

HOTELES CITY.®



| 2021 SUSTAINABILITY REPORT

A year of firm steps and great challenges

ABOUT THE REPORT

 102-1, 102-2, 102-3, 102-4, 102-5, 102-50, 102-53, 102-54



This Sustainability Report contains the results of our implementation of social and environmental standards, policies, programs and strategies, as well as the company's performance in terms of its economic, social and environmental value creation model. It covers the period from January 1 to December 31, 2021, and it represents our ninth effort in reporting such matters.

The topics and their content were defined following a new materiality analysis conducted at the end of 2021. This document was drafted according to the Global Reporting Initiative (GRI) along with a study of national and international best practices in the hospitality industry. Through this analysis, we identified the new relevant aspects regarding our sector, in order to make them known to our investors and main stakeholders.

The report has been prepared in accordance with GRI standards, in its core option and in compliance with the principles of Stakeholder Inclusion, Sustainability Context, Materiality and Completeness. For the third consecutive year, we have also included the Sustainability Accounting Standards (SASB) that apply to the hotel and lodging sector.

Additionally, in order to properly manage our risks, for the first year we conducted a water stress analysis among our hotels' locations, identifying those with the greatest water scarcity. We also incorporated an analysis that allows us to identify the risks and opportunities associated both with climate change and our operations, in compliance with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

Company name: Hoteles City Express S.A.B. de C.V.

Website: <https://www.cityexpress.com>

Activity: Hotel chain focused on the dynamic traveler, offering functional facilities and modern rooms at the best value for money.

Countries where we operate: Mexico, Colombia, Costa Rica and Chile.

Dissemination of the Annual Corporate Sustainability Report: Hoteles City Express website and e-mail, and Global Compact platform.

Contact:
Heidy de la Cruz Salas
Corporate Sustainability Manager
Phone: +5255 5249-8050
mdelacruz@hotelescity.com

Santiago Parra
Director of Finance and Administration /
Chairman of the Sustainability Committee
sparra@hotelescity.com

Address: Juan Salvador Agraz 69, Col. Santa Fe, Cuajimalpa, Del. Cuajimalpa de Morelos, C.P. 05348, Mexico City.



Happy customers are your biggest advocates and can become your most successful sales team”.

Lisa Masiello

TABLE OF CONTENTS

04 A MESSAGE FROM LUIS

06 HOTELES CITY

- 07 2022 Goals
- 08 Our Philosophy
- 10 Our Locations
- 11 2021 Presence
- 12 Committed to our Guests

16 HOW DO WE MAKE OUR BUSINESS SUSTAINABLE?

- 18 2021 Sustainability Achievements
- 19 Our Stakeholders
- 20 Materiality Analysis
- 27 *Impacto City*
- 28 Sustainability Committee

30 ENVIRONMENTAL CONSERVATION

- 32 Our Carbon Footprint
- 37 Energy Efficiency
- 39 Gas Consumption
- 41 Water Conservation
- 47 Waste Management
- 48 Biodiversity Protection
- 51 Initiatives that Leave a Mark
- 54 Responsible Tourism
- 55 Sustainable Purchases
- 57 Total Compliance with Environmental Legislation
- 58 Hotels Located in Flood Zones
- 59 Climate Change Risks and Opportunities Study

60 CREATING ECONOMIC VALUE

- 61 Growth
- 62 Corporate Governance
- 63 Integrity
- 65 Code of Ethics
- 67 Social Investment
- 68 Innovation and Entrepreneurship Program

73 CONTRIBUTING TO SOCIAL WELFARE

- 74 Our Employees
- 77 City Culture
- 78 Learning, Trust and Communication
- 80 Work Environment
- 81 Freedom of Association
- 82 Internal Communication Media
- 83 Performance Evaluation
- 85 Salaries and Benefits
- 88 Occupational Health and Safety
- 90 Diversity and Labor Inclusion Program
- 95 Mexican National Code of Conduct for the Protection of Children and Adolescents in the Travel and Tourism Sector
- 96 Social Investment and Strategic Partnerships

105 CERTIFICATIONS

107 HOTELES CITY IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS (SDG)

113 GRI, SASB AND TCFD CONTENT INDEX

ANNEXES

- 124 Annex 1: Emissions Factors
- 125 Annex 2: Management of Climate Change Risks and Opportunities

128 VERIFICATION LETTER

A MESSAGE FROM LUIS

Dear all,

2021 was the second year defined by the pandemic in which the new normality was marked by the vaccination against Covid-19 in the region and the global economic slowdown. This undoubtedly posed challenges for our organization which prompted us to strive to achieve our goals and to **reaffirm our commitment to reassess our standards and adapt** them to the needs and demands of our guests during their business and leisure travels.

In terms of sustainability, we work to positively impact the diverse communities in which we operate, creating economic, social and environmental value through **152 hotels in 75 cities** and four Latin American countries.

During this year we worked on key actions that allow us to positively impact climate change. For example, **we presented for the first time a nationwide water stress analysis in Mexico**, and during the first quarter we continued our work to identify risks and opportunities in our operations, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We also updated our material interest and presented a **double materiality**, in accordance with the **Global Reporting Initiative (GRI) Standards**, together with an analysis of national and international best practices. This allows us to identify the expectations of all our Stakeholders with whom we have established a dialogue, as well as the main risks and impacts that Hoteles City may have on society and the planet.

We will use these findings to develop our sustainability strategy for the next 24 to 36 months.

Furthermore, for the first time we participated in the Carbon Disclosure Project (CDP) global reporting system, which ranked us at the **Management** level as a company with a coordinated **management of climate actions**.

Throughout our 20 years of history, we have been aware that our operations have an impact on the environment, local society and the profitability of our business, and our commitment translates into actions that contribute to **94% of the United Nations Sustainable Development Goals**.

In 2021, we managed to **reduce our energy consumption by 20% per Occupied Room Night** compared to 2020. We also reduced gas consumption by 17% and conducted a differentiated measurement of **22 hotels that currently operate with Natural Gas**. Our commitment stands so that more hotels use this type of fuel wherever this option is available, as it is cleaner for our planet.

For the third year, we continue with our CO₂ emissions inventory. This year there is a **6.56% reduction** compared to 2020 and a 44.15% reduction compared to 2019, equivalent to 1,786.55 tons of CO₂eq and 20,115.75 tons of CO₂eq, respectively.



Luis Barrios Sánchez
 Founder, Chairman of the
 Board and CEO of Hoteles City

“ For the first time, we present a **double materiality**. One axis shows the expectations of all the stakeholders with whom we have established a dialogue, and the other axis shows the main risks and impacts that **Hoteles City** may generate on society and/or on the planet”.

By the end of 2021, we reduced water consumption by **18% per Occupied Room Night**. Our **water stress study**, focused on hotels located in Mexico, allows us to manage the risks associated with the use of water, reduce environmental impacts and become aware of how we manage this resource, in order to offer our customers a **responsible lodging option that conserves water**.

Through our dedication to service, we were able to achieve a **social investment in kind** of 2,635 room nights, equivalent to \$3.4 million pesos. Of these, 1,500 room nights were provided to health professionals in continued support of the fight against the pandemic, and the rest to various causes to which Hoteles City has been and continues to be fully committed, both in terms of social and environmental value.

We seek to have a direct positive impact on various social programs in the surrounding communities, which is why we generate alliances with organizations and institutions that work to benefit the environment and society.

Long-range initiatives such as the one we undertook ten years ago to preserve the **Golden Eagle in our country** stand out. In 2021, we became part of the Abanderados program with **Espacios Naturales y Desarrollo Sustentable A.C.** (ENDESU), to continue with the preservation of the Golden Eagle and its habitat.

For the second consecutive year, we encouraged the participation of the local population through **our environmental volunteer program**, focusing on actions such as reforestation and tree maintenance, waste collection, habitat maintenance and the cleaning of bodies of water. This was achieved through the participation of **76 hotels, 501 volunteers and 27 organizations in different entities**.

For Hoteles City it is important to operate with an inclusion policy, so we launched the **Code of Ethics course in Mexican Sign Language**, an action of our **Diversity and Labor Inclusion Program City Incluye**, thus sharing information in an accessible format for all our employees. We took further action by contributing to the creation of the first **Mexican Sign Language**

tourism glossary in collaboration with Asociación Civil Inklusor A.C., in the occasion of #WorldTourismDay.

During 2021 Hoteles City created **3,399 direct jobs** and climbed six positions in the **Súper Empresas 2021 Ranking** "Places where everyone wants to work", published by Revista Expansión, ranking us in the 24th position.

We ranked 14th in **The Top Companies and Revista Expansión** Rankings and obtained the Súper Empresas para Mujeres 2021 certification because of our practices in favor of labor equity and gender leadership through concrete actions, as 52% of management and executive positions are held by women.

Likewise, **Alianza Éntrale A.C.** awarded us with the **Distintivo Éntrale 2021** for our performance as an organization with the best practices in favor of including people with disabilities. **We aim to continue contributing to the construction of a better planet and an inclusive society**, and therefore we promote innovation and entrepreneurship at all levels and in all locations where we operate.

Undoubtedly, **2021 was a year of firm steps and great challenges**. I am grateful for the support and trust of all of you who are part of these results and I reiterate my own commitment and that of the **Hoteles City** family to continue our pledge to be a responsible, inclusive and committed guest to the planet and society. **Thank you.**

Luis Barrios,
Founder, Chairman of the Board
and CEO of Hoteles City





HOTELES CITY

2022 GOALS

“ We reaffirm our commitment to sustainability, and now more than ever, we are determined to implement high impact projects and initiatives on environmental and social issues that benefit our surroundings”.

#1

1 Increase by 60% hotel participation in our chain-wide environmental volunteer program.

#2

Add 15 partnerships to the sustainable portfolio to help find solutions and best practices to achieve the Sustainable Development Goals (SDGs).

#3

Promote initiatives in the five strategic pillars of our Diversity and Inclusion program and become an inclusion benchmark in the sector.

#4

Active commitment of the company in the incorporation and monitoring of international **ESG (Environmental, Social and Governance) standards**.

OUR PHILOSOPHY

GRI 102-16, 203-2

MISSION



Provide a hospitality service that makes it easier for the SMART traveler to achieve their business objective in a warm, inclusive, and avant-garde environment that exceeds expectations throughout the travel experience.

VISSION



Set trends through innovative hospitality services that accompany the evolution of our clients' lifestyle to fully earn their loyalty.



OUR VALUES



INGENUITY AND CREATIVITY

Open our minds to ideas of continuous evolution.



PERSONAL EXCELLENCE

Integral development and personal balance.



INTEGRITY AND SUSTAINABILITY

Transparency, consistency, and values



SENSE OF SUCCESS AND ACHIEVEMENT

Do things right the first time; become better every time.



FOCUS ON THE CUSTOMER AND PASSION FOR SERVICE

Anticipate the needs of our guests.

OUR BRANDS

GRI 102-2, 102-6

DISCOVER CITY, A HOTEL FOR ALL YOUR TRAVELS

Hoteles City brands can be found wherever there is a large city, a growing urban area, a center of financial or commercial activity, or a leisure destination.

Through a concept of limited services, we offer the best value for money with five hotel brands designed to offer business and leisure travelers what they are really looking for or need in Mexico and in key places in Latin America, being present in four countries and more than **75 cities with 152 hotels in extraordinary locations.**

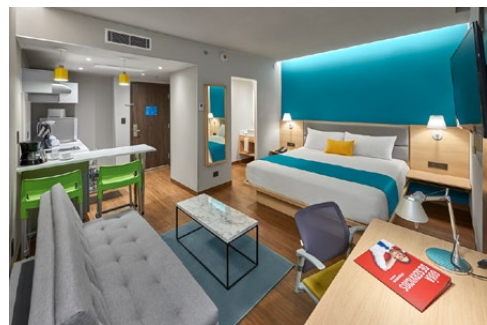
“ A smart, comfortable and functional lodging, with more than 150 hotels for any type of travel”.



CITY CENTRO.

CONTEMPORARY HISTORIC AND MODERN

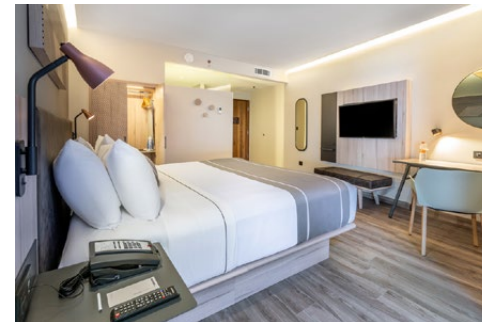
Hoteles City Centro are housed in buildings with architectural value in the main historic downtowns of Mexico. This new concept harmonizes the classic with the contemporary to provide a unique lodging experience.



CITY EXPRESS
Suites.

PRIVACY SPACE AND FUNCTIONALITY

The best lodging option for long stays away from home, with all the functional advantages and services of a hotel and the comfort of an apartment. Contemporary design in a safe and comfortable environment.



CITY EXPRESS
PLUS.

AVANT-GARDE INNOVATIVE DESIGN

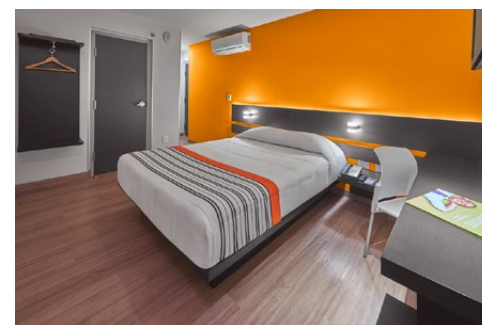
A casual luxury hotel for those looking for specialized environments and services. It is the ideal concept for working or resting in financial centers, large cities, and tourist destinations. City Express Plus is the spearhead and benchmark within the chain in design, architecture, and service.



cityexpress
hoteles

SMART COMFORTABLE AND FUNCTIONAL

Located on Mexico's most important industrial, commercial and tourist routes, Hoteles City Express offer functional facilities, comfortable rooms, and specialized services at affordable prices.



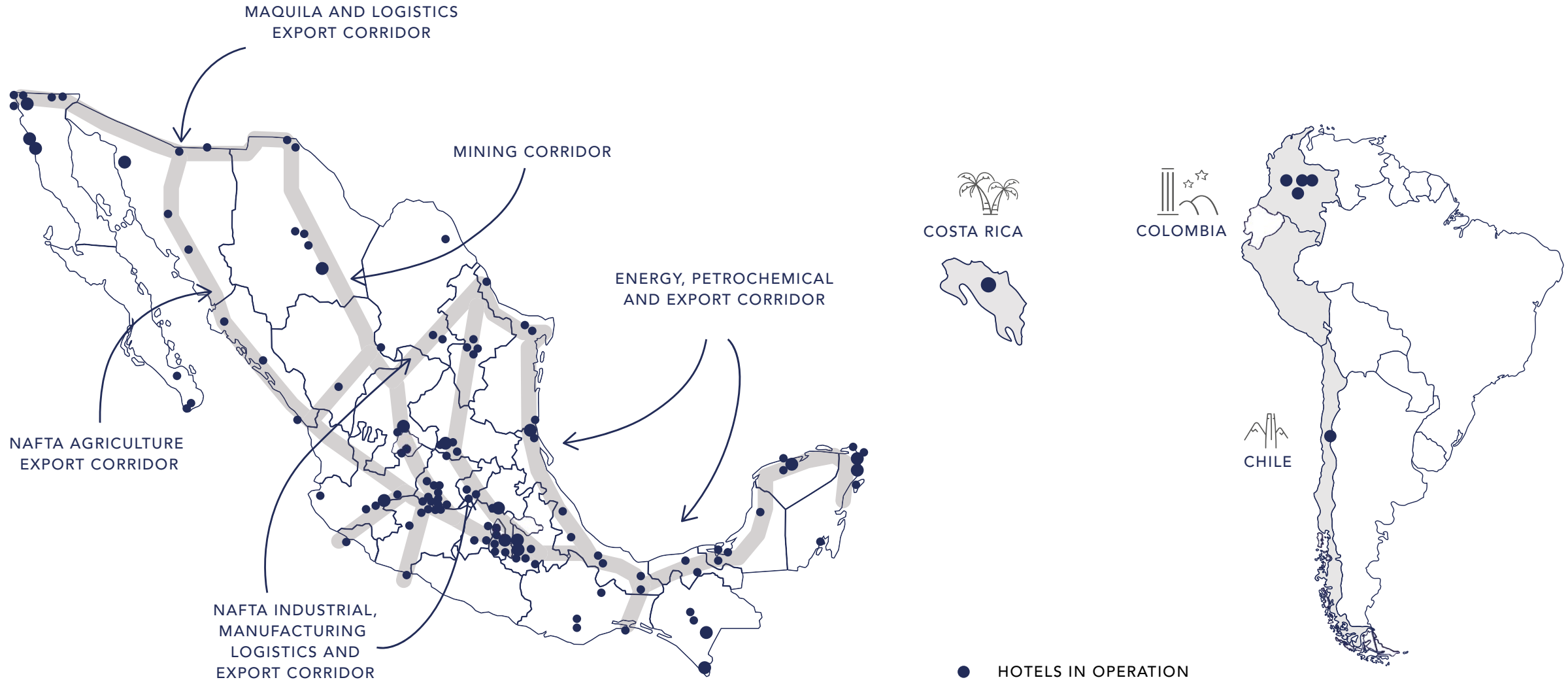
cityexpress
Junior

ACCESSIBLE FUNCTIONAL AND SAFE

Comfortable and modern, it is an ideal space for the functional traveler who seeks, above all, an efficient travel experience with tailor-made rates. Ideal for short stays, it offers all the essentials at an affordable price.

OUR LOCATIONS

GRI 102-4, 102-10, 106-6



2021 PRESENCE

GRI 102-7



17,331

rooms



75

cities



30

states in Mexico



152

hotels



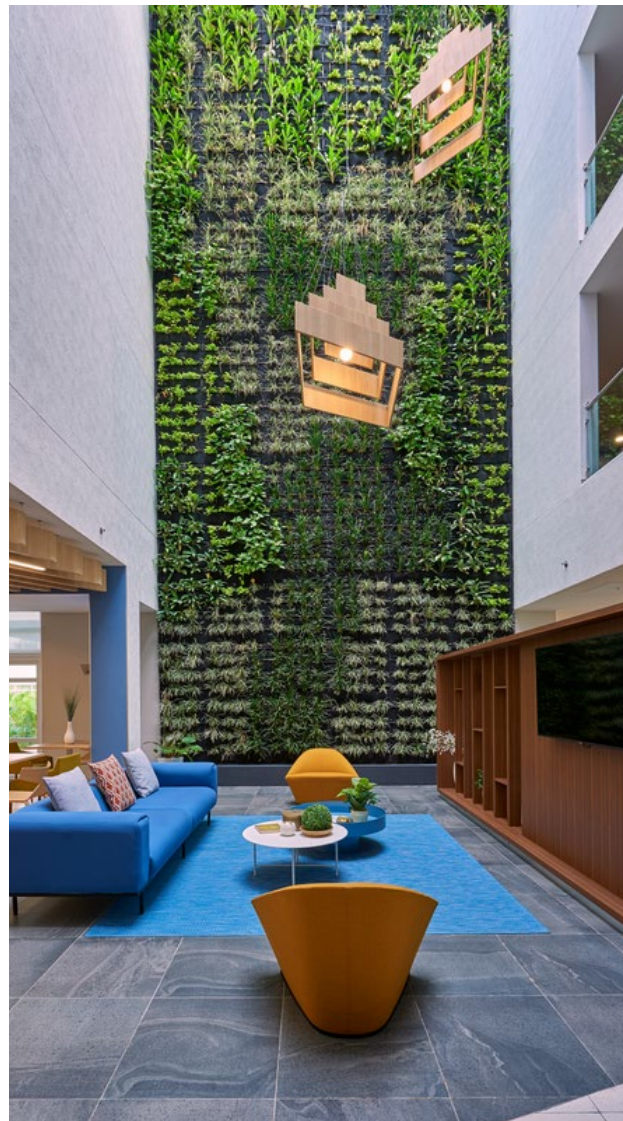
5

brands



4

countries



SASB ACTIVITY PARAMETERS



CODE	PARAMETER	2019	2020	2021
SV-HL-000.A	Installed Room Nights EoY	6,239,759	6,356,468	6,338,175
	Occupied Room Nights EoY. Average Occupancy Rate (%)	3,549,451	1,761,277	2,555,225
SV-HL-000.B	Average Occupancy Rate (%)	56.9%	27.7%	40.3%
SV-HL-000.C	Total area in lodging facilities (m ₂)	794,426	806,258	759,137

NUMBER OF LODGING FACILITIES

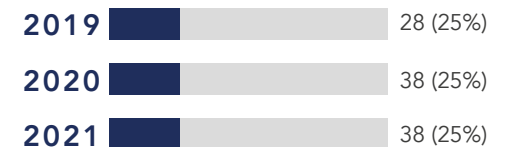


SV-HL-000.D

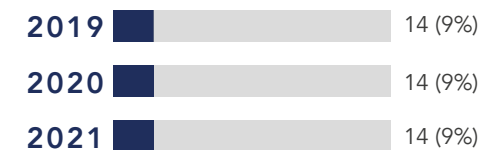
Wholly owned



Co-invested



Leased



Franchise and management



COMMITTED TO OUR GUESTS

GRI 418-1, 416-1



“ From 2019 to 2021, we provided hospitality and comfort to 10,667,303 guests ”.

VALUE FOR OUR PARTNERS

Great moments,
great rewards.

To reward our guests' fidelity, we offer a loyalty program designed to strengthen their relationship with Hoteles City.

The rewards are varied and attractive, considering the Member's (guest) profile, in order to create value and satisfy their needs.



116,262,650

City Premios Points credited.



47,164

rewards exchanged



86,054

new members during 2021



650,145

affiliated members rewarded for their stays in our hotels



167,106

members staying with us

To know more about our loyalty program City Premios, [click here >>](#)

OUR GUEST'S VOICE

At Hoteles City we are committed to listening to our customers in order to continue innovating the service that makes us stand out, thus improving the communication platforms and measuring the quality of our services that help us determine the Guest Satisfaction Index (GSI).



DURING 2021, WE ACHIEVED:



2,585,654
check outs



982,537
surveys successfully sent to our clients

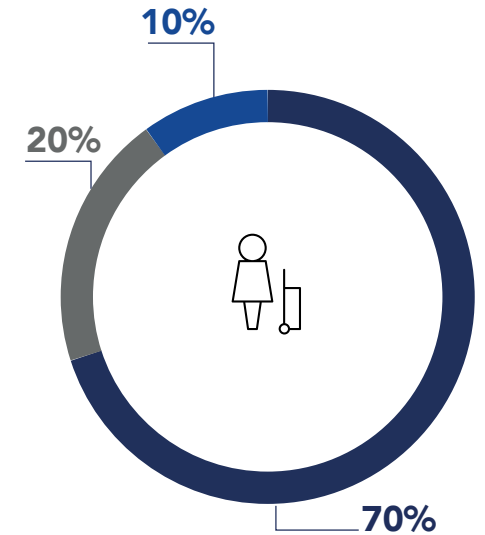


129,565
surveys answered



13.2%
of the surveys sent out were answered

In addition, through the Net Promoter Score (NPS), we identify our customers as promoters of each of our five brands, resulting in:



- Customers who are promoters of Hoteles City.
- Customers who identify themselves as passive, without being promoters or detractors of the brand.
- Customers who identify with a possible growth opportunity area.

CUSTOMER SECURITY AND PRIVACY

GRI 418-1, 419-1

“ Information Security Policies help us make Hoteles City a safer place. We develop work plans that strengthen cybersecurity and security of our clients’ information”.



In the last three years we reported **zero information security breaches or other cybersecurity incidents detected internally and externally**, as well as zero information security breaches involving customers’ personally identifiable information. We have no recorded payments for fines related to **information security breaches or other cybersecurity incidents**.

We are very careful about the information we have in our hands.

HEALTH AND BIOSAFETY FOR CUSTOMERS

GRI 416-1

“With the new normal dictated by the pandemic, we re-evaluated our standards, and brought them in line with the needs and demands that guests required for business and leisure travel”.



During 2021, we continued to apply a Biosecurity and Healthy Coexistence Protocol, with the objective of offering safe and reliable spaces that guarantee the well-being of our guests, employees and communities where we are present.

The following are some of the measures implemented in each of our Hoteles City properties:

- **Biosafety manual** based on World Travel & Tourism Council (WTTC) guidelines.
- Close **collaboration with local, state, and federal authorities** to keep our guests and employees duly informed about everything related to COVID-19.
- **Health screening for guests, staff and suppliers** at their respective entrances in order to reduce the risk of contagion. Providing hand sanitizing gel, screening temperature and filling out a questionnaire for detecting symptoms.
- All personnel must wear the appropriate **protective equipment**, including face shields, face masks and latex gloves, in addition to being properly trained to deal with emergency situations.
- **Frequent application of cleaning and disinfection protocols** in the facilities and rooms, always observing a healthy distance and limiting the number of people in public areas.



WORLD PIONEERS IN BECOMING CERTIFIED UNDER STRICT BIOSAFETY POLICIES

SafeHotels CovidClean™ and SafeTravels

SafeHotels CovidClean™

Independent standard for hotels based on World Health Organization (WHO) guidelines and evaluates key procedures for hygiene, cleanliness, social distancing, biosafety protocols, and so on.

Safe Travels

Stamp awarded by the World Travel and Tourism Council (WTTC), which seeks to guarantee the health and hygiene protocols established by the Council and recognizes governments, destinations and companies around the world that have adopted health and hygiene protocols so that tourists can enjoy safe travels.



HOW DO WE MAKE OUR BUSINESS SUSTAINABLE?

“ We are aware that our operations have an impact on the environment, society, the local economy, and the profitability of our business.”



To identify risks and impacts, we developed **Business Continuity Plans**, covering environmental, social and economic aspects that are highly relevant for market permanence and continued growth. In addition, at the beginning of 2021, we worked on a climate risk analysis in line with the recommendations of the Task Force on Climate-related Financial Reporting (TCFD). Likewise, for the first year we carried out a nationwide water stress analysis that allows us to pinpoint the locations with the greatest water scarcity across our properties, in order to successfully manage our risks.

All our hotel development projects include an Environmental Impact Assessment (EIA), assessing the environmental risks generated during the construction period of the projects. We make sure that we comply 100% with the requirements of the Ministry of the Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT), based on the principle of caring for the environment, compensating and mitigating the impacts resulting from the project. Finally, we also conducted a materiality exercise (described in the materiality analysis section) and engaged in dialogue with our main stakeholders to learn about their perception of the economic, environmental and social impacts we generate as a company.

2021 SUSTAINABILITY ACHIEVEMENTS

GRI 418-1, 416-1



In-kind social investment of 2,635 room nights, equivalent to **\$3.4 million pesos**.

To learn more about our sustainability strategy, [click here >>](#)

We conducted a **nationwide water stress analysis** through which we identified our locations with the highest risk of water scarcity, so as to continue to manage this resource responsibly.



We generated alliances with **more than 20 organizations and institutions** that work for the benefit of the environment and society.

We continued to **identify climate change risks and opportunities** in our operating scenario, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



We allocated **1,500 room** nights to health professionals, in continued support of the **fight against the pandemic**.

Our actions **contribute to 94%** of the United Nations Sustainable Development Goals.



We contributed to the creation of the **first tourism glossary in Mexican Sign Language**, a further action of our **Diversity and Labor Inclusion Program City Incluye**.

We participated for the first time in the **Carbon Disclosure Project (CDP) global reporting system**, which ranked us at the Management level as a company with a coordinated management of climate actions.



OUR STAKEHOLDERS

GRI 102-40, 102-42, 102-43

“ For Hoteles City, stakeholders we interact with are very important and relevant to our business, so we have identified and selected them ”.

We follow the European Union’s Green Book framework, which provides recommendations for corporate sustainability, classifying stakeholders according to their proximity, representativeness, dependence, responsibility and the influence we have upon them.

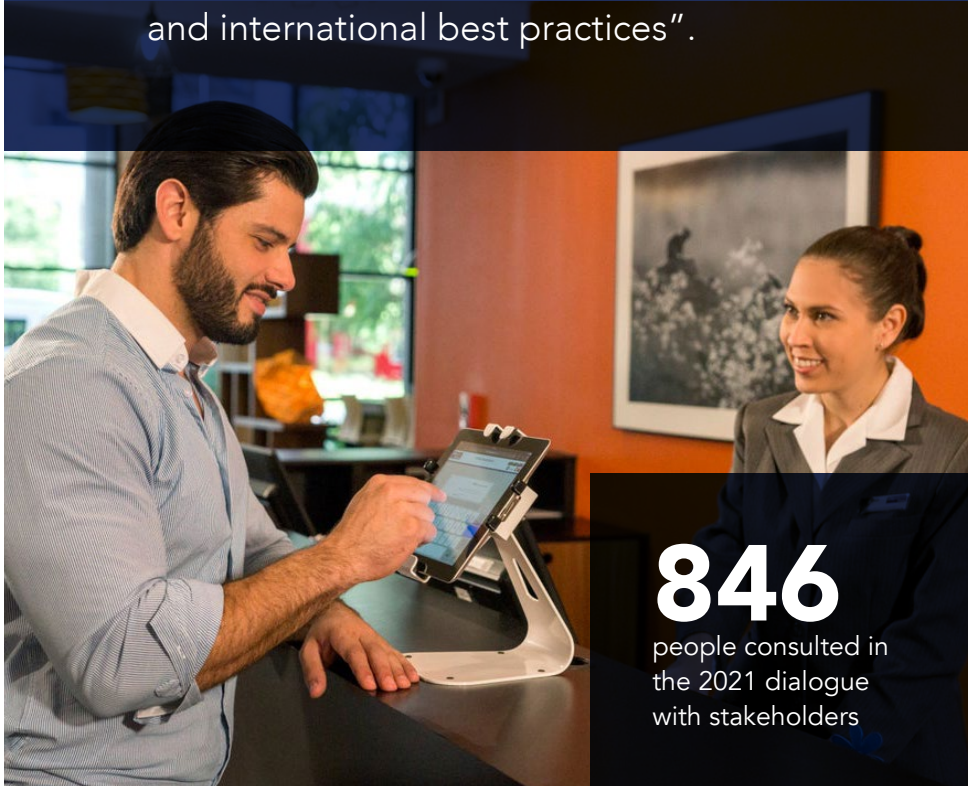


CLOSENESS	REPRESENTATIVENESS	DEPENDENCE	RESPONSIBILITY	INFLUENCE
Certifiers Clients Employees Communities Building Companies	Associations & Chambers ANCH (Asociación Nacional de Cadenas Hoteleras)	Shareholders	Shareholders	Partnerships
Corporate agreements	Sustainability Committee	International Finance Corporation (IFC)	Mexican Stock Exchange	Industry Associations (i.e., Trip Advisor)
Guests	Communities Government Investors NGO Unions Spokespeople	Commercial Banks Employees Internal Committees	Employees	Employees Communities Managers Government Guests Online Travel
Media NGO Sponsorships Providers	(Panels and Forums)	Hotel Operators Suppliers	Internal Committees Committees for the development of laws and standards Communities Government Investors Unions	Agencies (OTAs) Sponsorships Suppliers

MATERIALITY ANALYSIS

GRI 102-21, 102-44, 102-46, 102-48, 102-49

“ At the end of 2021 we undertook an update process of our materiality, in accordance with the Global Reporting Initiative (GRI) Standards, along with an analysis of national and international best practices”.



