

2022 SUSTAINABILITY REPORT



RENEWING OURSELVES TO BECOME A STRONGER TEAM

HOTELES CITY®



HOTELES CITY

SUSTAINABLE BUSINESS

ENVIRONMENTAL CONSERVATION

CREATING ECONOMIC VALUE

CONTRIBUTING TO SOCIAL WELFARE

INDICATOR TABLES



GRI 2-1, 2-6, 2-3

ABOUT THE REPORT

This Sustainability Report is our tenth effort to report the application of ESG (environmental, social and governance) standards results, policies, programs and strategies for the 2022 fiscal year. It also includes the performance of the company's economic, social and environmental value creation model.

The content of the topics was defined based on the materiality analysis conducted at the end of 2021, which includes our framework towards 2024. It was prepared in accordance with the Global Reporting Initiative (GRI) and the Accountability principles of the AA1000 standard, together with a study of national and international best practices in the hospitality industry. With this analysis we identify new relevant aspects related to our sector, in order to communicate it best to our investors and main stakeholders.

The report has been prepared in accordance with GRI standards in its 2021 version, in compliance with the principles of Stakeholder Inclusion, Sustainability Context, Materiality and Completeness. We detail our adherence to the Sustainability Accounting Standards (SASB) that apply to the hotel and lodging sector, the Carbon Disclosure Project (CDP) for reporting our emissions inventory, the 10 principles of the Global Compact, and align our programs with the 17 Sustainable Development Goals.

In addition, we present a water stress analysis to identify and match our hotels' locations with water scarcity places, in order to properly measure and manage our risks. One of the objectives we have set for 2023 is to update our risk assessment in connection with climate change, working in line 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 practical facilities and modern rooms with the best value.

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

Dissemination of the Annual Corporate Sustainability Report: Web site, e-mail and Global Compact page.

Contact:

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

Santiago Parra

CFO, Chairman of the Sustainability Committee
sparra@hotelescity.com

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

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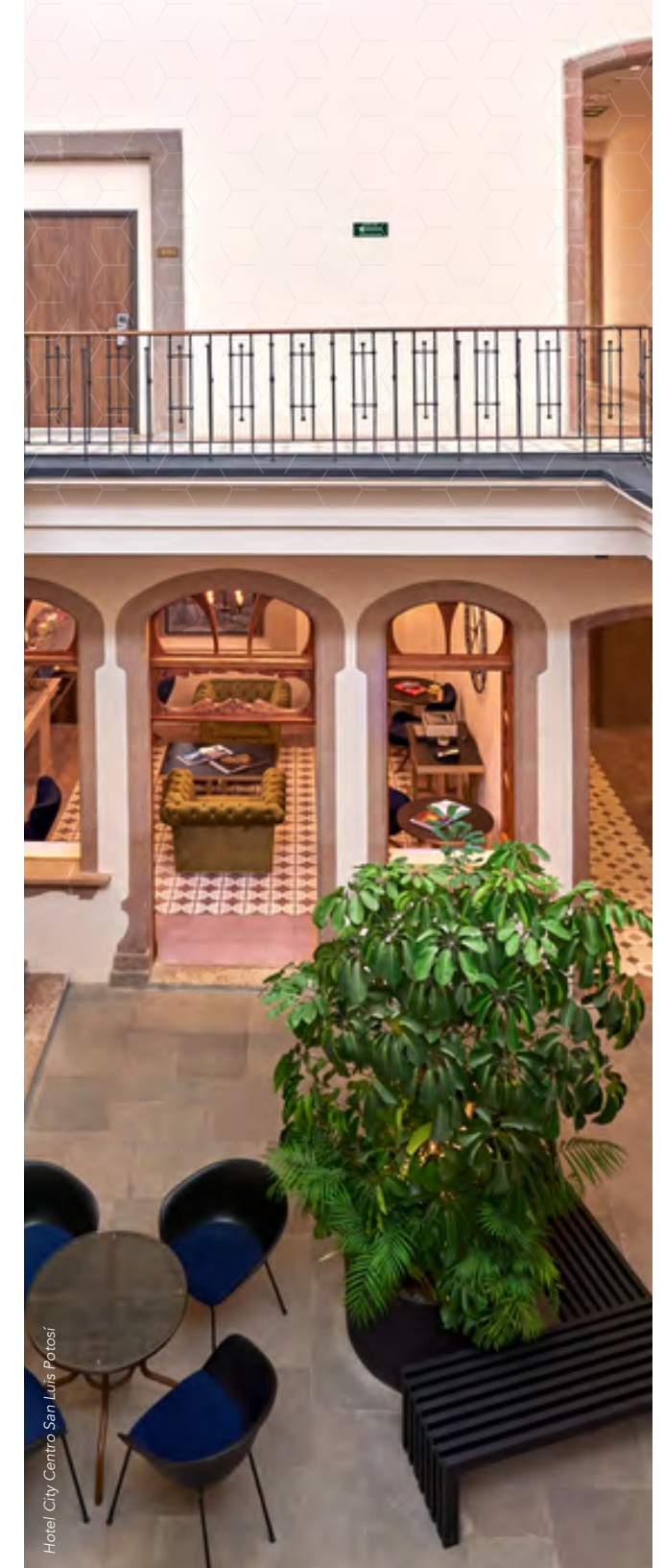
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Hotel City Centro San Luis Potosí



