets	207	392	599	617	2,219	2,835
Trading portfolio derivatives assets	8,330	17,056	25,386	111	21,217	21,328
TOTAL	8,537	17,448	25,985	728	23,435	24,164
Hedging derivative liabilities	2,767	900	3,667			
Trading portfolio derivatives liabilities	9,200		9,200			
TOTAL	11,967	900	12,867	0	0	0

Hedging derivatives

Within the framework of the Group’s interest rate risk management policies (see Note 4.1), the Company, at the end of the fiscal year, has several interest rate swaps, which, based on the contractual terms, qualify as cash flow hedging instruments; therefore, changes in their fair value are taken directly to the Group's equity.

The items hedged by these operations are recorded under heading Bank borrowings. These financial instruments are used to exchange interest rates, so that the Company receives variable interest from the bank in exchange for a fixed interest payment on the same face amount. The variable interest received from the derivative offsets interest payments on the financing hedged. The final result is a fixed interest payment on the financing hedged.

In 2024, the negative impact on equity of these derivative financial instruments, after taking the portion pertaining to the hedged item to the income statement and without considering the tax impact, amounted to EUR 5.7 million. In 2023, the impact was for the amount of EUR 3.7 million.

Likewise, as at 31 December 2024, the notional value of the interest rate swaps that qualify as hedges amounted to EUR 179.9 million, and in 2023 such value amounted to EUR 114 million.

To determine these fair values, discounted cash flow techniques have been used based on the embedded amounts determined by the interest rate curve in accordance with the market conditions at the measurement date. These measurements have been carried out by the financial institutions from which these products are obtained.

Derivatives in trading portfolio

Additions in Trading portfolio derivative assets for the amount of EUR 8.3 million relate to the valuation made by the independent expert KPMG, of the call option on the non-controlling interests in the group company Adprotel Strand, S.L. (see Notes 5.2 and 15.6).

Additions in Trading portfolio derivative liabilities for the amount of EUR 9.2 million relate to the valuation of the drag-along right granted to minority partners of the company Adprotel Strand, S. L., exercisable only in the event of liquidation or material breach of contract, valued by the independent expert KPMG, as part of the sale of non-controlling interests (see Notes 5.2 and 15.6). The impact on the Consolidated Income Statement, due to the difference in value between its initial recognition and the value at the end of the financial year, amounted to EUR 2.7 million.

Heading Trading portfolio derivatives assets in the short term includes the fair value for the amount of EUR 17 million (EUR 20.4 million as at 31 December 2023) of the derivative related to a call option on one hotel in Spain, an option that has been exercised as of the date of preparation of these consolidated financial statements.

Maturity by year is as follows:

(Thousand €)	2025	2026	2027	2028	>4 years	Total
Hedging derivatives assets	392	97	69	40		599
Trading portfolio derivatives assets	17,056				8,330	25,386
TOTAL	17,448	97	69	40	8,330	25,985
Hedging derivatives liabilities	900	1,397	872	428	69	3,667
Trading portfolio derivatives liabilities					9,200	9,200
TOTAL	900	1,397	872	428	9,269	12,867

For comparison purposes, the maturities for 2023 were as follows:

(Thousand €)	2024	2025	2026	2027	>4 años	Total
Hedging derivative assets	2,219	420	103	65	29	2,835
Trading portfolio derivatives assets	21,217	111				21,328
TOTAL	23,435	531	103	65	29	24,164

Note 14. Current Assets

14.1. Inventories

The breakdown of this heading at the end of 2024 and 2023 is as follows:

(Thousand €)	31/12/2024	31/12/2023
Hotel Business	24,490	22,817
Vacation Club Business	1,280	1,202
Real Estate Business	2,484	2,700
Advances to suppliers	3,733	3,117
TOTAL	31,988	29,837

The Group does not have firm purchase or sale commitments and there are no limitations on availability of inventories.

14.2. Trade and Other Receivables

The breakdown of this heading at the end of 2024 and 2023 is as follows:

(Thousand €)	31/12/2024	31/12/2023
Trade receivables	183,637	175,769
Other receivables	81,843	51,545
TOTAL	265,480	227,314

Trade receivables by business line at year end are as follows:

(Thousand €)	31/12/2024	31/12/2023
Hotel	94,950	94,681
Real Estate	2,032	1,733
Club Melia	14,766	10,725
Management services	63,255	64,545
Other	8,634	4,085
TOTAL	183,637	175,769

The aging of trade receivables at year end from the maturity date was as follows:

(Thousand €)	2024	%	2023	%
Less than 90 days	145,475	79%	137,025	78%
More than 90 and less than 180	21,877	12%	24,297	14%
More than 180	16,286	9%	14,447	8%
TOTAL	183,637	100%	175,769	100%

Other receivables

The breakdown by nature of the balances included in this item for 2024 and 2023 is as follows:

(Thousand €)	31/12/2024	31/12/2023
Prepayments and accrued income	14,024	11,791
Loans to employees	505	397
Taxes refundable	29,991	9,065
Receivables from associates	11,590	11,412
Receivables	25,481	18,780
Current accounts	252	100
TOTAL	81,843	51,545

These balances relate to commercial transactions carried out by the Group. Receivables from associates and joint ventures are broken down in Note 20.

14.3. Cash and Other Cash Equivalents

Cash and other cash equivalents are broken down by geographic areas as follows:

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	31/12/2024
Cash	22,473	26,179	94,217	3,589	146,457
Other cash equivalents	18,187	2,500	4,127		24,814
TOTAL	40,660	28,679	98,344	3,589	171,272

(*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Rest of Europe, excluding Spain.

Cash equivalents relate to short-term deposits, the maturities of which may range from one day to three months depending on the Group's cash needs.

The main balances comprising the Group's cash, based on the currency in which they are denominated, are in US dollar and Euro.

Balances under this heading for 2023 were as follows:

(Thousand €)	SPAIN	EMEA (*)	AMERICA	ASIA	31/12/2023
Cash	40,821	23,570	88,387	3,318	156,096
Other cash equivalents	874		3,259		4,133
TOTAL	41,695	23,570	91,646	3,318	160,229

(*) EMEA (Europe, Middle East, Africa): It includes areas of Africa, Middle East and Rest of Europe, excluding Spain.

Note 15. Equity

15.1. Share Capital and Share Premium

The share capital as at 31 December 2024 and 2023 is EUR 44,080,000, corresponding to 220,400,000 shares with a par value of Euro 0.20 each. The shares are fully subscribed and paid-up, and constitute a single class and series.

All shares comprising the share capital, except for treasury shares, carry the same rights and are listed on the stock exchange (Continuous Market - Spain).

The Ordinary General Shareholders' Meeting held on 22 June 2023, renewed the authority of the Company's Board of Directors to agree the share capital increase, without having to consult the General Shareholders' Meeting beforehand, up to 50% of the share capital. Consequently, the Board of Directors can exercise this right, in one or more times, deciding in each case, not only the timing or appropriateness, but also the amount and conditions which it considers should apply within a maximum period of five years, starting from the date of said Meeting. If the capital increase is made excluding the shareholders' pre-emptive subscription rights, such authority of the Board of Directors is limited to 20% of the share capital.

The share premium has the same restrictions and can be used for the same purposes as the Group's voluntary reserves.

The voting rights held by the main shareholders with direct and indirect stake in Meliá Hotels International, S.A. as at 31 December 2024 and 2023, are as follows:

Shareholder	31/12/2024 % Shareholding	31/12/2023 % Shareholding
Hoteles Mallorquines Consolidados, S.A.	24.37	24.37
Hoteles Mallorquines Asociados, S.L.	13.76	13.76
Hoteles Mallorquines Agrupados, S.L.	11.29	11.29
Tulipa Inversiones 2018, S.A.	5.39	5.39
Global Alpha Capital Management Ltd.	11.03	13.23
Rest of shareholders (less than 3% individual)	34.16	31.97
TOTAL	100.00	100.00

As a result of the passing of Mr Gabriel Escarrer Juliá on 26 November 2024, his widow, Mrs Ana María Jaume Vanrell, now holds 54.80% of the voting rights of Meliá Hotels International, S. A., through control over the companies Hoteles Mallorquines Consolidados, S.L., Hoteles Mallorquines Agrupados, S.L., Hoteles Mallorquines Asociados, S.L. and Tulipa Inversiones 2018, S.A.

15.2. Reserves

The table below shows the breakdown of heading Other Reserves in consolidated equity at the end of 2024 and 2023:

(Thousand €)	31/12/2024	31/12/2023
Legal reserve	8,816	8,816
Revaluation reserves Royal Decree-Law 7/1996, of 7th June	1,181	1,190
Reserves for actuarial gains and losses	(6,380)	(5,693)
Voluntary reserves	291,564	311,939
Consolidated reserves attributed to the controlling company	116,758	116,758
TOTAL	411,939	433,010

The consolidated reserves attributed to the controlling company include the necessary homogenisation adjustments to present the consolidated equity in accordance with the International Financial Reporting Standards (IFRSs) and the International Financial Reporting Committee Interpretations (IFRICs), as described in Note 2.

Regarding restricted reserves, Meliá Hotels International, S.A. and its subsidiaries incorporated under the Spanish law are obliged to transfer 10% of the profits of each year to a reserve fund until this fund reaches at least 20% of the share capital. This reserve, provided that other reserves are not available, may only be used to offset losses.

15.3. Treasury Shares

Breakdown and movements of treasury shares under liquidity contract are as follows:

	Shares
Shares Number at 31/12/2023	248,014
Additions	7,136,089
Disposals	(7,183,742)
Shares Number at 31/12/2024	200,361
Average Price €	7.53
Balance at 31/12/2024 (Thousand €)	1,509

The number of shares held by the Company as at 31 December 2024 is 200,361, representing 0.09% of the share capital. Treasury shares do not exceed the 10% limit established by the Spanish Corporate Enterprises Act.

The price of Meliá Hotels International, S.A.'s shares at year end was EUR 7.365. At the 2023 year end the share price amounted to EUR 5.96.

For comparison purposes, movements for year 2023 were as follows:

	Shares
Shares Number at 31/12/2022	334,014
Additions	11,307,075
Disposals	(11,393,075)
Shares Number at 31/12/2023	248,014
Average Price €	6.51
Balance at 31/12/2023 (Thousand €)	1,615

The number of shares held by the Company as at 31 December 2023 was 248,014, representing 0.113% of the share capital.

15.4. Retained Earnings

This heading includes the profit/(loss) for previous years of the parent company, as well as the retained earnings of the other companies included in the scope of consolidation as from the date they were included therein.

Movements during 2024 included under this heading mainly related to the distribution of positive results from the previous year, for the amount of EUR 104.8 million from fully consolidated companies, and for the amount of EUR 12.9 million of profits from associates and joint ventures.

Movements during 2023 included under this heading mainly related to the distribution of negative results from the previous year, for the amount of EUR 94.3 million from fully consolidated companies, and 16.4 of losses from associates and joint ventures.

15.5. Measurement Adjustments

The Measurement adjustments heading in the Consolidated Statement of Changes in Equity, includes a breakdown of Translation differences and Other measurement adjustments recognised in the Consolidated Balance Sheet.

Translation differences

Among the total Translation differences, the amount of EUR 146 million negative relates to fully consolidated companies and EUR 56.9 million negative to companies accounted for using the equity method. In 2023, the amounts were EUR 183 million negative and EUR 56.6 million also negative, respectively.