846

people consulted in the 2021 dialogue with stakeholders

We conducted a formal dialogue with the aforementioned stakeholders, a study we carry out every three years, through personal interviews or surveys to a representative population, consulting their perception of economic and socio-environmental issues. There have been no significant changes or restatements compared to previous reports.

We also conducted an analysis of external information, competition, media, government, investors, global and industry trends. In this analysis, we prioritized the most relevant sustainability issues, based on a comparison of their level of importance according to stakeholders' perception, and the degree of importance for Hoteles City's business strategy. We took into account the aforementioned stakeholder topics to define our materiality and the content of our sustainability reports.

The stakeholder groups we considered in this dialogue were:

OUR STAKEHOLDERS AND WHY THEY ARE STRATEGIC

595 hotel employees constitute a key stakeholder group, with whom we have a broad direct responsibility and proximity, being the group with the greatest representativeness in the sample.

133 guests. Our guests are the *raison d'être* of our business, and we interact with them on a daily basis through various platforms. In addition to our proximity, we have influence over them, and they make full use of our service.

52 members of communities surrounding the hotels we operate. Our hotels are located in strategic places where there are also neighbors, such as other businesses, restaurants, other hotel chains, etc., which due to their representativeness and proximity to the operation are highly relevant.

24 strategic suppliers. Suppliers are important because of their ability to influence the business. They provide us with various inputs so that we can offer the best experience to our guests.

16 experts in the tourism sector. The experts have representativeness and knowledge of the sector, which allows us to have a broader vision.

Nine Board members. They have broad representation and influence in the company's decision making and investments.

Eight investors. The company has several responsibilities towards investors and must be transparent in its decisions and the results achieved.

Nine Sustainability Committee members. The Sustainability Committee is in charge of executing the company's ESG strategy and monitoring the results obtained, and therefore has influence and authority in decision-making.

MATERIALITY MATRIX

GRI 102-47, 102-44

DOUBLE MATERIALITY

“ For the first time, we present a **double materiality**, which allows us to identify the expectations of all our Stakeholders with whom we have established a dialogue in one axis, as well as the main risks and impacts that Hoteles City may have on society and the planet on the other axis” .



This identification, both of expectations and of risks and impacts, results in a dual materiality matrix in which four quadrants are displayed:

MATERIALS: Shows factors that are important for the business, because they could become risks or generate an impact on Hoteles City's strategy and that are also the most relevant for all stakeholders. Therefore, they are considered as the most important for the Company's Sustainability Strategy.

URGENT: Shows very relevant factors for the business, because they could become risks or generate an impact on Hoteles City's strategy, therefore, they must be addressed with a high priority level. URGENT: Shows very relevant factors for the business, because they could become risks or generate an impact on Hoteles City's strategy, therefore, they must be addressed with a high priority level.

GENERAL: Shows factors that are not so important for Hoteles City's strategy at present but are important in general for stakeholders. These are aspects that are important in general terms at a global level, but that do not have such a direct impact on the business, either because they are already well controlled (e.g., customer experience or business ethics standards) or because they are not so relevant to daily operations. These factors should be monitored and evaluated, although with a lower priority than material factors.

EMERGING: Shows factors that are just beginning to show their importance, both for Hoteles City and for stakeholders. Over time, these factors tend to migrate to another quadrant, depending on the evolution of the issue in the industry and in the company in particular. In this quadrant, issues that will eventually become disruptive can be seen (e.g., economic, social and environmental evaluation of suppliers, healthy, safe and sustainable food, responsible sourcing of goods and services).

MATERIALITY MATRIX



- MATERIAL TOPICS:**
- 5 Fair working conditions
 - 19 Sustainable use of water
 - 12 Human Rights Compliance
 - 23 Climate, social, environmental and economic risk management
 - 9 Preservation of local culture and natural heritage
 - 7 Health, safety and protection of employees and guests
 - 3 Comprehensive well-being of employees
 - 16 Climate strategy and emissions reduction
 - 11 Promoting responsible tourism
 - 8 Participation and empowerment of communities
 - 15 Biodiversity management and habitat protection at the destination
 - 17 Energy consumption and efficiency
 - 6 Professional development and growth
 - 24 Local economic impact
- URGENT TOPICS:**
- 18 Waste management and circular economy
 - 28 Natural disaster preparedness and response
 - 26 Innovation in operations
- GENERAL TOPICS:**
- 22 Ethical business practices and legal compliance
 - 2 Diversity, equity and inclusion
 - 13 Local supplier development and sourcing
 - 27 Customer experience
 - 1 Training and education
- EMERGING TOPICS:**
- 25 Economic, social and environmental supplier evaluation
 - 10 Prevention of illegal sex tourism and family violence
 - 4 Motivation and sense of belonging
 - 14 Healthy, safe and sustainable food
 - 20 Responsible purchasing of goods and services
 - 21 Smart and sustainable buildings

We must address material and urgent issues in a timely and immediate manner, and we must not neglect the emerging issues that are becoming increasingly relevant in our sector.

MANAGEMENT OF OUR MAIN MATERIAL AND URGENT ISSUES

GRI 103-1, 103-2, 103-3, 102-46

FAIR WORKING CONDITIONS

We want our employees to have decent working conditions, which is why 100% of them earn more than the minimum wage and have access to all the benefits established by the Federal Labor Law. We also measure the work environment to strengthen our organizational culture and climate. Likewise, we encourage respect for freedom of association, so today, 28% of our employees are part of a union. We also have an organizational development area dedicated to creating the best work experience for our employees.

SUSTAINABLE USE OF WATER

We have developed operating policies to make efficient use of water in our daily activities, in addition to incorporating eco-technologies that allow us to save water during our guests' stay. We measure water consumption on a daily basis, and to date we have 15 wastewater treatment plants that help us improve the quality of the water we return to the sewage system. In addition, for the first year, we have conducted a water stress analysis to identify the locations with the greatest water scarcity where our hotels are found, allowing us to innovate in processes and identify high-impact actions to care for water.

HUMAN RIGHTS COMPLIANCE

We have an established Code of Ethics, as well as a policy with a strict commitment to uphold human rights, under which all our employees, managers and suppliers are bound to comply with each guideline.

100% of our employees have a labor contract signed by both parties. Additionally, we have an internal work regulation that our employees are familiar with and can find at their work sites. We reject the employment of underage workers and we extend this clause to our suppliers.

CLIMATE, SOCIAL, ENVIRONMENTAL AND ECONOMIC RISK MANAGEMENT

At the beginning of 2021 we conducted our first assessment of risks associated with climate change using the TCFD framework. We developed a climate risk matrix where the main results obtained were graphically presented, including a qualitative description of the climate risks and the importance (quantitative description) given by the company.

PRESERVATION OF LOCAL CULTURE AND NATURAL HERITAGE

At Hoteles City we respect and preserve the natural monuments and the set of values, traditions, symbols, beliefs and modes of behavior of the localities where we operate. Through our Orígenes Labor Inclusion program, we recognize our roots as part of our identity, and we focus on identifying the indigenous communities to which our employees belong. We also created a responsible traveler's decalogue so that our guests contribute to act in a positive way during their stay, in benefit of the locality and the environment.

HEALTH, SAFETY AND PROTECTION OF EMPLOYEES AND GUESTS

Due to the health crisis brought about by COVID-19, taking care of the physical and mental health of our employees and guests has taken on special importance in the company. We are worldwide pioneers in being certified with Safehotels Covid Clean and SafeTravels, which evaluate protocols focused on prevention, cleaning and disinfection in rooms and common areas. Also, during this period, we developed biosafety processes within our work centers for the well-being of our employees. A specialized area in the company manages this important issue.

COMPREHENSIVE WELL-BEING OF EMPLOYEES

At Hoteles City we innovate in the way we seek the integral well-being of our employees. For more than five years, our En Buena Compañía (In Good Company) program has been in charge of organizing and structuring activities in favor of our well-being, with three clear lines of action: Physical Health, Financial Health and Emotional Health. In addition, we have a special area to take care of the integral well-being of our employees.

CLIMATE STRATEGY AND EMISSIONS REDUCTION

For the third consecutive year we have measured and reported our carbon footprint, where we identify on an annual basis our consumption levels generated by our operations (use of gas, diesel and electricity), and at the same time we have developed reduction, mitigation and compensation strategies. We have policies such as the Environmental Impact Policy, the Integrated Waste Management Policy, and the Sustainable Suppliers and Purchasing Policy. We are proud to report that during 2021, we had a 6.56% reduction of emissions in our carbon footprint, compared to 2020.

To know our carbon footprint reports, click:

[2020 Carbon footprint report >>](#)

[2021 Carbon footprint report >>](#)

PROMOTING RESPONSIBLE TOURISM

We have adopted a philosophy to collaborate and be part of responsible tourism. We have generated alliances and adhesions with different organizations such as the Responsible Tourism Institute (RTI), the World Tourism Organization (UNWTO) and the United Nations Global Compact (UNGC), developing a strategy aimed at preventing, reducing and eliminating our negative impact and maximizing the positive impact in all the communities where we operate. Furthermore, we have a Responsible Traveler's Decalogue.

PARTICIPATION AND EMPOWERMENT OF COMMUNITIES

We are an important generator of jobs, both in the development process of each hotel and in its daily operation, positively impacting the different communities where we are present. We support organizations such as CUANTRIX, POSIBLE and DCA México, which favor entrepreneurship in its different stages, from the conception of an idea to its consolidation, and bringing the business model to the next level. The Innovation and Entrepreneurship Support program has benefited more than 50,000 business models.

BIODIVERSITY MANAGEMENT AND HABITAT PROTECTION AT THE DESTINATION

In 2021, we became part of the Abanderados program with Espacios Naturales y Desarrollo Sustentable A.C. (ENDESU), to continue with the preservation of the Golden Eagle and its habitat. Our commitment to the natural ecosystem remains firm in our sustainable strategy and our operations, which is why we focus on carrying out several actions in the communities where we operate, with the firm purpose of maintaining nature and its vital cycles.

For yet another year, Hoteles City is joining the worldwide electric blackout, Earth Hour, in order to raise awareness of climate change issues and what each one of us can do for the planet. In addition, we have an internal environmental volunteer program involving more than 500 volunteers, where we address issues such as reforestation and tree maintenance, waste collection and environmental training.

ENERGY CONSUMPTION AND EFFICIENCY

We have a strategic energy saving plan that allows us to control expenses and optimize consumption in each business unit. We manage our operations through a control system where we record, evaluate and improve each consumption in order to obtain the highest possible energy efficiency without reducing the level of comfort required by our guests. At the end of 2021, we had a 20% reduction in energy use, compared to 2020.

As of 2020, we started with the Remote Monitoring System for Critical Systems project on a pilot basis, a platform that allows us to monitor the proper operation of our equipment and energy consumption in real time. Not to mention the policies and procedures developed for energy efficiency during operation, in addition to having an area dedicated to preventive and predictive maintenance. This system is implemented in five hotels and we plan to expand it in the coming years.

PROFESSIONAL DEVELOPMENT AND GROWTH

The professional development and growth of our talent is a priority and strategic axis of the company. It is a key resource to identify the mechanisms that provide our employees with the knowledge, skills and aptitudes necessary to achieve their optimum performance, the fulfillment of their personal objectives, as well as their contribution to the purpose and short- and long-term objectives of the company.

LOCAL ECONOMIC IMPACT

During 2021, we hired 367 new employees. To operate our hotels, we hire people who live close to the work centers, thus favoring local hiring. We ended 2021 with 3,399 employees, of which 37% are men and 63% are women, and 95% of them are Mexican. Likewise, 52% of our management and executive positions are held by women.





WASTE MANAGEMENT AND CIRCULAR ECONOMY

Chain-wide, we have procedures in place to collect, separate, record, and recycle all waste generated during operation. Finally, this waste is delivered to authorized collectors or managers who comply with local, state and federal laws. Our commitment for 2022 is to raise awareness of this important issue and provide training for employees, as well as follow-up on our measurement processes, in addition to identifying other initiatives to reduce the impact of waste.

NATURAL DISASTER PREPAREDNESS AND RESPONSE

As part of our climate, economic and social risk management, three years ago we conducted an analysis to identify hotels located in areas with a high risk of flooding within the Mexican territory.

Each hotel has an internal civil protection program that identifies and anticipates the physical risks to which each hotel is exposed. At the end of 2020 and during the first quarter of 2021, we aligned ourselves with the Task Force on Climate Related Financial Disclosures (TCFD), which is an international initiative to promote the management and reporting of climate change risks and opportunities in organizations, where chronic and acute risks were identified. For the latter we have comprehensive insurance policies, climate-related risk assessments before and during hotel operations, and the preparation of studies with insurance specialists to identify and reduce areas of opportunity. We are currently working to improve our response to natural disasters across the chain.

INNOVATION IN OPERATIONS

We know that the culture of innovation is a key factor in the success of Hoteles City. We always seek to be on the cutting edge through an innovative vision of design, construction and operation that our clients and employees have turned into a successful model. As a result of our vision of environmental care since the beginning of operations, our sustainability program has evolved through the implementation of a range of eco-technologies to optimize the use of water and energy and reduce waste generation. In addition, our strategic alliances have boosted the high-impact entrepreneurial ecosystem by supporting innovative companies in clean technologies.

To learn about our ESG policies, click here:

[Environmental Impact Policy >>](#)

[Comprehensive Waste Management Procedure >>](#)

[Supplier Policy and Sustainable Purchasing >>](#)

RELEVANT TOPICS BY STAKEHOLDER GROUP

In addition to the double materiality graph, we present an analysis showing the level of relevance (relevant, very relevant, extremely relevant and critical) that each topic has for our different Stakeholders, according to the materiality study conducted in 2021. This information serves as an input to improve our Sustainability strategy and to address the interests of our Stakeholders in a better targeted manner.

RELEVANCE ANALYSIS

	GUESTS	COMMUNITY	SUPPLIERS	EXPERTS	EMPLOYEES	SUSTAINABILITY COMMITTEE	BOARD OF DIRECTORS	INVESTORS
INTERNAL SOCIAL	Training and education	●	●	●	●	●	●	●
	Diversity, equity and inclusion	●	●	●	●	●	●	●
	Comprehensive well-being of employees	●	●	●	●	●	●	●
	Motivation and sense of belonging	●	●	●	●	●	●	●
	Fair working conditions	●	●	●	●	●	●	●
	Professional development and growth	●	●	●	●	●	●	●
	Health, safety and protection of employees and guests	●	●	●	●	●	●	●
EXTERNAL SOCIAL	Participation and empowerment of communities	●	●	●	●	●	●	●
	Preservation of local culture and natural heritage	●	●	●	●	●	●	●
	Prevention of illegal sex tourism and family violence	●	●	●	●	●	●	●
	Promoting responsible tourism	●	●	●	●	●	●	●
	Human rights compliance	●	●	●	●	●	●	●
	Local supplier development and sourcing	●	●	●	●	●	●	●
	Healthy, safe and sustainable food	●	●	●	●	●	●	●
ENVIRONMENTAL	Biodiversity management and habitat protection at the destination	●	●	●	●	●	●	●
	Climate strategy and emissions reduction	●	●	●	●	●	●	●
	Energy consumption and efficiency	●	●	●	●	●	●	●
	Waste management and circular economy	●	●	●	●	●	●	●
	Sustainable use of water	●	●	●	●	●	●	●
	Responsible purchasing of goods and services	●	●	●	●	●	●	●
	Smart and sustainable buildings	●	●	●	●	●	●	●
ECONOMIC	Ethical business practices and legal compliance	●	●	●	●	●	●	●
	Climate, social, environmental and economic risk management	●	●	●	●	●	●	●
	Local economic impact	●	●	●	●	●	●	●
	Economic, social and environmental supplier evaluation	●	●	●	●	●	●	●
	Innovation in operations	●	●	●	●	●	●	●
	Customer experience	●	●	●	●	●	●	●
	Natural disaster preparedness and response	●	●	●	●	●	●	●

○ Relevant ○ Very relevant ○ Extremely relevant ○ Critical

city impact

GUESTS OF THE WORLD

At Hoteles City we know that, in order to ensure our commitment, it is necessary to define strategic axes that allow us to generate a positive impact on the environment, society and the communities where we operate.

Under this scenario, we reaffirm our sustainable commitment through *Impacto City*, a platform that stems from the essence, values and philosophy of our chain.



MANIFESTO

“ At Hoteles City we believe that we are all guests of this world and all that matters is that our stay leaves a positive mark for the future ”.

Impacto City reflects our responsibility as a company to improve our environment and the communities where we operate, through actions for sustainable development throughout our operations. Three strategic pillars converge in *Impacto City*:

CONSERVATION OF THE ENVIRONMENT

For climate change mitigation, biodiversity protection, resource efficiency and responsible tourism.

CREATION OF ECONOMIC VALUE

To promote the integral development of communities by generating well-paid jobs, supporting social entrepreneurship and ensuring ethical performance in its operations.



Environmental conservation

- Biodiversity protection
- Waste reduction and energy efficiency
- Responsible Tourism



CONTRIBUTION TO SOCIAL WELFARE


To promote fair and equitable labor practices, improve the living conditions of local communities by being a Socially Responsible Company.



Creation of economic value

- Innovation and entrepreneurship support
- Direct and indirect job creation
- Ethics, transparency, and governance





Contribution to social welfare

- Inclusion and diversity
- Training and development
- Alliances with high impact organizations



For Hoteles City, **every action counts**. Therefore, we continue to work in accordance with the United Nations Sustainable Development Goals, following an Environmental, Social and Governance (ESG) agenda. In our Environmental Conservation pillar, we include everything related to E (Environmental). In Economic

Value Creation we include G (Governance) and in Contribution to Social Welfare we include S (Social).

To learn about our contribution to the 17 Sustainable Development Goals, [click here >>](#)

SUSTAINABILITY COMMITTEE

GRI 102-31, 102-18

TCFD GOB-A, GOB-B



Since 2014, our Sustainability Committee has been in charge of representing **Impacto City's** actions, with the objective of ensuring that the Company's investment, development and operating decisions are oriented to comply with the best sustainability practices. We seek that the initiatives implemented have a high social and environmental impact in the communities where we operate.

The Sustainability Committee reports directly to the Audit, Risk and Corporate Practices Committee, which in turn informs the Board of Directors in a timely manner about the efforts and initiatives implemented.

The Sustainability Committee is the body that defines, approves and supervises the execution of the Sustainability strategy in Hoteles City.

The Board of Directors meets at least once every three months but may hold extraordinary meetings whenever it deems necessary.

OBJECTIVES AND RESPONSIBILITIES OF THE SUSTAINABILITY COMMITTEE

- Define the profile, scope of action and goals in terms of Sustainability.
- Design, authorize, follow up and evaluate the results of Impacto City's sustainable actions program.
- Define Impacto City's manifesto and objectives.
- Participate in actions and programs to which it is summoned by the public sector and public and private organizations and institutions, whose actions are related to the Sustainable Actions Program.
- Evaluate results and monitor the execution of the social investment budget.



It also performs the following tasks:

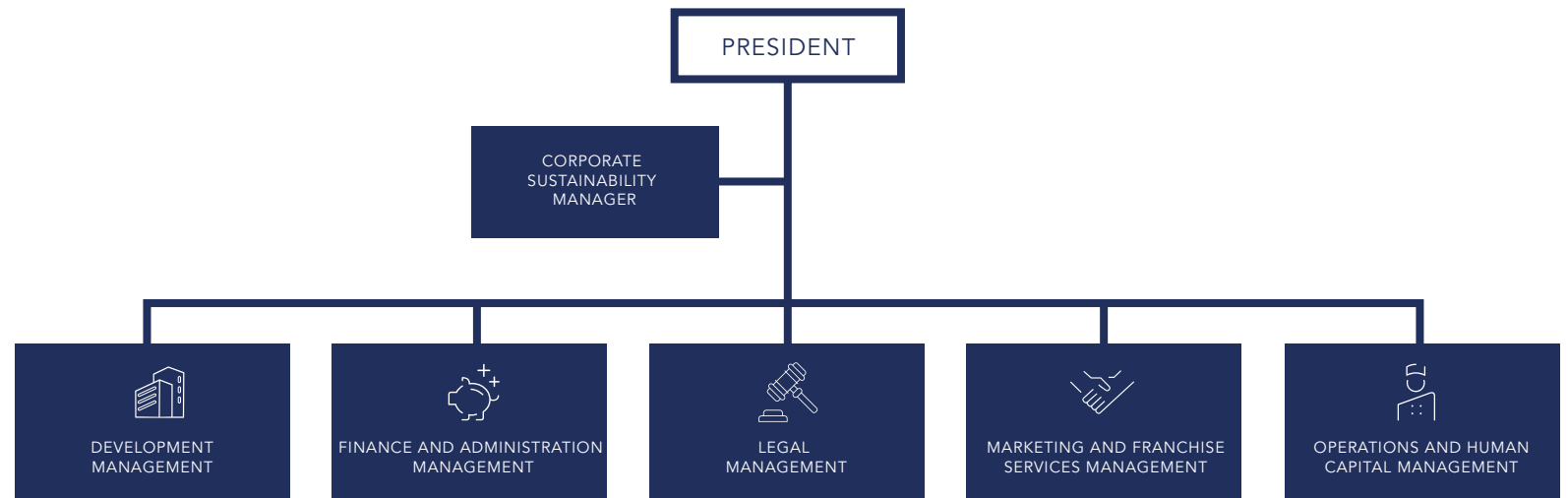
- Establish contact, define actions, and sign agreements with public and/or private institutions aligned to the Sustainable Actions Program.
- Present action plans or partnerships with institutions that include actions related to those defined in the Sustainable Actions Program.
- Communicate to all stakeholders the sustainability actions carried out by Hoteles City regarding sustainability through Impacto City.
- Conduct certification processes (social and environmental) in the programs and initiatives defined within the Sustainable Actions Program.
- Encourage Hoteles City employees to join daily programs and actions that contribute to a sustainability culture.
- Monitor compliance to social responsibility principles in all of our investments.
- Integrate Sustainability into the company's ongoing growth and development strategy.

The Sustainability Committee is made up of company leaders who are agents of change and a major influence in their areas, representing a mosaic of hierarchical positions so that initiatives are adopted as a joint effort.

All members define, approve, and supervise the execution of the chain's Sustainability Strategy and are responsible for sharing the initiatives with their teams so that they are adopted, and the desired impact is achieved.

The Sustainability Committee meets at least once every two months but may hold extraordinary meetings whenever deemed necessary.

AREA REPRESENTATION IN THE SUSTAINABILITY COMMITTEE



In 2021, we held ten Sustainability Committee meetings. Year after year, we reaffirm our commitment and consolidate specific sustainability practices for our entire operation.

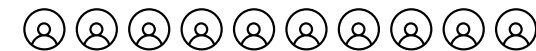
To learn more about our strategy, [click here >>](#)

SUSTAINABILITY COMMITTEE SESSIONS

2019 - 13 Sessions



2020 - 10 Sessions



2021 - 10 Sessions





Environmental conservation

“At **Hoteles City** we are committed to the efficient use of natural resources. We are always looking for strategies to save and care for water, energy and gas, which allows us to continue innovating in mitigation and compensation initiatives in our daily operations”.



Through **Impacto City**, we contribute to mitigating climate change, protecting biodiversity, being more efficient in the use of resources, knowing and neutralizing our carbon footprint, as well as offering more sustainable products and services in each of the communities where we operate.

We currently have an Environmental Impact Policy that establishes the criteria to reduce our consumption of natural resources and greenhouse gas emissions in our daily operations.

OUR CARBON FOOTPRINT

GRI 103-2, 103-3, 305-1, 305-2, 305-4

TCFD MYO-A, MYO-B

SDG 13 goal 13.2

Material topic: Climate strategy and emission reduction

“ The carbon footprint is defined as the total amount of Greenhouse Gases (GHG) emitted directly or indirectly by an organization, product, or service. It is therefore a GHG inventory that is measured in tons of CO₂ equivalent (ton CO₂eq) ”.



For the third consecutive year, we present our carbon footprint measurement in order to show our progress on this important issue and also to comply with the reporting standards established by the Global Reporting Initiative (GRI).

The emission factors¹ for our carbon footprint calculation were obtained from various sources of information, including the Federal Official Gazette (Mexico), the National Commission for the Efficient Use of Energy (Mexico), the Energy Regulatory Commission (Mexico), the National Meteorological Institute (Costa Rica), the National Interconnected System (Colombia), the National Energy Commission (Chile) and the Greenhouse Gas Protocol.

We use internal records of electricity consumption, and for the first time, we have a differentiated measurement by type of gas - LP Gas and Natural Gas², in addition to an estimate of diesel and Gasoline from receipts. It is worth mentioning that the following greenhouse gases were considered for this calculation: Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O).

Our Carbon Footprint³ measurement or emissions inventory considers scopes 1 and 2:

- **Direct greenhouse gas emissions (Scope 1):** GHG emissions from stationary or mobile sources that belong to or are controlled by our organization (Diesel, Gasoline, LP Gas and Natural Gas).
- **Indirect greenhouse gas emissions (Scope 2):** GHG emissions generated outside our facilities as a result of our electricity consumption (kWh electricity).

*We do not emit biogenic emissions⁴

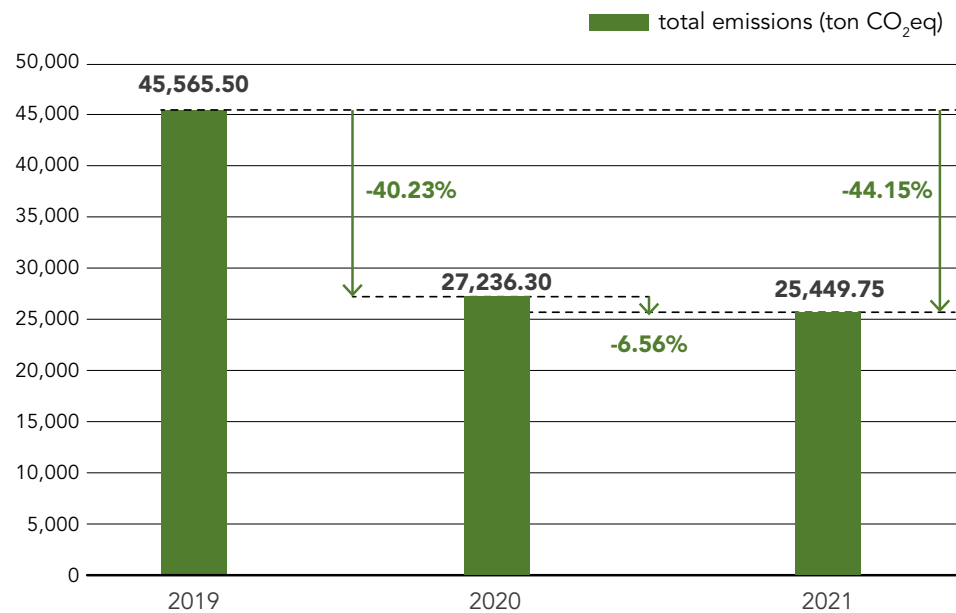
1 The factors used for the calculation are available in Annex 1 of emission factors.

2 LP Gas generates approximately 700 times more Greenhouse Gas emissions than Natural Gas.

3 Scope 3 emissions are not considered for the analysis.

4 Emissions generated from biogenic volatile organic compounds (VOCs) that are emitted by trees in large forests and are part of the global carbon cycle.

TOTAL EMISSIONS



“Hoteles City’s 2021 emissions were reduced by **6.56%** compared to 2020 which is equivalent to 1,786.55 tons of CO₂eq, and by **44.15%** compared to 2019, equivalent to 20,115.75 tons of CO₂eq”.

There was also a 40.23% reduction from 2019 to 2020 equivalent to 18,329.20 ton CO₂eq.

THESE EMISSIONS ARE EQUIVALENT TO:



2,780

average households supplied with energy for one year⁵



339.2

hectares of pine trees to capture CO₂⁶



93,380

kilometers traveled in an average car⁷



CARBON FOOTPRINT CALCULATION BREAKDOWN

	EMISSION SOURCE	CONSUMPTION	U*	CONSUMPTION	U*	EMISSION	U*	COMPARISON 20/21	DISCLAIMERS
Scope 1	NATURAL GAS	1,489,776	Liters	60,087.14	GJ*	3.57	ton CO ₂ eq		Used specifically to provide hot water and breakfast service.
Scope 1	LP GAS	3,090,018	Liters	80,716.16	GJ*	5,237.22	ton CO ₂ eq	↓18.7%	
Scope 1	DIESEL	5,987	Liters	225.55	GJ*	16.98	ton CO ₂ eq	↓33.9%	Use in firefighting system and emergency plant equipment.
Scope 1	GASOLINE	206,982	Liters	6,224.28	GJ*	449.28	ton CO ₂ eq	↓30.2%	Used for hotel vans and fleet of sales employees.
Scope 2	ELECTRICITY	47,563,971	kWh	171,230.29	GJ*	19,742.70	ton CO ₂ eq	↓1.9%	Electricity consumption of hotels located in Mexico and LATAM.

U: Unit kWh: Kilowatt-hour GJ: Gigajoule ton CO₂eq: Tons of carbon dioxide equivalent MWh: Megawatt

The most significant reduction in proportion was diesel, with a 33.9% decrease compared to 2020. Meanwhile, Gas had a greater total reduction of emissions (1,203.41 ton CO₂eq less compared to the previous year), due to greater efficiency in hotel operations and the distinction and measurement by type of gas (**currently 22 hotels in the chain operate with Natural Gas**).

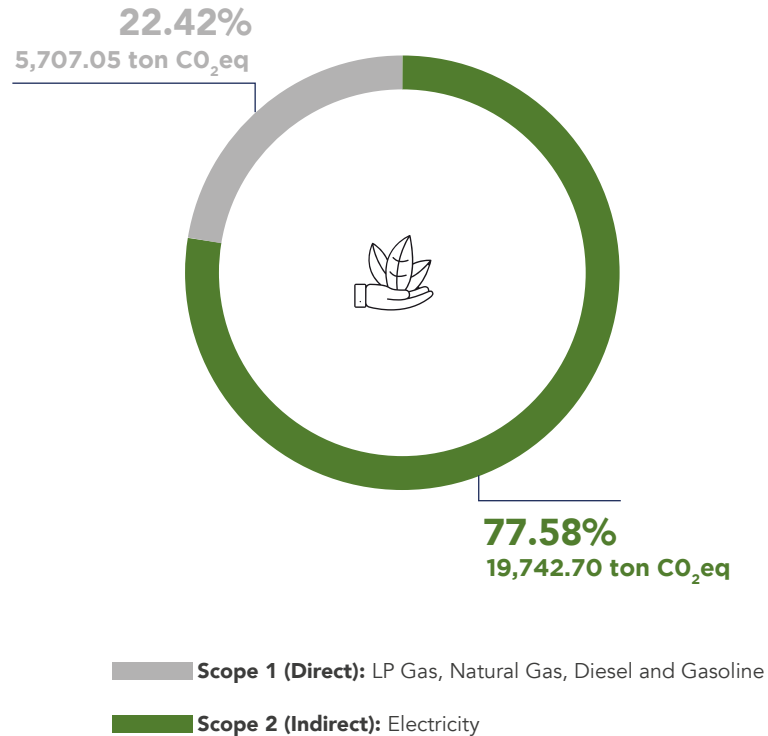
Significantly, despite the fact that in 2021 electricity consumption chain-wide had an increase of 16% compared to 2020, CO₂eq emissions were reduced by 1.90%. This is because the emission factors (ton CO₂e / MWh) of the electricity system decreased*, i.e., less gases were emitted per MWh produced by the country. In addition, with higher occupancy, the electricity consumed in public areas is distributed among a greater number of Occupied Room Nights.