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MESSAGE FROM LUIS

GRI 2-14, 2-22

DEAR ALL,

For more than 20 years, Hoteles City has carried out sustainability actions to improve the environment and be a catalyst for positive changes by promoting the development of each of the communities in which we operate.

This report shows our **commitment to promoting high-impact projects** and initiatives related to entrepreneurship, environmental conservation, and social welfare.

Environmental protection must take into account the interests of both present and future generations. With the adoption of the 17 Sustainable Development Goals (SDGs) for the 2030 Agenda of the United Nations (UN), we had **a year of many achievements in sustainability**, mainly in the structuring of partnerships with organizations and institutions that work for the benefit of the environment and society.

We have the opportunity to change the course of history by creating a better and more equitable world for all, recognizing the need to reduce our impact on the environment and produce sustainably.

During 2022, we continued to encourage the participation of our employees through our **Environmental Volunteer Program**, with activities focused on reforestation and tree maintenance, waste collection, habitat maintenance and marine species protection, as well as reinforcing actions that benefit the environment and the community. As an example, in 2022 we **reduced our energy consumption by 13.59%, water use by 10.51% and gas consumption by 7.83%** compared to 2021.

Our social investment, a donation of 1,474 room nights, contributed to activate diverse actions for **more than 50 organizations, benefiting 73,883 people** in various communities.

At Hoteles City, in our 151 hotels across 75 cities in Mexico, Colombia, Costa Rica and Chile, we have created a motivated and highly committed team with a focus on innovation, entrepreneurship, empowerment and sustainability.

“We are a Company willing to continuously renew itself to become a stronger team.”

In this sense, we had a year of many achievements in sustainability, mainly in the formalization of alliances with organizations and institutions that work for the benefit of the environment and society, and the **promotion of initiatives in the Diversity and Labor Inclusion program**, which led us to be **recognized as an inclusive company**.

On this last point, our continuous commitment within the company to the *City Incluye* Program allowed us to create spaces of *equal opportunity and zero discrimination*. This year, we worked hand in hand with foundations and associations with a high commitment to this issue, who accompany us in the implementation of initiatives and strategies for inclusion in our sustainable model.

For the second consecutive year, **we obtained the Super Companies for Women 2022 certification**, Ranking of The Top Companies and Expansión Magazine, reaching position #16, in recognition of our actions in favor of labor equity and leadership in gender issues.