According to IAS 21.15, certain financing transactions relating to subsidiaries abroad have been considered as an increase in the value of the investment. During the year, EUR 18.4 million in negative translation differences has been recognised under this heading, while in 2023, EUR 12.8 million in positive translation differences was recognised.

The amount recognised during the year in the Consolidated Statement of Comprehensive Income for translation differences is EUR 42.2 million positive (EUR 11.2 million negative in 2023), mainly as a result of the appreciation of the US dollar against the euro by 6.37% (depreciation of 3.07% in 2023).

Other measurement adjustments

Movements during the year mainly relate to income and expenses attributed to equity, as well as to transfers to the Consolidated Income Statement of derivative financial instruments classified as hedges, net of their tax effect, which resulted in a decrease in equity of EUR 4.1 million. In 2023, the change in this item resulted in a decrease in equity of EUR 2.4 million.

15.6. Non-Controlling Interests

The equity interest relating to rights held by third parties outside the Group is included under this heading, including the relevant proportional stake in the result (profit/(loss)).

(Thousand €)	Minority percentage	Total Assets	Total Liabilities	Total Net Assets	Non-controlling interests	Non-controlling interests profit/(loss)
Invers. Explot. Turísticas, S.A.	45.07%	84,265	37,142	47,122	21,347	7,426
Realizaciones Turísticas, S.A. (*)	3.73%	201,439	2,542	198,897	7,467	272
Adprotel Strand, S.L.U.	38.20%	363,850	(292,852)	656,702	251,450	11,994
MIA Exhold, S.A.	0.31%	654,828	429,961	224,867	2,545	50
Punta Cana Reservatios, S.L.U.	25.00%	167,091	52,462	114,629	27,284	(1,536)
Otros		414,643	332,101	82,542	1,611	3,208
TOTAL		**1,886,115**	**561,356**	**1,324,760**	**311,705**	**21,415**

The consolidated amounts, before carrying out intra-group eliminations, of assets and liabilities of subsidiary companies and their investees with non-controlling interests, as well as their relevant stake in the result (profit/(loss)) for the fiscal year, are included below:

(*) This includes non-controlling interests in its subsidiaries (see Annex 1).

Other companies heading includes information mainly relating to hotel operating companies.

Adprotel Strand, S.L.

Following the transactions described in Note 5.2, the company Adprotel Strand, S.L. (Adprotel) is the owner of 3 hotels: ME London hotel (London) directly, and Melia Cala Galdana (Menorca) and Gran Melia Palacio de Isora hotels (Tenerife) indirectly, through the companies Cala Galdana Property (formerly, Wamabe Iberia, S.L.)and Inversiones Hoteleras La Jaquita, S.A. respectively.

During the first half of 2024, the Group entered into an agreement with the company Moon GC&P Investments, S.L.U., owned by Banco de Santander, S. A., by virtue of which said company has acquired 38.2% interest in the share capital of Adprotel through the subscription of new type B company shares, for a total amount of EUR 300 million of capital and share premium, which grant voting rights according to the percentage interest acquired and, consequently, the Group has reduced its interest by said percentage, without loss of control.

These company shares are preferred shares, as they give the minority partner preferential access, until its investment is recovered and without this being guaranteed, to the cash flows from a potential sale of assets or company shares by Adprotel, or from the joint sale of Adprotel's own shares by its partners, as well as to a percentage of the dividends that, where appropriate, the Partners' Meeting of Adprotel decides to approve. Of the remaining cash flows from a potential sale, Meliá is entitled to the recovery of its investment under the same conditions and, once this recovery has been carried out, a proportional distribution would be made based on the corresponding percentage interest (i.e., 61.8% for Meliá Group and 38.2% for Santander Group). All circumstances that may result in an outflow of future cash flows are under the control of Meliá Group according to the conditions of the signed agreement.

As indicated above, the percentage interest of each partner grants it voting rights according to its interest, with resolutions being adopted by the Partners’ Meeting by majority vote in accordance with commercial legislation. The Group, through other group companies, operates the aforementioned hotels under lease and manages the use of the assets. Furthermore, Adprotel's preferred shares do not have an expiry date, nor is there any contractual obligation on the part of Meliá Group to purchase or assume such interest in any way.

However, the Company maintains a call option on these preferred shares that can be exercised during the first 7 years from the signing of the agreement at a variable strike price depending on the time of exercise which, as of the date of the agreement, was out of the money. This option constitutes a financial derivative asset. On the other hand, and only in the event of a liquidation or of a material breach of conditions under the control of the Group, the minority investor has the right to sell its stake at market value to a third party which, if exercised, would activate a drag-along right over the shares held by the Group to said third party, with preference for the minority partner over the cash flows until recovering its investment, as indicated above, so that from the date of the agreement there is a derivative financial instrument that should reflect the value of the Group's waiver of part of the economic rights that could eventually be obtained. The Group has engaged the independent expert KPMG to evaluate and assess both instruments, recognising an asset for the amount of EUR 8.7 million and a liability for the amount of EUR 6.8 million in the consolidated balance sheet (see Note 13).

According to the conditions indicated, and in application of IAS 32, an amount of EUR 234.6 million has been recorded under heading Non-controlling interests in the consolidated balance sheet, relating to the percentage interest acquired by the minority partner over the net carrying amount of the net assets of Adprotel and its subsidiaries, and an amount of EUR 65.4 million in Retained earnings section of the consolidated balance sheet for the difference between the cash received and the aforementioned amount of the recognised non-controlling interest, since this is an equity transaction to reduce the percentage interest without loss of control.

Punta Cana Reservations, S.A.

The Group has signed an agreement with the investment fund Administradora de Fondos de Inversión Popular (AFI Popular), a subsidiary of Popular Group, whereby, through a capital increase, the investment fund has acquired 25% stake in the company Punta Cana Reservations S.L.U. and its subsidiary Inversiones Areito S.A., which in turn owns Paradisus Palma Real Golf & Spa and ZEL Punta Cana hotels in the Dominican Republic.

As a result of this transaction, EUR 28.7 million has been recorded under heading of Non-controlling interests in the consolidated balance sheet, which relates to the percentage interest acquired by the minority partner over the net carrying amount of the net assets of the company Punta Cana Reservations S.L. U and its subsidiary, Inversiones Areito, S.A., and an amount of EUR 31.3 million recorded under heading of Retained earnings in the consolidated balance sheet for the difference between the cash received and the aforementioned amount of the recognised non-controlling interest, since this is an equity transaction to reduce the percentage interest without loss of control.

For comparison purposes, amounts for 2023 are shown below:

(Thousand €)	Minority percentage	Total Assets	Total Liabilities	Total Net Assets	Non-controlling interests	Non-controlling interests profit/(loss)
Invers. Explot. Turísticas, S.A.	45.07%	162,744	110,599	52,145	14,054	5,804
Realizaciones Turísticas, S.A.	3.73%	206,554	23,327	183,227	6,179	274
Adprotel Strand, S.L.U.	25.00%	212,566	143,721	68,845	27,792	1,754
MIA Exhold, S.A.	0.31%	430,940	270,015	160,925	3,120	(147)
Other companies		279,159	217,861	61,298	(936)	4,690
TOTAL		1,291,962	765,523	526,440	50,211	12,375

(*) This includes non-controlling interests in its subsidiaries (see Annex 1).

Note 16. Other Non-Current Liabilities

16.1. Capital Grants and Other Deferred Income

The breakdown of this heading in the Consolidated Balance Sheet is as follows:

(Thousand €)	31/12/2024	31/12/2023
Capital grants	3,210	3,382
Deferred income from customer loyalty programmes	28,399	24,594
Vacation Club deferred income	231,980	264,217
Other deferred income	6,785	6,437
TOTAL	270,374	298,631

Capital grants mainly relate to grants to finance property, plant and equipment purchases. During the fiscal year, the total amount recorded under this item in the Consolidated Income Statement was EUR 171.9 thousand. In 2023, income from grants amounted to EUR 210.3 thousand.

Regarding loyalty programmes, a portion of the selling price of hotel rooms is assigned as fair value of the points which will be recognised as income in the Consolidated Income Statement at the time they are redeemed by the customers.

Deferred income from vacation club reflects the amount allocated to the weeks not yet enjoyed by the customers, net of the costs directly attributable to the execution of these contracts. This deferred income is recognised as income in the Consolidated Income Statement at the time the customers exercise the rights acquired under their vacation club membership agreement.

16.2. Provisions

The Group maintains in non-current liabilities a balance for the amount of EUR 41 million in respect of provisions for contingencies and expenses. As stated in Note 3.10, this heading includes the Group's post-employment benefit obligations with staff and provisions for urban-planning related legal disputes with public bodies, as well as the provisions recorded to cover the various liabilities and contingencies arising from operations, commitments acquired and guarantees given in favour of third parties, risks deriving from legal claims and lawsuits and potential liabilities deriving from the different interpretations to which the applicable legislation is open.

The breakdown by type of obligations is as follows:

(Thousand €)	31/12/2023	Additions	Disposals	31/12/2024
Provision for retirement, seniority bonus and personnel obligations	11,024	2,029	(475)	12,577
Provision for taxes and liabilities	26,653	2,633	(828)	28,458
TOTAL	37,677	4,662	(1,303)	41,036

Provisions for retirement, seniority bonus and personnel

At the end of each fiscal year, actuarial studies are carried out to assess the past services corresponding to commitments established in supra-enterprise collective agreements. In 2024, the estimated accrued amount was EUR 13.1 million, with an impact of EUR 1.8 million on the income statement for 2024. In 2023, the total amount accrued was EUR 11.6 million, with an impact of EUR 1.7 million on the income statement.

The assessment of these commitments undertaken by the Company has been conducted in accordance with the actuarial assumptions of the model which pertains to the Group, using the calculation method known as the Projected Unit Credit and the demographic assumptions established by the PER2020 tables, using a capitalisation rate of 3.11%, and a salary increase assumption of 3.18%. In addition, the probability of tenure of employees until retirement has also been applied, based on the Group's experience in respect of employees leaving the Company, giving rise to the following rotation ratios according to the employee's current age:

Ages Range	% Rotation
< 45	5.38%
45 - 55	3.02%
> 55	2.71%

Likewise, a significant part of these commitments has been outsourced in compliance with the legislation in force. At the 2024 year end, the balance of assets linked to the post-employment benefit plans amounted to EUR 0.5 million, with liabilities being presented at net amount. At the 2023 year end the balance for this item was EUR 0.6 million.

On the other hand, the negative amount recognised in the consolidated Statement of comprehensive income of EUR 0.9 million relates to changes in the percentages and actuarial assumptions for the calculation of the remunerations and retirement bonuses in respect of the Group's post-employment benefits commitments to its employees. In 2023, the negative amount recognised in the consolidated Statement of comprehensive income was EUR 1 million.

Provision for liabilities

The increase recognised under this section mainly relates to obligations linked to various contracts, as well as provisions for various litigations, which resolutions are pending and with a probable risk of financial disbursement for the Group.