⁵ <http://www2.inecc.gob.mx/publicaciones2/libros/296/cap3.html>

^{6 y 7} <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

* The emission factor of the Mexican electricity system had the greatest impact on the decrease in emissions, representing 95.76% of the total energy consumption across the chain.

DISTRIBUTION BY TYPE OF SCOPE



CO₂ EMISSIONS BY BRAND

We conducted an analysis of the emissions produced by the five Hoteles City brands and reached the following results.

HIGHER
ECOEFFICIENCY



LOWER
ECOEFFICIENCY

cityexpress.
Junior

City Express Junior: The most eco-efficient brand, emitting the least emissions per Occupied Room Night with **0.0076 ton CO₂eq/ORN** (7.63 kg CO₂eq/ORN).

cityexpress.
hoteles

City Express: Medium-high eco-efficiency level, emitting **0.0098 ton CO₂eq/ORN** (9.82 kg CO₂eq/ORN).

CITY
EXPRESS
PLUS.

City Express Plus: Medium eco-efficiency level, emitting **0.0121 ton CO₂eq/ORN** (11.67 kg CO₂eq/ORN).

CITY EXPRESS
Suites.

City Express Suites: Medium-low eco-efficiency level, emitting **0.0154 ton CO₂eq/ORN** (15.43 kg CO₂eq/ORN).

CITY CENTRO.

City Centro: The least eco-efficient brand, emitting the most emissions per Occupied Room Night with **0.0206 ton CO₂eq/ORN** (20.63 kg CO₂eq/ORN).



City Express Junior is the most eco-efficient brand, emitting the least emissions per Occupied Room Night with **0.0076 ton CO₂eq/ORN** (7.63 kg CO₂eq/ORN).

ORN - Occupied Room Night

OCCUPIED ROOM NIGHT (ORN) COMPARATIVE RATIO

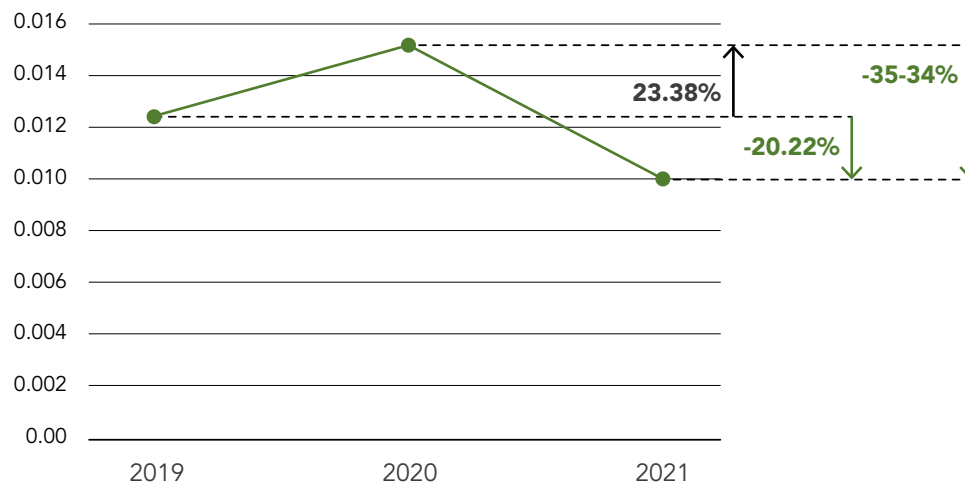
GRI 305-4

Below is our comparative analysis of the Carbon Footprint generated by **Gas and Electricity** consumption since 2019 by ORN. The Carbon Footprint ratio per occupied room night for 2021 is 0.0099 CO₂eq/ ORN (9.92 kg CO₂eq/ ORN) equivalent to the emissions of an average car traveling 40.07 km.

0.0099

ton of CO₂eq per Occupied Room Night is the emissions ratio⁸, which represents a **20.22% decrease compared to 2020**

COMPARATIVE RATIO PER OCCUPIED ROOM NIGHT 2019, 2020 AND 2021



The Carbon Footprint per Occupied Room Night was reduced by 35.34% with respect to 2020. This is due to the fact that the number of Occupied Room Nights increased by 42.93% with respect to 2020, and therefore, with higher occupancy, the electricity consumed in public areas is divided among a greater number of Occupied Room Nights. The second factor is the differentiation according to the type of consumption in liters between Natural Gas⁹ (1,489,776) and LP Gas (3,090,018).

Compared to 2019 emissions per Occupied Room Night decreased by 20.22%, implying that there was also a decrease from Hoteles City's normal operations prior to the pandemic.



For more information on the calculation of our carbon footprint, please refer to our 2021 report. [Click here >>](#)

⁸ The total emissions intensity regarding the business operation is calculated based on ORN and considering it as the denominator. Also, only Gas and Electricity consumption is considered.

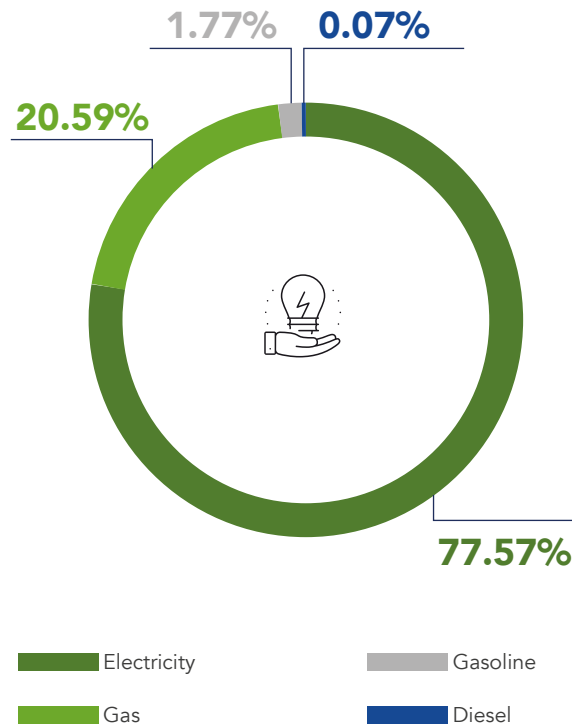
⁹ LP Gas generates approximately 700 times more Greenhouse Gas Emissions than Natural Gas.

*For historical data on our measurement, please refer to Annex 3 of our 2021 Carbon Footprint Report.

DISTRIBUTION BY TYPE OF ENERGY

GRI 305-4

The percentages for CO₂eq emitting sources belong to the most significant consumables used in the daily chain operation, the most significant contributor being electricity, followed by gas, and then by fleet fuels.



TOTAL EMISSIONS RATIO

In 2021, like the previous year, we include measurements of **Gasoline, Diesel, Gas and Electricity** in order to calculate the total emissions ratio. The total emissions intensity regarding the business operation is calculated based on ORN and considering it as the denominator. **The ratio includes the total emissions generated by Scope 1 and 2 by the previously identified gases.**

The ratio of total emissions per occupied room night decreased by 34.14% over 2020. This is due to an increase in the number of occupied room nights and the identification of consumption type in liters of Natural Gas and LP Gas.



25,449.75
tons of CO₂eq of total emissions¹⁰



2,517,450.99
ORN, our productivity unit

“ In 2021, the total emissions ratio was 0.0101 ton CO₂eq per Occupied Room Night, **34.14% less than in 2020**” .



¹⁰ Total emissions consider the use of Gasoline, Diesel, Gas and Electricity.

ENERGY EFFICIENCY

GRI 103-2, 103-3, 302-1, 302-3

SASB SV-HL-130a.1 SASB – Energy management

TCFD MYO-A

UN goal 7.3

Material topic: Energy consumption and efficiency

“ Electricity and fuels such as diesel, gasoline and gas are basic resources for our business operations; hence, it is important for us to guarantee their efficient use ”.



All our properties comply with energy consumption controls, as well as with regulations and laws related to the environment. The data presented below is obtained through internal records.

In 2021, we generated a 16.00% increase in consumption per Occupied Room Night compared to 2019, for although we had a 42.93% increase in room night occupancy, we have not yet recovered the average occupancy that we had in 2019, prior to the COVID-19 pandemic.



By the end of 2021, we had a 20% reduction per Occupied Room Night in energy consumption¹¹ compared to 2020.¹²

100% of the electricity consumed in Hoteles City in Mexico is supplied by the Federal Electricity Commission (Comisión Federal de Electricidad, CFE). In LATAM, energy suppliers are independent depending on the area.

¹¹ The division of this energy into heating and cooling is not available.

¹² This result was obtained due to a 42.93% increase in hotel occupancy. With higher occupancy, the electricity consumed in the rooms and public areas is divided among a greater number of occupied rooms.

Below, we present our electricity consumption at the end of 2021.

REGION	AVERAGE KWH CONSUMPTION PER OCCUPIED ROOM NIGHT 2021	TOTAL ANNUAL ELECTRICITY CONSUMPTION	
		KWH	GIGAJOULES (GJ)
Metropolitan	13.02	2,861,765	10,302.35
Central West	19.32	4,614,493	16,612.17
Northeast	18.62	7,743,998	27,878.39
Northwest	16.73	8,966,983	32,281.13
South	17.69	3,952,249	14,228.09
Southeast	20.68	7,970,640	28,694.30
Plus-Centro ¹³	23.85	10,497,211	37,789.95
LATAM ¹⁴	16.47	956,632	3,443.87

47,563,971

kWh (171,230.29 GJ) annual electricity consumption

18.90

kWh (0.0648 GJ) energy consumption per Occupied Room Night

For Hoteles City, pursuing **clean energy alternatives** has been a priority since our founding.

At the end of 2019, a legacy PPA (Purchase Power Agreement) contract for the acquisition and supply of clean energy came into effect. This would reduce operating costs and

improve the eco-efficiency of the company's operations, while neutralizing the carbon footprint in at least 60% of the hotels.

The future of these energies in Mexico is uncertain given current governmental policies, which pose a significant challenge for their continued implementation.

¹³ Plus-Centro: Includes consumption of the City Express Plus and City Centro brands, of hotels located in Mexico and Colombia.

¹⁴ LATAM: Includes the City Express Plus, City Express and City Express Junior brands, of hotels located in Costa Rica, Chile and Colombia.

REMOTE MONITORING SYSTEM FOR CRITICAL SYSTEMS

“ We have a predictive maintenance program that monitors the machine room and air conditioning equipment conditions, as well as energy consumption in real time, which allows us to optimize equipment operation and energy use”.



This tool allows real-time visualization of energy consumption and timely detection of any overconsumption or atypical behavior that may arise in any equipment. This optimizes the company's resources to perform preventive or corrective maintenance just before a failure occurs.

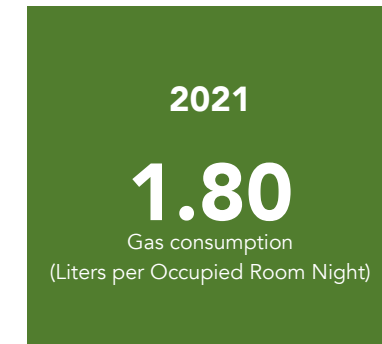
Our monitoring system has been implemented in five hotels and we plan to replicate it throughout the chain in the medium term.

GAS CONSUMPTION

Our results for LP Gas and Natural Gas consumption per Occupied Room Night are as follows:



“By the end of 2021, we had a 17% reduction in our consumption of Gas per Occupied Room Night, compared to 2020¹⁵”.



The proportion with respect to 2019 is a 46% increase per Occupied Room Night, due to the COVID-19 health emergency. Nevertheless, even with a reduced room night occupancy, we keep our water heaters and

recirculation systems constantly operating, allowing us to provide our guests with hot water in the shortest possible time, maintaining the standard temperature offered chain wide.

2021 GAS CONSUMPTION

REGION	AVERAGE CONSUMPTION (LITERS PER OCCUPIED ROOM NIGHT)
Metropolitan	1.70
Central West	1.70
Northeast	2.00
Northwest	1.50

REGION	AVERAGE CONSUMPTION (LITERS PER OCCUPIED ROOM NIGHT)
South	1.50
Southeast	1.00
Plus-Centro	2.70
LATAM	3.70

¹⁵ This result was obtained due to a 42.93% increase in hotel occupancy. With higher occupancy, the gas consumed in the rooms and public areas is divided among a greater number of occupied rooms.

The breakdown of our LP Gas and Natural Gas consumption, as well as the combined use by region, is as follows:

REGION	LP GAS			NATURAL GAS			LP AND NATURAL GAS COMBINED		
	CONSUMPTION	U	%	CONSUMPTION	U	%	CONSUMPTION	U	%
Metropolitan	325,550	L	87%	49,475	L	13%	0	-	0%
Central west	313,573	L	78%	87,077	L	22%	0	-	0%
Northeast	423,226	L	51%	402,363	L	49%	0	-	0%
Northwest	568,031	L	69%	252,912	L	31%	0	-	0%
South	342,077	L	100%	0	L	0%	0	-	0%
Southeast	393,680	L	100%	0	L	0%	0	-	0%
Plus-Centro*	616,282	L	51%	495,696	L	41%	96,161	L	8%
LATAM**	16,246	L	8%	197,445	L	92%	0	-	0%
Total	2,998,665	L		1,484,968	L		96,161	L	

L: Liter LP: Liquefied Petroleum Gas Natural Gas: A mixture of simple hydrocarbons composed mainly of methane.

*Plus-Centro: Includes consumption of the City Express Plus and City Centro brands, of hotels located in Mexico and Colombia.

**LATAM: Includes the City Express Plus, City Express and City Express Junior brands, of hotels located in Costa Rica, Chile and Colombia.



By the end of 2021, 22 hotels throughout the chain were using Natural Gas.

LP Gas produces approximately 700 times more CO₂ than Natural Gas.



4,579,794
liters, the total of LPG and Natural Gas consumed during 2021

16 Values may vary depending on the region and the way gas is produced.

WATER CONSERVATION

GRI 103-2, 103-3, 303-3

SV-HL-140a.1 SASB – Water management

TCFD MYO-A

Material topic Sustainable use of water

“Water is essential to our business. We apply several practices for the care and conservation of this important resource, and we are currently using highly efficient and innovative equipment in our daily processes”.

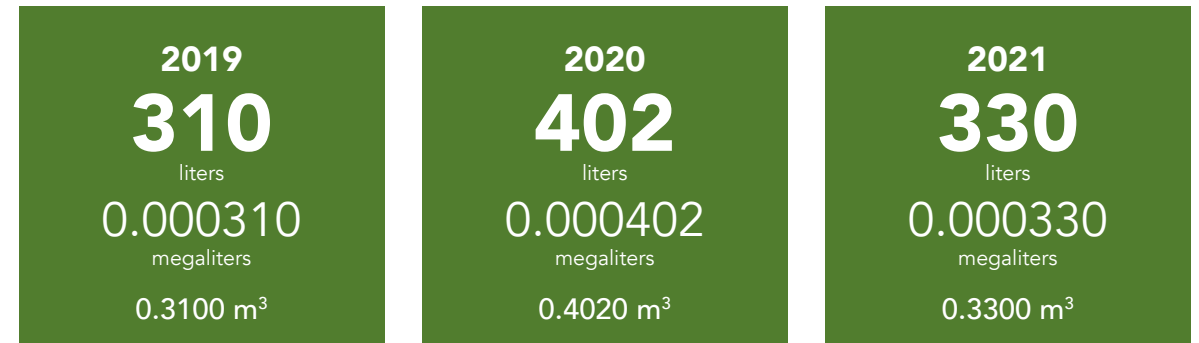


Water is supplied to our buildings through the municipal network and/or our own wells and tank trucks. We measure our water consumption on a daily basis by means of internal records, using the main meter and additional meters placed in the machine room and laundry room equipment.

Proportionally, we used 6% more water over 2019. This is a result of the COVID-19 health emergency, since we continue to reinforce hygiene and cleaning measures in public areas and rooms, as well as in the linen washing process. Water is a fundamental resource to carry out biosafety actions during this critical time.

By the end of 2021, we had an 18% reduction in water use per Occupied Room Night compared to 2020.¹⁷

WATER USE (OCCUPIED ROOM NIGHT)



¹⁷ This result was obtained due to a 42.93% increase in hotel occupancy. With higher occupancy, the water consumed in the rooms and public areas is divided among a greater number of occupied rooms.

WATER USE BY REGION (OCCUPIED ROOM NIGHT) 2021

REGION	LITERS	MEGALITERS	CUBIC METERS
Metropolitan	217	0.000217	0.2170
Central west	386	0.000386	0.3860
Northeast	356	0.000356	0.3560
Northwest	332	0.000332	0.3320
South	253	0.000253	0.2530
Southeast	394	0.000394	0.3940
Plus-Centro*	320	0.000320	0.3200
LATAM**	263	0.000263	0.2630

*Plus-Centro: Includes consumption of the City Express Plus and City Centro brands, of hotels located in Mexico and Colombia.

**LATAM: Includes the City Express Plus, City Express and City Express Junior brands, of hotels located in Costa Rica, Chile and Colombia.



830,428,000

liters equivalent to 830,428 m³ (0.8304 megaliters)
was the total water use chainwide in 2021.



WATER STRESS ANALYSIS

GRI 303-3



SV-HL-140a.1 SASB – Water management

Material topic: Climate, social, environmental and economic risk management.



“ We are presenting our **first water stress study for hotels located in Mexico**”.

This analysis is an effort to identify areas subject to high water stress. Our goal is to manage the risks associated with the environmental conditions in which we operate and to be able to use it as a decision-making tool to prioritize actions that allow for sustainable consumption of water resources.

Water is an extremely important resource for hotels. Compared to other industries, hotels require a relatively

large amount of water resources. Although water is not the single greatest resource we use, a reduction in its availability or a significant increase in prices could affect our operation in the long term.

The study presented below was prepared at the end of 2021 and the beginning of 2022, under the Watershed Analysis and Management methodology.

The study unit was considered at basin level using CONAGUA's (Comisión Nacional del Agua, National Water Commission) regionalization. In addition, we considered the variables of water availability (hm³/year) and demographics (inhabitants) by basin and aquifer with data from SINACONAGUA (Sistema Nacional de Información del Agua, National Water Information System), which was correlated with the 2020 Population and Housing Census of INEGI (Instituto Nacional de Estadística y Geografía, National Institute of Statistics and Geography). Finally, the water availability of the basin and the aquifer per inhabitant was cross-checked and correlated with data from the Mexican drought monitor of the National Meteorological Service (Servicio Meteorológico Nacional, SMN-CONAGUA).

Our focus is on identifying and implementing best practices in water management to reduce operating costs and environmental impacts, as well as to continue to offer our guests a water-responsible lodging option, especially in the most stressed areas.

Water stress:

term used “when the demand for water is higher than the quantity available during a given period or when its use is restricted by its low quality”. (WRI, 2021).



HOTELS LOCATED IN WATER-STRESSED AREAS IN MEXICO

The following are the locations of our hotels within areas classified¹⁸ as having absolute water scarcity, water scarcity and water availability, as well as the respective percentages by type of scarcity.



78%

Absolute water scarcity



10%

Water scarcity



12%

Water availability



¹⁸ In this case, we used the classification proposed by Falkenmark and Widstrand (1992), which "is the best-known way to define water stress" (Carabias and Landa, 2005).



WATER EXTRACTION

The following table shows the extraction of surface water and groundwater that we use throughout the chain, broken down by region.

REGION	% OF HOTELS	WATER COMING FROM THE MUNICIPAL DISTRIBUTION NETWORK AND TANK TRUCKS	U	GROUNDWATER (WELL)	U	TOTAL	U	PROPORTION OF WATER EXTRACTED
Metropolitan	11%	47.80	ML	0	ML	4.80	ML	6%
Central west	13%	92.20	ML	0	ML	9.20	ML	11%
Northeast	14%	148.10	ML	0	ML	14.80	ML	18%
Northwest	16%	175.00	ML	3.1	ML	17.80	ML	21%
South	11%	56.00	ML	0.5	ML	5.70	ML	7%
Southeast	12%	136.90	ML	15	ML	15.20	ML	18%
Plus-Centro	19%	123.2	ML	1.3	ML	12.5	ML	15%
LATAM	4%	31.5	ML	0	ML	3.1	ML	4%
Total	100%	810.60	ML	19.80	ML	83	ML	100%

ML: Megaliters

WATER EXTRACTION IN WATER-STRESSED AREAS

This analysis is our first effort to identify areas of high water stress. We are aware that there is much to be done, and we intend to remain committed to the environment

and to follow practices that optimize the use of resources and reduce our impact.

“ By the end of 2021, 69% of the water extracted came from areas with absolute scarcity, while 31% of the water came from areas where there is no absolute scarcity.”

The following table shows water extraction in areas of high water stress and in areas where there is no absolute water scarcity, broken down by region.¹⁹

REGION	TOTAL WATER EXTRACTED BY REGION FOR HOTELS LOCATED IN AS AREAS	U	PROPORTION OF WATER EXTRACTED FROM AS AREAS	PROPORTION OF WATER EXTRACTED FROM WAS AREAS
Metropolitan	4.80	ML	100%	0%
Central west	7.40	ML	81%	19%
Northeast	13.10	ML	89%	11%
Northwest	17.80	ML	100%	0%
South	2.80	ML	50%	50%
Southeast	0.40	ML	3%	97%
Plus-Centro	10.60	ML	85%	15%
Total	57	ML	69%	31%

ML: Megaliters EA: Absolute Scarcity SEA: Without absolute scarcity

¹⁹ LATAM region is not considered in this analysis.

We express our commitment through the following actions that we carry out across our operations to care for water:

- We currently rely on low water consumption devices, water treatment equipment and innovative processes in our daily operations for an adequate water management.
- We installed water meters in various pieces of equipment that allow us to identify the use of this resource in real time.
- We have water-saving devices in sinks, showers and toilets that allow us to save water during our guests' stay.
- We have developed operational processes to use water efficiently when cleaning rooms and public areas, in addition to using biodegradable cleaning products.
- We wash our linens in full loads.
- We have implemented irrigation processes and systems with established schedules.
- We perform periodic inspections and preventive maintenance of our hydraulic installations to detect leaks.
- We have 20 water absorption wells in various locations, allowing rainwater to infiltrate directly into the soil.

WATER TREATMENT PLANTS



goal 6.3

Currently, the company has 14 wastewater treatment plants on properties in various regions that contribute to water sanitation, with an overall capacity of approximately 866.50 m³, which has allowed us to treat an average of 119,646.73 m³ of water.

Based on this analysis, we have set the following commitments:

- Monitor drought intensity every six months in locations throughout Mexico, in order to manage the water supply risk.
- Assess the implementation of new processes and eco-technologies that allow for the correct management of water in our hotels, with no impact on guest comfort.
- Continue monitoring each hotel's water use to identify anomalies and implement actions to address any atypical behavior.

WASTE MANAGEMENT

“**Hoteles City** promotes an internal environmental policy and a permanent recycling program, involving all employees”.



Chainwide, we have procedures in place to collect, separate, register, and recycle all waste generated during our operations. Waste is then delivered to authorized waste collectors or managers that comply with local, state and federal laws.

Due to COVID-19 emergency in 2020 and 2021, we had to rethink our strategy for our Integrated Waste Management (IRM) process, as a result of modifications in waste disposal and the risk of contagion posed by it. Our commitment for 2022 is to resume training for employees, as well as the proper implementation of our separation and measurement processes, in addition to identifying other initiatives to reduce our waste impact.

To learn about our **Comprehensive Waste Management Policy**, [click here>>](#)

Additional to our Waste Management process, during 2021 we donated linen to support different institutions benefiting the community. This work also allows us to extend the useful life of the linen, reducing the amount of waste sent to landfills and lowering the environmental impact caused by the production of new textiles.



15,639

linen pieces donated to different institutions to be recycled or reused

BIODIVERSITY PROTECTION



304-1, 304-2



SV-HL-160a.1 SASB- Ecological Impacts



goal 15.1

Material topic: Biodiversity management and habitat protection in the destination and preservation of the Natural heritage.

IMPACT ON OPERATIONS

“The environmental impacts of our properties’ operations are classified as adverse and non-negative by the Mexican authorities. This means that our impact is compatible with the environment in which we operate”.



In order to reduce our impacts, we aim not to interfere with the natural processes in the areas where we operate. Our purpose is to identify and implement diverse actions to care for biodiversity in Mexico.

NUMBER OF FACILITIES LOCATED NEAR OR IN PROTECTED AREAS

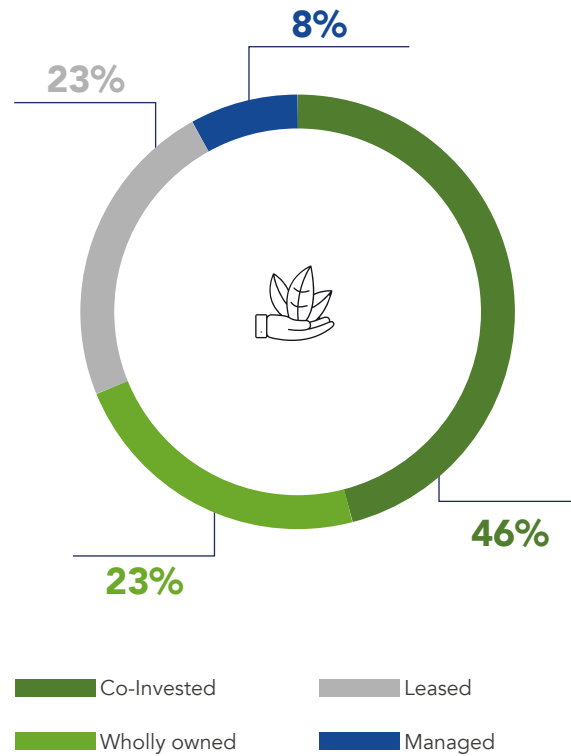
We consider Natural Protected Areas those established by the **General Law of Ecological Balance and Environmental Protection** (Ley General del Equilibrio Ecológico y Protección al Ambiente).

By the end of 2021, we had a total of 13 hotels located near or in one of said areas, representing 8.5% of the total number of hotels.

Hotels near or in protected reserve areas:

1. City Express Playa del Carmen
2. City Express Suites Playa del Carmen
3. City Express Suites Cabo San Lucas
4. City Express Plus Cabo San Lucas
5. City Express Junior Puebla Angelópolis
6. City Express Puebla Angelópolis
7. City Express Cancún
8. City Express Junior Cancún
9. City Express Paraíso
10. City Express Junior Villahermosa
11. City Express Tampico
12. City Express Tuxpan
13. City Express Veracruz

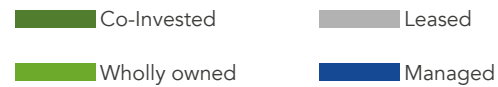
CLASSIFICATION OF LAND TYPE OF HOTELS LOCATED IN PROTECTED AREAS



Hotels that respect native vegetation:

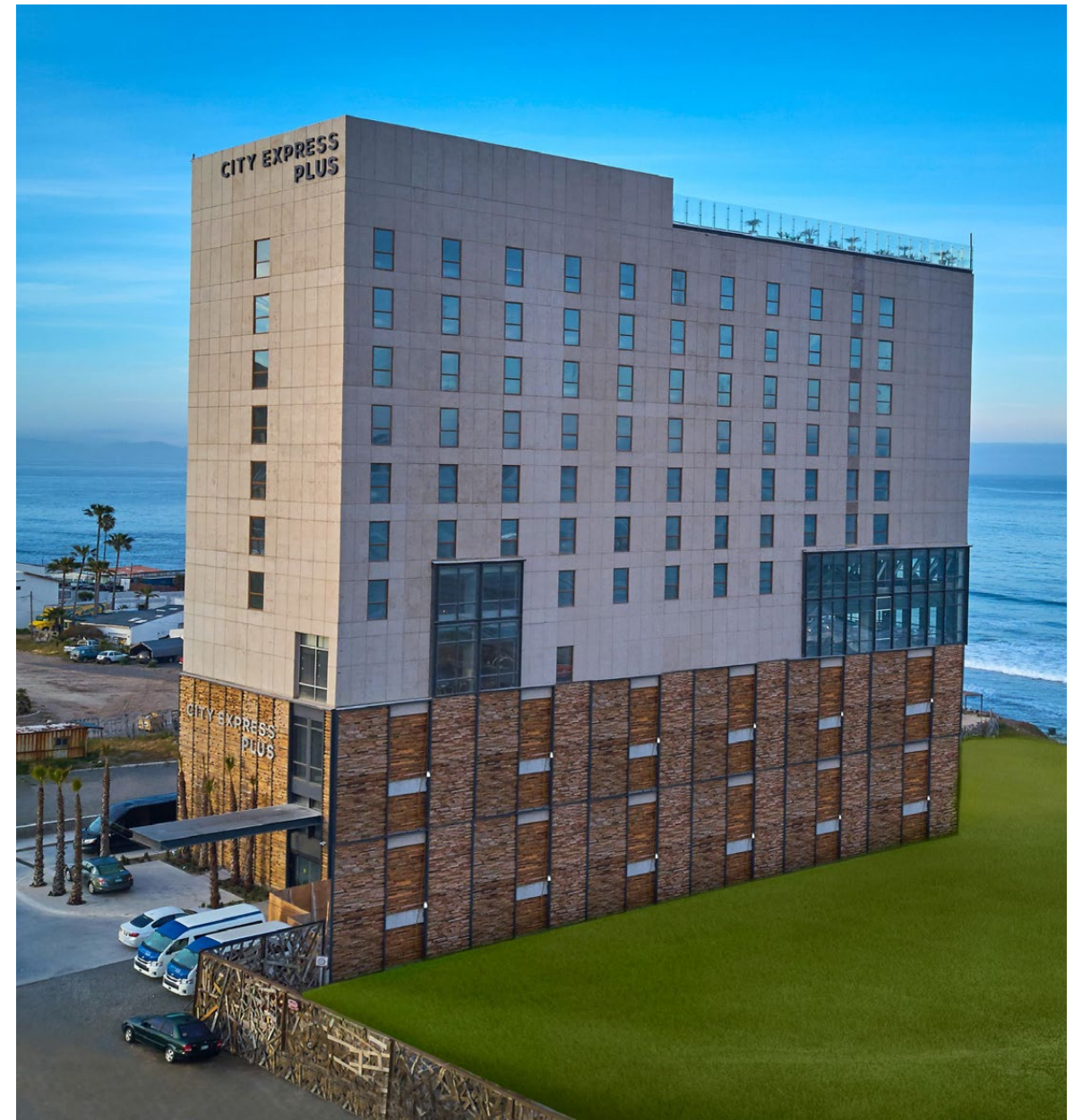
14. City Express Costa Rica
15. *City Express Mérida

Hotels located in these areas comply with all requirements set forth in Federal (National), state and municipal legislation regarding their construction and operation.