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“ We have the opportunity to change the course of history by creating a better and more equitable world for all by recognizing the need to reduce our impact on the environment and be sustainable in our operations ”



Additionally, for the third consecutive year and with the support of the Mexican Philanthropy Center (Centro Mexicano de Filantropía, Cemefi), **we launched the “Hoteles City - Guests of the World”** initiative, which allows us to integrate civil society organizations into our Impacto City strategy.

We will continue to implement projects and initiatives of high socio-environmental value for the benefit of our environment in which we will seek to increase by 80% the participation of our hotels in our chain-wide environmental volunteer program and we will carry out initiatives that help our strategy for carbon footprint mitigation.

Our work to incorporate and follow international ESG (Environmental, Social and Governance) standards continues, and this year **we joined the global commitment to reduce by half our emissions by 2030 and reach net zero by 2050** (according to the Glasgow Declaration).

At Hoteles City we believe that **we are guests of the world**, and that everything matters to make **our stay in the world leave a positive footprint for the future**. Therefore, the Company's guiding principle has always been sustainability. Since our

founding in 2002, we have been focused on the well-being of the planet and the communities where we operate as our main commitment.

At the close of this period, we took another step forward by signing a **strategic relationship with Marriott International**, 5 Inc. (“Marriot”), which includes the sale of our five brands (City Express, City Express Plus, City Express Suites, City Express Junior and City Centro), the associated trademarks, domains and related intellectual property, the loyalty program (City Premios Rewards) as well as other assets and liabilities related to the brands (the “Brand”). This represents a new growth opportunity for Hoteles City in Mexico and Latin America and will open the possibility of expansion into other markets. This new relationship will transform the Company, as it will **strengthen our operations and facilitate serving the international market** with Marriott's support, including taking our sustainable practices elsewhere.

As I mentioned before, **2022 was a year of great achievements** and in 2023 we will continue to work as a team to leave a positive footprint for the future.

LUIS BARRIOS,
FOUNDER, CEO AND CHAIRMAN OF THE BOARD OF HOTELES CITY



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Hotel City Express Plus Mazatlan

HOTELES CITY



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2023 GOALS

We continue to develop and roll out projects and initiatives of high socio-environmental impact for the benefit of our environment.

1

Increase hotel participation in our chain-wide environmental volunteer program **by 80%** by 2025.

2

Develop initiatives that help our **strategy in carbon footprint capture** and mitigation

3

Continue the organization's active commitment to the **incorporation and monitoring of ESG** (Environmental, Social and Governance) international standards.

4

Stick to our global commitment to **cut in half our emissions by 2030** and reach net zero by 2050 - Glasgow Declaration.

BY 2025

Reduce gas consumption by 5%, water consumption by 4% and light consumption by 3%.



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OUR PHILOSOPHY

GRI 2-23, 203-2

MISSION

To provide a hospitality service that facilitates the SMART traveler to fulfill their business objectives within a warm, inclusive and avant-garde environment that exceeds their travel experience expectations.

VISION

To set trends through innovative hospitality services that accompany the evolution of our customers' lifestyles to fully earn their loyalty.



Hotel City Centro Oaxaca

OUR VALUES



INGENUITY AND CREATIVITY

Open our minds to ideas of continuous evolution.



PERSONAL EXCELLENCE

Integral development and personal balance.



INTEGRITY AND SUSTAINABILITY

Transparency, congruence and values.



SENSE OF SUCCESS AND ACHIEVEMENT

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



CUSTOMER FOCUS AND PASSION FOR SERVICE

Anticipate our guests' needs.



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OUR BRANDS

GRI 2-6

TRAVEL KNOW-HOW

We offer both business and leisure travelers an efficient, safe and comfortable lodging service, with the best cost-benefit ratio in the market.

Hoteles City's brands are located in large and growing cities, financial or commercial activity centers, or leisure destinations, **with a presence in four countries, more than 75 cities and 151 hotels in extraordinary locations.**

CITY CENTRO.

EXPERIENCES

Located in historic centers or urban areas of great tradition. Facilitates the customer's trip to magnify and enrich their experiences, whether for leisure or business travel, in the locality.