For comparison purposes, information for 2023 is shown below:

(Thousand €)	31/12/2022	Additions	Disposals	31/12/2023
Provision for retirement, seniority bonus and personnel obligations	11,187	657	(820)	11,024
Provision for taxes and liabilities	19,011	7,642		26,653
TOTAL	30,198	8,299	(820)	37,677

Note 17. Leases

17.1. Rights of Use

The opening and closing balances of Right-of-use assets, as well as movements during the year and the depreciation amounts for each type of underlying asset for 2024 and 2023 are detailed below:

(Thousand €)	Balance 31/12/23	Depreciation and impairment	Variations	Transfers	Exchange Differences	Balance 31/12/24
GROSS VALUE						
Buildings	2,774,445		144,572		25,538	2,944,555
Plant and Machinery	1,205		(654)		5	556
Other fixed assets	25,669			(23,122)		2,546
Total Gross Value	2,801,318	0	143,918	(23,122)	25,543	2,947,657
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
Buildings	(1,407,759)	(138,786)	125,487		(5,896)	(1,426,954)
Plant and Machinery	(990)	(111)	654		(5)	(451)
Other fixed assets	(16,715)	(663)		14,981		(2,396)
Total Accumulated Depreciation and Impairment	(1,425,464)	(139,559)	126,141	14,981	(5,901)	(1,429,802)
NET CARRYING VALUE	1,375,854	(139,559)	270,060	(8,141)	19,642	1,517,855

With regard to Rights of use, the variations section includes EUR 32.2 million for variations caused by amendments to the terms and conditions of existing contracts, EUR 188.7 million for the inclusion of the company Melcom Joint Venture, S.L. and its subsidiaries (see Note 5.2), EUR 20.2 million for the addition of a new establishment in Spain and EUR 28.8 million for the variation in lease payments subject to the CPI and other contingent events. The additions derived from contractual amendments mainly relate to maturity extensions of lease contracts that affect four hotels located in Spain, one hotel located in France and three hotels located in Germany.

Transfers section also includes the transfer of EUR 8.1 million of net carrying amount to the heading Property, plant and equipment in the Consolidated Balance Sheet due to the exercise of a call option (see Note 10).

Depreciation and impairment heading for 2024 includes a net reversal of impairment for the amount of EUR 7.7 million (see Note 7.5) due to the results of the impairment test of cash-generating units under lease carried out according to the methodology described in Note 3.2 and Note 3.12. In the said test, the activity recovery during the year and the expectation, which is included in the budget approved by the governing body of the Group for 2025 and in the projections for the years of the lease term, have led to a greater value in use of such cash-generating units and, therefore, to a reversal of impairment of the assets associated with the mentioned units.

The discount rates used in the said test have been determined for each lease contract on the basis of the weighted average cost of the capital (WACC) per country, adjusted to reflect the lower cost associated with the lease liabilities. In this sense, for the relevant geographic areas in terms of CGUs under lease, the estimated weighted average cost of the capital was 9.6% for Spain and between 9% and 10.1% for EMEA and the rest of the world, while the discount rate adjusted to reflect the mentioned cost of lease liabilities for each contract was between 4.32% and 7.69% for Spain and between 3.16% and 6.03% for EMEA and the rest of the world.

Exchange differences are due to the appreciation of the British pound and the US dollar against the euro, and mainly affect four hotels located in the United Kingdom and one hotel located in the USA, respectively.

For comparison purposes, the movements in 2023 were as follows:

(Thousand €)	Balance 31/12/22	Depreciation and impairment	Variations	Exchange Differences	Balance 31/12/23
GROSS VALUE					
Buildings	2,628,693		142,728	3,023	2,774,445
Plant and Machinery	1,080		147	(22)	1,205
Other fixed assets	23,011		2,658		25,669
Total Gross Value	**2,652,785**	**0**	**145,533**	**3,001**	**2,801,318**
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
Buildings	(1,262,040)	(143,261)	(4,841)	2,383	(1,407,759)
Plant and Machinery	(882)	(125)		17	(990)
Other fixed assets	(19,045)	(1,009)	3,339		(16,715)
Total Accumulated Depreciation and Impairment	**(1,281,968)**	**(144,395)**	**(1,502)**	**2,400**	**(1,425,464)**
NET CARRYING VALUE	**1,370,817**	**(144,395)**	**144,031**	**5,401**	**1,375,854**

Variations heading included several contractual amendments, which increased the value in the Right of use by EUR 85.1 million. Such contractual amendments included maturity extensions of certain contracts and renegotiations regarding disbursement obligations. Likewise, additions of 3 new lease contracts of hotels located in Spain for the amount of EUR 13.7 million and one new lease contract of a hotel located in Italy for the amount of EUR 8.7 million were recognised.

The variation in lease payments subject to CPI increased the value in the Right of use by EUR 39.2 million.

Variations also included the transfer for the amount of EUR 2.7 million of an impairment from property, plant and equipment to Rights of Use in the Consolidated Balance Sheet, described in Note 10.

Depreciation and impairment heading for 2023 included a net reversal of impairment for the amount of EUR 7.1 million (see Note 7.5) due to the results of the impairment test of cash-generating units under lease carried out according to the methodology described in Note 3.2 and Note 3.12. In the said test, the activity recovery during the year and the expectation of activity recovery at the levels before the health crisis, which was included in the budget approved by the governing body of the Group for 2024 and in the projections for the years of the lease term, led to a greater value in use of such cash-generating units and, therefore, to a reversal of impairment of the assets associated with the mentioned units.

The discount rates used in the said test were determined for each lease contract on the basis of the weighted average cost of the capital (WACC) per country, adjusted to reflect the lower cost associated with the lease liabilities. In this sense, for the relevant geographic areas in terms of CGUs under lease, the estimated weighted average cost of the capital was 9.8% for Spain and between 8.7% and 10.5% for EMEA and the rest of the world, while the discount rate adjusted to reflect the mentioned cost of lease liabilities for each contract was between 3.88% and 7.05% for Spain and between 3.99% and 6.20% for EMEA and the rest of the world.

Exchange differences were due to the appreciation of the British pound and the depreciation of US dollar against the euro, mainly affecting four hotels located in the United Kingdom and one hotel located in the USA, respectively.

17.2. Lease Liabilities

There follows a breakdown of fixed lease payments (not discounted) expected to be made by the Company in the coming years:

(Thousand €)	2024	2023
Less than 1 year	188,448	182,110
Between 1 and 5 years	680,284	608,170
More than 5 years	1,581,932	1,608,335
TOTAL	**2,450,664**	**2,398,615**

These liabilities include lease contracts entered into with associates and joint ventures for the amount of EUR 69.8 million (see Note 20); EUR 90.4 million in 2023.

The average term of the lease contracts is 9.06 years. In the case of hotels 11.03 years, and 2.57 years for other lease contracts. In 2023, the average term was 8.78 years, in the case of hotels was 11.42 years, and 2.74 years for other lease contracts.

In the amount above reflected, EUR 13.6 million of payments is included relating to lease contracts other than hotel lease. In 2023, this figure amounted to EUR 19.3 million.

The performance of lease liabilities was as follows:

(Thousand €)	2024	2023
OPENING BALANCE	**1,449,453**	**1,462,567**
Financial expense leases	38,454	33,385
Fixed lease payments	(192,974)	(195,678)
Other variations (increases or decreases)	169,000	149,180
TOTAL	**1,463,933**	**1,449,453**

The variation in fixed payments is due to the fact that lease payments referenced to the CPI or similar index have increased, in addition, renegotiations occurred which have affected the lease payments, as well as the addition of a new lease contract.

Increases and decreases include several contractual amendments that have increased the value of liabilities by EUR 32.4 million. In addition, the lease contract of a new hotel located in Spain has been registered for the amount of EUR 20.3 million, as well as the inclusion of the company Melcom Joint Venture, S.L. and its subsidiaries, which has led to an increase in liabilities of EUR 72 million (see Note 5.2). The variation in lease payments derived from contingent facts has increased the value of liabilities by EUR 28.8 million, while the appreciation of the British pound and the dollar increased this value by EUR 15.6 million.

Other payments not included in lease liabilities

The short-term, low-value exemptions of which the Company has availed itself as described in Note 3 relate to non-hotel assets. The amounts relating to this type of agreements, as well as the expenses relating to the variable lease payments not included in the measurement of lease liabilities are included below:

(Thousand €)	2024	2023
Variable leases	39,149	42,888
Short-term leases	4,395	4,217
Low value leases	3,821	3,253
TOTAL	**47,364**	**50,358**

Under Variable leases item, the portion of the lease payment which depends on indexes or rates based on the performance of the hotels is included. The excess over the maximum amount of shortfall that the lessee agrees to assume in the lease contract is also included, with such shortfall being the difference between the variable lease payment and the guaranteed minimum lease payment.

In general, up to 18.4 per cent of the Group's total lease payments relates to variable payments. The Group expects this ratio to remain constant over the coming years. Variable payments depend on sales and, consequently, on the general economic performance of the coming years. Taking into account the sales performance expected for the next 5 years, it is expected that variable lease expenses will continue to present a similar proportion of sales in stores in the coming years.

The Group has no entered into lease contracts of hotels which opening is planned for future years.

Note 18. Trade Creditors and Other Payables

The breakdown of this heading at the end of 2024 and 2023 is as follows:

(Thousand €)	31/12/2024	31/12/2023
Trade creditors	334,727	372,985
Other payables	138,655	132,291
TOTAL	473,383	505,276

18.1. Trade Creditors

The balance of trade creditors includes any payables to suppliers of goods, supplies and other services pending payment and/or for which the invoices have not yet been received, which at the end of the year amounted to EUR 243.5 million. At the previous year end, this balance amounted to EUR 281.3 million.

Likewise, this heading mainly includes prepayments from customers in the hotel business, which, at the end of 2024 amounted to EUR 91.2 million, of which EUR 16.9 million relates to a real estate development in Brazil. At the end of 2023, prepayments amounted to EUR 91.7 million.

18.2. Other Payables

The main items included in Other payables are set out below:

(Thousand €)	31/12/2024	31/12/2023
Accruals and deferred income	2,335	3,105
Accrued wages and salaries	77,023	78,277
Taxes payable	41,304	28,768
Social security contributions payable	10,849	10,998
Trade payables, associates	4,626	9,192
Other liabilities	2,519	1,951
TOTAL	138,655	132,291

These balances relate to commercial transactions carried out by the Group. Payables to associates and joint ventures are included in section Commercial transactions in Note 20.

Note 19. Tax Situation

The companies within the Group are subject to the tax legislation applicable in the countries in which they carry out their activities. Current tax regulations in some of these countries do not coincide with the Spanish regulations. As a consequence of the above, the information included in this note should be construed in the light of the peculiarities of the applicable tax regulations for the benefit of legal entities, with reference to applicable tax bases, tax rates and deductions.

'Pillar Two'

On 21 December 2024, Law 7/2024 of 20th of December was published in the Spanish Official State Gazette, transposing Directive (EU) 2022/2523 and introducing, among other measures, the Supplementary Tax. This tax, in line with Pillar Two of the OECD, aims to guarantee a minimum global tax rate of 15% for large multinational and national groups.

For tax periods starting on or after 1 January 2024, the parent company of Meliá Group must pay a Supplementary Tax in Spain on the profits obtained by its subsidiaries in jurisdictions where the effective taxation is less than 15%, calculated on an aggregate basis by country. From 2024 to 2026, the possibility of applying the so-called transitional safe harbours is envisaged, in which the Supplementary Tax is not payable if certain tests are passed (*de minimis*, simplified effective tax rate or economic substance).

Furthermore, some of the jurisdictions in which the Group operates have implemented regulations in line with Pillar Two of the OECD, establishing a minimum domestic tax that corrects the tax deficit until the threshold of 15% is reached.

After analysing its tax situation, Meliá Group has concluded that no additional taxation will arise in 2024 as a result of the transitional safe harbours and/or the Complementary Tax.

Finally, the Group has availed itself of the exception to the recognition of deferred tax assets and liabilities arising from the application of Pillar Two, in accordance with the tenth final provision of Law 7/2024, which amends Royal Decree 1514/2007 of 16th of November, which approves the General Accounting Plan.