Notes:

The location of the hotels can be consulted at <https://www.cityexpress.com/>
 100% of the type of operation is classified as: hotel.
 Biodiversity value (attributes of the protected area) is classified as: terrestrial ecosystem.
 None of the hotels are located in an area appearing on special lists.
 *Specimens of *Thrinax radiata*, a species included in NOM-059-SEMARNAT-2001, must be protected.
 Preferably native plants should be selected and introduced species should be avoided.



RECOVERY OF GOLDEN EAGLE POPULATIONS AND ITS HABITAT IN MEXICO

GRI 413-1



SV-HL-160a.2 SASB- Ecological Impacts



goal 15.5

Material topic: Biodiversity management and habitat protection in the destination

“ At Hoteles City, we reaffirm our commitment to the environment and the protection of biodiversity”.



More than ten years ago we undertook the first actions to preserve the Golden Eagle (*Aquila chrysaetos*) in Mexico and since then, we have worked on several initiatives to increase the knowledge of this species in order to assist in its conservation.

In 2021, we became part of the Abanderados program with Espacios Naturales y Desarrollo Sustentable A.C. (ENDESU), to continue preserving the golden eagle and its habitat.

Since there are currently only 174 reproductive couples registered in Mexico, we need to join efforts with various stakeholders to achieve an active recovery in the next 10 years, which is why during 2021 and 2022 we are carrying out the following actions:

- Digital campaign to reinforce the importance of preserving this species.
- Virtual lectures in museums to deepen the importance of contributing to conservation.
- Hoteles City guest donations through the City Premios Loyalty Program.
- Donation program aimed at different stakeholders on the ENDESU website.

To learn more about this initiative, click here: **Hoteles City joins the protection and conservation of the Golden Eagle >>**

espacios naturales
y desarrollo sustentable

25 años
Restaurando
el futuro



Todo lo que importa®

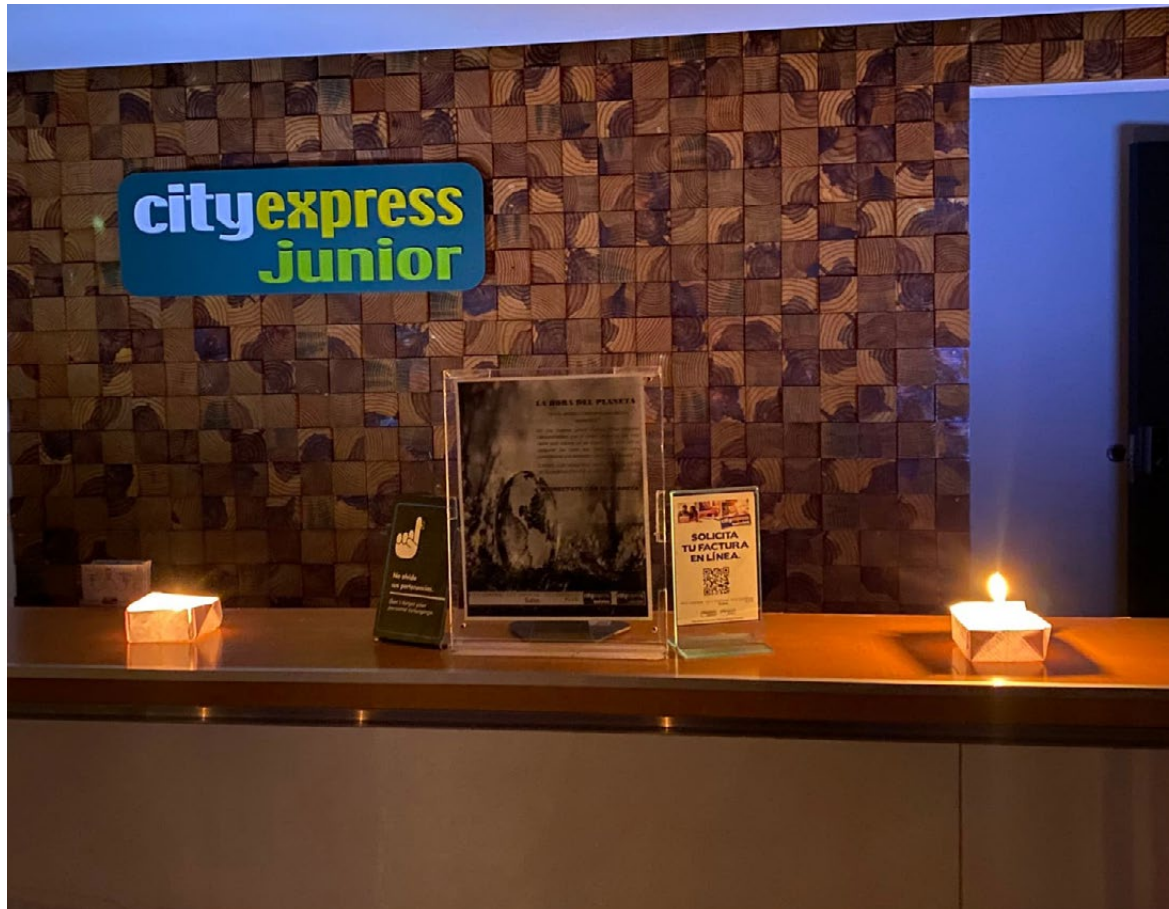
INITIATIVES THAT LEAVE A MARK

Our commitment to the care and preservation of the natural ecosystem remains unwavering. Therefore, in our sustainability strategy and in our hotels' daily operations, we carry out various socio-environmental actions to benefit the communities and the environment where we operate.

PARTICIPATION IN EARTH HOUR



goal 13.3



For yet another year, Hoteles City is joining the worldwide electricity blackout in order to draw attention to climate change issues and to raise awareness of what everyone can do for the planet.

ENVIRONMENTAL IMPACT VOLUNTEERING



goal 15.2

For the second consecutive year, we encouraged the participation of the local population through our **Environmental Volunteer Program**, implementing actions that benefit the environment and the community. Among the main activities are reforestation and tree maintenance, waste collection, habitat maintenance, and cleaning of water bodies.

Our impact in 2021:



76

participating hotels



2,142

pieces of waste collected



27

organizations from different entities working in alliance



12

trees planted



501

volunteers



20

trees being maintained

SOCIAL AND ENVIRONMENTAL INNOVATION MEETING



goal 6.2



goal 13.3



goal 15.2

For the second year, we joined forces with ECOPIIL, Arte Crea Conciencia A.C. We carried out the Second Meeting of Social Innovation and Environmental Leadership, now in Boca del Río, Veracruz, in order to create a space to catalyze positive impacts nationwide, by transferring ECOPIIL's Innovation Model, exchanging ideas, and providing training for environmental leadership.

innovation, circular economy and climate empowerment, and where part of in-person and digital sessions, in addition to contributing to five community interventions:

- Environmental interpretation tour - Arroyo Moreno Reserve, Boca del Río.

- Environmental interpretation walks to learn about the mangrove ecosystem, its biodiversity and conservation initiatives.

- 51 participants

- 1.5 kilometers of observation

- +140 organisms seen

- Reforestation days in Bosque Sonoro.

- 300 trees and springs in Ejido Angel R. Cabada



- Maintenance of green infrastructure and environmental improvement



- Fandango and cultural gastronomy

- Plogging + beach cleaning - Punta Calilla



- 263 kg of waste (plastics, glass, polystyrene, cans, etc.) collected

- #ArteCreaConciencia-Biodiversidad Mural in Los Tuxtlas.



- A 15 m² mural was made as an environmental education tool in which nine marine species of Los Tuxtlas Biosphere Reserve were depicted.

- Water environmental fair

- Six environmental training workshops on water care were held for 50 young people, Balneario Natural Manantiales, Veracruz.



51 participants



5 days of environmental work



24 hours of training

This time, 51 young innovation agents, belonging to ten ECOPIIL youth groups (nodes) from different states in Mexico, learned about entrepreneurship, leadership,



RESPONSIBLE TOURISM



goal 8.9



goal 12.b



goal 11.4

Material topic: Biodiversity management and habitat protection in the destination

“Our philosophy is to collaborate and be part of responsible tourism, creating alliances and partnerships with different organizations”.



We collaborate with the Responsible Tourism Institute (RTI), the World Tourism Organization (UNWTO) and the United Nations Global Compact (UNGC), with a strategy aimed at preventing, reducing and eliminating our negative impact while maximizing the positive impact in all the communities where we operate.

To achieve this, Hoteles City is committed to:

- Motivate and train employees in the principles of Responsible Tourism.
- Encourage the participation of employees and guests in environmental, cultural and socioeconomic practices and activities that benefit the population's quality of life.
- Contribute to minimize waste, as well as reducing consumption of energy, water and non-renewable resources.
- Support entrepreneurship and technology initiatives to favor economic development directly and indirectly.
- Satisfying our stakeholders through sustainable management and ensuring safety and hygiene measures.

Responsible tourism is a set of values and practices that a tourist can adopt to help preserve the nature and social aspects of a destination. We created a **Responsible Traveler's Decalogue** to encourage our guests to act in a positive way during their stay, to benefit the locality and the environment.

HOW TO BE A RESPONSIBLE TRAVELER?

- 1 Make the most of **natural daylight** during your stay.
- 2 Before leaving your room, **turn off** lights, air conditioning and television.
- 3 When you have to dispose of waste, support the **correct separation** in the containers.
- 4 For stays longer than 2 days we suggest you **reuse sheets and towels**.
- 5 Contribute to the **moderate use** of our main natural resource - water.
- 6 Support local development by consuming **local products, gastronomy and services**.
- 7 Share and learn about the community you are visiting, respecting its **values and traditions**.
- 8 **Be empathetic to diversity**, avoid engaging in discriminatory activities.
- 9 Promote **decent and fair working conditions** that respect workers' rights.
- 10 Enjoy experiences that **respect the natural habitat** of wildlife and plants.

SUSTAINABLE PURCHASES

GRI 103-2, 103-3, 102-9, 308-1

goal 12.5

“ Our suppliers are an essential part of our sustainability strategy. We seek to foster a commercial relationship based on their institutional values, thus ensuring a supply chain that is sustainable over time and responsible with society and the environment”.



We have an internal and external auditing system to ensure that all inputs that belong to the **environmentally friendly** category comply with the Sustainable Procurement and Supplier Policy.

9,402 suppliers, of which 7,668 are essential to our operations

158 suppliers are strategic²⁰

4,163 new suppliers joined our catalogs as service and product providers in 2021

188 suppliers participated in a bidding process during 2021

99% are domestic suppliers, operating in the locations closest to our facilities. Only 1% are foreign suppliers²¹

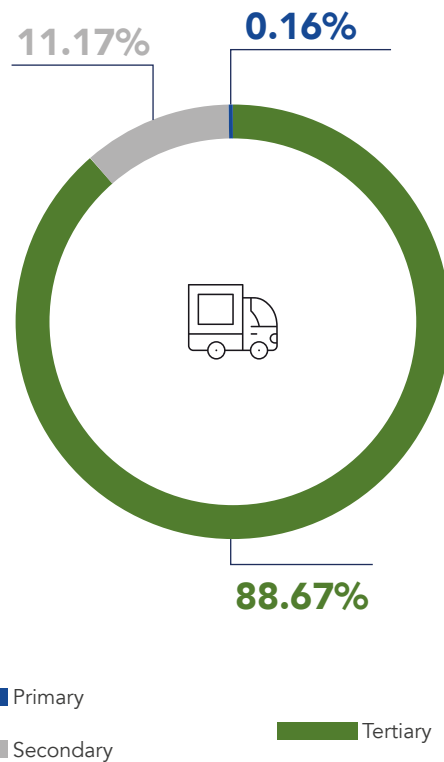
32 suppliers are engaged in construction

²⁰ Strategic suppliers include suppliers of goods, materials and services, as well as high-volume suppliers that have a competitive impact on the operation.

²¹ Domestic suppliers are considered to be those based in the countries where we operate.

CATEGORY	TOTAL SUPPLIERS	STRATEGIC	EXPENDITURE %	% OF TOTAL PROCUREMENT EXPENDITURES
Food & Beverage	527	17	20%	6%
Equipment	408	13	51%	4%
Maintenance	1,017	10	51%	7%
Supplies	1,096	29	47%	16%
Services	4,620	89	62%	56%

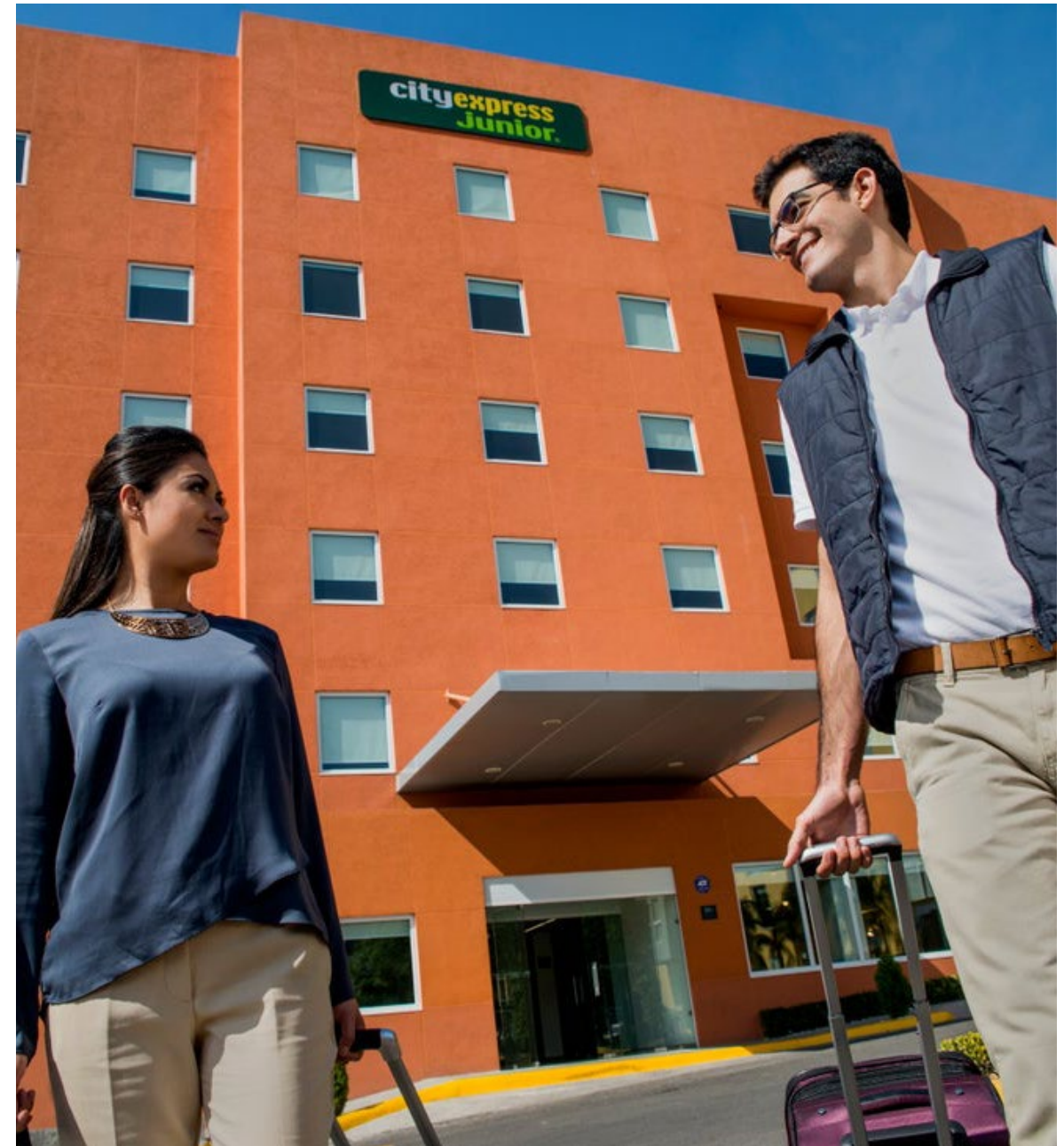
CLASSIFICATION OF SUPPLIERS BY TYPE OF SECTOR



Primary sector: Productive activities involved in the extraction and generation of raw materials such as agriculture, livestock, fisheries, forestry and mining.

Secondary Sector: Transforms raw materials, extracted or produced by the primary sector, into consumer products or capital goods. Secondary Sector: Transforms raw materials, extracted or produced by the primary sector, into consumer products or capital goods.

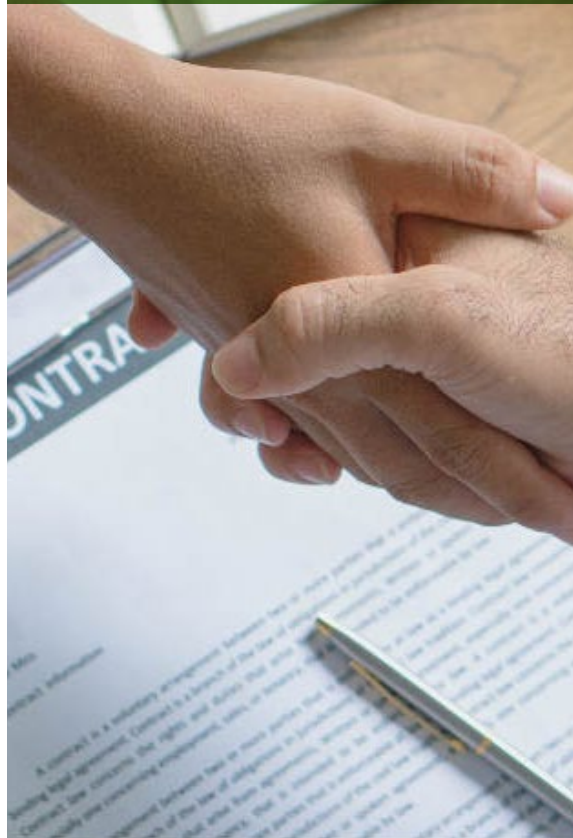
Tertiary Sector: Goods and services.



SUPPLIER BIDDING

GRI 204-1, 308-2

“Our goal is to achieve transparent processes with our suppliers, which is why we have a 100% transparent and fair bidding mechanism for the construction and furnishing of our new hotels”.



In this bidding process, Hoteles City evaluates the following aspects:

Ethical
Commitment

Environmental
Protection

Economic
competitiveness

Impact on social
and economic well-
being that would be
generated by hiring
them

All Hoteles City's suppliers have been selected based on compliance with the Sustainable Purchasing and Supplier Policy. All of the Company's suppliers are aware of and have subscribed to our Code of Ethics.

To know our **Policy for Sustainable Suppliers** [click here >>](#)

TOTAL COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

GRI 103-2, 103-3, 307-1

“At Hoteles City we are fully compliant with environmental legislation. At the end of 2021 we had zero fines or non-monetary sanctions for non-compliance with environmental laws and regulations”.



HOTELS LOCATED IN FLOOD ZONES

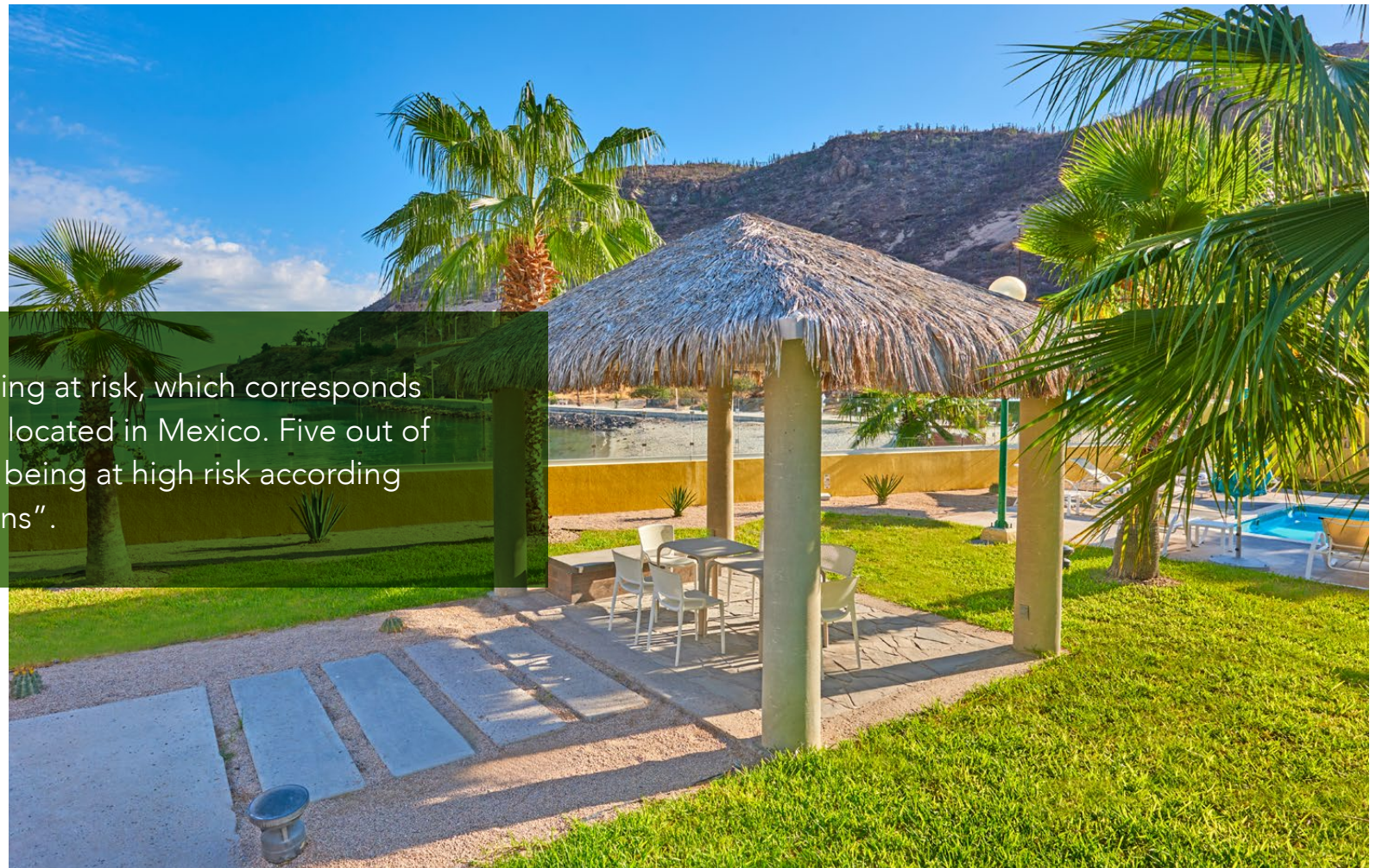


SV-HL-450a.1 SASB - Adapting to climate change

As part of our climate, economic and social risk management, three years ago we conducted an analysis to identify hotels located in areas with a high risk of flooding within Mexican territory. As a result of this study and according to the municipal risk atlases of the National Center for Disaster Prevention (Centro Nacional de Prevención de Desastres, CENAPRED):

“ Thirty-five hotels were identified as being at risk, which corresponds to 23.6% of the total number of hotels located in Mexico. Five out of six hotels in LATAM were identified as being at high risk according to internal regional civil protection plans”.

Each of our hotels has an internal civil protection plan that allows them to adequately prevent and manage the different risks to which they are exposed, especially the risk of flooding. As part of our commitments, we will continue to monitor any changes that may occur, and during 2022 we will update this analysis once again.



CLIMATE CHANGE RISKS AND OPPORTUNITIES STUDY

TCFD EST-A, EST-B, GDR-A, GDR-B, GDR-C

Material topic: Climate, social, environmental, and economic risk management.



During 2020 and early 2021, we conducted a study of risks and opportunities related to climate change, aligned with the Task Force on Climate Related Financial Disclosures (TCFD), which is an international initiative created to promote the management and reporting of climate change risks and opportunities in organizations. Its guidelines are structured in four main groups of recommendations related to governance, strategy, risk management, establishment of metrics and objectives.

To know this study in detail, please see **ANNEX 2 >>**



Creating economic value

GROWTH



goal 9.2



By the end of 2021, we operated 152 hotels and 17,331 rooms in 75 cities. We aim to continue generating a positive economic impact through the creation of direct and indirect jobs during the development and operation stages of each hotel.



NUMBER OF ROOMS



NUMBER OF HOTELS



In 2021 we had a 1.0% decrease in rooms over 2020, due to the net of openings and closings and/or termination of management and franchise contracts.

CORPORATE GOVERNANCE

GRI 102-17, 102-18

The Board of Directors is comprised of 11 members, ten of whom are independent. 97% of our shareholding is held by the broad investing public and 3% is owned by the management team.

Independent Directors comply with the criteria established in the Company's Bylaws, according to Article 26 of the Securities Market Law and any other provision issued by the National Banking and Securities Commission.

ETHICS AND TRANSPARENCY

Hoteles City has the following mechanisms to guarantee ethical performance.

To learn more about them, click on each one.

COMMITTEES

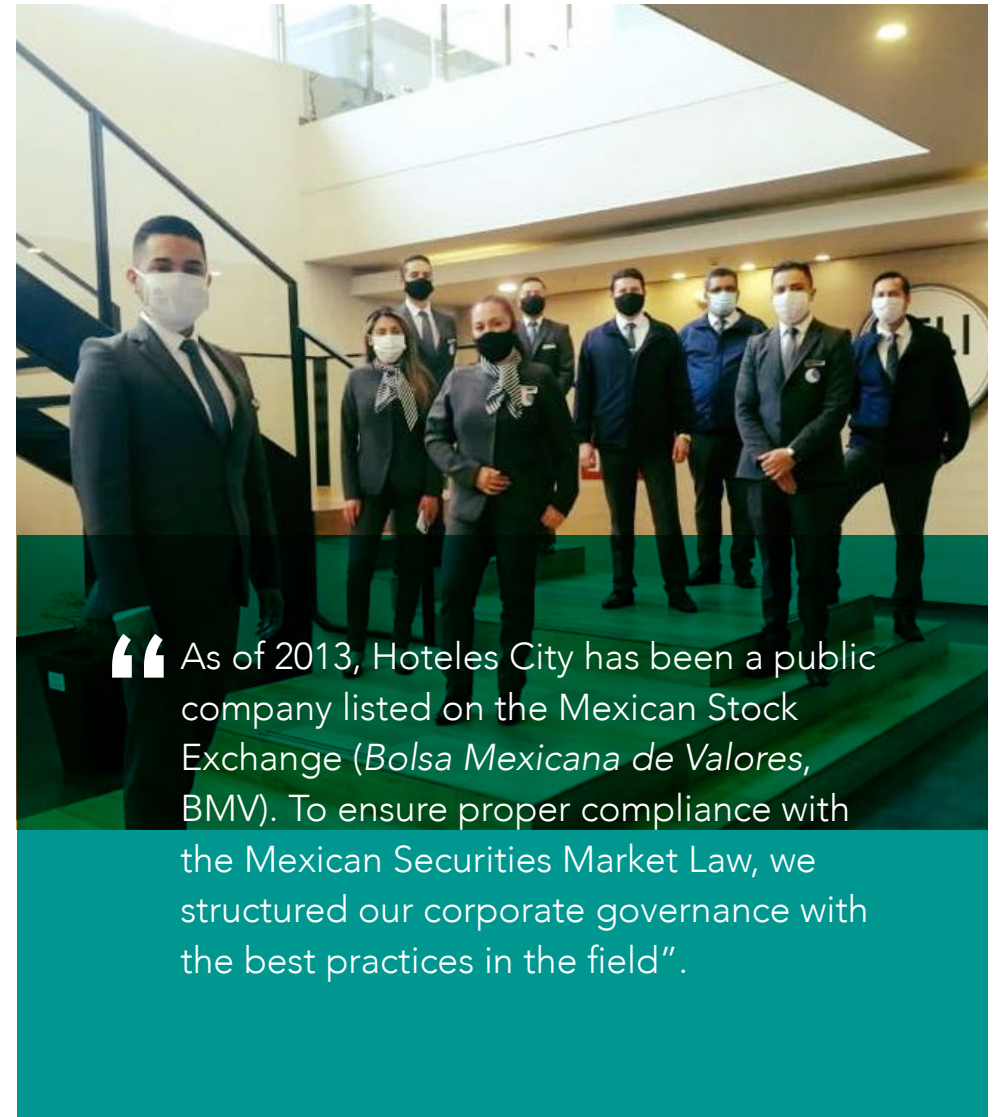
Audit, Risk and Corporate Practices Committee. It is 100% independent and one of its main functions is to prevent corruption in the company.

Planning and Finance Committee

Acquisition and Construction Committee

Compensation and Nomination Committee

- Code of Ethics >>**
- Information Security Policies
- Confidential Means of Reporting >>**
(included in the Code of Ethics)
- Anti-corruption Policy >>**
- Fair Market Practices Guidelines >>**
- Human Rights and Non-Discrimination Policy >>**
- Objective Evaluation Mechanisms
- Ethics Committee >>**
- Civic Engagement



INTEGRITY

GRI 102-17, 205-2



SV-HL-310a.4 SASB-Labor Practices



goal 16.5

CONFÍA PROGRAM



“ An anonymous, independent, confidential, secure and open communication channel for employees, suppliers, guests and other stakeholders to report irregularities and violations of our Code of Ethics” .

All complaints are dealt with promptly by the Ethics Committee and are considered anonymous and highly confidential complaints to always protect the integrity of the complainant.

REPORTING CHANNELS

Mexico: 01-800-1223-3312

Colombia: 01-800-752-2222

Costa Rica: 01-800-054-1046



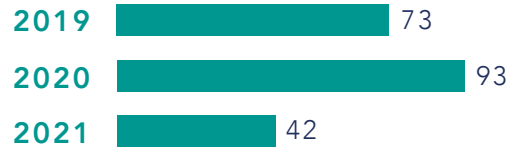
CHECK our complaint Channel website here >>



CONFÍA

In our complaint line we receive complaints about various issues and all of them are **attended to 100%**.