"We are committed to offering the best lodging option making sure our guests have everything taken care of during their stay with us".

Clara Paulina Mendoza,
Director of Marketing and Franchise Services at Hoteles City.



CITY EXPRESS Suites.

YOUR SPACE

The best lodging option for comfortable stays for any type of trip. Great for longer stays. It has a close service to make the guest feel at home.



CITY EXPRESS PLUS.

CUTTING-EDGE

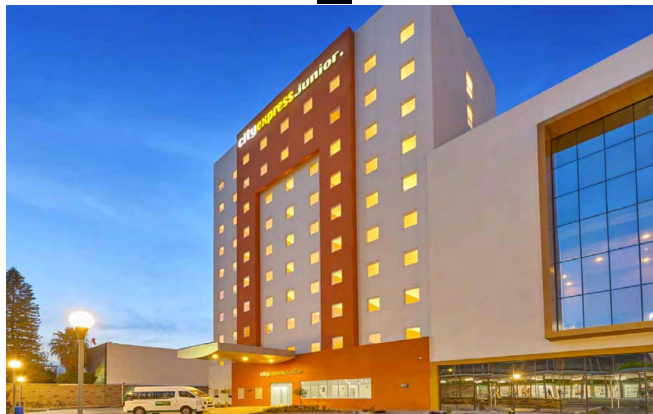
It is the ideal concept to work or rest in a cosmopolitan atmosphere. It is present in the main cities and tourist destinations with privileged environments. It provides a service with the best combination of design and technology.



cityexpress hoteles

INTELLIGENT

Located on Mexico's most important industrial, commercial and tourist routes, Hoteles City Express offer practical facilities, comfortable rooms and specialized services at affordable prices for the business and leisure traveler.



cityexpress Junior

EXACT

Efficient lodging option for a practical business or leisure trip. It offers a functional experience with essential spaces, facilities and services.

OUR LOCATIONS

GRI 2-1



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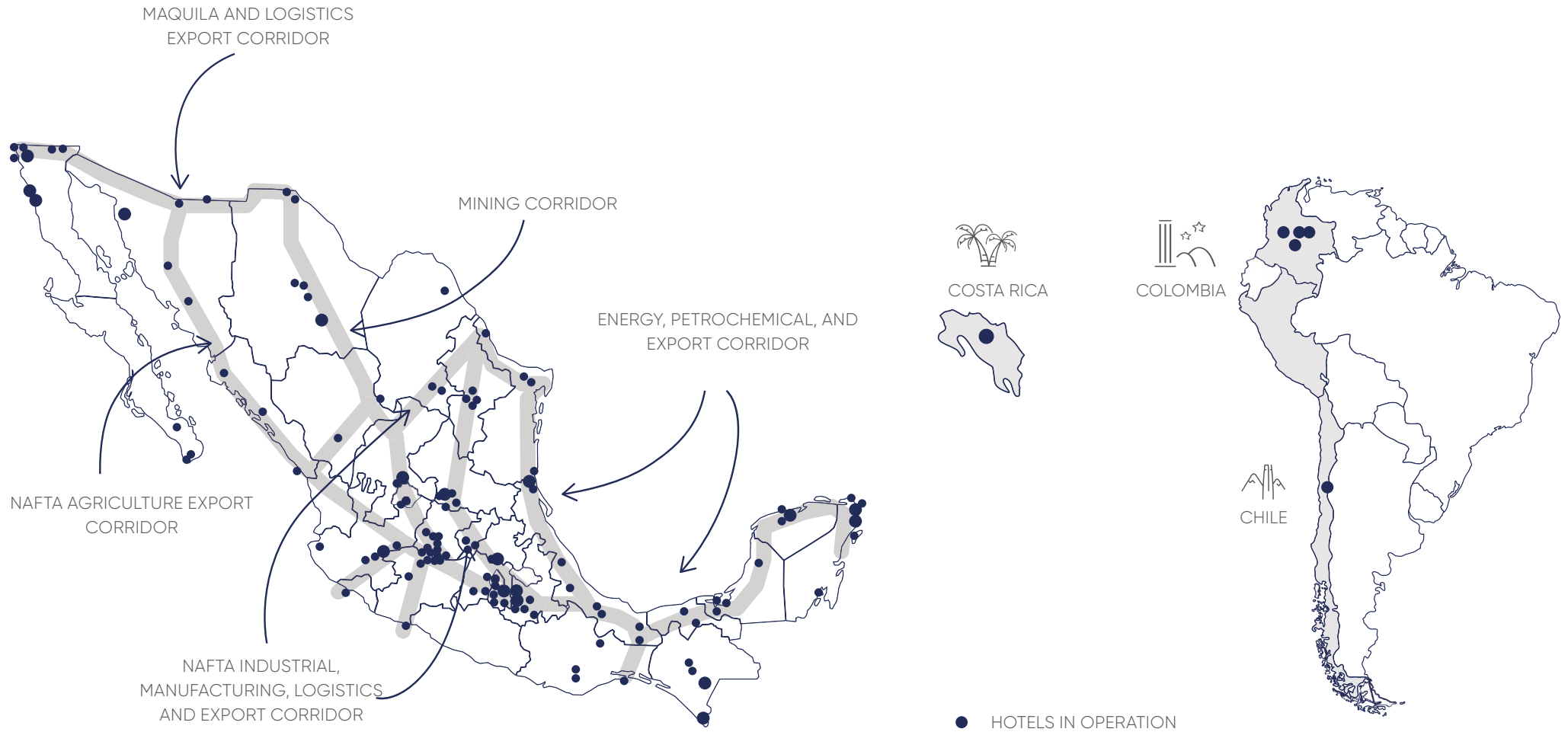
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2022 PRESENCE