Other tax changes derived from Law 7/2024

Furthermore, Law 7/2024 introduces various amendments affecting Corporate Tax in Spain, limiting the offsetting of tax losses to 25% of the Company's tax base, limiting the application of deductions to avoid double taxation and extending the 50% restriction to the offsetting of tax losses generated by entities in the Tax Group.

These regulatory amendments limit the Tax Group's ability to take advantage of its tax credits, increasing its tax burden and, consequently, increasing the Group's income tax expense in 2024.

19.1. Years Open to Inspection

According to the legal provisions in force, tax returns may not be considered to be final until they have been inspected by the tax authorities or the statute of limitations period has elapsed, which may be extended by administrative procedure.

In this respect, the years open to inspection in the various countries in which the Group operates are as follows:

	Corp. Inc. Tax	Personal Income Tax	VAT	I.G.I.C. [general indirect Canaries tax]	I.R.A.P. [Italian regional tax on productive activities]	PIS/COFINS [social integration programme/contribution for the financing of social security]
Spain	2020-2023	2021-2024	2021-2024	2021-2024		
France	2021-2023	2022-2024	2022-2024			
England	2018-2023	2019-2024	2019-2024			
Italy	2018-2023	2019-2024	2019-2024		2018-2023	
Germany	2014-2023	2015-2024	2015-2024			
Holland	2019-2023	2020-2024	2020-2024			
China	2019-2023	2020-2024	2020-2024			
USA	2021-2023					
Mexico	2019-2023		2020-2024			
Dominican Rep.	2021-2023		2020-2024			
Venezuela	2018-2023	2020-2024	2020-2024			
Brazil	2019-2023	2020-2024				2020-2024

19.2. Deferred Tax Assets and Liabilities

The balance details of the Group's deferred tax assets and liabilities in 2024 and 2023 is as follows:

(Thousand €)	Balance sheet	
	31/12/2024	31/12/2023
Non-current deferred tax asset is as follows:		
Tax credits activated by deductions pending application	385	992
Tax credits activated by tax bases pending offset	80,808	64,035
Temporary differences for:		
Tax value of Tryp goodwill	3,353	4,768
Cash flow hedges (SWAP)	859	(17)
Tax deductible provisions at the payment time or when liability is generated	63,431	51,067
Different criteria for tax and accounting depreciation	7,889	12,015
Inter-group results elimination	3,753	2,479
Financial expenses not deducted	11,530	12,283
Accounting (non-tax) revenues to be distributed over several years	57,992	67,850
Leases	48,595	50,391
Other	17,979	24,023
TOTAL ASSETS	**296,574**	**289,886**
Non-current deferred tax liability is as follows:		
Fair values in business combinations	21,424	20,759
Finance lease operations	10,105	10,591
Fixed assets restatement and revaluation	60,244	58,999
Property investments fair value adjustment	29,869	17,256
Differences in accounting and tax values of assets	11,890	10,807
Accounting revaluation for merger	2,169	2,305
Sales under reinvestment deferral	3,173	3,290
Accounting (non-tax) expenses to be distributed over several years	6,154	8,205
Leases	29,578	1,352
Other	38,140	34,366
TOTAL LIABILITIES	**212,746**	**167,930**

Net deferred taxes relating to IFRS16 correspond to EUR 329,452 thousand of deferred tax assets and EUR 310,541 thousand of deferred tax liabilities.

Deferred taxes recognised in 2024 and 2023 by the Group are as follows:

(Thousand €)	Deferred tax Assets	Deferred tax Liabilities
BALANCE 31/12/2022	**300,824**	**176,946**
Expenses / Income of the period	(7,387)	(6,840)
Translation differences and others	(3,551)	(2,176)
BALANCE 31/12/2023	**289,886**	**167,930**
Expenses / Income of the period	(3,898)	10,805
Scope changes		28,100
Translation differences and others	10,586	5,911
BALANCE 31/12/2024	**296,574**	**212,746**

Deferred tax assets and liabilities are calculated considering the future changes in the tax rate approved in all geographic areas.

19.3. Previous years financial expenses

The Group has financial expenses from previous years pending application, the main amount relating to entities subject to taxation in Spain, At the beginning of the year the amount totalled 109.6 million euro, of which 49.1 million euro had a deferred tax asset recognised and the remaining 60.5 million euro had no deferred tax asset recognised.

At year-end, taxable entities in Spain had utilised EUR 49.1 million, of which EUR 44.8 million had no deferred tax asset recognised and the remaining EUR 4.3 million had a deferred tax asset recognised.

19.4. Tax Credits for Loss Carryforwards

The tax loss carryforwards of the companies within the Group, detailed by geographic area and maturity date, are detailed below:

(Thousand €)	2025	2026-2030	2031-2037	No limitations	Total 31/12/2024
Spain				455,761	455,761
Rest of Europe				233,249	233,249
America and rest of the world	90	4,266	4,800	27,939	37,095
TOTAL	90	4,266	4,800	716,949	726,105

Within the Rest of Europe area, United Kingdom stands out with EUR 134.2 million, France with EUR 38.4 million, Germany with 31.8 million, Italy with EUR 17.9 million, Austria with EUR 8.1 million, Luxembourg with EUR 2 million and the Netherlands with EUR 0.8 million, and within America and the rest of the world, Brazil stands out with EUR 27.9 million, Mexico with EUR 4.8 million, Vietnam with EUR 2.5 million, Peru with EUR 1.2 million, Indonesia with EUR 0.4 million, China with EUR 0.2 million, and Dominican Republic with EUR 0.1 million.

The Group's main capitalised tax losses and deferred tax assets generated are detailed below:

(Thousand €)	31/12/2024	
	Capitalised Tax Losses	Deferred Tax Assets
Spain	258,885	64,721
Germany	31,846	4,975
France	20,864	5,216
Italy	17,924	4,302
United Kingdom	3,295	824
Luxemburg	2,000	499
Holland	787	189
Indonesia	370	81
TOTAL	335,971	80,807

For comparison purposes, the tax loss carryforwards detailed by geographic area and maturity date at the 2023 year end are detailed below:

(Thousand €)	2024	2025-2029	2030-2036	No limitations	Total 31/12/2023
Spain				517,517	517,517
Rest of Europe				251,291	251,291
America and rest of the world			9,682	30,362	40,044
TOTAL			9,682	799,170	808,852

The Group's main capitalised tax losses and deferred tax asset for the previous year are detailed below:

(Thousand €)	31/12/2023	
	Capitalised Tax Losses	Deferred Tax Assets
Spain	163,806	40,952
Germany	41,625	6,518
United Kingdom	6,070	1,518
Italy	24,853	5,965
Mexico	9,682	2,904
Holland	1,851	464
Luxemburg	2,000	499
France	20,864	5,216
TOTAL	**270,751**	**64,036**

19.5. Tax Credits for quota deductions

The Group's available tax credits, by geographic areas and maturity, are detailed below:

(Thousand €)	2025	2026-2030	2031-2037	Subsequent years	Total 31/12/2024
Spain	38	247	1	99	385
TOTAL	**38**	**247**	**1**	**99**	**385**

100% of tax credits for deductions have their corresponding deferred tax asset duly recognised.

For comparison purposes, available tax credits by geographic area and maturity date, at the 2023 year end are detailed below:

(Thousand €)	2024	2025-2029	2030-2036	Subsequent years	Total 31/12/2023
Spain		2,724	1,310	898	4,932
TOTAL		**2,724**	**1,310**	**898**	**4,932**

The information set out in Article 86 of Law 27/2014 of 27th of November on Corporate Income Tax applicable to mergers and divisions of business lines carried out in previous years is included in the first notes to the annual accounts approved following each of these operations and is summarised as follows:

- Inmotel Inversiones, S.A.: 1993, 1996, 1997 and 1998
- Meliá Hotels International, S.A.: 1999, 2001, 2005, 2009, 2012 and 2021
- Prodigios Interactivos, S.A.: 2019

19.6. Reconciliation of the Consolidated Accounting Income, the Aggregated Tax Base and the Corporate Income Tax Expense

(Thousand €)	2024	2023
Consolidated Net Income	162,041	130,109
Income tax expense	62,383	19,209
Adjustments for impairment and provisions	(107,509)	(86,911)
Finance lease transactions	1,260	707
Non-deductible expense/income	9,425	1,213
Exchange differences	(8,635)	(440)
Inflation adjustments	(9,201)	(4,535)
Other adjustments	135,869	115,711
PREVIOUS TAXABLE INCOME	245,633	175,063
Offset of tax-loss carryforwards	(44,453)	(37,993)
Tax losses not recognised	(33,229)	(41,494)
GROSS TAX BASE	167,951	95,576
TAX EXPENSE AT RATE APPLICABLE BY LAW (25%)	41,988	23,894
Effect of tax rate applicable in other countries	(958)	(11,851)
CORPORATE INCOME TAX FOR THE PERIOD	41,030	12,043

19.7. Income Tax Expense (Income)

The table below reflects the amounts recorded as an expense (income) for the fiscal years 2024 and 2023, the balances being detailed by items, and differentiating between current tax and deferred tax:

(Thousand €)	2024	2023
	Expense / (Income)	Expense / (Income)
Current Tax		
Income tax for the period	41,030	12,043
Other taxes for the fiscal year	4,374	1,502
Adjustments to income tax of prior years	2,276	5,117
Deferred Tax		
Net variation in credits for tax losses	(16,814)	(23,334)
Net variation in tax credits	606	10,479
Other deferred tax	30,911	13,402
TOTAL INCOME TAX EXPENSE	62,383	19,209

The heading Other taxes for the fiscal year relates to taxes similar to the income tax as well as other taxes in developing countries based on income or assets.

All Adjustments to income tax in fiscal years prior to 2024 and 2023, relate to changes between the final tax and the tax estimate made during the previous year.

19.8. Status of the Main Tax Inspections and Litigation

The main tax proceedings that could have a negative impact on the Group relate to litigation in Mexico in connection with tax assessments issued by the tax authorities in respect of income tax for 2012 affecting Corporación Hotelera Hispano Mexicana S.A. de C.V. These proceedings focus on the sufficiency of the documentary evidence submitted to substantiate and apply certain tax losses. The amount in dispute amounts to MXN 713 million (EUR 33 million), of which the Group estimates EUR 18.9 million as probable.

The Group maintains a provision for tax risks and litigation which sufficiently covers the possible liability arising from these proceedings. The Group also considers that potential liabilities arising from ongoing inspections and litigation are adequately covered.

However, as a result, among others, of the different interpretations of the current legislation, additional liabilities may arise from an inspection. In this sense, the Group assesses the uncertain tax treatments and recognises the effect of the uncertainty on the taxable profit (tax loss), tax bases, unused tax losses or unused tax credits and the applicable tax rates. As a result, the Group has recognised an amount of EUR 21.5 million under Other deferred tax liabilities (EUR 22.8 million in 2023).

Note 20. Information on Related Parties

The following are considered to be related parties:

- Associates and joint ventures that are accounted for using the equity method, as detailed in Annex 2 of the notes to these annual accounts.
- Significant shareholders of the controlling company.
- Members of the Board of Directors and Senior Management (members of the Group's Executive Committee, also known as the Senior Executive Team (SET); Senior Management also includes those executives reporting to the Chairman and Chief Executive Officer, as well as the head of Internal Audit).

All transactions with related parties are arm's length transactions under market conditions.