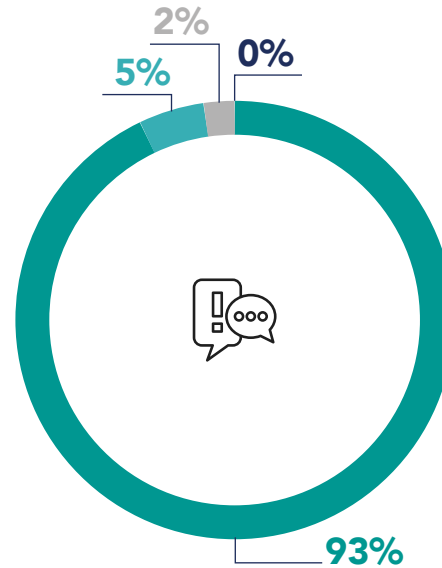
NUMBER OF COMPLAINTS PER YEAR



PERCENTAGE OF COMPLAINTS RECEIVED BY REGION

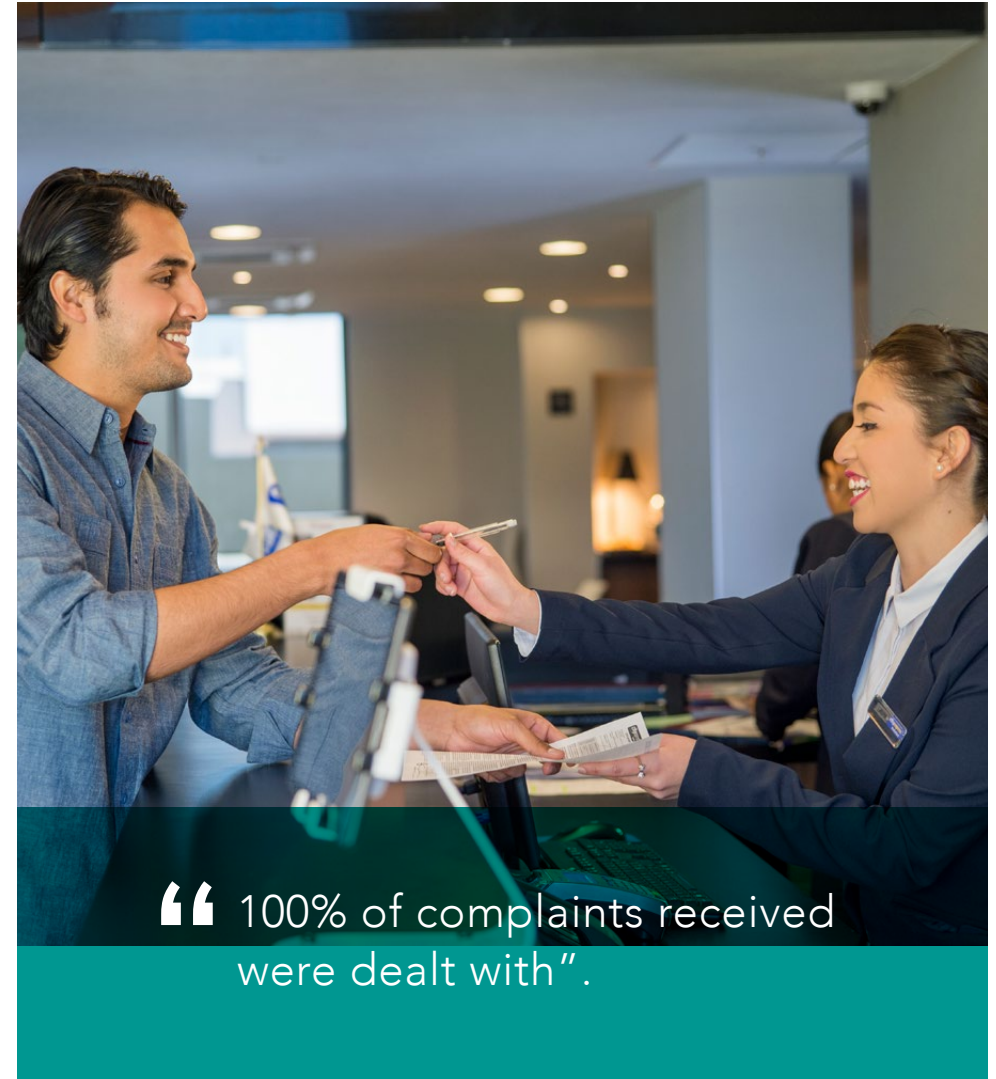
	2019	2020	2021
Metropolitan	40%	0%	29%
Central west	26%	31%	19%
Northeast	1%	0%	3%
Northwest	17%	9%	19%
South	5%	1%	6%
Southeast	3%	4%	3%
LATAM	5%	1%	10%
Headquarters	5%	1%	10%
Total	100%	100%	100%

CLASIFICACION OF COMPLAINTS



- Poor performance complaints
- Hostile behavior complaints
- Ethics complaints
- Fraud complaints

Reports received are classified based on a catalog of generic behaviors by topic. Independent experts have been involved in the investigation of some of these cases, and corrective and disciplinary measures have been taken in some of them, such as outreach with supervisors and process improvements, among others.



“100% of complaints received were dealt with”.

CODE OF ETHICS



SV-HL-310a.4 SASB-Prácticas laborales



goal 16.5

Material topic: Compliance with Human Rights

“Through our Code of Ethics, we set up a behavior framework that outlines the principles that drive our company and helps us fight corruption at all levels”.



Hoteles City employees may not make monetary or in-kind contributions to political campaigns or organizations or any other group whose objective is to exert pressure on changes in legislation. During 2021, no such contributions were made.

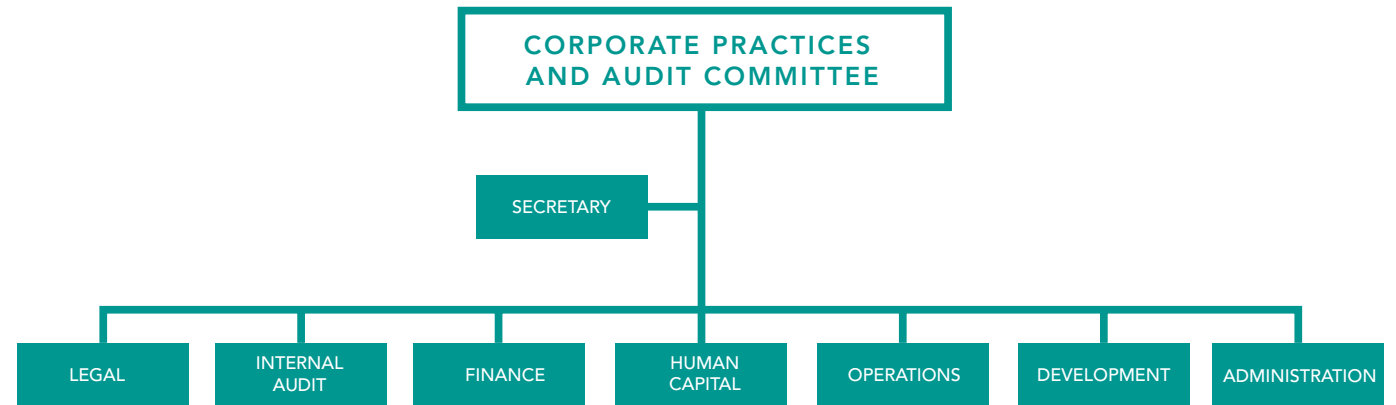
Our Code of Ethics is available for consultation on our website, and it is also disclosed in different internal communication media, public materials, statements to the media and bidding processes with suppliers, just to name a few.

[To know our Code of Ethics, click here >>](#)

ETHICS COMMITTEE

We have an Ethics Committee to ensure adherence to and compliance with the Code of Ethics.

The Ethics Committee is composed of seven members, who are appointed by Hoteles City's Board of Directors, and are preferably chosen among officers from each of the following areas: legal, internal audit, finance, human capital, operations, development and administration. A secretary, who may or may not be one of the committee's members, will also be appointed. This committee reports directly to the Corporate Practices and Audit Committee.



TRAINING ON THE CODE OF ETHICS AND ANTI-CORRUPTION POLICY

GRI 205-2

Every year we reinforce compliance with the **Code of Ethics** and the **Anti-Corruption Policy** for suppliers, directors and third parties related to the company.

We launched our Code of Ethics course in Mexican Sign Language, a way to share information in an accessible format for all Hoteles City employees.



1,078

man-hours of training on the Code of Ethics and Anti-Corruption Policy



75%

of hotel employees



83%

employees in Headquarters were trained in these topics

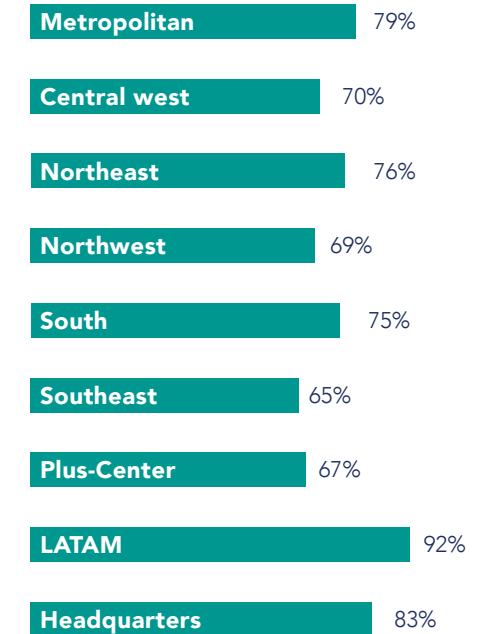
*Training is considered at all levels including management positions and corporate governance members.



We strengthened outreach of the Code of Ethics to all our suppliers through digital media, which allows us to engage this group of stakeholders on issues of transparency and ethical commitment.



CODE OF ETHICS AND ANTI-CORRUPTION POLICY TRAINING OUTCOMES BY REGION



SOCIAL INVESTMENT

GRI 102-7, 102-45, 201-1

Material topic: Participation and empowerment of communities and local economic impact



5.4 million
in Social Investment in 2019



8.3 million
in Social Investment in 2020

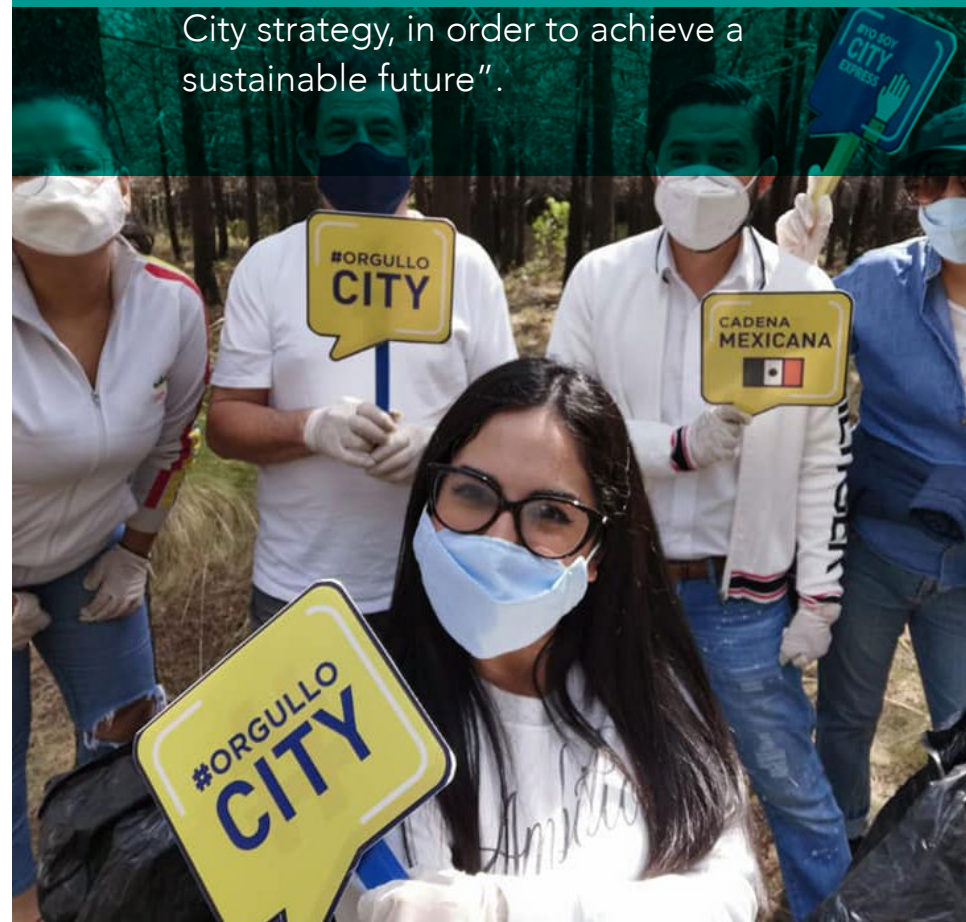


3.4 million
in Social Investment in 2021

In 2021, we continued our social investment by providing in-kind support through the donation of room nights for different initiatives that contribute to the well-being of the community and the environment. In 2021, we continued our social investment by providing in-kind support through the donation of room nights for different initiatives that contribute to the well-being of the community and the environment.

During the first quarter of the year, we sustained our efforts to fight the COVID-19 health emergency, **contributing more than 1,600 room nights** for healthcare professionals, as well as to initiatives that impact the Sustainable Development Goals.

“ We continue to believe in every action integrated into the Impacto City strategy, in order to achieve a sustainable future”.



	2019	2020	2021
Total sales	\$3,150,624	\$1,482,238	\$2,273,801
Hotel Operating Costs	\$1,645,038	\$1,197,599	\$1,401,267
Salaries and Related	\$630,684	\$563,684	\$630,884
Investments	\$1,758,987	-\$413,180	\$172,471
Tax Payments	\$16,303	-\$12,612	\$101,521
Net Profit	\$65,213	-\$1,248,625	-\$438,221
Social Investment	\$5,400	\$8,319 ¹	\$3,479 ¹
Operating Cash Flow	\$770,740	\$107,168	\$481,109
Economic value generated	\$3,150,624	\$1,482,238	\$2,273,801
Economic value distributed	\$712,654	\$593,967	\$732,405
Economic value retained	\$2,437,970	\$888,270	\$1,541,396

¹ and ¹ In-kind social investment.

*Figures are shown in thousands of pesos.

*The direct economic value generated and distributed (EVG&D) is calculated based on the criteria of the GRI 201-1 indicator.

INNOVATION AND ENTREPRENEURSHIP PROGRAMS

GRI 102-7, 102-45, 203-1



goal 8.2

Material topic: Participation and empowerment of communities

ENTREPRENEURSHIP VALUE CHAIN



“ Our goal is to promote innovation and entrepreneurship at all levels and in all locations where we do business”.

Partnering with different organizations, we promote ideas and consolidated projects throughout the entire entrepreneurship value chain, and we encourage new generations to create sustainable business models.

CUANTRIX



goal 8.2



goal 4.5



Through Fundación Televisa's CUANTRIX program, we seek to generate equal opportunities through Computer Science, and to continue our efforts to train the children in Mexico who will become the next generation of technological creators.

During 2021, our goal was to encourage student participation through teachers in the states of Campeche, Estado de México and Sonora, improving their learning of computer thinking and programming.

Despite the current infrastructure challenges in several public schools, we continued to work on the usability of the CUANTRIX platform for all those teachers who had the means to teach remotely, achieving the following results:



80

schools participating



123

teachers participating in the platform



3,018

students enrolled



1,081

students with approximately 8 lessons completed



8,131

lessons delivered by teachers



“Adapting these new methods to education offers students better opportunities through the use of technology”.

- Diana Gabriela Dorantes Cima

Teacher at Escuela Secundaria Técnica No. 9, Campeche.

POSIBLE



goal 8.2

“ POSIBLE is one of the most far-reaching entrepreneurship programs in Mexico ”.

Through Fundación Televisa and Monte de Piedad’s POSIBLE program, we join forces to inspire, support and connect those who have an idea and want to become entrepreneurs, offering tools, contacts and the necessary resources to help promote scalable entrepreneurship based on innovation.



The following activities were carried out:

STATE PANELS

596 participants

54 statewide presentation panels

39% of participants were women

3.5% identified themselves as members of indigenous peoples

CAMPS

137 participants in camps (national and special)

24 states

42% of participants are women

SPECIAL CAMPS

TecNM - Bécalos Camp

19 projects selected to take part in five days of training

Edomex Camp

27 business ideas participated in four virtual days and one on-site demo day

Puebla Camp

19 projects selected to participate in five days of hybrid camp

POSIBLE CHALLENGE

A program focused on strengthening high school teachers in the teaching of high-impact entrepreneurship, so that they can help their students to broaden their vision and generate scalable ventures of greater benefit to their regions.



13,904

people invested an average of 10 hours to develop their business model on the platform



52%

participants were female



Participants from all Mexican states



In the wake of the pandemic, the program was launched in a 100% digital format, consisting of a free and open access Massive Open Online Course (MOOC) named **“Entrepreneurship is a challenge, make it POSSIBLE”**.

OAXACA POSIBLE CHALLENGE RESULTS

Teaching editions



217

enrolled registrants

Student editions



22

participating projects



65

teachers trained representing all eight regions of the state



16

municipalities



52.3%

of participants are women



59.1%

of registrations are women



26%

of participants identify themselves as members of indigenous peoples



86.4%

active undergraduate students



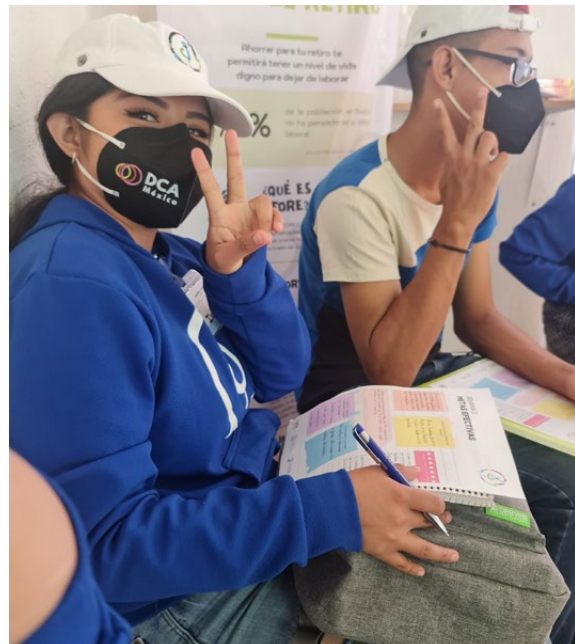
goal 4.4



goal 8.2

YOUNG PEOPLE IN PREVENTION: CLEAR ACCOUNTS, HEALTHY FUTURES

In partnership with Despierta Cuestiona y Actúa A.C., we promote a financial education challenge aimed at strengthening the knowledge, skills and financial decision-making of young people between the ages of 15 and 25 in the municipality of Tlajomulco de Zúñiga, Jalisco. We work through behavioral economics activities and promote healthy finances, the development of sustainable entrepreneurship and the prevention of risk factors related to poverty.



Our challenge results:



20

young people trained in basic concepts of economics and personal finance



10

training hours



11

practical activity sessions



40

exploration tools



Behavioral economics rally to develop savings and investment skills



Development of four youth enterprises along with funding to implement the project



“ We are proud that most of the participants feel capable of running and managing a business, taking their proposal to the next level and transforming it into a goal”.

Thanks to Hoteles City for generating a new vision for young people.” - Cecy García - Director DCA Mexico



Contributing to social welfare

OUR EMPLOYEES

GRI 102-7, 102-8, 405-1

Labor Practices

goal 8.2

Material topic: Local economic impact

“Through Impacto City, we seek to contribute to our society by offering services that promote fair and equitable operational practices for all our employees, our guests and the communities we serve”.



3,399
employees in 2021

Our workforce is made up of a great work team



37%
men



63%
women

They are located in:



95%
Mexico



5%
LATAM

EMPLOYEES DIVIDED BY GENERATION

Among our employees, there is a wide generational diversity:



10%

Baby boomer
(1946 - 1965)

Those born during the demographic explosion resulting from World War II.



23%

X Generation
(1965 - 1982)

This generation faced economic recessions and a context of unemployment, which they have been able to overcome.



40%

Millennials
(1982 - 1996)

A generation shaped by the massive arrival of the Internet to households, along with the widespread use of technological tools such as smartphones.



27%

Z Generation
(1994 - 2012)

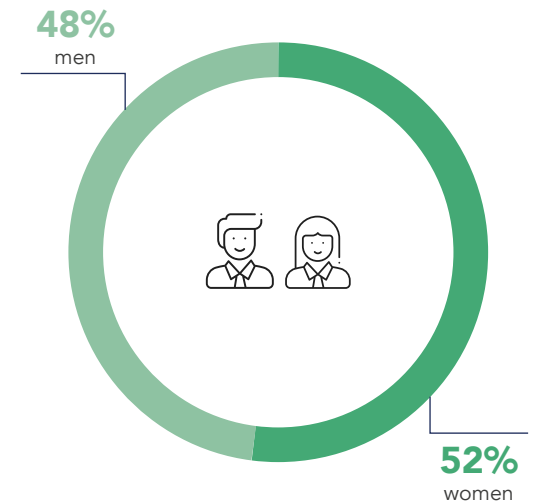
Also known as centennials, they have grown up using the Internet. This is the youngest generation that is starting to join the labor market.

*The classification of the years that correspond to each generation depends on the author, for these classifications we used data from the Organization for Economic Cooperation and Development (OECD).



CHAIN MANAGERS AND DIRECTORS BY GENDER

Throughout 2021, our Management and Director positions were comprised of:



DISTRIBUTION OF EMPLOYEES BY REGION

REGIÓN	% 2019	% 2020	% 2021
Metropolitan	17.2%	16.4%	9.3%
Central west	16.1%	13.9%	10.5%
Northeast	16.1%	16.1%	14.1%
Northwest	13.0%	15.9%	14.6%
South	9.1%	8.4%	8.2%
Southeast	12.0%	13.0%	10.9%
Plus Center	0	0	17.9%
LATAM	5.2%	4.8%	2.9%
Headquarters	11.3%	11.4%	11.8%

TURNOVER RATE



SV-HL-310a.1 - Labor Practices

	OVERALL TURNOVER	VOLUNTARY TURNOVER	INVOLUNTARY TURNOVER	
Metropolitan	10.04%	9.21%	0.83%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.67%	1.40%	2.05%	2.23%
Men	0.27%	0.59%	1.64%	1.18%
Central west	12.01%	7.89%	4.12%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.51%	1.91%	2.21%	3.28%
Men	0.22%	0.54%	1.75%	1.59%
Northeast	14.84%	9.21%	5.63%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.94%	2.67%	3.63%	2.77%
Men	0.32%	0.78%	1.88%	1.83%
Northwest	19.17%	13.16%	6.01%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	1.35%	3.61%	3.82%	4.33%
Men	0.54%	1.10%	2.26%	2.15%
South	7.24%	6.58%	0.66%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.30%	1.40%	1.48%	1.83%
Men	0.11%	0.32%	0.86%	0.94%

	OVERALL TURNOVER	VOLUNTARY TURNOVER	INVOLUNTARY TURNOVER	
Southeast	9.53%	7.53%	2.00%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.11%	1.02%	2.02%	2.37%
Men	0.05%	0.43%	1.97%	1.56%
Plus - Centro	22.46%	20.05%	2.41%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	1.02%	3.45%	4.25%	4.01%
Men	0.59%	1.45%	4.20%	3.47%
LATAM	1.88%	0.95%	0.93%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.05%	0.16%	0.57%	0.38%
Men	0.03%	0.11%	0.38%	0.22%
Headquarters	2.83%	2.01%	0.82%	
	BABY BOOMER	X GENERATION	Z GENERATION	MILLENNIALS
Women	0.00%	0.05%	0.24%	1.16%
Men	0.03%	0.24%	0.13%	0.97%

*The percentage of voluntary turnover includes the terminations requested by the employee.

*We hire our employees for indefinite periods.

*The data collected corresponds to internal records as of the end of 2021.



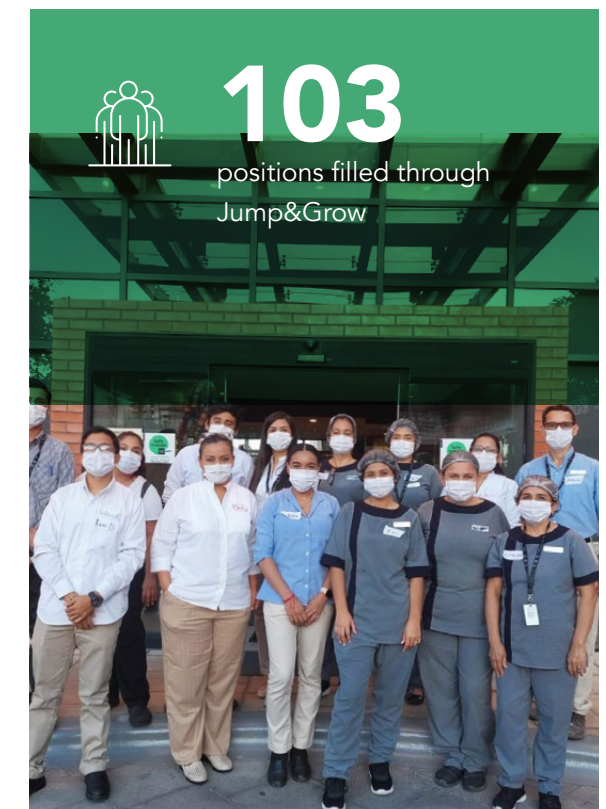
367

new hires during 2021.

JUMP&GROW REACH

Material topic- Professional development and growth

We encourage our team's internal growth. We have an internal promotion program based on the evaluation of three fundamental pillars: **competencies, effectiveness and adherence to Hoteles City's culture**. This allows us to identify our employees' strengths and growth areas in order to provide them with the best development opportunities so they can take on new professional challenges.



CITY CULTURE

One of the most relevant aspects of Hoteles City's culture is how important our employees are to make everything work in the best possible way. We want every member of the company to be an integral part of our strategy and each of our continuous improvement initiatives. We also strive to make our employees feel proud to be part of our team, which in turn leads to their commitment and loyalty.



3,399
direct jobs generated

“ Our employees' average age is 36 years old” .



LEARNING, TRUST AND COMMUNICATION

GRI 404-1



meta 4.4

Material topic: Professional development and growth

CITY LEARNING



In 2021, we continued strengthening our organizational culture and setting trends in our industry through training, forums and certifications, including the Check In and All That Matters courses. We also reinforced productivity actions in hotels and commercial segments, allowing us to improve our operational processes.

SOME OF OUR 2021 ACHIEVEMENTS:

↑ **27,395**
training hours equivalent to a 65.4% increase over 2020

↑ **6.93**
the average number of training hours per employee, equivalent to a 51.4% increase over 2020.



69,296
training hours



3,399
employees trained



547
training sessions



70
courses delivered



“ Each employee received an average of 20.4 hours of training in 2021¹ ”.



We follow the guidelines of the Job Instruction program of the Training Within Industry Institute (TWI) to enrich our programs, help build good relationships among the members of a work team and promote ideas for improvement. We currently have a Technical Coaches program that support the training process of our talent and share knowledge with new members, while abiding by Hoteles City's processes, standards, branding and organizational culture.



+50

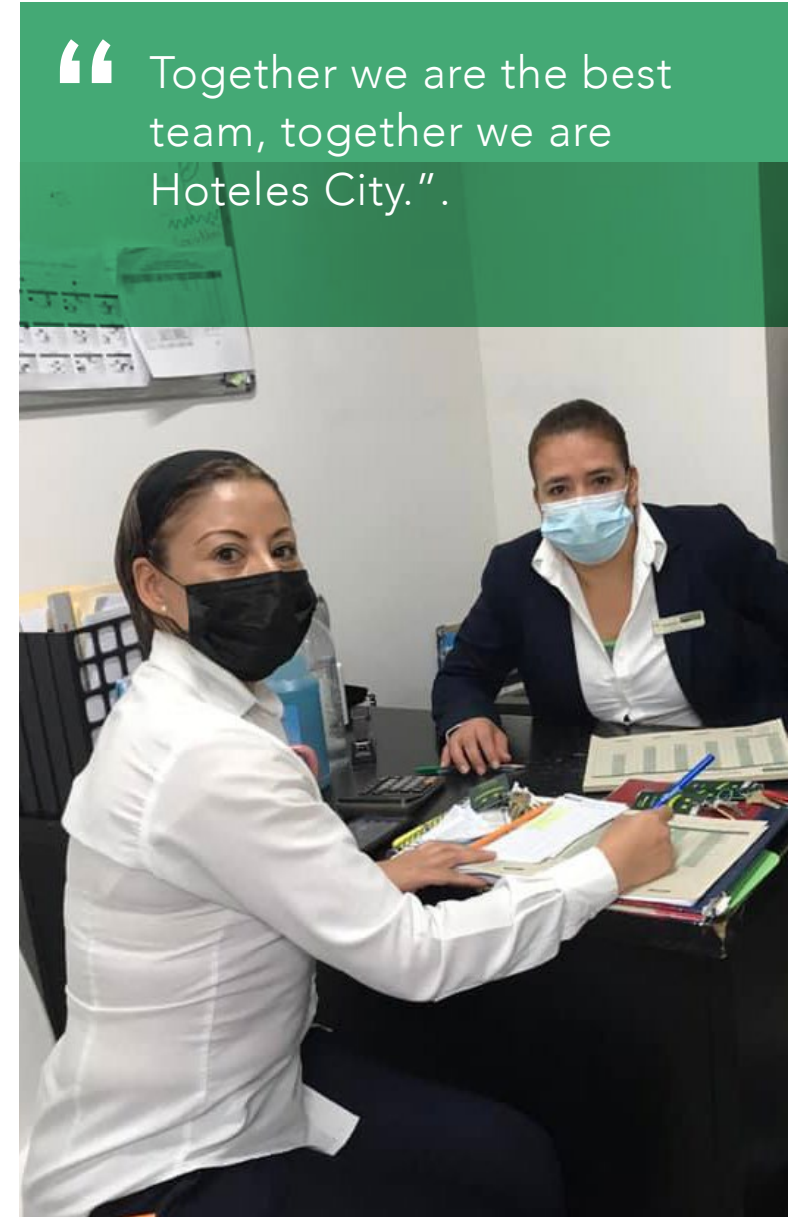
new Technical Coaches certified with TWI Job Instruction methodology



+390

training sessions delivered by our Technical Coaches

¹ Average hours of training = (Total hours of training / Total number of employees at the end of 2021).



“ Together we are the best team, together we are Hoteles City. ”.

WORK ENVIRONMENT

Material topic: Fair Working Conditions

“ For Hoteles City, our human talent has always been one of the most important values. Now more than ever, it is critical to preserve an organizational climate and culture that allows us to create an environment where employees feel included and where their actions count in each and every space within the company”.



To strengthen our organizational culture and climate, we continue to conduct the **#OrgulloCity -Super Empresas survey by Top Companies-**, a tool that allows us to measure the relationship between employees and different stakeholders in the company, to know their opinion so as to identify growth areas in our daily management, besides implementing balance schemes in our life and work.



96%
of participation



78%
employee satisfaction



3

consecutive years in the Top + America Ranking at LATAM level

Ranked 24 in the Super Empresas 2021 Ranking **“Places where everyone wants to work”** published in Revista Expansión, climbing six places over last year.



FREEDOM OF ASSOCIATION

GRI 102-41  goal 16.7

At Hoteles City, we respect Human Rights and the provisions of the International Labor Organization, so each of our employees has total freedom of association to current or new unions.