GRI 2-6



Hotel City Express Plus Cancún Aeropuerto

 **17,296**
rooms

 **75**
cities

 **30**
States in Mexico

 **151**
hotels

 **5**
brands

 **4**
countries

SASB ACTIVITY PARAMETERS

CODE	PARAMETER	2019	2020	2021	2022
	Installed Room Nights EoY	6,239,759	6,356,468	6,338,175	6,320,004
SV-HL-000.A	Occupied Room Nights EoY. Average Occupancy Rate (%)	3,549,451	1,761,277	2,555,225	3,392,984
SV-HL-000.B	Average Occupancy Rate (%)	56.9%	27.7%	40.3%	53.7%
SV-HL-000.C	Total area in lodging facilities (m ²)	794,426	806,258	759,137	766,492

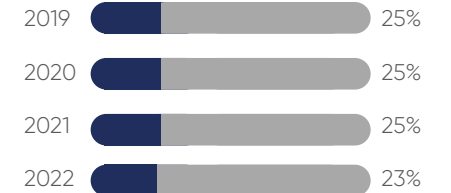
NUMBER OF LODGING FACILITIES

SASB SV-HL-000.D

Wholly owned



Co-Invested



Leased



Franchise and Management



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COMMITTED TO OUR GUESTS

THE GUEST'S VOICE

The Guest Voice allows us to timely detect opportunities for improvement to ensure the fulfillment of our Brand Promise.

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

DURING 2022, WE ACHIEVED:



992,779
checkouts



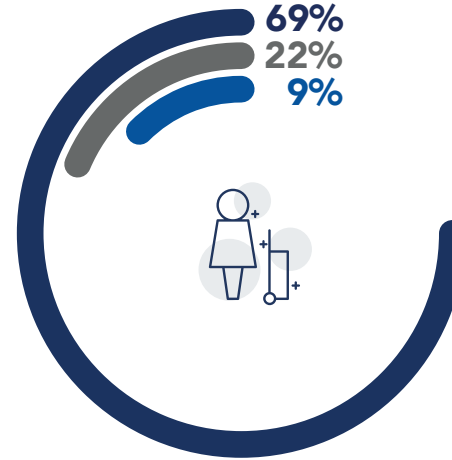
923,380
surveys successfully sent to our customers



133,984
surveys answered



14.5%
of the surveys sent out were answered



- Customers who are promoters of Hoteles City.
- Customers who identify themselves as passive, neither promoters nor detractors of the brand.
- Customers who identify with a potential area of opportunity.