20.1. Transactions with Associates and Joint Ventures

Commercial transactions

Commercial transactions carried out with associates and joint ventures mainly relate to hotel management activities and other related services. The table below shows the amount recognised in operating revenues in the Consolidated Income Statement, as a result of transactions carried out with these entities, and the commercial balances outstanding therewith, at the end of 2024 and 2023:

(Thousand €)	31/12/2024			31/12/2023		
	Net Income 2024	Assets	Liabilities	Net Income 2023	Assets	Liabilities
Evertmel Group (*)	4	156	2,374	191	172	1,256
Producciones de Parques Group (*)	4,200	1,659	37	3,625	1,388	17
Melcom Group (*)			0	(243)	1,384	6,583
Altavista Hotelera, S. L.	34	10	9	34	213	
Fourth Project 2012, S.L.	6	763		35	11	
Melia Hotels USA Group (*)		(337)			126	
Holazel, S.L.		(12)	9		19	31
Sierra Parima	(213)	46	366	106	147	107
TOTAL JOINT VENTURES	**4,031**	**2,286**	**2,794**	**3,747**	**3,460**	**7,995**
Turismo de Invierno, S.A.	747	1,102	11	656	622	11
C.P. Meliá Castilla	5,595	2,199	58	4,380	1,521	37
C.P.A.M.Costa del Sol	4,092	1,054	28	3,369	1,074	18
Nexprom, S.A.	3,740	1,299	25	3,053	1,197	11
Renasala Group (*)	7,738	2,842	28	6,723	2,885	13
Starmel Hoteles JV, S.L.	14	22		43	(0)	
Fuerteventura Beach P, S.L.	38	24		(18)	9	
Santa Eulalia Beach P, S.L.	8	53			7	
Hoteles Marmel, S.L.	16	706	1,682	768	612	1,095
Plaza Puerta del Mar	1,123			1,120		
Inversiones Guiza, S. A.	(21)	2		(20)	25	13
Detur Panamá, S. A.				(9)		
TOTAL ASSOCIATED COMPANIES	**23,091**	**9,304**	**1,832**	**20,065**	**7,952**	**1,197**
TOTAL	**27,121**	**11,590**	**4,626**	**23,812**	**11,412**	**9,192**

(*) Companies pertaining to the same business line are jointly presented:
Evertmel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo
Producciones de Parques Group which comprises the companies Producciones de Parques, S.L. and Tertian XXI S.L.U.
Renasala Group which comprises the companies Renasala,S.L, Starmel Hoteles OP, S.L.U, Torremolinos Beach Property, S.L.U, Palmanova Beach Property, S.L.U. Puerto del Carmen Beach Property, S.L.U. San Antonio Beach Property, S.L.U.
Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,Llc. And Melia Hotels Florida Llc.
Melcom Group which comprises the companies Pelícanos Property, S.L.U., Bellver Property, S.L.U.y Melcom Joint Venture. S.L.

The main changes during the year to commercial liabilities relate to the payment of invoices for the lease of hotels that are operated by the Group and owned by associates and joint ventures.

During the year, the companies of Melcom Group that have been fully consolidated during the year were derecognised (see Note 5.2).

Financing transactions

The breakdown of the financing maintained by the Group with associates and joint ventures at the end of 2024 and 2023, as well as financial income and expenses accrued in 2024 and 2023 arising from these transactions, is as follows:

(Thousand €)	31/12/2024			31/12/2023		
	Net Income 2024	Assets	Liabilities	Net Income 2023	Assets	Liabilities
Evertmel Group (*)	(697)	31,023	30,959	528	27,651	29,461
Altavista Hotelera, S. L.	621	10,751		547	11,113	
Melcom Group (*)				1,608	37,322	1,021
Producciones de Parques Group (*)	(14)		451	18	14	1,645
Fourth Project 2012, S.L.	(345)	2	972	(364)	2	5,136
Melia Hotels USA Group (*)	936	12,129		201	7,809	
Sierra Parima	(2,727)			(11,968)		
Holazel, S.L.			349		3	
TOTAL JOINT VENTURES	**(2,226)**	**53,905**	**32,731**	**(9,430)**	**83,913**	**37,264**
Turismo de Invierno, S.A.			56			103
C.P. Meliá Castilla			14			443
C.P.A.M.Costa del Sol			24			963
Nexprom, S.A.			26			365
Renasala Group (*)	1,003	24,200	193	1,000	23,489	1,431
Starmel Hoteles JV, S.L.				77		
Fuerteventura Beach P, S.L.		46			7	
Hoteles Marmel, S.L.		2,992		106	2,578	
Detur Panamá, S. A.		3		(4,201)		
TOTAL ASSOCIATED COMPANIES	**1,003**	**27,262**	**311**	**(3,018)**	**26,074**	**3,304**
TOTAL	**(1,223)**	**81,167**	**33,042**	**(12,448)**	**109,987**	**40,568**

(*) Companies pertaining to the same business line are jointly presented:
Evermel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo
Producciones de Parques Group which comprises the companies Producciones de Parques, S.L. and Tertian XXI S.L.U.
Renasala Group which comprises the companies Renasala,S.L., Starmel Hotels OP,S.LU, ,Torremolinos Beach Property ,S.L.U, Palmanova Beach Property, S.L.U, Puerto del Carmen Beach Property, S.L.U, San Antonio Beach Property S.L.U.
Melia Hotels USA, LLC Group which comprises the companies Melia Hotels USA,Llc. And Melia Hotels Florida Llc.
Melcom Group which comprises the companies Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture S.L.

Among the main changes, the most notable was the deregistration of the companies of Melcom Group which have been fully consolidated during the year.

At each year end, interest is calculated on the average balance of the current accounts, including debit or credit balances, depending on the special circumstances of each joint venture or associate, and the return thereof is made according to the needs. These balances accrue interest at market rates, which is settled annually based on the daily balance of the account. The interest rate applied in 2024 was 5.532%; 5.32% in 2023.

Lease transactions

The amounts corresponding to lease contracts with associates and joint ventures are broken down below. Lease payments are included within the amount reflected in column Net Income, including the variable amounts, if any, which are not discounted in calculating lease liabilities.

(Thousand €)	31/12/2024		31/12/2023	
	Net Income 2024	Liabilities	Net Income 2023	Liabilities
Evertmel Group (*)	(7,811)	39,013	(6,147)	45,633
Altavista Hotelera, S. L.	(3,098)	7,360	(2,616)	12,492
Melcom Group (*)			(11,368)	7,528
Fourth Project 2012, S.L.	(2,367)	10,396	(2,231)	11,603
Hoteles Marmel, S.L.	(1,614)	13,058	(948)	13,175
TOTAL JOINT VENTURES	(14,891)	69,827	(23,310)	90,431

(*) Companies pertaining to the same business line are jointly presented:
Evermel Group which comprises the companies Evertmel, S.L, Mongamenda S.L., Kimel S.L. and Jamaica DevCo
Melcom Group which comprises the companies Pelícanos Property, S.L.U., Bellver Property, S.L.U. and Melcom Joint Venture S.L.

Guarantees and deposits

At the end of 2024 and 2023, the Group has deposits with associates and joint ventures for the amount of EUR 0.3 million.

20.2. Transactions with Significant Shareholders

Balances by type of transaction effected with significant shareholders are as follows:

(Thousand €)	Transaction type	2024	2023
Mrs. Ana Maria Jaume Vanrell	Services rendered	852	
Mrs. Ana Maria Jaume Vanrell	Leases	184	
Tulipa Inversiones 2018, S.A.	Services rendered		406
Tulipa Inversiones 2018, S.A.	Leases		163
TOTAL		1,036	570

20.3. Transactions with Executives and Members of the Board of Directors

The amount of remuneration of Directors in their capacity as such (fixed remuneration and fees for attendance at the Board's and the Committee's meetings) of the various directors in 2024 and 2023 is as follows:

(Thousand €)	2024	2023
External independent directors	**753**	**586**
Mr. Fco Javier Campo García	69	123
Mr. Fernando D´Ornellas Silva	116	126
Mrs. Carina Szpilka Lazaro	134	102
Mrs. Mª Cristina Henriquez de Luna Basagoiti	107	84
Mrs. Cristina Aldamiz-Echevarría González de Durana	148	78
Mrs. Montserrat Trape Viladomat	145	75
Mr. Cristobal Valdés Guinea	34	
Proprietary directors	**346**	**268**
Mr. Luis María Díaz de Bustamante y Terminel	151	123
Mr. Gabriel Escarrer Juliá	60	27
Mrs. Mª Mercedes Escarrer Jaume	34	
Holeles Mallorquines Asociados S.A.		27
Hoteles Mallorquines Agrupados S.L.	29	60
Mr. Alfredo Pastor Bodmer	72	33
Executive director	**72**	**60**
Mr. Gabriel Juan Escarrer Jaume	72	60
TOTAL	**1,171**	**914**

During 2024, the following changes have taken place in the composition of the Board of Directors:

a. Resignation of Mr Francisco Javier Campo García as Other External Director, due to his loss of independent status after more than 12 years as External Independent Director and having held the position of Chairman of both Committees.
b. Appointment of Mr Cristóbal Valdés Guinea as a new External Independent Director.
c. Resignation of Hoteles Mallorquines Agrupados, S.L. (and its representative natural person, Mr. Jose María Vázquez-Pena Pérez), as External Proprietary Director.
d. Appointment of Ms María Mercedes Escarrer Jaume as an External Proprietary Director.
e. Appointment of Ms María Cristina Henríquez de Luna Basagoiti as a Lead Director.
f. Termination due to death of Mr Gabriel Escarrer Juliá, as Founder and Honorary Chairman of the Company.

The amount relating to the remuneration of executive directors and senior management (for these purposes, senior management is considered to be the members of the Group's Executive Committee, also known as the Senior Executive Team (SET) and, for the purposes of this Report, and following the instructions of Circular 3/2021, of 28th of September of the CNMV, those executives reporting to the Chairman and CEO, and the head of Internal Audit, shall also be deemed to be included in the senior management) in 2024 and 2023 is as follows, based on amounts accrued:

(Thousand €)	2024		2023	
	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration
Executive directors	**1,004**	**694**	**865**	**533**
Mr. Gabriel Juan Escarrer Jaume	1,004	694	865	533
High direction	**2,208**	**928**	**2,303**	**933**
TOTAL	**3,212**	**1,622**	**3,168**	**1,466**

Furthermore, the amount indicated in respect of the total remuneration of Senior Management and the Executive Director does not include the part relating to long-term variable remuneration corresponding to the Master Plan, which will accrue after the preparation of the financial statements for 2024.

In addition, the Chairman and Chief Executive Officer (the only Executive Director of the Company) has accrued EUR 87 thousand in 2024 in respect of long-term savings schemes and other items. The amount accrued for these items in 2023 was EUR 85 thousand.

The Company has not assumed any obligation and has not granted any advance payment or loans to directors. On the other hand, the Group has arranged a civil liability policy (D&O) for the Group's directors and executives, under the terms and conditions that are common in insurance policies of this nature, with a premium for 2024 of EUR 302,279.25; EUR 298,439.93 in 2023. There are no share-based payments.

Note 21. Contingent Assets and Liabilities

The Group has commitments with third parties in respect of assets and liabilities not recognised in the Consolidated Balance Sheet given the remote probability that they give rise to an outflow of economic resources or because the commitments must not be recognised in accordance with current regulations. Such contingent assets and liabilities are detailed below by amount and item.

21.1. Contingent Assets

The Group has claims brought against third parties for compensation for damages suffered as a result of hotel closures during the 2020 health pandemic, on which it considers there are reasonable technical grounds to obtain a favourable ruling in court. However, the Company's Directors, on the basis of prudence, do not consider that the requirements established in the applicable regulations for their recognition in the Consolidated Balance Sheet have been met for the time being.