141
registered unions



INTERNAL COMMUNICATION MEDIA



CLICK – WORKPLACE

Digital communication platform that allows us to effectively communicate the company's strategy and that permeates relevant issues from top management to hotel operations, maintaining an active and constant communication to facilitate productivity. To date, we have more than 1,100 employees on this platform.

WORKCHAT

The Click Workplace platform has instant digital messaging allowing all members of our team to communicate in real time.

COMMUNICATION BOARD

We use this means of communication to share relevant information to all employees who do not have a computer or institutional e-mail.

MAILING

Our direct e-mail system allows us to share institutional information such as openings, campaign launches, appointments, just to name a few, with all our employees.

PERFORMANCE EVALUATION

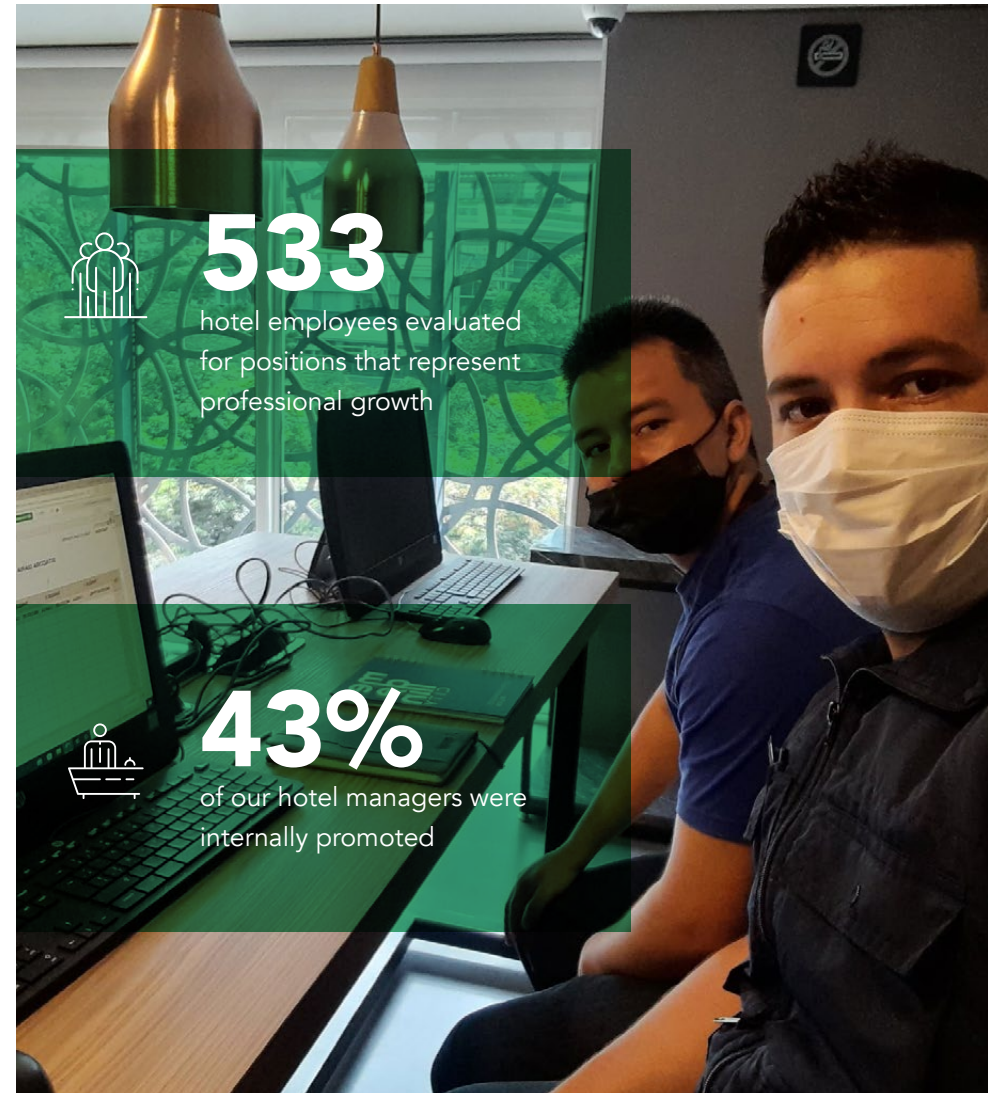
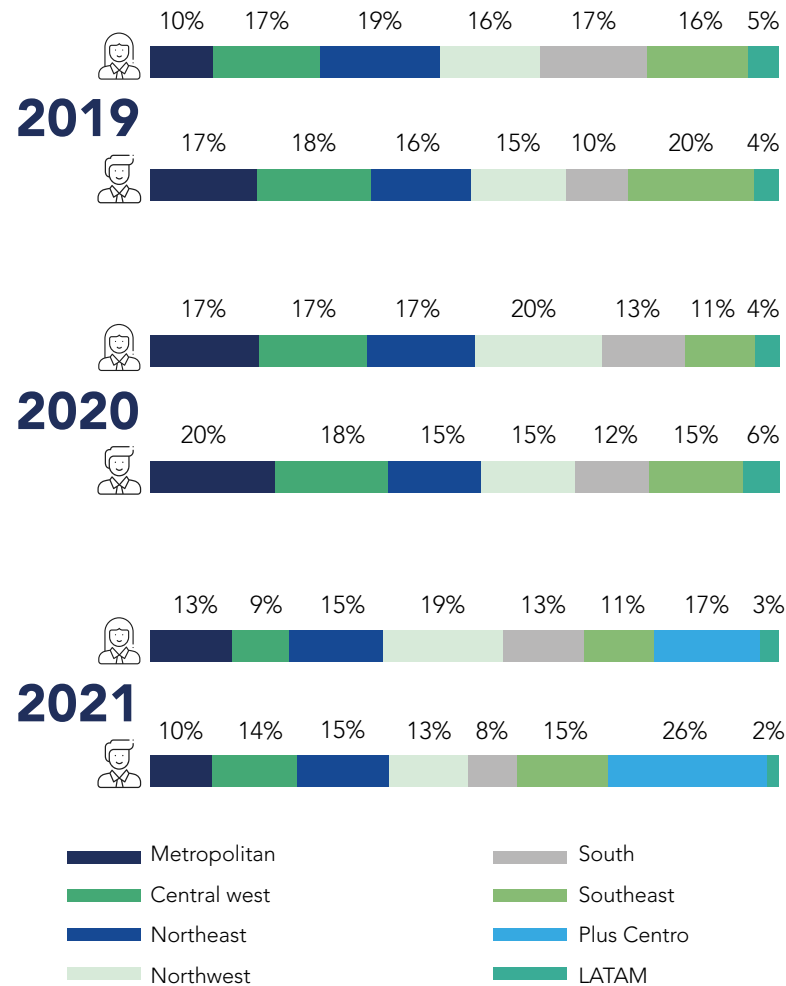
GRI 404-3

We are a company that values performance and we are committed to providing growth opportunities to our team members. As such, we are aware of the importance of implementing performance evaluations.

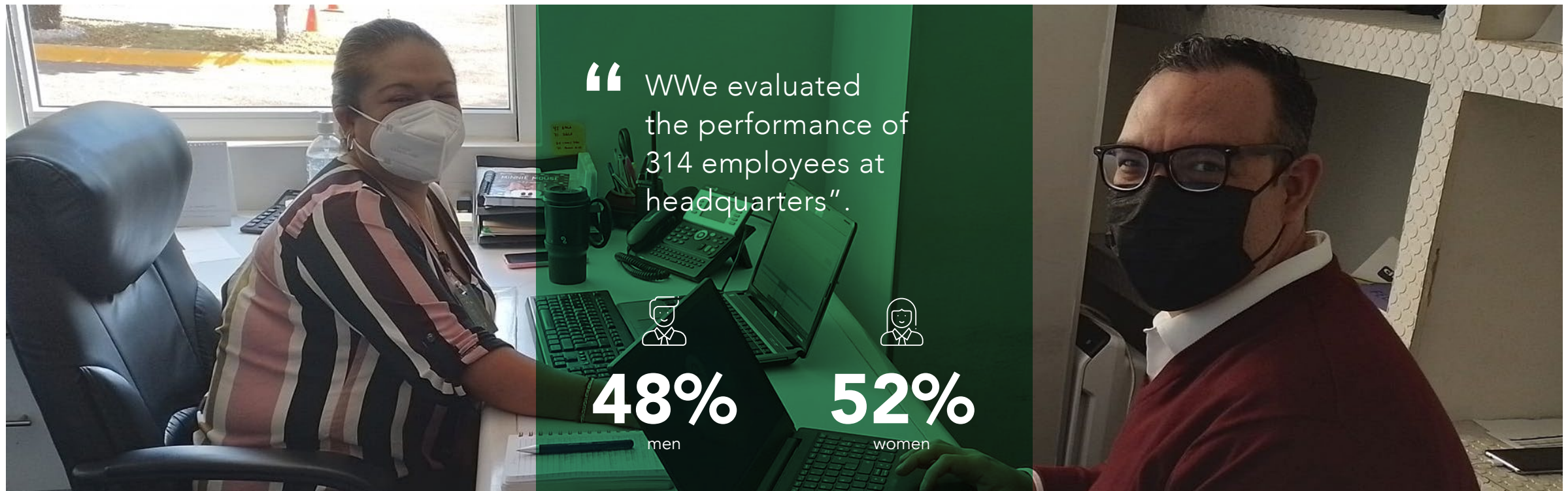
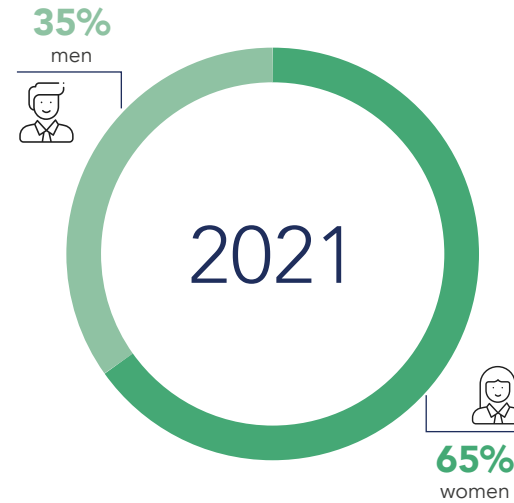
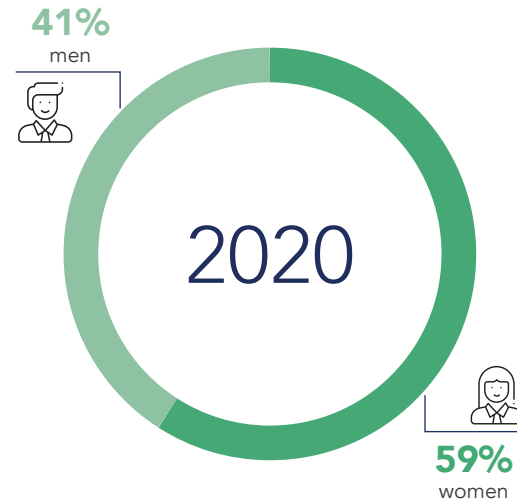
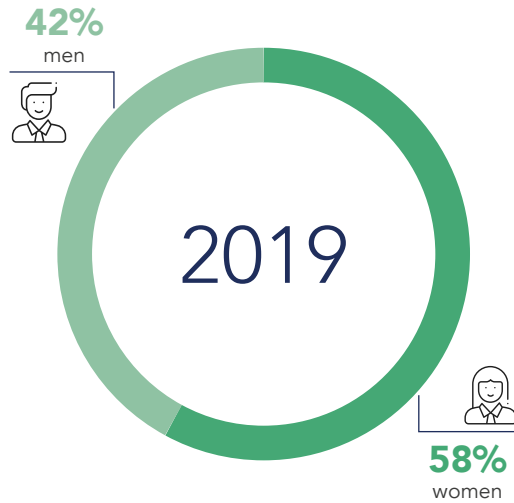
In 2021, 24% of our chain's employees participated in these evaluations in the following job categories and regions: In 2021, 24% of our chain's employees participated in these evaluations in the following job categories and regions:

GENERAL ACCOUNTANT	SALES EXECUTIVE
SALES MANAGER	GENERAL MANAGER
OPERATIONS MANAGER	SERVICE AND DIRECT SALES MANAGER

EVALUATIONS BY REGION



EVALUATIONS BY GENDER

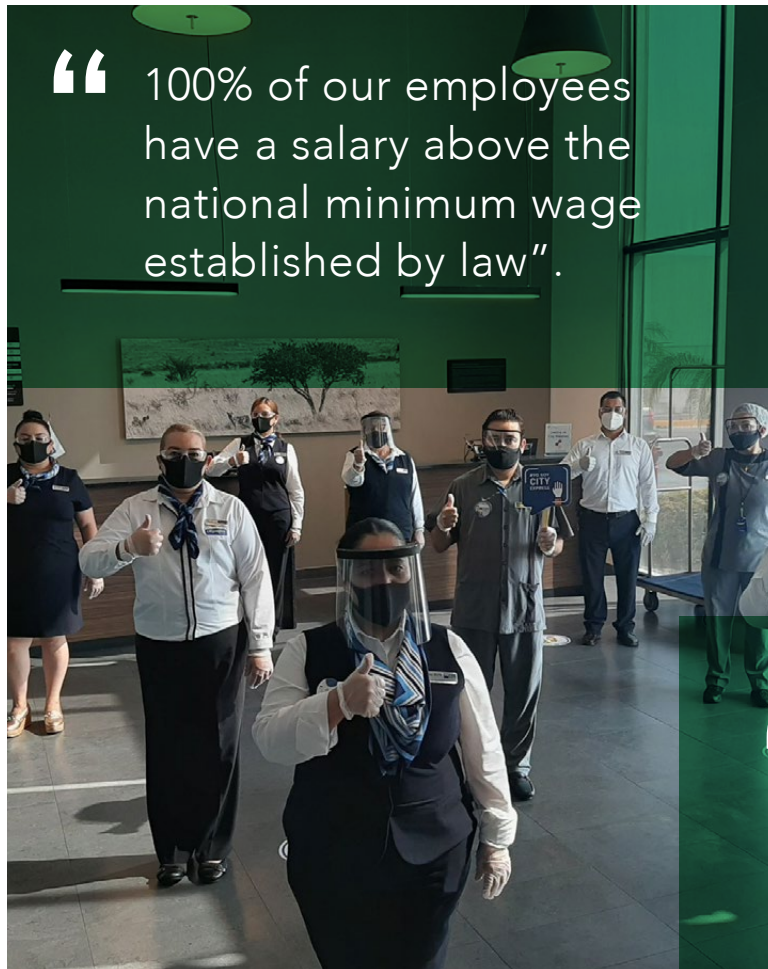


SALARIES AND BENEFITS



SASB- Labor Practices - SV-HL-310a.3

Material topic: Fair Working Conditions



AVERAGE HOURLY WAGE

REGION	2019	2020	2021
Metropolitan	\$31.00	\$39.89	\$38.01
Central west	\$30.11	\$37.56	\$39.99
Northeast	\$32.48	\$40.96	\$39.95
Northwest	\$29.49	\$41.37	\$43.24
South	\$27.02	\$34.34	\$34.32
Southeast	\$30.65	\$34.60	\$37.29
Plus-Centro	-	-	\$42.24

“ In our hotels, the average hourly wage nationwide is \$39.29 MXN.”.

BENEFITS



401-2



goal 3.4

In Hoteles City we are determined to attract and retain the best work team. Our culture is based on creating a healthy work environment that promotes both personal and professional development. We therefore undertake actions to achieve this goal:

- Development and training program
- Annual planning meetings
- Integration events
- Lodging in chain hotels with preferential rates
- Agreements with different companies
- Inclusion and Non-Discrimination Policy
- In Good Company Program

In order to design and implement internal wellness activities for our employees, our “In Good Company” program is aligned with the following three axes, and we carry out different activities in each one of them, as shown below:

PHYSICAL HEALTH

- Medical check-up campaigns
- Vaccination days
- Healthy eating workshops
- Mindfulness challenge
- Family violence prevention campaign
- First aid workshops
- Breast cancer prevention and diagnosis

FINANCIAL HEALTH

- Financial workshops with BBVA on stock market investments and CETES
- Discounts for employees at educational and recreational establishments

EMOTIONAL HEALTH

- Employee recognition
- Creating material related to home-work balance topics (NOM-035)
- Strengthening of our CONFIA whistleblower channel
- Emotional well-being workshops

“En buena compañía”



PHYSICAL AND MENTAL HEALTH



12
workshops



85%
participation



8
workshops



90%
participation in informative workshops, vaccination, types of vaccines, side effects and virus variations

BALANCE CITY SURVEY

We always seek to offer good working conditions and take care of our employees. In 2021 we applied our 2021 emotional health survey, which allows us to identify possible physical, mental and emotional health risks, and thus take measures to prevent them.

PARTICIPATION RESULTS



98%
in headquarters



90%
in hotels

In order to identify, analyze and prevent psychosocial risk factors, as well as to promote a better work environment, we worked on the application of NOM-035. We also carried out the following actions both in our headquarters and in our hotels, with 100% participation:

- Follow-up sessions for all employees who have experienced a severe traumatic event.
- Creation of new communication strategies between teams and referral to medical or psychological support centers.
- Alignment with Mexican and LATAM government biosafety protocols.
- Focusing our communication to a closer employee.
- Workshops to improve our operation's performance.

BENEFITS FOR HEADQUARTERS EMPLOYEES

- Christmas bonus in excess of the law
- Performance bonuses
- Vacation in excess of the law
- Retirement in accordance with IMSS
- Vacation bonus in excess of the law
- Savings fund
- Life insurance
- Food vouchers
- Major Medical Expense Insurance
- Parental leaves - paternity and maternity leaves



BENEFITS FOR HOTEL EMPLOYEES

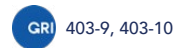
- Christmas bonus according to law
- Parental leaves - paternity and maternity leave
- Vacations according to law
- *Life insurance
- Vacation bonus according to law
- *Major Medical Expenses Insurance
- Retirement according to IMSS
- *Performance bonuses



*These benefits are not available for 100% of the positions. We hire our employees for indeterminate periods. Benefits are granted regardless of whether employees are on probationary contracts. Data was compiled according to our internal records at the end of 2021.

OCCUPATIONAL HEALTH AND SAFETY

Material topic: Health, safety and protection of the guest and the collaborator



goal 8.8

ADHERENCE TO THE LAW



SASB Labor Practices SV-HL-310a.2

We adhere to the regulatory framework to ensure that our actions comply with the labor law. We have not incurred economic losses due to the violation of any part of the law.



For our company, the care, health and well-being of our employees is of utmost importance. We have established protocols aimed at improving the quality of life of each of our team members. In 2021 we obtained the following results:



10,032

man-hours lost



1

occupational disease



1,254

workdays lost



61

employees have had accidents or occupational diseases



60

non-fatal accidents



1.60

Total Recordable Incident Rate (TRIR)¹



Zero

fatalities

We also carry out actions that allow us to have a good risk management in relation to the health and safety of our employees:

- Analysis to identify and mitigate risks to which our employees are exposed according to their job position.
- Distributing Personal Protective Equipment (PPE) suitable for each type of occupation.
- Training and awareness campaigns on the prevention of occupational accidents.

¹ Major industrial accident injury rate = (Number of major industrial accident injuries (not including fatalities) / Number of hours worked) * 200,000.

*We have zero fatalities due to occupational accidents or illnesses.

*The main types of injuries are cervical and lumbar sprain derived from cleaning procedures in rooms and public areas.

*The rate was calculated for every 200,000 hours worked.

*During 2021, the estimated result of the occupational accident injury rate is calculated based on the 3,014 hotel employees, working in a period of 52 weeks, 6 days and 8 hours (not considering vacation days, absence days or days with medical leave, leaves, etc.). In future years, we will ensure that the calculation is made according to the latter criteria.



CIVIL PROTECTION

In order to reinforce our Internal Health and Safety actions, we offer different courses and activities aimed at improving civil protection for our employees, resulting in the following outcomes:



601

Health and Safety training hours



564

employees trained in Health and Safety



219

brigade members



58

courses



32

drills



DIVERSITY AND LABOR INCLUSION PROGRAM

GRI 405-1, 413-1

goal 4.5

goal 8.5

goal 10.2

Material topic: Fair working conditions

“ We closed a year of great achievements, during which we demonstrated that inclusion is a commitment we live every day”.

We upheld our commitment to recognize and integrate diverse groups, we promoted equality and equity among all our employees, as well as non-discrimination on grounds of sexual preference, age, ideology, ethnic origin or disability, just to name a few factors.

Our respect for diversity is supported by the following processes

- Implementing the Human Rights and Non-Discrimination Policy in force.
- Creating the Diversity and Inclusion Committee.
- Applying the Diversity and Inclusion Model throughout the company.
- Carrying out Recruiting Processes Free of Prejudice.



CITY INCLUYE

Among our actions in this area, we created the City Incluye internal program for Diversity and Inclusion in the Workplace, aimed at creating spaces for Zero Discrimination and equal opportunities.

We strengthened our alliance network by working with foundations and associations that support us in the implementation of inclusion strategies:



1 programa 5 pilares

La diversidad se ve en diferentes formas

- Equidad de género
- Comunidad LGBT+
- Orígenes
- Interacción entre generaciones
- Personas con discapacidad auditiva

Hoteles City Express, un hotel para todos.

CITY INCLUYE CONVERSATIONS

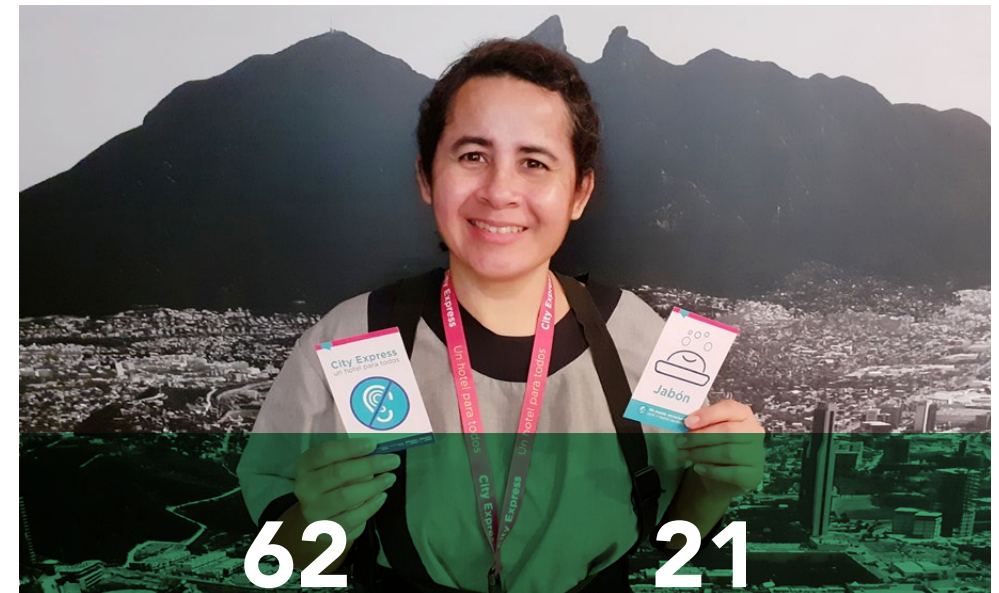
Throughout 2021, we conducted eight interactive, hands-on sessions focused on inclusion awareness. Among the topics addressed were:

- Enabling communication with people with disabilities
- What is and what does diversity look like in work teams?
- LGBT+ Tourism
- How to prevent and eradicate racism?
- Heritage tourism

DEAF COMMUNITY



We continue to promote initiatives in favor of the deaf community through our internal City Incluye certification, which aims to encourage the incorporation of hearing-impaired employees in our hotels, thus recognizing their best work practices.



62

hotels certified by City Incluye

21

hearing impaired employees chainwide

On the occasion of the celebration of #WorldTourismDay, we joined forces with the civil association *Incluser A.C.*, to create a **tourism glossary in Mexican Sign Language**. Through this, we seek to promote inclusive tourism in Mexico under the slogan "Tourism for Inclusive Growth". This glossary covers the basic vocabulary related to tourism-related activities, necessary for communication with and among deaf people.

[Click here to see the Tourism Glossary >>](#)

GENDER EQUITY

GRI 405-1



goal 5.5

Being an inclusive company, we are committed to equality and equity for all people related to our organization, regardless of their gender, condition, age, sex or race.



OUR ACTIONS TALK



In 2021, our practices in favor of labor equity and gender leadership were recognized and we obtained the *Súper Empresas para Mujeres 2021* certification, *The Top Companies Ranking and Revista Expansión*, reaching position No. 14.



Alianza Éntrale A.C. recognized us with the **Distintivo Éntrale 2021** for our performance as an organization with the best practices **in favor of the inclusion of people with disabilities.**

QUEER DESTINATIONS CERTIFICATION



goal 10.2



For us, being an inclusive company also means providing the best service to all our guests in an inclusive and respectful manner. We seek to understand and meet the needs of LGBTQ+ travelers. In 2021, we began the Queer Destinations certification plan for 20 properties in 10 destinations in Mexico.

CITY EXPRESS PLUS

9 City Express Plus

Cabo San Lucas, Cancun (Airport), Ensenada, Merida, Guadalajara Expo, Puerto Vallarta, Reforma (El Ángel), Medellín and Bogotá.

cityexpress hoteles

6 City Express

La Paz, Playa del Carmen, Mazatlán, Veracruz, Oaxaca and Reforma (EBC).

CITY EXPRESS Suites

3 City Express Suites

Cabo San Lucas, Cancun (Airport) and Playa del Carmen.

CITY CENTRO

2 City Centro

Oaxaca and Mexico City.

ORIGINS



goal 11.4

ORIGINS SURVEY

We implemented the **Origins Survey** for the first time in order to identify our employees' indigenous roots and connections with their communities, which yielded the following results:



589

participants



33%

lives close to an indigenous community



13%

belong to an indigenous community: Zapoteca, Nahua and Maya



11%

speak an indigenous language: Maya, Nahua and Otomi



Acknowledging our roots as part of our identity".

MEXICAN NATIONAL CODE OF CONDUCT

GRI 412-1, 413-1

SDG 5 goal 5.1

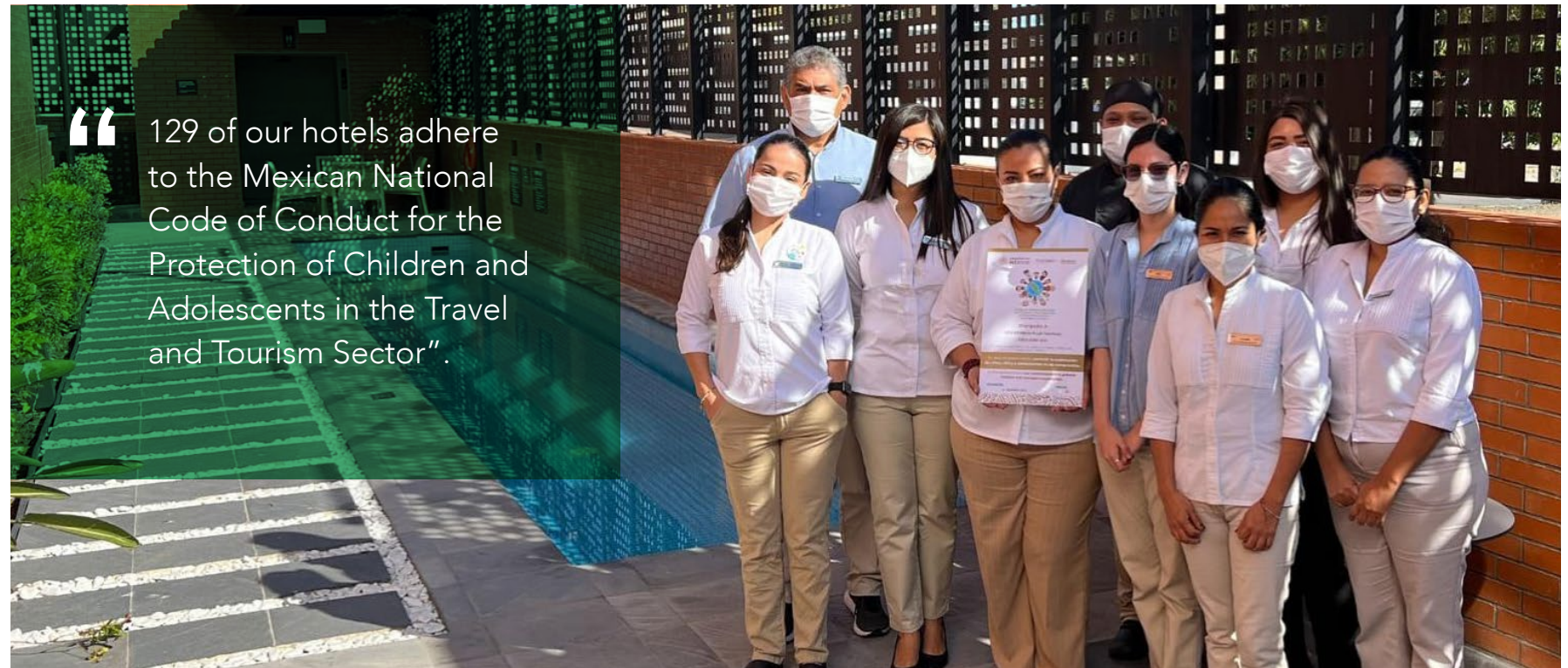
SDG 16 goal 16.1

At Hoteles City we are committed to protecting children and adolescents in the tourism sector. We adhere to the guidelines that ensure the improvement of living conditions in the communities where we operate. We also implemented an important awareness campaign for managers and employees **“Open your eyes, listen up and talk”**, aimed at preventing any type of illegal action.

We also state our rejection of any form of human trafficking, especially sexual and/or labor exploitation of children and adolescents.

Measures taken:

- We conducted regional and chain-wide trainings, supported by a specialized agency certified by the Ministry of Tourism.
- We have implemented the Institutional Action Protocol for Hoteles City.
- We applied the Protocol for Adherence to the Mexican National Code of Conduct.
- We obtained proof of certification for each property.



SOCIAL INVESTMENT AND STRATEGIC PARTNERSHIPS



We are committed to our communities and undertake local actions that allow us to contribute to the development and well-being of non-profit institutions. Our Donation and Volunteering Policy sets the guidelines for carrying out this type of activities.



15,639

items including linens and supplies donated on average



47

organizations benefited



206

volunteers



We donated plastic caps to help children with cancer get their treatments.



The COVID-19 pandemic has been a major challenge we have faced as a society. In coordination with the Mexico City Ministry of Tourism, during the first quarter of 2021 we have allocated more than 1,500 nights of lodging for health personnel on the front line.



HOTEL ACCOMMODATION STRATEGY FOR WOMEN AND THEIR CHILDREN, VICTIMS OF DOMESTIC VIOLENCE



meta 5.1



goal 16.1

The Spotlight initiative operates worldwide thanks to the United Nations. It seeks to eliminate all types of violence against women and girls. At Hoteles City, we work in coordination with UNICEF and the United Nations Population Fund, the Commission to Prevent and Eradicate Violence against Women, among other

government agencies, to develop a protocol through which we provide free lodging and food to women and their children who have been impacted by domestic violence while authorities designate a safe shelter or support network. Through this initiative we have supported:

“ Our contribution started in seven of our hotels, located in four Mexican cities”.