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CITY PETS

A NEW LODGING OPTION.

We are committed to meeting our customers' expectations during their stay. During 2022, we included the Dog Friendly culture in our lodging offerings. As a result, 16 of the Company's hotels have become inclusive spaces for pets that accompany guests on their leisure travels, and who choose Hoteles City as their travel host.

As part of the responsibility of owning and caring for a pet, we created a series of guidelines to continue fulfilling our brand promise and to offer an enjoyable experience for our guests and their canine companions.

Learn more about this initiative and the applicable guidelines by clicking here. »



"Information security policies help us make Hoteles City a safer place".

CUSTOMER SECURITY AND PRIVACY

At Hoteles City we adopt and maintain the physical, organizational, administrative and technical information security measures necessary to prevent the loss, misuse, alteration or illegal disclosure of information and to protect our stakeholders' personal data against damage, loss, alteration, destruction or unauthorized use, access or processing. We develop work plans that strengthen our clients' cybersecurity and information security.

You can read our privacy notice here. »



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HEALTH AND BIOSAFETY FOR CUSTOMERS

GRI 3-3, 416-1

“ We adapt to the new needs and demands that guests require in their business and leisure travel. ”

In 2022 we continued to follow our Biosafety and Healthy Coexistence Protocol, according to the updates of the Ministry of Health, aimed at offering safe and reliable spaces that guarantee the wellbeing of our guests, employees and communities where we operate.

We were the world's first company to be certified under tight biosafety regulations and this protocol is here to stay.

SAFEHOTELS COVIDCLEAN™ Y SAFETRAVELS

SafeHotels CovidClean™

Independent hotel standard based on World Health Organization (WHO) guidelines. It evaluates key procedures for hygiene, cleanliness, social distancing and biosecurity protocols, among other aspects.

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.





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Hotel City Centro Ciudad de México

HOW DO WE MAKE OUR BUSINESS SUSTAINABLE?



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We manage our impacts on the environment, society, the local economy and our business in a timely manner.

To identify risks and impacts, we developed Business Continuity Plans, where we address environmental, social and economic aspects that are of great relevance for permanence and continuity in the market.

One of the objectives we have set for 2023 is to update our risk study in relation to climate change, aligned with the recommendations of the Task Force on Climate-related Financial Reporting (TCFD) Working Group. We are also concentrating our efforts on a nationwide water stress analysis that allows us to identify and match our hotels' locations with water scarcity places, in order to properly measure and

manage our water footprint

All of our hotel development projects have an Environmental Impact Assessment (EIA), where we evaluate the environmental risks generated during the construction period. We ensure 100% compliance with the requirements of the Ministry of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT*), under the principles of caring for the environment, compensating and mitigating the impacts caused. Finally, we also conducted a materiality assessment (described in the materiality analysis section) and engaged in a dialogue with our main stakeholders to understand their perception of the economic, environmental and social impacts that we generate as a company.



2022 SUSTAINABILITY ACHIEVEMENTS



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Social investment, a donation of 1,474 room nights, equivalent to \$2.4 million pesos.



We formed **alliances with over 20 organizations and institutions** that seek to improve the environment and society.



We encouraged the participation of **720 volunteers** from **93 hotels** through our Environmental Volunteer Program.



We reduced our energy consumption by **13.59%**, water use by **10.51%** and gas consumption by **7.83%** compared to 2021.



We promoted initiatives in our **Diversity and Labor Inclusion program** that allowed us to be recognized as an Inclusive Company.