21.2. Guarantees and Deposits

The Group secures several operations through bank guarantees and for various items, for the amount of EUR 45.9 million as at 31 December 2024 (EUR 51.2 million in 2023).

The Group has granted collateral and bank guarantees for operations undertaken by associates and joint ventures for the amount of EUR 0.3 million (same value in 2023).

21.3. Contingent Liabilities

Corporación Hotelera Metor, S.A., a subsidiary which is 76% owned, is involved in a dispute with its minority shareholder, claiming that all agreements and transactions carried out with such shareholder be declared invalid. The Company has undertaken the necessary actions to ensure that the resolution of such dispute does not have a significant impact on the Group's consolidated financial statements. In addition, there is no economic assessment, since this is a dispute concerning the control and the challenging of certain corporate agreements.

Note 22. Other Information

Situations of conflicts of interest in which directors are involved:

According to the requirements of Articles 229 and 230 of the Revised Text of the Spanish Corporate Enterprises Act, the members of the Board of Directors confirmed that neither they, nor any persons with whom they have ties, as referred to in Article 231 of the aforesaid Act, carry out any activities on their own account or for third parties which may involve any effective competition, present or future, with the Company or which, in any way whatsoever, would place them in a position of permanent conflict with the interests thereof, except for the following:

- Mr Gabriel Escarrer Jaume (Chairman and CEO): In those resolutions or decisions of the Board of Directors relating to his remuneration (setting of his variable remuneration, etc.). In these matters, Mr. Gabriel Escarrer Jaume abstained from participating in the corresponding deliberation and vote.
- Ms Cristina Henríquez de Luna Basagoiti: In those resolutions or decisions of the Board of Directors relating to the proposal for her appointment as a Lead Director. In these matters, the Director Ms Henríquez de Luna abstained from participating in the corresponding deliberation and vote.
- Ms Cristina Aldámiz-Echevarría González de Durana: In those resolutions or decisions of the Board of Directors relating to the proposal for her appointment as Chairwoman of the Appointments, Remuneration and Sustainability Committee. In these matters, the Director Ms Aldámiz-Echevarría abstained from participating in the corresponding deliberation and vote.
- Ms Montserrat Trapé Viladomat: In those resolutions or decisions of the Board of Directors relating to the proposal for her appointment as Chairwoman of the Auditing and Compliance Committee. In these matters, the Director Ms Trapé abstained from participating in the corresponding deliberation and vote.

Direct and indirect shareholdings controlled by the members of the Board of Directors are the following:

Shareholder / Board Member	Nr.direct and indirect voting rights	% total voting rights	Position on the Board
Mr. Gabriel Escarrer Jaume	182,666	0.0829%	President and Chief Executive Officer
Mr. Luis Mª Díaz de Bustamante y Terminel	300	0.0001%	Secretary and Director
Mr. Alfredo Pastor Bodmer	6,000	0.0027%	Director
Mrs. Montserrat Trape Viladomat	14,500	0.0066%	Director
Mrs. Mercedes Escarrer Jaume	33,333	0.0151%	Director

The Directors and persons related to them, other than those already mentioned, or persons acting on their behalf, have not undertaken during the fiscal year other transactions with the parent company or other Group companies, which fall out of the scope of the Group's ordinary course of business, or which are not based on market conditions.

Information on the deferral of payments to suppliers

There follows the information required by Third Additional Provision of Law 18/2022, of 28th of September, on the creation and growth of enterprises, and Law 15/2010 of 5th of July (amended by Second Final Provision of Law 31/2014, of 3rd of December) prepared according to the Resolution of the ICAC (Accounting and Auditing Institute) of 29 January 2016, on information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in commercial transactions for 2024 and 2023:

(Thousand €)	2024	2023
Supplier average payment period	56.17	59.86
Ratio of transactions paid	53.89	55.76
Ratio of transactions pending payment	116.61	152.29
TOTAL PAYMENTS MADE	**605,372**	**635,502**
TOTAL OUTSTANDING PAYMENTS	**22,884**	**28,153**

There follows a breakdown of the monetary volume and number of invoices paid within the legal deadline established:

(Thousand €)	2024
Monetary volume	298,682
Total payments percentage	*49.34%*
Number of invoices	172,828
Total invoices percentage	*38.91%*

Audit fees

Fees for auditing the parent company and the subsidiaries which are part of the consolidated annual accounts amounted to EUR 1,264 thousand, of which the amount of EUR 610 thousand has been invoiced by Deloitte Auditors in Spain. At international level, Deloitte has invoiced EUR 473 thousand. The remaining amount of EUR 181 thousand relates to other audit firms. Likewise, fees invoiced during the year for other services provided to the parent company and subsidiaries by any other company pertaining to the same network of auditors of the consolidated annual accounts amounted to EUR 230 thousand.

In application of the exemption provisions of Article 264, section 3, of the German Code of Commerce, HGB, the fully consolidated German national subsidiary Sol Melia Deutschland GmbH, AG Düsseldorf, HRB 66940, has made use of the exemption provisions for the fiscal year 2024.

In 2023, fees for auditing the parent company and the subsidiaries which were part of consolidated annual accounts amounted to EUR 1,229 thousand, of which the amount of EUR 561 thousand was invoiced by Deloitte S.L. in Spain. At an international level, Deloitte invoiced EUR 440 thousand. The remaining amount of EUR 228 thousand related to other audit firms. Likewise, fees invoiced in 2023 for other services provided to the parent company and subsidiaries by any other company pertaining to the same network of auditors of the consolidated annual accounts amounted to EUR 241 thousand.

Note 23. Events After the Reporting Date

There have been no events between the end of the reporting period and the preparation of these consolidated annual accounts which may involve any adjustments to evidence conditions that existed at the year end, and no events have taken place after the year end which could affect the capacity of the users of the Financial Statements to make proper evaluations and economic decisions.

Annex 1. Subsidiaries

		OPERATING HOTELS COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(A)		AYOSA HOTELES, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		49.00%	49.00%
(A)		BISOL VALLARTA, S. A. de C. V.	Paseo de la Marina Sur (Puerto Vallarta)	Mexico		99.69%	
(A)		CIBANCO SA IBM FIDEICOMISO EL MEDANO	Playa El Medano s/n, (Cabo San Lucas)	Mexico		100.00%	100.00%
(A)	(F1)	COLÓN VERONA,S.A.	Canalejas, 1 (Sevilla)	Spain	100.00%		100.00%
		COM.PROP. SOL Y NIEVE (*)	Plaza del Prado Llano (Sierra Nevada)	Spain	94.14%		94.14%
(A)		CORP.HOTELERA METOR, S. A.	Faustino Sánchez Carrión s/n (Lima)	Peru		75.87%	75.87%
(A)		DESARROLLOS SOL, S.A.S.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.		99.69%	99.69%
		DETUR PANAMÁ S. A.	Antigua Escuela Las Américas (Colon)	Panama	100.00%		100.00%
(A)	(F2)	HOTEL ALEXANDER, S. A. S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F2)	HOTEL COLBERT S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F2)	HOTEL FRANCOIS S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F2)	HOTEL MADELEINE PALACE, S.A.S.	8, Rue Cambon 75001 (Paris)	France		100.00%	100.00%
(A)	(F2)	HOTEL ROYAL ALMA S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)		INFINITY VACATIONS DOMINICANA	Instal.Hotel Circle,Avda.Barceló,Bávaro (P.Cana)	Dominican Rep.		100.00%	100.00%
		INNSIDE VENTURES, LLC	1029, Orange St. Wilmington (Delaware)	USA		100.00%	100.00%
(A)	(F7)	INVERS. EXP. TURISTICAS, S. A.	Mauricio Legendre, 16 (Madrid)	Spain	54.93%		54.93%
(A)		INVERS. INMOB. IAR 1997, C. A.	Avenida Casanova con C/ El Recreo (Caracas)	Venezuela		99.69%	99.69%
(A)		INVERSIONES AGARA, S.A.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.		99.69%	99.69%
(A)		INVERSIONES AREITO, S.A.	Avda. Barceló, s/n (Bavaro)	Dominican Rep.		75.00%	75.00%
(A)		LOMONDO Limited	Albany Street-Regents Park (London)	Great Britain		100.00%	100.00%
(A)		LONDON XXI Limited	336-337 The Strand (London)	Great Britain		100.00%	100.00%
		MELIA COZUMEL, S.A. DE C.V.	Playa Santa Pilar, Aptdo 9 (Cozumel)	Mexico		99.74%	99.74%
(A)	(F1)	MELIÁ HOTELS INTERNATIONAL, S.A.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain			100.00%
		MELIA HOTELS ORLANDO, LLC.	Brickell Avenue Suite 1000, 800	USA		50.00%	50.00%
		OPERADORA CALA FORMENTOR S.A de C.V.	Boulevard Kukulcan (Cancun)	Mexico		99.69%	99.69%
		OPERADORA HOTELERA MESOL S.A. de C.V.	Boulevard Kukulcan, Km 16,5 Nr 1 T.5 Zona Hot (Cancun)	Mexico	100.00%		100.00%
		PARADISUS LOS CABOS, S.A. de C.V.	Km 19,5 Ctra Cabo San Lucas (S.Jose del Cabo)	Mexico		99.69%	99.69%
		PARADISUS PLAYA DEL CARMEN, S.A. de C.V.	Boulevard Kukulcan, Km 12,5 (Cancun)	Mexico		99.69%	99.69%
	(F1)	PETUROLISO, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	REALIZACIONES TURÍSTICAS, S.A.	Mauricio Legendre, 16 (Madrid)	Spain	95.97%	0.30%	96.27%
(A)		S' ARGAMASSA HOTELERA S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
	(F1)	SOICI NEFSOL, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		SOL MELIÁ DEUTSCHLAND, gmbh	Am Schimmersfeld 5 (Ratingen)	Germany	100.00%		100.00%
(A)		SOL MELIÁ ITALIA S.R.L.	Via Masaccio 19 (Milan)	Italy	100.00%		100.00%
(A)		SOL MELIÁ LUXEMBOURG, S.A.R.L.	1 Park Drai Eechelen, L1499	Luxembourg	100.00%		100.00%
(A)	(F1)	TENERIFE SOL, S. A.	Playa de las Américas (Tenerife)	Spain	50.00%	48.13%	98.13%

		OWNING HOTEL COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(A)		ADPROTEL STRAND, S.L.	Mauricio Legendre, 16 (Madrid)	Spain		61.80%	61.80%
(A)		ARESOL CABOS S.A. de C.V.	Km 19,5 Ctra. Cabo San Lucas (S.Jose del Cabo)	Mexico		99.69%	99.69%
(A)	(F4)	BELLVER PROPERTY, S.L.U.	C/ Recoletos,3 1º (Madrid)	Spain		100.00%	100.00%
(A)		CALA FORMENTOR, S. A. de C. V.	Boulevard Kukulkan (Cancun)	Mexico		99.69%	99.69%
(A)		CARIBOTELS DE MEXICO, S. A. de C. V.	Playa Santa Pilar, Aptdo 9 (Cozumel)	Mexico		99.74%	99.74%
(A)		CORP.HOT.HISP.MEX., S. A. de C. V.	Boulevard Kukulkan km.12,5 (Cancun)	Mexico		99.69%	99.69%
(A)		INV. HOTELERAS LA JAQUITA, S.A.	Avda. de los Océanos, s/n (Tenerife)	Spain		61.80%	61.80%
(A)	(F4)	PELÍCANOS PROPERTY, S.L.U.	C/ Recoletos,3 1º (Madrid)	Spain		100.00%	100.00%
(A)		CALA GALDANA PROPERTY, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		61.80%	61.80%