**25**

women

**36**

children

**2**

companions



Iniciativa Spotlight
Para eliminar la violencia contra las mujeres y las niñas

Las mujeres, niñas y adolescentes en el centro: interseccionalidad, atención y acceso a la justicia

WE CONTRIBUTE TO THE SAFE ACCOMMODATION OF REFUGEE CLAIMANTS IN MEXICO



After the collapse of the government in Afghanistan, Hoteles City joined the route of safe accommodation, providing a special rate to 85 members of the Afghan community from August 2021 to April 2022. Our objective is to contribute to their safe stay in Mexico, so that they can continue their journey and find a new place to live in a different location. Hoteles City also provided some spaces where they were able to perform different reintegration activities for the whole community.

When refugee people rebuild their lives, communities flourish

- Asylum Access Mexico



85

people benefited



APAC, I.A.P.



goal 3.8

We work together with Asociación Pro Personas con Parálisis Cerebral I.A.P. to help care for people affected by COVID-19, providing lodging for the medical staff, therapists and assistants who carry out this demanding work. Through this action, we were able to benefit:

Porque los héroes también necesitan descansar...

Mil gracias

cityexpress. hoteles
Todo lo que importa*
por hacer posible este apapacho a nuestro personal

50 ANIVERSARIO APAC

@apaciap @apacdf www.apac.mx APAC.IAP

30

health professionals

3,000

post-COVID patients who received respiratory therapy and general medical care



AYUDA EN ACCIÓN



goal 1.5



goal 10.7

Once again, this year, in partnership with the Asociación Ayuda en Acción de México, A.C., we contributed to support migrants seeking refuge in Mexico. We also sought solutions to protect vulnerable populations along the migration route from violence. We contributed to ensuring that migrants' human and children's rights are respected within safe spaces. During 2021, we focused

our work on providing special attention to women and their families, including LBT (lesbian, bisexual and transgender) women, who are vulnerable to sexual and gender-based violence (SGBV) along their journey.

We benefited:



23,633

people



18,760

men



4,873

women

We offered assistance in humanitarian spaces in Ciudad Juárez, Apizaco and Tenosique.



ALIMENTO PARA TODOS I.A.P.



goal 2.1 y 2.2



goal 17.6

We supported the well-being of people experiencing food insecurity while promoting efficient food recovery and distribution. In partnership with *Alimento para Todos I.A.P.*, we reached out to families in vulnerable communities to donate food packages and basic goods through the “Programa de Atención Alimentaria” (Food Assistance Program), while also donating room nights.



63,000

people benefited

15

groups located in indigenous communities in Mexico City, State of Mexico, Puebla, Morelos, Tlaxcala and Hidalgo



FUNDACIÓN MAJOCCA, A.C.



goal 17.6

Together with *Movimiento Activo para Jóvenes Comprometidos por la Calidad, A.C.* (MAJOCCA), we promoted volunteering activities and participated in the “Good Deeds Day” initiative.

During 2021, together with the foundation, we offered workshops for fundraising and to promote social volunteering locally. Consequently, we provided civil society organizations’ representatives with the tools to reinvigorate their work model.



“ We benefited 401 civil society representatives in 10 states throughout Mexico ”.



UN TECHO PARA MI PAÍS, AC.



goal 11.1



goal 6.b

Aiming to promote the positive impact of young people in the world, we partnered with *TECHO* Foundation to participate in the National Meeting of Wills 2021. We joined forces with 70 people between the ages of 16 and 20 to build sustainable communities and a more just, egalitarian, integrated and poverty-free world.

We participated in the following regions:

- Mexico City
- Toluca
- Puebla
- Queretaro
- Oaxaca
- Jalisco
- Nuevo Leon



Hoteles City Express Plus Nuevo Sur y Galerías Monterrey

We carried out the following actions:



Conferences and workshops for community development and gender perspective.



Training community leaders in different parts of Mexico.



Building five homes in Montebello, Juárez, Nuevo León, benefiting five families and an average of 20 people.

“ With our actions, we impact SDG 11 - Sustainable Cities and SDG 6 - Clean Water and Sanitation.” ”



Construcción de Viviendas

Such activities brought great benefits, like the generation of knowledge regarding housing and habitats in popular settlements, all with

a focus on community development and a gender perspective. It also encouraged commitment and work habits.

AMANC I.A.P Y AMANC QUERÉTARO I.A.P



goal 3.4

At Hoteles City, we are committed to support people suffering from chronic degenerative diseases undergoing treatment and/or medical procedures far from home. We provide lodging for patients and their families, ensuring that they have a dignified place to rest.

Together with AMANC I.A.P. and AMANC Querétaro I.A.P., we provide lodging in different locations in Mexico so that children, adolescents and their families have a comfortable place to rest while they undergo medical treatment.



21

children and their families benefited through this resource

We were present in State of Mexico, San Luis Potosí, Mexico City, Querétaro and Celaya.

¡Muchas gracias!

cityexpress hoteles
Todo lo que importa*

Con su donación de hospedaje contribuyen a garantizar un lugar de descanso digno para continuar con el tratamiento médico de nuestros pequeños con diagnóstico oncológico.

Gracias por formar parte.

Asociación Mexicana de Ayuda a Niños con Cáncer en Querétaro I.A.P.

¡Gracias City Express Hoteles por su generosa ayuda para las niñas, niños y adolescentes con cáncer!

¡Tus donativos hacen la diferencia en sus vidas!



PROONCAVI A.C.



goal 3.4

Asociación Pro Oncología y Calidad de Vida A.C. supports women with cancer in the state of Baja California, mainly in Tijuana, Mexicali and Ensenada.



82

room nights



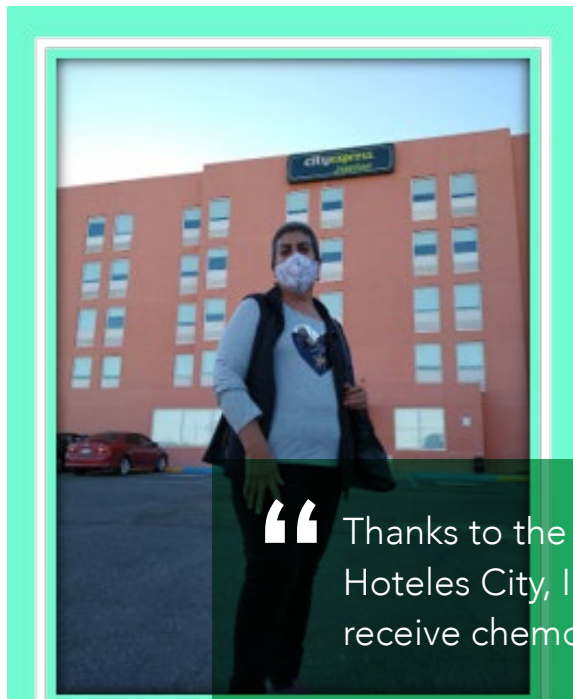
8

people and their families benefited

We care about our communities and seek to offer health-related support to the population that needs it most.

“ Thanks to the accommodations provided by Hoteles City, I was able to travel to Mexicali to receive chemotherapy”.

-Rosa María Quintero



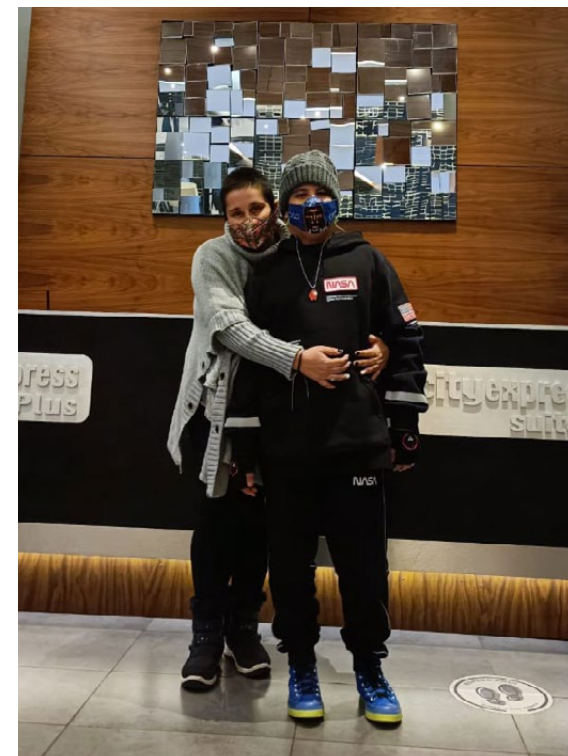
SUPPORTING EMILIANO AND BEYKER



goal 3.4

We provided lodging and meals for 40 nights at our City Express Plus Santa Fe hotel to Emiliano and his family, a little boy with hydrocephalus who traveled from Cancun to Mexico City to receive medical treatment.

We also had the opportunity to spend 15 days at City Express Plus Bogotá with Beyker, a 19 year old young man who traveled and stayed with us to undergo treatment for a dislocated hip and a general medical check-up.



ASSOCIATIONS AND ORGANIZATIONS



At Hoteles City we understand the importance of creating collaborative relationships with public and private institutions to implement strategies promoting sustainability. This year we continued working with high-impact organizations, among which the following stand out:

- Asociación Mexicana de Hoteles y Moteles (AMHM)
- Asociación de Hoteles de la Ciudad de México
- Asociación Mexicana de Cadenas Hoteleras (ANCH)
- Asociación Femenil de Ejecutivas de Empresas Turísticas de la República Mexicana, A.C.
- American Chamber of Commerce of Mexico, A.C.
- Centro para la Inclusión Social del Sordo A.C. (IncluSor)
- Consejo de Diplomacia Turística (CDT)
- Consejo de la Comunicación
- Consejo Nacional Empresarial Turístico A.C.
- Centro Mexicano para la Filantropía (CEMEFI)
- Éntrale – Alianza por la Inclusión laboral de personas con discapacidad
- Espacios Naturales y Desarrollo Sustentable A.C. (ENDESU)
- Fundación MVS Radio
- Instituto de Turismo Responsable (ITR)- Biosphere
- Pacto Mundial, A.C.
- Queer Destinations
- Pride Connection – El éxito está en la diversidad
- Secretaría de Turismo (SECTUR)
- Unión Nacional de Sordos de México (UNSM)
- World Travel & Tourism Council (WTTC)



CERTIFICATION PORTFOLIO

All of the chain's hotels have been designed and built to meet national and international certification standards. Some of the most important certifications and recognitions obtained by **Hoteles City** are mentioned below:



LEED-EB-O&M CERTIFICATION

Awarded by the United States Green Building Council (USGBC). It is the most recognized international certification system created by the USGBC to certify leadership in environmental design and energy efficiency in a building.

To date, Hoteles City properties have the following levels of certification: LEED Gold for Hoteles City Express Reynosa, City Express Saltillo and City Express León, LEED Silver for Hoteles City Express San Luis Potosí, City Express Puebla Centro, City Express Monterrey Santa Catarina, City Express Playa del Carmen, City Express Puebla Angelópolis, City Express Los Mochis and City Express Juárez, and LEED Certification for City Express Guadalajara, City Express Irapuato and City Express Querétaro.



EXCELLENCE IN DESIGN FOR GREATER EFFICIENCIES (EDGE)

Certification system created by the World Bank's International Finance Corporation (IFC). We are the first chain worldwide to receive this distinction. This certification has been granted to City Express Villahermosa, City Express Plus Santa Fe, City Express Durango, City Express Querétaro Jurica, City Express Costa Rica, City Suites Santa Fe, City Express Junior Ciudad del Carmen, City Express Irapuato Norte and City Express Junior Puebla Autopista. These properties achieved estimated savings of 50% in energy, 45% in water use and 36% in building materials efficiency, compared to similar properties.



BIOSPHERE RESPONSIBLE TOURISM CERTIFICATION

Developed by the Responsible Tourism Institute (ITR). It defines criteria for sustainable behavior in the international tourism business. Hoteles City is the first Company worldwide to be awarded with the seal in 80 of the chain's properties.



DISTINTIVO HOTEL HIDRO SUSTENTABLE

Award granted by the members of Alianza por la Sustentabilidad Hídrica en el Turismo (Alliance for Water Sustainability in Tourism), which encourages best environmental practices in the use and care of water, as well as the application of Mexican regulations. Hoteles City has obtained the award as a result of renovating 4 hotels: City Express Plus EBC Reforma, City Express Mérida, City Express Villahermosa and City Express Paraíso Tabasco.



DISTINTIVO S - SUSTAINABILITY GUARANTEE

The Ministry of Tourism together with EarthCheck and Rainforest Alliance recognize Hoteles City's sustainable practices under the criteria established by the World Tourism Organization (UNWTO). Eight hotels have received this recognition: City Express Mérida, City Express Suites Puebla Autopista, City Express San Luis Potosí Zona Universitaria, City Express Irapuato Sur, City Express Suites Anzures, City Express Manzanillo, City Express Cananea and City Express Zacatecas.



DISTINTIVO EMPRESA SOCIALMENTE RESPONSABLE

For the past eight years, Hoteles City has been awarded the Distintivo ESR® by the Mexican Center for Philanthropy (Cemefi) and the Alliance for Corporate Social Responsibility (AliaRSE). The award recognizes the chain's commitment to continuous improvement in CSR management, corporate quality of life, business ethics, community outreach, and care and preservation of the environment.



SAFEHOTELS – COVIDCLEAN

Hoteles City is a pioneer in implementing the independent standard for hotels based on World Health Organization (WHO) guidelines. This standard evaluates key hygiene procedures, cleanliness, social distancing and biosafety protocols, among other things. The company has also received the Safe Travels certification from the World Travel and Tourism Council, which seeks to guarantee the health and hygiene protocols established by the Council and recognizes governments, destinations and companies around the world that have adopted health and hygiene protocols to ensure that tourists enjoy safe travels.



ADHERENCE TO THE UNITED NATIONS GLOBAL COMPACT

By adhering to the UN Global Compact, the company joins a global effort to commit to ten universally accepted principles in the areas of human rights, labor standards, environmental protection and anti-corruption.



ADHERENCE TO THE MEXICAN NATIONAL CODE OF CONDUCT FOR THE PROTECTION OF CHILDREN AND ADOLESCENTS IN THE TRAVEL AND TOURISM SECTOR

Hoteles City currently has 129 properties that have signed and implemented the code of conduct committing to develop actions to prevent the sexual and labor exploitation of children and adolescents in the tourism sector.

We prepare an annual report under the **Environmental, Social and Governance (ESG)** guidelines, based on the Global Reporting Initiative (GRI) standards and the **Sustainability Accounting Standards Board (SASB)** methodology. This year we also continued to work on developing an analysis to identify the risks and opportunities related to climate change with respect to our operation, based on the **Task Force on Climate-related Financial Disclosures (TCFD)**. It is worth noting that, in 2021, we participated for the first time in the **Carbon Disclosure Project (CDP)** global disclosure system reporting, positioning us at the Management level as a company with coordinated management on climate actions.

HOTELES CITY IMPACTS ON THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)



SDG	GOAL	INITIATIVE / PROGRAM
	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.	Partnership with Ayuda en Acción de México A.C. , through which we support the migrant population with different economic empowerment programs.
<p>End poverty in all its forms and everywhere.</p>		

SDG	GOAL	INITIATIVE / PROGRAM
	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.	Through the "Food Assistance Program" that we carried out in alliance with Alimento para todos I.A.P. , we contributed to the well-being of people experiencing food insecurity and promoted the efficient recovery and distribution of food, benefiting 63,000 people.
<p>End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.</p>		
	2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.	

SDG	GOAL	INITIATIVE / PROGRAM
	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	22 people benefited in alliance with Asociación Mexicana de Ayuda a Niños con Cáncer, I.A.P. (AMANC) and AMANC Querétaro and with the Asociación Pro y Calidad de Vida A.C. (Prooncavi) in support of eight women with cancer.
<p>Ensure healthy lives and promote well-being for all at all ages</p>		
		We offer a comprehensive wellness program, In Good Company , which takes care of the physical, financial and emotional health of our employees.
		Together with Asociación Pro Personas con Parálisis Cerebral I.A.P (APAC) , we support children with this condition and contribute to the care of people affected by COVID-19.
		We provided lodging for Emiliano (who has hydrocephalus) and Beyker (who has a dislocated hip) so that they could continue with their medical treatments.
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	In coordination with the Mexico City Ministry of Tourism, during the first quarter of 2021 we have allocated more than 1,500 nights of lodging for health personnel on the front line.

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Learning, Trust and Communication Program. We provided our employees with 69,296 training hours, 70 courses and 547 training sessions to strengthen our organizational culture.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

In collaboration with **Despierta, Cuestiona y Actúa A.C.**, we promoted a financial education challenge in which we sought to strengthen the knowledge, skills and financial decision-making of young people between the ages of 15 and 25 in the municipality of Tlajomulco de Zúñiga, Jalisco.

20.4 hours was the average number of training hours that each **Hoteles City** employee received, and more than **50 new Technical Coaches** were certified with the TWI Job Instruction methodology.

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people, and children in vulnerable situations.

With the **City Incluye** internal certification, we encourage the incorporation of employees with hearing disabilities in our hotels, thus recognizing their best work practices.

In collaboration with the **Cuantrix Program**, we contribute to improve the learning of computational thinking and programming for teachers and children in elementary schools nationwide.

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

63% of our workforce is made up of women.

52% of management and executive positions are held by women.

Achieve gender equality and empower all women and girls.

Spotlight Initiative. Together with UNICEF and the United Nations Population Fund, the Commission to **Prevent and Eradicate Violence against Women**, among other governmental institutions, we work to support women and their children and adolescents affected by domestic violence.

5.1 End all forms of discrimination against all women and girls everywhere.

Through the **Mexican National Code of Conduct**, Hoteles City is committed to protecting children and adolescents in the tourism sector.

ODS	META	INICIATIVA / PROGRAMA
-----	------	-----------------------



6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

We have **14 wastewater treatment plants** on properties in various regions that contribute to water sanitation.

Ensure availability and sustainable management of water and sanitation for all.

Together with **ECOPIIL, Arte Crea Conciencia A.C.**, we generated a meeting to train young people on how to care for water and water resources in different communities.

6.b Support and strengthen the participation of local communities in improving water and sanitation management.

We joined forces with **Un Techo para mi país A.C.**, working with **70 young people** from different localities to build sustainable communities and improve water and sanitation management.

SDG	GOAL	INITIATIVE / PROGRAM
	7.3 By 2030, double the global rate of improvement in energy efficiency.	Our properties comply with energy consumption controls and we have an energy efficiency program. At the end of 2021, we had a 20% reduction in our energy consumption compared to 2020.
<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>		

SDG	GOAL	INITIATIVE / PROGRAM
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	<p>3,399 direct jobs created in 2021.</p> <p>We collaborate with CUANTRIX and the POSiBLE Program, institutions that promote entrepreneurship and technological innovation in Mexico.</p> <p>In partnership with Despierta Cuestiona y Actúa A.C., we promote a financial education challenge aimed at strengthening the knowledge, skills and financial decision-making of young people between the ages of 15 and 25 in the municipality of Tlajomulco de Zúñiga, Jalisco.</p>
<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>		
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	<p>Through our City Incluye internal program, we encourage the incorporation of employees with hearing disabilities in our hotels.</p> <p>We do business respecting gender equality, LGBT+ people and ethnic communities.</p>
	8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	<p>1.60 is the estimated Total Recordable Industrial Injury Rate (TRIR), during 2021.</p>

SDG	GOAL	INITIATIVE / PROGRAM
	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.	<p>By the end of 2021, we operated 152 hotels and 17,331 rooms in 75 cities.</p>
<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>		

SDG	GOAL	INITIATIVE / PROGRAM
	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<p>62 hotels certified by City Incluye.</p> <p>21 hearing impaired employees in our workforce.</p> <p>We are an inclusive company that always seeks to provide the best service to all our guests in an inclusive and respectful way and we seek to understand and meet the needs of LGBTIQ+ travelers.</p> <p>In 2021, we started the Queer Destinations certification plan for 20 properties in 10 destinations in Mexico.</p>
<p>Reduce inequality within and among countries.</p>		
	10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.	<p>Along with Asociación Ayuda en Acción de México, A.C., we support migrant applicants for refugee status in Mexico.</p>

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Along with **Un Techo para mi País A.C.**, we built five homes in Montebello, Juárez, Nuevo León, benefiting five families and an average of 20 people.

Make cities and human settlements inclusive, safe, resilient and sustainable.

11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

We implemented the **Origins Survey** for the first time in order to identify our employees' indigenous roots and connections with their communities.

We created a **Responsible Traveler's Decalogue** to encourage our guests to act in a positive way during their stay, to benefit the locality and the environment.

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

We created a **Responsible Traveler's Decalogue** to encourage our guests to act in a positive way during their stay, to benefit the locality and the environment.

Ensure sustainable consumption and production patterns.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

We use **biodegradable products and supplies** (breakfast bar disposables in some of our brands, cleaning products and amenities).

In the **Sustainable Purchasing Policy**, we included the category of environmentally friendly supplies.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

We have **published nine sustainability reports**, in which we reflect our commitment to the environment and society.

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Adopt urgent measures to combat climate change and its effects.

13.2 Integrate climate change measures into national policies, strategies and planning.

During the first quarter of 2021, we conducted a study of climate change-related risks and opportunities aligned with the **Task Force on Climate Related Financial Disclosures (TCFD)**, an international initiative created to promote the management and reporting of climate change risks and opportunities.

Our **Carbon Footprint** accounted for the total emissions of Hoteles City. In 2021 our carbon footprint was 25,449.75 tons CO₂eq, which represents a **decrease of 6.56% with respect to 2020 total emissions.**

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Initiatives that Leave a Mark is a program of activities that serve as socio-environmental activation for our employees, such as our annual participation in **Earth Hour and our Environmental Volunteering program.**

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

We identify the **hotels located near Natural Protected Areas** and comply with legal requirements.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Every year, we carry out our **Environmental Impact Volunteering Program** throughout the chain, working on a variety of actions in favor of the environment, including reforestation and tree maintenance, waste collection, habitat maintenance, and cleaning up bodies of water.

Through **ECOPII's Social Innovation and Environmental Leadership Encounter**, we carried out community interventions such as reforestation days, maintenance of green structures, and educational murals alluding to biosphere reserves.

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

More than 10 years ago we undertook the first actions to **preserve the Golden Eagle** and its habitat in our country. We are currently part of the **Abanderados** program with **Espacios Naturales y Desarrollo Sustentable (ENDESU)** carrying out different activities to raise awareness for the care and preservation of the species.

SDG	GOAL	INITIATIVE / PROGRAM
-----	------	----------------------



16.5 Substantially reduce corruption and bribery in all their forms.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

16.1 Significantly reduce all forms of violence and related death rates everywhere.

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.


Through our **Programa Confía**, we promote the principles contained in our **Code of Ethics**, as well as a culture of integrity and transparency.

We operate under a solid **Corporate Governance** structure, based on ethics and our values.

129 of our hotels adhere to the **Mexican National Code of Conduct for the Protection of Children and Adolescents in Travel and Tourism**.

Spotlight Initiative. We work in coordination with UNICEF and the United Nations Population Fund, the Commission to **Prevent and Eradicate Violence against Women**, among other government agencies, supporting women and their children who have been impacted by domestic violence.

28% of the chain's employees are unionized.

SDG	GOAL	INITIATIVE / PROGRAM
	<p>17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.</p>	<p><i>We maintain strategic alliances with organizations that address different socio-environmental causes.</i></p> <p><i>Together with Movimiento Activo para Jóvenes Comprometidos por la Calidad, A.C. (MAJOCCA), we promoted volunteering activities and participated in the “Good Deeds Day” initiative. In a joint effort, we offered workshops for fundraising and to promote social volunteering locally. Consequently, we provided 400 civil society organizations’ representatives with the tools to reinvigorate their work model.</i></p>

Strengthen the means of implementation and revitalize the global partnership for sustainable development.



GLOBAL REPORTING INITIATIVE - GRI TABLE OF CONTENTS



GRI 102-55

GRI 2016		GRI 2021			ANSWER				
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT	SECTION	PAGE	
ORGANIZATION PROFILE									
GRI 102	General contents	102-1	Name of the organization	2-1	Organization details	The organization and its information practices	Yes ABOUT THE REPORT	2	
		102-2	Activities, brands, products, and services	2-6	Activities, value chain and other business relationships	Activities and workers	Yes ABOUT THE REPORT / OUR BRANDS	2, 9	
		102-3	Location of the headquarters	2-1	Organization details	The organization and its information practices	Yes ABOUT THE REPORT	2	
		102-4	Location of operations	2-1			Yes ABOUT THE REPORT / OUR LOCATIONS	2, 10	
		102-5	Ownership and legal form	2-1			Yes ABOUT THE REPORT	2	
		102-6	Markets served	2-6	Activities, value chain and other business relationships		Yes OUR BRANDS / OUR LOCATIONS	2, 10	
		102-7	Scale of the organization	2-6			Yes PRESENCE 2021 / CONTRIBUTION TO SOCIAL WELLFAFE	11, 74	
		102-8	Information on employees and other workers	2-7, 2-8	Employees	Activities and workers	Yes CONTRIBUTION TO SOCIAL WELLFAFE	74	
		102-9	Supply chain	2-6	Activities, value chain and other business relationships			SUSTAINABLE PURCHASES	55
		102-10	Significant changes to the organization and its supply chain	2-6			Yes OUR LOCATIONS	10	
		102-11	Precautionary principle or approach	2-23	Political commitments	Strategy, policies and practices	Yes HOW DO WE MAKE OUR BUSINESS SUSTAINABLE?	17	
		102-13	Membership of associations	2-28	Associations		Yes SOCIAL INVESTMENT AND STRATEGIC PARTNERSHIP	96	
ETHICS AND INTEGRITY									
GRI 102	General contents	102-16	Values, principles, standards, and norms of behavior	2-23	Political commitments	Strategy, policies and practices	Yes OUR PHILOSOPHY	8	
		102-17	Mechanisms for advice and concerns about ethics	2-26	Mechanisms for seeking advice and raising concerns		Yes CORPORATE GOVERNANCE / INTEGRITY	62-63	
GOVERNANCE									
GRI 102	General contents	102-18	Governance structure	2-9	Structure and composition of governance	Governance	Yes SUSTAINABILITY COMMITTEE / CORPORATE GOVERNANCE	28, 62	

		GRI 2016		GRI 2021			ANSWER		
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT		SECTION	PAGE
GRI 102	General contents	102-21	Consulting stakeholders on economic, environmental, and social topics	2-12	Role of the highest governance body in supervising impact management	Governance	Yes	MATERIALITY ANALYSIS	20
		102-31	Review of economic, environmental, and social topics	NA	N/A	NA	Yes	SUSTAINABILITY COMMITTEE	28
STAKEHOLDERS' PARTICIPATION									
GRI 102	General contents	102-40	List of stakeholder groups	2-29	Stakeholder Engagement Approach		Yes	OUR STAKEHOLDERS	19
		102-41	Collective bargaining agreements	2-30	Collective agreements	Stakeholder Engagement	Yes	FREEDOM OF ASSOCIATION	81
		102-42	Identifying and selecting stakeholders	2-29	Stakeholder Engagement Approach		Yes	OUR STAKEHOLDERS	19
		102-43	Approach to stakeholder engagement	2-29	Stakeholder Engagement Approach		Yes	OUR STAKEHOLDERS	19
		102-44	Key topics and concerns raised	NA	N/A	N/A	Yes	MATERIALITY ANALYSIS / MATERIALITY MATRIX	20, 21
		102-45	Entities included in the consolidated financial statements	2-2	Entities included in the organization's sustainability report	The organization and its information practices	Yes	SOCIAL INVESTMENT	67
		102-46	Defining report content and topic Boundaries	3-1	Process for determining material topics	Dissemination of important topics	Yes	MATERIALITY ANALYSIS	20
		102-47	List of material topics	3-2	List of material topics		Yes	MATERIALITY MATRIX	21
		102-48	Restatements of information	2-4	Restatement of information	The organization and its information practices	Yes	MATERIALITY ANALYSIS	20
		102-49	Changes in reporting	3-2	List of material topics	Dissemination of important topics	Yes	MATERIALITY ANALYSIS	20
		102-50	Reporting period	2-3	Notification period, frequency and point of contact	The organization and its information practices	Yes	ABOUT THE REPORT	2
		102-53	Contact point for questions regarding the report	2-3			Yes	ABOUT THE REPORT	2
		102-54	Declaration of preparation of the conformity report	NA	Requirement 8: Provide a statement of use	Report in accordance with GRI standards	Yes	ABOUT THE REPORT	2
		102-55	GRI content index	NA	Publish a GRI content index	Report in accordance with GRI standards	Yes	GLOBAL REPORTING INITIATIVE CONTENT INDEX - GRI	113
102-56	External verification	2-5	External review	The organization and its information practices	Yes	ABOUT THE REPORT	2		
ENVIRONMENTAL									
MATERIAL TOPIC: WATER									
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / WATER CONSERVATION	23
		103-2	The management approach and its components	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / WATER CONSERVATION	23
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / WATER CONSERVATION	23
GRI 303	Water and effluents	303-3	Water extraction	NA	NA	NA	Yes	WATER CONSERVATION	41

		GRI 2016		GRI 2021			ANSWER		
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT	SECTION	PAGE	
MATERIAL TOPIC: EMISSIONS TO THE ATMOSPHERE (GAS AND ENERGY)									
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OUR CARBON FOOTPRINT	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OUR CARBON FOOTPRINT	23
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OUR CARBON FOOTPRINT	23
GRI 305	Emissions	305-1	Direct greenhouse gas emissions (scope 1)	NA	NA	NA	Yes	OUR CARBON FOOTPRINT	32
		305-2	Indirect GHG emissions when generating energy (scope 2)	NA	NA	NA	Yes	OUR CARBON FOOTPRINT	32
		305-4	Intensity of GHG ¹ emissions	NA	NA	NA	Yes	COMPARATIVE RATIO OCCUPIED ROOM NIGHT (O.R.N.)	35
MATERIAL TOPIC: BIODIVERSITY MANAGEMENT									
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OUR CARBON FOOTPRINT	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OUR CARBON FOOTPRINT	23
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OUR CARBON FOOTPRINT	23
GRI 304	Biodiversity	304-1	Owned, leased or managed operations centers located within or adjacent to protected areas or areas of high value for biodiversity outside protected areas	NA	NA	NA	Yes	BIODIVERSITY PROTECTION	48
		304-2	Significant impacts of activities, products and services on biodiversity	NA	NA	NA	Yes	BIODIVERSITY PROTECTION	48
MATERIAL TOPIC: ENERGY CONSUMPTION AND EFFICIENCY									
GRI 103	Management approach	103-1	"Explanation of the material topic and its Boundary"	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / ENERGY EFFICIENCY	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / ENERGY EFFICIENCY	23
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / ENERGY EFFICIENCY	23
GRI 302	Energy	302-1	Energy consumption within the organization	NA	NA	NA	Yes	ENERGY EFFICIENCY	37
		302-3	Energy intensity within the organization ²	NA	NA	NA	Yes	ENERGY EFFICIENCY	37

¹ Per Occupied Room Night.

² The specific parameters (denominator) selected to calculate the ratio. Total hotel consumption divided by the number of occupied room nights.

		GRI 2016		GRI 2021			ANSWER	
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT	SECTION	PAGE
OTHER ENVIRONMENTAL INDICATORS - ENVIRONMENTAL LEGAL COMPLIANCE								
GRI 307	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	NA	NA	NA	Yes	TOTAL COMPLIANCE TO ENVIRONMENTAL LEGISLATION
OTHER ENVIRONMENTAL INDICATORS - SUPPLIERS' ENVIRONMENTAL ASSESSMENT								
GRI 308	Suppliers' environmental assessment	308-1	Suppliers' environmental assessment	NA	NA	NA	Yes	SUSTAINABLE PURCHASES
		308-2	Negative environmental impacts in the supply chain and actions taken	NA	NA	NA	Yes	SUPPLIER BIDDING
INTERNAL SOCIAL								
MATERIAL TOPIC: FAIR LABOR CONDITIONS								
GRI 103	Management approach	103-1	"Explanation of the material topic and its Boundary"	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY
GRI 401	Employment	401-1	New collaborator hiring and staff turnover	NA	NA	NA	Yes	TURNOVER RATE
		401-2	Benefits for full-time collaborators not given to part-time or temporary collaborators	NA	NA	NA	Yes	SALARIES AND BENEFITS
MATERIAL TOPIC: HEALTH AND SAFETY AND PROTECTION OF EMPLOYEES AND GUESTS								
GRI 103	Management approach	103-1	"Explanation of the material topic and its Boundary"	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY
GRI 403	Occupational health and safety	403-9	Work-related injuries	NA	NA	NA	Yes	OCCUPATIONAL HEALTH AND SAFETY
		403-10	Occupational diseases and illnesses	NA	NA	NA	Yes	OCCUPATIONAL HEALTH AND SAFETY
GRI 416	Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	NA	NA	NA	Yes	COMMITTED TO OUR GUESTS
GRI 418	Customer privacy	418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data	NA	NA	NA	Yes	COMMITTED TO OUR GUESTS / CUSTOMER SECURITY AND PRIVACY

GRI 2016				GRI 2021				ANSWER		
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT		SECTION	PAGE	
GRI 419	Socioeconomic Compliance	419-1	Failure to comply with laws and regulations in the social and economic fields	N/A	N/A	N/A	Yes	CUSTOMER SECURITY AND PRIVACY	14	
MATERIAL TOPIC: COMPREHENSIVE WELL-BEING OF EMPLOYEES										
		103-1	Explanation of the material topic and its Boundary	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY	23	
GRI 103	Management approach	103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY	23	
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / OCCUPATIONAL HEALTH AND SAFETY	23	
See indicator GRI 401-2										
MATERIAL TOPIC: PROFESIONAL DEVELOPMENT AND GROWTH										
		103-1	Explanation of the material topic and its Boundary	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / LEARN, TRUST AND COMMUNICATION / PERFORMANCE EVALUATION	23	
GRI 103	Management approach	103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / LEARN, TRUST AND COMMUNICATION / PERFORMANCE EVALUATION	23	
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS / LEARN, TRUST AND COMMUNICATION / PERFORMANCE EVALUATION	23	
GRI 404	Training and education	404-1	Average number of training hours per year per employee	NA	NA	NA	Yes	LEARN, TRUST AND COMMUNICATION	78	
		404-3	Percentage of employees receiving regular performance and professional development assessments	NA	NA	NA	Yes	PERFORMANCE EVALUATION	83	
OTHER SOCIAL INDICATORS - DIVERSITY AND EQUAL OPPORTUNITIES										
GRI 405	Diversity and equal opportunities	405-1	Diversity in governing bodies and collaborators	N/A	N/A	N/A	Yes	CONTRIBUTION TO SOCIAL WELFARE / DIVERSITY AND LABOR INCLUSION PROGRAM / GENDER EQUITY	74, 90, 92	
OTHER SOCIAL INDICATORS - ANTI-CORRUPTION										
GRI 205	Anti-corruption	205-2	Communication and training on anticorruption policies and procedures	N/A	N/A	N/A	Yes	INTEGRITY / TRAINING ON THE CODE OF ETHICS AND ANTICORRUPTION POLICY	63, 66	

		GRI 2016		GRI 2021			ANSWER	
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT	SECTION	PAGE
EXTERNAL SOCIAL								
MATERIAL TOPIC: HUMAN RIGHTS COMPLIANCE								
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	23
		103-3	Evaluation of the management approach	3-3			Yes	23
GRI 412	Human rights assessment	412-1	Operations subject to revisions or impact assessments on human rights	NA	NA	NA	Yes	MEXICAN NATIONAL CODE OF CONDUCT 95
See the GRI indicators 102-16 and 102-17								
MATERIAL TOPIC: PRESERVATION OF LOCAL CULTURE AND NATURAL HERITAGE								
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	23
		103-3	Evaluation of the management approach	3-3			Yes	23
See the GRI indicators 304-1, 304-2								
TEMAS MATERIALES - PROMOCIÓN DEL TURISMO RESPONSABLE								
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	23
		103-3	Evaluation of the management approach	3-3			Yes	23
See the GRI indicators 304-1, 304-2, 412-1								
TEMAS MATERIALES - PARTICIPACIÓN Y EMPODERAMIENTO DE COMUNIDADES								
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	23
		103-3	Evaluation of the management approach	3-3			Yes	23
See the GRI indicators 201-1 and 203-1								

		GRI 2016		GRI 2021			ANSWER		
CODE	TOPIC	GRI	CONTENIDO	CODE	TOPIC	CONTENT	SECTION	PAGE	
ECONOMIC									
MATERIAL TOPIC: MATERIAL TOPICS - LOCAL ECONOMIC IMPACT THROUGH GENERATION OF DIRECT AND INDIRECT JOBS									
GRI 103	Management approach	103-1	Explanation of the material topic and its boundary	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS	23
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS	23
GRI 201	Economic performance	201-1	Direct economic value generated and distributed	NA	NA	NA	Yes	SOCIAL INVESTMENT	67
GRI 203	Indirect economic impacts	203-1	Investments in infrastructure and services supported	NA	NA	NA	Yes	INNOVATION AND ENTREPRENEURSHIP PROGRAM	68
		203-2	Significant indirect economic impacts	NA	NA	NA	Yes	OUR PHILOSOPHY	8
GRI 204	Procurement practices	204-1	Share of spending on local suppliers	NA	NA	NA	Yes	SUPPLIER BIDDING	57
MATERIAL TOPICS - LOCAL ECONOMIC IMPACT THROUGH GENERATION OF DIRECT AND INDIRECT JOBS									
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS	23
		103-2	The management approach and its components	3-3	Management of material topics	Dissemination of important topics	Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS	23
		103-3	Evaluation of the management approach	3-3			Yes	MANAGEMENT OF OUR MAIN MATERIAL TOPICS	23
See the GRI indicators 102-11									

TABLE OF CONTENTS SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)



INDUSTRY STANDARD | 2018 -10 VERSION

SASB CODE	METRIC	2019	2020	2021	REPORT SECTION	PAGE
SV-HL-130a.1	(1) Total energy consumed, Gigajoules (GJ)	209,771.31	147,344.20	171,230.29	ENERGY EFFICIENCY	37
SV-HL-130a.1	(2) Percentage of electricity from the grid, Gigajoules (GJ)	100%	100%	100%	ENERGY EFFICIENCY	37
SV-HL-130a.1	(3) Percentage of renewable Gigajoules (GJ), percentage (%)		Does Not Apply		ENERGY EFFICIENCY	37
SV-HL-140a.1	(1) Total water extracted, thousand cubic meters (m ³)	1,106,121	696,885	830,428	WATER CONSERVATION	41
SV-HL-140a.1	(2) Total water used, percentage of each in regions with high or extremely high initial water stress Thousand cubic meters (m ³), percentage (%)	Not Available	Not Available	69%	WATER EXTRACTION IN AREAS WITH WATER STRESS	43
SV-HL-160a.1	Number of housing facilities located in or near areas of protected conservation status or the habitat of endangered species	13	13	13	NUMBER OF FACILITIES LOCATED NEAR OR IN PROTECTED AREAS	48
SV-HL-160a.2	Description of environmental management policies and practices to preserve ecosystem services	Environmental Impact Policy >> • Mexican Fund for the Conservation of Nature, A.C. (Golden Eagle) • Environmental Impact Volunteering ECOPIIL – Meeting of Social and Environmental Innovation.			IMPACT ON OPERATIONS	50
SV-HL-310a.1	Turnover rate (1) voluntary and (2) involuntary of the employees of the lodging facilities.	Voluntary 10.01% Involuntary 0.18%	Voluntary 6.42% Involuntary 4.06%	Voluntary 8.51% Involuntary 2.60%	TURNOVER RATE	76
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings related to labor law violations (2)		zero		SASB SV0201-07	88

SASB CODE	METRIC	2019	2020	2021	REPORT SECTION	PAGE
SV-HL-310a.3	1) Average hourly wage MXN	30.34	38.12	39.29	SALARIES AND BENEFITS	85
	and 2) Percentage of lodging facility employees earning the minimum wage, by region		100%			85
SV-HL-310a.4	Description of workplace harassment prevention policies and programs		Code of Ethics Confía Program		CODE OF ETHICS / CONFÍA PROGRAM	63
SV-HL-450a.1	Number of lodging facilities located in 100-year flood zones	35	40	40	HOTELS LOCATED IN FLOOD ZONES	58
SV-HL-000.A	Number of available accommodation places	6,239,759	6,356,468	6,338,175		11
SV-HL-000.B	Average occupancy rate (3)	56.90%	27.70%	40.30%		11
SV-HL-000.C	Total area of accommodation facilities (4) / Square meters (m ²)	794,426	806,258	759,137		11
SV-HL-000.D	Number of hosting facilities and the percentage that are: Converted	28 (25%)	38 (25)%	38 (25%)	SASB ACTIVITY PARAMETERS	11
	(2) owned	61 (40%)	62 (40)%	62 (41%)		11
	leased,	14 (9%)	14 (9)%	14 (9%)		11
	3) franchised and managed	39 (26%)	40 (26)%	38 (25%)		11

TABLE OF CONTENTS - TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) V2020



RECOMMENDATIONS	RECOMMENDED REPORT	CODE	PAGE/S	SUPPLEMENTARY INFORMATION
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	GOB-A	28	<p>Sustainability Strategy Monitoring Hoteles City has a Sustainability Committee, at the management team's level, complementary to the Committee of the Board of Directors and the Audit, Risks and Corporate Practices Committee. Currently the chairman of the Sustainability Committee is our Director of Finance and Administration, who promotes investments in sustainability and communicates the main results of the sessions to the Audit, Risk and Corporate Practices Committee, and this in turn informs the Board of Directors in a timely manner.</p> <p>Among the responsibilities of the Sustainability Committee is defining, approving and supervising the execution of the Sustainability strategy in Hoteles City through Impacto City, a program that includes improving eco-efficiency in the company's operations and has as a long-term objective deadline to neutralize the carbon footprint in at least 60% of the hotels with various initiatives.</p> <p>Validating the identification and prioritization of climate change risks The Corporate Sustainability Management, in collaboration with the other leaders of the Company and the Corporate Security Department that manages the risks, have developed a study to identify climate change risks, based on which they are evaluating measures to reinforce the Strategy of Sustainability.</p> <p>Monitoring Environmental Indicators We have a dashboard of operating indicators that is monitored by the Corporate Sustainability Management and reported to the Sustainability Committee. The analysis of its evolution is presented through it to the Audit, Risks and Corporate Practices Committee, which in turn informs the Board of Directors in a timely manner. This dashboard allows us to develop and monitor our climate performance indicators such as tons of CO2eq per Occupied Room Night, which we have significantly reduced since 2013.</p>
	b) Describe the role of management in assessing and managing climate-related risks and opportunities.	GOB-B	28	<p>Monitoring of the Sustainability Strategy (including initiatives related to climate change) Sustainability Committee and Sustainability Management.</p> <p>Risk management integration Corporate Security Department and Corporate Sustainability Management.</p> <p>Implementation of risk response initiatives, including those derived from identified climate change risks. Corporate directors that make up the Sustainability Committee, including the Development Department, the Finance Department, the Legal Department, the Advertising Department, the Operations and Human Capital Department and the Corporate Sustainability Manager, as well as local managers appointed based on the process and/or activity, in each hotel of the chain.</p> <p>Indicator follow-up Sustainability Committee through the Corporate Sustainability Management. There is a board of specific operational indicators that include electricity, water and natural gas consumption updated monthly that allows us to calculate our progress against climate change as well as our goals (ex in GHG emissions).</p>

RECOMMENDATIONS	RECOMMENDED REPORT	CODE	PAGE/S	ADDITIONAL INFORMATION
Strategy	a) Describe the climate-related risks and opportunities identified by the organization in the short, medium and long term.	EST-A	59	We have carried out an initial identification of risks and opportunities, the results of which are set out in the sub-corresponding chapter, with support of external specialists. In addition to this, our Corporate Security Department continuously works on exhaustive analyzes of the risks to which each of the properties is exposed for its analysis and management.
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	EST-B	59	Based on the climate change risk analysis, we will work to integrate them into our Sustainability Strategy. It should be noted that there are already initiatives of the Sustainability Strategy and strategic business planning that contribute to preventing and/or mitigating these risks.
	c) Describe the resilience of the Organization's strategy, taking into account the different scenarios related to climate, such as a scenario with 2°C or less.	EST-C	(-)	We aim to carry out a scenario analysis; which we will be developing in the following steps based on the climate change risk analysis already carried out.
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	GDR-A	59	We have developed a climate change risk analysis. The study included a benchmark with peers from the hotel sector at an international level, internal identification in a collaborative manner with the management areas in charge of critical business processes, and qualitative internal prioritization based on the probability of occurrence and impact.
	b) Describe the organization's processes for managing climate-related risks.	GDR-B	59	Existing Initiatives » Sessions of the Sustainability Committee, with 10 sessions held during 2020 and 10 sessions in 2021. » Pilot Remote Monitoring System for Critical Systems: monitoring of energy consumption in real time as well as a predictive maintenance program through condition monitoring of machine room and air conditioning equipment. » Reforestation initiatives that contribute to carbon sequestration. » Hotels that meet national and international standards in optimizing the use of energy, water, waste, environmental protection, among other aspects, thus achieving certifications such as LEED, EDGE, BIOSPHERE, Distintivo S. » Strategic energy saving plan that allows us to control expenses and optimize consumption of each business unit. » Practices that optimize the use of resources, such as water, for which we implement highly efficient and innovative equipment in our daily processes. » Participation in Earth Hour » Initiatives that leave a mark - Environmental Volunteering. New reinforcement initiatives: under development.
	c) Describe how processes to identify, assess and manage climate-related risks are integrated into the organization's overall risk management.	GDR-C	59	The results of the climate change risk analysis are already partially integrated into the risk maps currently available to Hoteles City and which are updated together with the Corporate Security Department and insurance specialists. To address these risks, we already have active initiatives, to which we will add the additional ones that we are including in the work plan once updated.
Metrics and goals	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process.	MYO-A	32	The main indicators are communicated throughout the report taking advantage of an existing list, they include intensity metrics, such as tons of CO ₂ eq per Occupied Room Night, kWh per Occupied Room Night, Liters of Gas per Occupied Room Night, Liters of Water per Room Busy night.
	b) Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and their related risks.	MYO-B	32	Now available. For the third consecutive year at Hoteles City, we present the measurement of our carbon footprint due to the impact of knowing it and thus being able to mitigate it. On the other hand, we will seek to increase the coverage of our emissions with respect to Scope 3 in subsequent reports.
	c) Describe the objectives used by the organization to manage climate-related risks and opportunities and performance against objectives.	MYO-C	(-)	They have not been updated. Due to the fact that during 2020 and 2021 we continued with atypical operations in terms of occupancy and energy consumption attributed to the COVID-19 health contingency, it is not possible to use this as a base year, so we will expect to return to a normal occupancy level before the COVID-19 health contingency to establish real emission reduction targets and other related aspects

ANNEX 1

EMISSIONS FACTORS

FACT	FACTOR	UNIT
Electricity Mexico	0.423	tCO ₂ e/MWh
Electricity Costa Rica	0.0282	tCO ₂ e/MWh
Electricity Colombia	0.203	tCO ₂ e/MWh
Electricity Chile	0.3907	tCO ₂ e/MWh
Gasoline (CO ₂)	0.0000693	ton / MJ
Gasoline (CH ₄)	0.000025	kg / MJ
Gasoline (NO ₂)	0.000008	kg / MJ
Diesel (CO ₂)	0.0000741	ton / MJ
Diesel (CH ₄)	0.0000039	kg / MJ
Diesel (NO ₂)	0.0000039	kg / MJ
Natural gas (CO ₂)	0.0000561	ton / MJ

FACT	FACTOR	UNIT
Natural gas (CH ₄)	0.000092	kg / MJ
Natural gas (NO ₂)	0.000003	kg / MJ
LP Gas (CO ₂)	0.0000631	kg / MJ
LP Gas (CH ₄)	0.000062	kg / MJ
LP Gas (NO ₂)	0.0000002	kg / MJ
Gasoline PC	30.0715853	MJ / l
Diesel PC	37.6759665	MJ / l
Natural Gas PC	0.040333	MJ / l
LP Gas PC	26.1215841	MJ / l
PCG CH ₄	27.9	CO ₂ /CH ₄
PCG NO ₂	273	CO ₂ /N ₂ O

ANNEX 2 MANAGEMENT OF CLIMATE CHANGE RISKS AND OPPORTUNITIES

TCFD EST-A, EST-B, GDR-A, GDR-B, GDR-C

Our commitment to climate action is based on different measures indicated throughout this report: reduction of emissions, incorporation of eco-technologies, optimization of resources and customer awareness.

Climate change poses risks and opportunities for our operation, which we have exhaustively identified in 2020 and 2021. We also evaluate the management that we have been carrying out from senior management in the corporate governance structure, and through different levels and areas involved, including setting goals and measuring progress.

The **Task Force on Climate Related Financial Disclosures (TCFD)** is an international initiative to promote the management and reporting of climate change risks and opportunities in organizations. Its guidelines are structured in 4 large groups of recommendations, related to: governance, strategy, risk management, establishment of metrics and objectives.

We present our main aspects and results, according to said structure of recommendations:

ENVIRONMENTAL COMMITMENT FROM THE CORPORATE GOVERNANCE

Our Board of Directors, the highest governing body, is informed through the Audit, Risk and Corporate Practices Committee of the main efforts and initiatives in sustainability.

The Audit Committee is also informed by the Sustainability Committee, which is responsible for defining, approving and supervising the execution of the

Sustainability strategy at Hoteles City, and for ensuring that the company's investment, development and operation decisions are aimed at complying with the best sustainability practices.

RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

At Hoteles City we work to adapt our value proposition to the new market requirements, also encouraging a proactive change in the hotel market in terms of Sustainability and anticipating opportunities.

During 2020 and the beginning of 2021, we worked on identifying the risks and opportunities of climate change for the company. The analysis carried out covered 16 high-priority sites for Hoteles City considering the operation in Mexico, where the majority of our hotels are located, assets with higher revenues during 2019 and finally those that are most exposed to hydrometeorological events according to historical reports from company and public information.

1 IDENTIFICATION OF POTENTIAL RISKS

A benchmark was made of international leaders in the sector who publicly respond to the CDP climate change questionnaire, as well as other sources of relevant public information such as their websites and sustainability reports. This identification of risks was complemented with an analysis of regulations and market trends in climate matters.

2 CLASSIFICATION AND PRIORITIZATION OF POTENTIAL RISKS

The risks were prioritized according to the perception of Hoteles City, to the context of the business and the country. To this end, interviews were conducted with those responsible for different corporate areas of the company. In addition, with support of a questionnaire shared with these same interviewees, a risk prioritization proposal was defined considering their probability of occurrence and possible impact.

3 RISK MATRIX DEVELOPMENT

A climate risk matrix was developed where the main results obtained are presented graphically, including a qualitative description of climate risks and the importance (quantitative description) given by the company.

MAIN RISKS IDENTIFIED, CONSIDERING THE RECOMMENDATIONS AND CATEGORIES OF TCFD

CATEGORY	TYPE OF RISK	DESCRIPTION	PROBABILITY	HOTELES CITY RELATED INITIATIVES
Transitory	Regulatory	Increased obligations in terms of reporting and transparency in relation to GHG emissions, environmental indicators, the risks arising from climate change and their management strategies.	Very likely	Incorporation of environmental practices of excellence, above the minimum legal requirements, such as LEED, Edge, Biosphere, Distintivo H, Sustainable Hydro Hotel.
Transitory	Market	Changes in consumer behavior that increase the demand for more sustainable and less polluting energy sources.	Very likely	Promotion of unique practices for the guest, in which the value of Responsible Tourism is transmitted and promoted, as well as the creation of local alliances to contribute to the environment's development and conservation.
Transitory	Reputational	Potential reputational impact due to inaction or delayed action towards a low GHG emission model.	Certain	Acquisition and supply of clean energy.
Transitory	Reputational	Growing concern of shareholders and other stakeholders regarding the contribution to climate change and environmental impact.	Certain	Improved eco-efficiency in the company's operations.
Transitory	Regulatory	Establishment of limits to operations marked by environmental issues criteria, such as emissions, water use, waste production or air quality.	Very likely	Incorporation of excellence environmental practices, above the minimum legal requirements, such as LEED, Edge, Biosphere, Distintivo H, Sustainable Hydro Hotel.
Transitory	Market	Increased cost and/or price volatility of natural resources and inputs necessary for the operation.	Very likely	Objectives to reduce energy consumption, emissions and water per Occupied Room Night, to improve efficiency and reduce the impacts of the volatility of inputs and natural resources.
Transitory	Market	Increase in the demands from investors in terms of transparency and standards related to Environmental, Social and Corporate Governance criteria and risks derived from climate change.	Certain	Communication of efforts against climate change aligned with international recommendations such as TCFD and key content verification by an independent third party, including CO2 emissions
Transitory	Technological	Capital investments in technological development or costs of adopting/ deploying new practices and processes (renewable energies, technology to reduce GHG emissions).	Certain	Launch of the remote monitoring system for critical systems and with a predictive maintenance program that allows us to make operation of the equipment and more efficient use of energy.
Physic	Chronic	Increased repair and maintenance costs due to the recurrence of extreme weather conditions.	Very likely	Risk analysis of flooding of the facilities and properties and response measures proposal. Reinforcement and preventive maintenance of hotels to improve their resilience.
Physic	Acute	Damage to physical assets due to extreme weather events (ex. hurricanes or floods).	Very likely	Wide coverage insurance policies. Climate-related risk assessments before and during the hotels' operation. Preparation of studies with insurance specialists to identify and reduce opportunity areas.

MAIN IDENTIFIED OPPORTUNITIES, CONSIDERING TCFD RECOMMENDATIONS AND CATEGORIES

CATEGORY	INITIATIVE	MANAGEMENT METHOD
Products and services	Development and/or expansion of low emission goods and services.	Development of internal carbon price and science-based GHG emission reduction targets (SBTi) to align climate change efforts with comparable global initiatives.
	Development and/or expansion of low emission services.	Maintain its attractiveness and reputation for clients and investors as a responsible actor by: Communicating the actions of Impacto City, offering responsible meeting solutions, certifying hotels; and answering extra-financial questionnaires.
	Change in consumer preferences	Development of one or several iconic properties that are at the forefront of sustainability practices , for example, a hotel with a Zero carbon footprint or water footprint.
Market	Access to new markets	Alliances with universities or information technology companies for an early understanding of how the weather can impact tourism patterns and operations, in order to anticipate and offer solutions aligned to these new patterns.
	Access to new assets and locations that need insurance coverage	Strengthen communication with investors by maintaining and improving the response to questionnaires or communications such as CDP, SAM, TCFD, among others, of extra-financial interest.
Resource efficiency	Promotion of more efficient buildings	Alliances with technology and artificial intelligence companies to identify opportunity areas and promote smarter and more sustainable buildings.
	Reduced use and consumption of water	New objectives and projects to reduce the use and consumption of water throughout the hotel chain , in addition to its standardization in the sector as a general practice.
Resource efficiency	Promote more efficient buildings	Collaboration with expert suppliers in each region and country to cross knowledge and skills in addition to involving and supporting hotel managers with a fixed annual support to promote best sustainability practices.
	Promote more efficient buildings	Integration of the company's values, principles and efforts throughout the value chain by involving operational and brand leaders, team members, guests, franchisees and suppliers.
	Promote more efficient buildings	Promoting the real-time remote energy monitoring project and helping identify and validate new energy management projects through other tools such as the Internet of Things (IoT) and machine learning algorithms based on information collected from energy systems. building management.
Resilience	Participation in renewable energy and energy efficiency programs.	Establishment of renewable energy consumption goals for 2025, 2030 and 2050 in its corporate offices and hotels.
Power source	Shift to decentralized power generation	Continued investment in small and large-scale solar photovoltaic (PV) systems to enable decentralized renewable energy.

With the results of the previous analysis, we will strengthen our risk management system for Hoteles City. On the other hand, we will develop additional measures to respond to climate change, integrated into the sustainability strategy and into the investment and business development strategy itself.

RISK MANAGEMENT

As part of comprehensive risk management, at Hoteles City we already carry out regular environmental assessments of all hotels at least once a year. In addition, in the event of an incident related to physical risks such as floods or hurricanes, on-site inspections are carried out by independent experts to document possible improvements with the aim of improving these hotels resilience, and additionally sharing these areas of opportunity among the rest of our hotels where applicable.

To track climate-related risks, we use our own tracking and monitoring tools to analyze changes in the weather, as well as constant communication with all our managers on site, guests on site and to come, as well as authorities and corporate for efficient and timely coordination.

METRICS AND OBJECTIVES

The metrics and objectives that we have set to measure our progress and contribute to efforts to combat climate change can be found in the chapter on environmental conservation, and include our carbon footprint over time, improvements in energy efficiency, care for water, among others.

We are defining new goals to reduce emissions and energy in line with our Sustainability strategy and the current reality in which we live, with the aim of continuing to contribute to efforts to reduce our impact on the environment in each of the communities where we operate.

Complementary to this section, it is in the response rate to the TCFD recommendations.

VERIFICATION LETTER



MADRID - A CORUÑA - AMSTERDAM
 BARCELONA - LONDRES - PARIS - ISTANBUL
 MEXICO CITY - PANAMA CITY - GUATEMALA CITY - QUITO

Independent Review Report to the Management of Hoteles City Express, S.A.B. de C.V.

(Translation from Spanish Language Original). This letter has been translated from the Spanish language original and for the convenience of foreign/English-speaking readers – in case of discrepancy, Spanish prevails.

To the Management of Hoteles City Express, S.A.B. de C.V.,

As per your request, we were required to provide a limited level of assurance about the information content on the 2021 Sustainability Report (hereinafter the "Report") of Hoteles City, for the period January 1st to December 31st, 2021.

The "Report" has been prepared in accordance with the content proposed in the Global Reporting Initiative Standards (GRI Standards) and the parameters of the Sustainability Accounting Standards Board (SASB) for the Hotel and accommodation industry.

Hoteles City responsibilities

The Management of Hoteles City was responsible for the preparation, content and presentation of the "Report", including compliance with the requirements of the "Core" option of the GRI Standards.

This responsibility includes designing, implementing and maintaining such internal control that is considered necessary to enable the information contained in the "Report" is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility was to carry out a limited review on the content of the "Report" regarding the verified contents enlisted in the Annex 1 of this Independent Review Report, both, the GRI Standards and the SASB Standards.

To ensure that the assurance process accomplishes with the ethical requirements necessary to ensure the independence of our work as auditors of non-financial information, our work was carried out in accordance with the Standard ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Scope

The scope of our independent review, as well as the evidence gathering procedures performed was of limited assurance level, which is less than the one performed in an engagement with a reasonable assurance level and therefore also the security level provided. This Independent Review Report must not be understood as an audit report.

The procedures that were carried out, in general, are described below:

- Selection of information to verify based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for providing the information contained in the "Report" to learn the principles, systems and applied management approaches
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the "Report" based on the operations and the material aspects identified.
- Review of evidence based on a sampling of information according to a risk analysis.
- Review of the application of the requirements accordance with the GRI and SASB Standards.

Conclusion

Based on our review and the evidence obtained by Hoteles City nothing caught our attention that causes us to believe that their information contained in the 2021 Sustainability Report has not been obtained with reliability, was not presented properly, or that there were significant discrepancies or omissions, or that has not been prepared in accordance with the requirements established in the GRI Standards and the SASB Standards.

Luis Miguel Vilatela Riba
 Valora México Director
 Valora Sostenibilidad e Innovación S.A. de C.V.
 Mexico City, 24, May, 2022



MADRID - A CORUÑA - AMSTERDAM
 BARCELONA - LONDRES - PARIS - ISTANBUL
 MEXICO CITY - PANAMA CITY - GUATEMALA CITY - QUITO

Annex 1.

Detail of the GRI Standards and SASB Standards revised:

GRI Standards	
General Disclosures	
Disclosure	Description
102-2	Activities, brands, products, and services
102-4	Location of operations
102-8	Information on employees and other workers
102-9	Supply chain
102-13	Membership of associations
102-17	Mechanisms for advice and concerns about ethics
102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-46	Defining report content and topic boundaries
102-47	List of material topics
102-54	Claims of reporting in accordance with the GRI Standards
Economic	
201-1	Direct economic value generated and distributed
205-2	Communication and training about anti-corruption policies and procedures
Environment	
302-1	Energy consumption within the organization
302-3	Energy intensity
303-3	Water withdrawal
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-4	GHG emissions intensity
307-1	Non-compliance with environmental laws and regulations
308-1	New suppliers that were screened using environmental criteria
Social	
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
403-9	Work-related injuries
403-10	Work-related ill health
404-1	Average hours of training per year per employee
404-3	Percentage of employees receiving regular performance and career development reviews
413-1	Operations with local community engagement, impact assessments, and development programs

SASB Standards - Hotels & Lodging Industry	
Code	Description
SV-HL-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress
SV-HL-160a.2	Description of environmental management policies and practices to preserve ecosystem services
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations
SV-HL-310a.3	(1) Average hourly wage and (2) percentage of lodging facility employees earning minimum wage, by region

End of document



Juan Salvador Agraz 69, Col. Santa Fe Cuajimalpa, Del.
Cuajimalpa de Morelos, C.P. 05348, Ciudad de México.

HOTELES CITY.

CITY CENTRO. CITY EXPRESS
Suites.

CITY
EXPRESS
PLUS.

cityexpress.
hoteles

cityexpress
Junior

CityPremios.
Rewards by Hoteles City