		MANAGEMENT COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
	(F1)	APARTOTEL, S. A.	Mauricio Legendre, 16 (Madrid)	Spain	99.79%		99.79%
		GESMESOL, S. A.	Elvira Méndez, 10 - Edif. Bco do Brasil	Panama	100.00%		100.00%
		ILHA BELA GESTAO E TURISMO, Ltd.	31 de Janeiro, 81 (Funchal - Madeira)	Portugal	100.00%		100.00%
		MELIÁ BRASIL ADMINISTRACAO	Avenida Cidade Jardim, 1030 (Sao Paulo)	Brazil		99.69%	99.69%
(A)		MELIÁ MANAGEMENT, S.A.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.	99.99%	0.01%	100.00%
(A)		MELIA VIETNAM COMPANY LIMITED	13th Floor, Plaza Saigon Building, 39 Le Duan Street, Ben	Vietnam	100.00%		100.00%
		NEW CONTINENT VENTURES, Inc.	800 Brickell Avenue Suite 1000 (Miami)	USA		100.00%	100.00%
(A)		OPERADORA MESOL, S. A. de C. V.	Blvd. Kukulkan Km 16.5 No 1 T.5. Zona Hot (Cancun)	Mexico	100.00%		100.00%
		PT SOL MELIÁ INDONESIA	Ed.Plaza Bapindo-Menara Mandiri Lt.16	Indonesia	95.00%	5.00%	100.00%
(A)	(F1)	SOL MANINVEST, B. V.	Strawinskylaan 915 WTC, Toren A,1077 XX (Amsterdam)	Netherlands	100.00%		100.00%
(A)		SOL MELIÁ BALKANS EAD	Región de Primorski,Golden-Sands-Varna	Bulgaria	100.00%		100.00%
(A)		SOL MELIÁ HOTEL MANAG. SHANGHAI CO, LTD.	Suite 13-1A1,13th Floor,Hang Seng Bank Tower,1000	China	100.00%		100.00%
		SOL MELIÁ GREECE, HOTEL & TOURISTIC	14th Chalkokondili Str & 28th October str (Atenas)	Greece	100.00%		100.00%
		SOL MELIÁ PERÚ, S. A.	Av. Salaberri, 2599 (San Isidro - Lima)	Peru	99.90%	0.10%	100.00%

		HOLDING COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
(A)	(F2)	CADSTAR FRANCE, S.A.S.	12, Rue du Mont Thabor (Paris)	France		100.00%	100.00%
	(F1)	DESARROLLOS HOTELEROS SAN JUAN EXHOLD, S. L.	Sarria, 50, 08029 Barcelona	Spain		99.69%	99.69%
	(F1)	DOMINICAN INVESTMENTS, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		99.69%	99.69%
	(F1)	FARANDOLE, B. V.	Eduard Van Beinumstraat, 40 1077 CZ (Amsterdam)	Netherlands		99.69%	99.69%
	(F1)	HOTELES SOL MELIÁ, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	INVERS. HOTELERAS LOS CABOS, S.A.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		99.69%	99.69%
(A)		MELIÁ HOTELS INTERNAT. UK LIMITED	Albany Street , Regents Park, London NW1 3UP	Great Britain	100.00%		100.00%
	(F4)	MELCOM JOINT VENTURE	C/ Recoletos,3 1º (Madrid)	Spain	100.00%		100.00%
	(F1)	MIA EXHOL, S. A.	Sarria, 50, 08029 Barcelona	Spain	82.26%	17.43%	99.69%
		MUGOLU, S.L.	C/ Poeta Joan Margall, 3, 1	Spain	100.00%		100.00%
	(F1)	NEALE EXPA SPAIN, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		99.69%	99.69%
	(F1)	SAN JUAN INVESTMENTS EXHOLD, S. L.	Sarria, 50, 08029 Barcelona	Spain		99.69%	99.69%
	(F1)	SOL GROUP, EXHOL, SL.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(A)	(F2)	SOL MELIÁ FRANCE, S.A.S.	20 Rue du Sentier (Paris)	France	100.00%		100.00%
	(F1)	SM INVESTMENT EXHOL, S. L.	Sarria, 50, 08029 Barcelona	Spain	100.00%		100.00%
		SOL MELIA VACATION CLUB LLC.	Bickell Avenue, 800 (Miami)	USA		100.00%	100.00%

		COMPANIES WITH SUNDRY ACTIVITIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
		BAJA SERVICIOS ADMINISTRATIVOS S.A	Ctra Transpeninsular, km 19,5 (Los Cabos)	Mexico	100.00%		100.00%
	(F1)	CASINO TAMARINDOS, S. A.	Retama, 3 (Las Palmas)	Spain	100.00%		100.00%
		CREDIT CONTROL CORPORATION	Brickell Avenue, 800 (Miami)	USA	100.00%		100.00%
	(F1)	DORPAN, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	GEST.HOT.TURISTICA MESOL	Gremio Toneleros, 42 (Palma de Mallorca)	Spain	100.00%		100.00%
		GUARAJUBA EMPREENDIMENTOS, S.A.	Avda. Jorge Amado s/n, Bahía	Brazil	100.00%		100.00%
	(F1)	HOGARES BATLE, S.A.	Gremio Toneleros, 42 (Palma de Mca.)	Spain	51.49%	46.70%	98.19%
(A)	(F2)	HOTEL METROPOLITAN, S.A.S.	20, Rue du sentier 75002 (Paris)	France		100.00%	100.00%
(A)	(F1)	HOTELPOINT, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		GONPONS INVERSIONES, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		IMPACT HOSPITALITY V3NTURES, LLC	Celebration Place, 225 (Miami)	USA		100.00%	100.00%
(A)		INMOBILIARIA DISTRITO CIAL., C. A.	Avda. Venezuela con Casanova (Caracas)	Venezuela		89.26%	89.26%
(A)	(F1)	MELIA EUROPE & MIDDLE EAST, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		MELIA HOTELS ALBANIA, SH.P.K.	Tirane Rruga Abdi Toptani, Torre Drin, Kati IV	Albania	100.00%		100.00%
	(F1)	NAOLINCO AVIATION,S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	NETWORK INVESTMENTS SPAIN, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		100.00%	100.00%
(A)	(F1)	PRODIGIOS INTERACTIVOS, S.A.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
	(F1)	PROYECTOS FINANCIEROS HAYMAN, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
(A)	(F1)	PUNTA CANA RESERVATIONS, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	75.00%		75.00%
	(F1)	RENÉ EGLI, S.L.U.	Playa La Barca, Pájara (Las Palmas de G.Canaria)	Spain	100.00%		100.00%
	(F1)	SECURISOL, S. A.	Avda.Notario Alemany s/n Hotel Barbados (Calviá)	Spain	100.00%		100.00%
(A)		SEGUNDA FASE CORP.	Carretera 3, Intersecc. 955 (Rio Grande)	Puerto Rico		100.00%	100.00%
		SERVICIOS ARTEMISA, S.A.de C.V.	Boulevard Kukulkan Km 12 (Cancun)	Mexico	100.00%		100.00%
		SERVICIOS INTEGRALES DE PERSONAL IRIS, S.A.de C.V.	Paseo de la Marina Sur (Puerto Vallarta)	Mexico	100.00%		100.00%
		SERVICIOS PERSONALES ORFEO, S.A.de C.V.	Boulevard Kukulkan Km 16,5 (Cancun)	Mexico	100.00%		100.00%
		SERVICIOS PITEO, S.A.de C.V.	Avda Tulum 200, Sm 4 (B.Juarez)	Mexico	100.00%		100.00%
		SOL CARIBE TOURS, S. A.	Vía Grecia - Edif. Alamanda 6B (Panama)	Panama		100.00%	100.00%
		SOL GROUP CORPORATION	800 Brickell Avenue, Suite 1000, FL, 33131 (Miami)	USA		100.00%	100.00%
		SOL MELIÁ FUNDING	Regatta Office Park West Bay Road P.O.Box 31106	Cayman Islands		100.00%	100.00%
(A)		SMVC DOMINICANA, S.A.	Lope de Vega, 4 (Santo Domingo)	Dominican Rep.		100.00%	100.00%
	(F1)	SMVC ESPAÑA S.L.	Mauricio Legendre,16 (Madrid)	Spain		100.00%	100.00%
(A)		SMVC MÉXICO, S.A de C.V.	Boluevard Kukulkan (Cancun)	Mexico		100.00%	100.00%
		SMVC PANAMÁ S.A.	Antigua escuela las Américas, Lago Gatún	Panama		100.00%	100.00%
		VACATION CLUB SERVICES INC.	Bickell Avenue, 800 (Miami)	USA		100.00%	100.00%
(A)	(F1)	WILLET RESERVATIONS	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		100.00%	100.00%

		DORMANT COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
	(F1)	APARTHOTEL BOSQUE, S. A.	Camilo José Cela, 5 (Palma de Mallorca)	Spain	100.00%		100.00%
		BEDBANK TRADING, S.A.	Rue St.Pierre, 6A (Fribourg)	Switzerland	100.00%		100.00%
		COMP. TUNISIENNE GEST. HOTELIÉRE	18 Boulevard Khézama n° 44, 4051 Sousse (Tunisia)	Tunisia		100.00%	100.00%
(A)		DESARROLLADORA DEL NORTE, S. en C.	PMB 223, PO Box 43006, (Rio Grande)	Puerto Rico		99.69%	99.69%
	(F1)	HOTELES SOL, S. L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	100.00%		100.00%
		INVERSIONES INVERMONT, S. A.	Av. Venezuela, Edif. T. América (Caracas)	Venezuela	100.00%		100.00%
	(F1)	PRODISOTEL, S.A.	Mauricio Legendre, 16 (Madrid)	Spain		100.00%	100.00%
(A)		SMVC PUERTO RICO	Sector Coco Beach, 200 Carretera 968 (Río Grande)	Puerto Rico	100.00%		100.00%
		SOL MELIA JAMAICA, LTD.	21, East Street (Kingston CSO)	Jamaica	100.00%		100.00%
		SOL MELIÁ MARROC, S.A.R.L.	Rue Idriss Al-Abkar, 4 - 1° Etage	Morocco	100.00%		100.00%
		SOL MELIÁ SERVICES, S. A.	Rue de Chantemerle (Fribourg)	Switzerland		100.00%	100.00%

(A) Audited companies

(F1) Companies which comprise the consolidated tax group with Meliá Hotels International, S.A.
(F2) Companies which comprise the consolidated tax group with Sol Meliá France, S.A.S.
(F4) Companies which comprise the consolidated tax group with Melcom Joint Venture, S.L.
(F7) Companies which comprise the consolidated tax group with Inextur, S.A.
(*) Shareholding in this company is through the ownership of apartments, which are recognised under heading Property, plant and equipment.

Annex 2. Associates and Joint Ventures

		OPERATING HOTEL COMPANIES	REGISTERED OFFICE	COUNTRY	DIR.HOLD.	IND.HOLD.	TOTAL
		C.P.APARTOTEL M.CASTILLA (*)	Capitán Haya, 43 (Madrid)	Spain	33.62%	0.09%	33.71%
		C.P.APARTOTEL M.COSTA DEL SOL (*)	Paseo Marítimo 11 (Torremolinos)	Spain	5.32%	18.71%	24.03%
(A)		NEXPROM, S. A. (JV)	Avda. del Lido s/n (Torremolinos)	Spain	17.50%	2.50%	20.00%
		PLAZA PUERTA DEL MAR, S.A.	Plaza Puerta del Mar, 3 (Alicante)	Spain	12.60%	7.81%	20.41%
(A)	(F5)	PRODUCCIONES DE PARQUES, S.L. (JV)	Avda. P.Vaquer Ramis , s/n (Calviá)	Spain	50.00%		50.00%
(A)	(F3)	STARMEL HOTELS OP, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A)		HOTELES MARMEL, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	20.00%		20.00%
(A)	(F5)	TERTIAN XXI, S.L.U. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
		TURISMO DE INVIERNO, S.A.	Plaza Pradollano, s/n Sierra Nevada (Granada)	Spain	21.42%		21.42%
		OWNING HOTEL COMPANIES	**REGISTERED OFFICE**	**COUNTRY**	**DIR.HOLD.**	**IND.HOLD.**	**TOTAL**
(A)	(F4)	ALTAVISTA HOTELERA, S.L.	Avda. Pere IV, 272 (Barcelona)	Spain	7.55%	41.19%	48.74%
		EL RECREO PLAZA & CIA., C.A. (JV)	Avda.Fco.de Miranda Torre Oeste,15 Of.15(Caracas)	Venezuela		19.94%	19.94%
(A)	(F6)	EVERTMEL, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	49.00%		49.00%
(A)		FOURTH PROJECT 2012, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
(A)		FUERTEVENTURA BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	20.00%		20.00%
(A)		JAMAICA DEVCO S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		49.00%	49.00%
		MELIA HOTELS FLORIDA, LLC. (JV)	Brickell Avenue Suite 1000, 800	USA		50.00%	50.00%
	(F6)	MONGAMENDA, S.L. (JV)	Alexandre Rosselló, 15 (Palma de Mallorca)	Spain		49.00%	49.00%
(A)	(F3)	PALMANOVA BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A)	(F3)	PUERTO DELCARMEN BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A)	(F3)	SAN ANTONIO BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
(A)		SANTA EULALIA BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	20.00%		20.00%
(A)	(F3)	TORREMOLINOS BEACH PROPERTY, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		30.00%	30.00%
		COMPANIES WITH SUNDRY ACTIVITIES	**REGISTERED OFFICE**	**COUNTRY**	**DIR.HOLD.**	**IND.HOLD.**	**TOTAL**
		HOLAZEL, S.L.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	50.00%		50.00%
(A)		INVERSIONES GUIZA, S. A.	Avda. Lope de Vega, 4 (Sto. Domingo)	Dominican Rep.		49.84%	49.84%
(A)	(F6)	KIMEL MCA, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		49.00%	49.00%
(A)		SIERRA PARIMA, S.A.	Avda. Barceló, s/n (Bávaro)	Dominican Rep.	50.00%		50.00%
		YAGODA INVERSIONES, S.L.U.	Gremio Toneleros, 24 (Palma de Mallorca)	Spain		50.00%	50.00%
		DORMANT COMPANIES	**REGISTERED OFFICE**	**COUNTRY**	**DIR.HOLD.**	**IND.HOLD.**	**TOTAL**
		HELLENIC HOTEL MANAGEMENT	Panepistimiou, 40 (Atenas)	Greece	40.00%		40.00%
		HOLDING COMPANIES	**REGISTERED OFFICE**	**COUNTRY**	**DIR.HOLD.**	**IND.HOLD.**	**TOTAL**
		EL RECREO PLAZA, C.A. (JV)	Avda.Fco.de Miranda Torre Oeste,15 Of.15(Caracas)	Venezuela		19.94%	19.94%
		HOMASI, S.A.	C/ Cavanilles 15,Pl.baja (Madrid)	Spain	35.00%		35.00%
		MELIA HOTELS USA, LLC. (JV)	Brickell Avenue Suite 1000, 800	USA		50.00%	50.00%
		PROMEDRO, S. A. (JV)	Avda. del Lido s/n (Torremolinos)	Spain	20.00%		20.00%
(A)	(F3)	RENASALA, S.L. (JV)	Zurbarán, 9 (Madrid)	Spain	30.00%		30.00%
		STARMEL HOTELS JV, S.L. (JV)	Gremio Toneleros, 24 (Palma de Mallorca)	Spain	20.00%		20.00%

(A) Audited companies

(JV) Joint Ventures.

(F3) Companies which comprise the consolidated tax group with Renasala, S.L.
(F5) Companies which comprise the consolidated tax group with Producciones de Parques, S.L.
(F6) Companies which comprise the consolidated tax group with Evertmel, S.L.
(F7) Companies which comprise the consolidated tax group with Inextur, S.A.
(*) Shareholdings in these companies is through the ownership of apartments, which are recognised under heading Investment property.

Preparation of the Consolidated Management Report and Consolidated Annual Accounts for 2024

At the meeting of the Board of Directors of Meliá Hotels International, S.A. held on 27 February 2025 (Thursday) at E-07009-Palma (Mallorca) and at the registered address, Calle de Gremio Toneleros nº 24; previously called timely and in due form and according to the provisions of Article 35 and related articles of the Company Bylaws and Article 17 and related articles of the Regulations of the Board of Directors, the Consolidated Annual Accounts and Consolidated Management Report (including the Non-Financial Information Statement) of Meliá Hotels International, S.A. for 2024 have been prepared and approved, which also incorporates by reference to a separate document the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors, following the format and labelling requirements laid down by Delegated Regulation EU 2019/815 of the European Commission, unanimously by all the members of the Board of Directors.

By means of this Statement, all the members comprising the Board of Directors attending the meeting hereby prepare and unanimously approve the mentioned Consolidated Annual Accounts and Management Report for 2024, for verification by the auditors and subsequent approval by the General Shareholders' Meeting.

In Palma (Mallorca), on 27 February 2025.

Signed by Mr Gabriel Escarrer Jaume
Chairman and Chief Executive Officer

Signed by Mr Alfredo Pastor Bodmer
Director

Signed by Mr Cristóbal Valdés Guinea
Director

Signed by Ms Carina Szpilka Lazaro
Director

Signed by Mr Fernando D´Ornellas Silva
Director

Signed by Ms María Mercedes Escarrer Jaume
Director

Signed by Ms Montserrat Trape Viladomat
Director

Signed by Ms Cristina Henríquez de Luna Basagoiti
Director

Signed by Ms Cristina Aldamiz Echevarría González de Durana
Director

Signed by Mr Luis Mª Díaz de Bustamante y Terminel
Secretary and Director

Meliá Hotels International, S.A. and Subsidiaries

Independent Limited Assurance Report on the Non-Financial Information Statement for 2024

Deloitte.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT ON THE NON-FINANCIAL INFORMATION STATEMENT OF MELIÁ HOTELS INTERNATIONAL, S.A. AND SUBSIDIARIES FOR 2024

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

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Non-Financial Information Statement ("NFIS") for the year ended 31 December 2024 of Meliá Hotels International, S.A. and subsidiaries ("Meliá", "the Group" or "the Meliá Group"), which forms part of the Management' Report ("MR") of the Meliá Group.

The content of the Group's Management' Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the "Non-Financial and Diversity Reporting Requirements (Law 11/2018)" Appendix and the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the MR.

Responsibilities of the Directors

The preparation and content of the NFIS included in the Meliá Group's Management' Report are the responsibility of the directors of Meliá Hotels International, S.A. The NFIS included in the Meliá Group's Management' Report was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as the other criteria described as indicated for each matter in the "Non-Financial and Diversity Reporting Requirements (Law 11/2018)" Appendix and the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the MR.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The Board of Directors of Meliá Hotels International, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1) which requires the firm to design, implement and operate a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is also substantially lower.

Our work consisted of making inquiries of management and the various units of Meliá that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Meliá personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2024 NFIS based on the materiality analysis performed by Meliá and described in the "Double Materiality" section of the NFIS, taking into account the contents required under current Spanish corporate legislation.

- Analysis of the processes used to compile and validate the data presented in the 2024 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2024 NFIS.
- Verification, by means of sample-based tests, of the information relating to the contents included in the 2024 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the directors and management.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and the delegated acts adopted pursuant to that Regulation establish, for the first time for 2024, the obligation to disclose information on how and to what extent an undertaking's activities are associated with aligned economic activities in relation to the environmental objectives on sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the prevention and restoration of biodiversity and ecosystems (the other environmental objectives) and in relation to certain activities included in the climate change mitigation and climate change adaptation objectives, in addition to the information on eligibility required in 2023 for the aforementioned activities. Therefore, the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the accompanying Management' Report of the Meliá Group does not include comparative information on alignment in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. In addition, it should be noted that the directors of Meliá Hotels International, S.A. have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the accompanying MR of the Meliá Group. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Meliá Hotels International, S.A. and subsidiaries for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as the criteria described as indicated in the "Non-Financial and Diversity Reporting Requirements (Law 11/2018)" Appendix and the "Report on Eligibility and Alignment with EU Taxonomy" Appendix to the MR.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE AUDITORES, S.L.

José Ricardo González Rosal

27 February 2025

Meliá Hotels International, S.A. and Subsidiaries

Auditor's Report on the System of Internal Control over Financial Reporting (ICFR) of the Meliá Hotels International Group for 2024

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

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AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF THE MELIÁ HOTELS INTERNATIONAL GROUP FOR 2024

To the Directors of Meliá Hotels International, S.A.:

As requested by the Board of Directors of Meliá Hotels International, S.A. and Subsidiaries ("the Meliá Hotels International Group") and in accordance with our proposal-letter of December 13, 2024, we have applied certain procedures to the information relating to the ICFR system included in section F of the Annual Corporate Governance Report ("ACGR") of the Meliá Hotels International Group for 2024, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors of Meliá Hotels International, S.A. has included in section F of the IAGC, in addition to the information related to the ICFR, additional information regarding the Internal Control System for Sustainability Information. This information, which is identified within each subsection under the title "Sustainability Information", is not within the scope of our work as defined in the proposal letter referenced in the previous paragraph. Consequently, no procedures have been applied to the aforementioned information, and, therefore, the content of this report does not refer to it in any way.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system.

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Meliá Hotels International Group in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Meliá Hotels International Group was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Meliá Hotels International Group's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

Deloitte Auditores, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Meliá Hotels International Group's annual financial reporting for 2024 described in the information relating to the ICFR system. Therefore, had we applied procedures additional to those described below or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Meliá Hotels International Group in relation to the ICFR system - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model ACGR established in CNMV Circular no. 5/2013, of 12 June 2013, and subsequent modifications, being the most recent CNMV Circular 3/2021 of 28 September (hereinafter, the Circulars of the CNMV).

2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Meliá Hotels International Group.

3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR system descriptive information. In this regard, the aforementioned documents include reports prepared for the Audit and Control Committee by internal audit, senior management and other internal or external specialists.

4. Comparison of the information detailed in point 1 above with the knowledge on the Meliá Hotels International Group's ICFR system obtained through the procedures applied during the financial statement audit work.

5. Reading of the minutes taken at meetings of the Board of Directors, Audit and Control Committee and other committees of the Meliá Hotels International Group to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.

6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.

This report has been prepared exclusively in the context of the requirements established by article 540 of the consolidated text of the Corporate Enterprises Act, and by the aforementioned CNMV Circulars, for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE AUDITORES, S.L.

Ana Torrens Borrás

27 February 2025