Our actions have an impact on the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

OUR EMPLOYEES MAKE HOTELES CITY A CULTURALLY POWERFUL COMPANY ACHIEVING DISTINCTIONS SUCH AS:



“We were able to help **73,883** people from various communities”



- 🏠
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STAKEHOLDERS

GRI 2-29

For Hoteles City the stakeholders with whom we interact are very important and relevant to our business, so we have selected and identified these groups according to the Global Reporting Initiative (GRI), and the Accountability principles of the AA1000 standard, as well as a study of the best national and international practices in the hotel industry, classifying them as follows:

CLOSENESS	REPRESENTATION	DEPENDENCE	RESPONSIBILITY	INFLUENCE
Certifiers Clients Employees Communities Building Companies	Associations & Chambers ANCH (<i>Asociación Nacional de Cadenas Hoteleras</i>)	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 NGOs Sponsorships Suppliers	Panels and Forums	Operators in Hotels Suppliers	Internal Committees Committees for the development of laws and standards Communities Government Investors Unions	Agencies (OTAs) Sponsorships Suppliers



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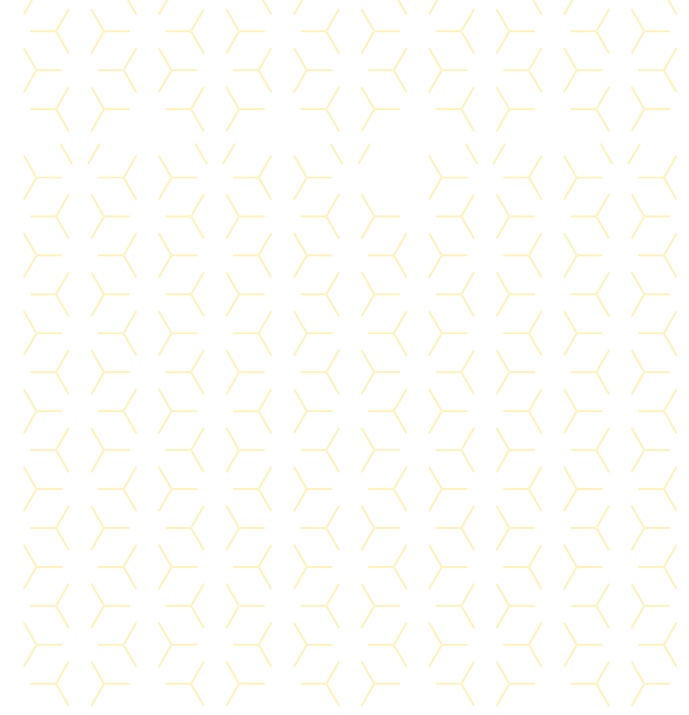
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MATERIALITY ANALYSIS

GRI 2-12, 3-1, 2-4, 3-2



At the end of 2021 and beginning of 2022, we undertook a process of updating our materiality, in accordance with the Global Reporting Initiative (GRI) Standards, together with an analysis of national and international best practices. This analysis allows us to set our strategy for the 2022-2024 period.

We held a formal dialogue with the aforementioned Stakeholders, a study we carry out every three years that includes personal interviews or surveys of a representative population. We polled them on their perceptions on economic and socio- environmental issues. There have been no significant changes or restatements compared to previous reports.

If you wish to learn more about our materiality analysis, [click here](#)



846

people polled in the dialogue with stakeholders.



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MATERIALITY MATRIX

GRI 3-2

DOUBLE MATERIALITY

This identification of expectations, as well as risks and impacts, results in a dual materiality matrix with four quadrants:

MATERIAL: Shows factors that are important for the business since they could become risks or generate an impact on Hoteles City's strategy.

URGENT: Shows very relevant factors for the business since they could become risks or generate an impact on Hoteles City's strategy.

GENERAL: Shows factors that are not so important for Hoteles City's strategy at present but are important in general for stakeholders.

EMERGING: Shows factors that are just beginning to show their importance, both for Hoteles City and for stakeholders.



“

With our double materiality analysis, we can identify the expectations of all Stakeholders with whom we held a dialogue with, as well as the main risks and impacts that Hoteles City may have on society and/or the planet.

”



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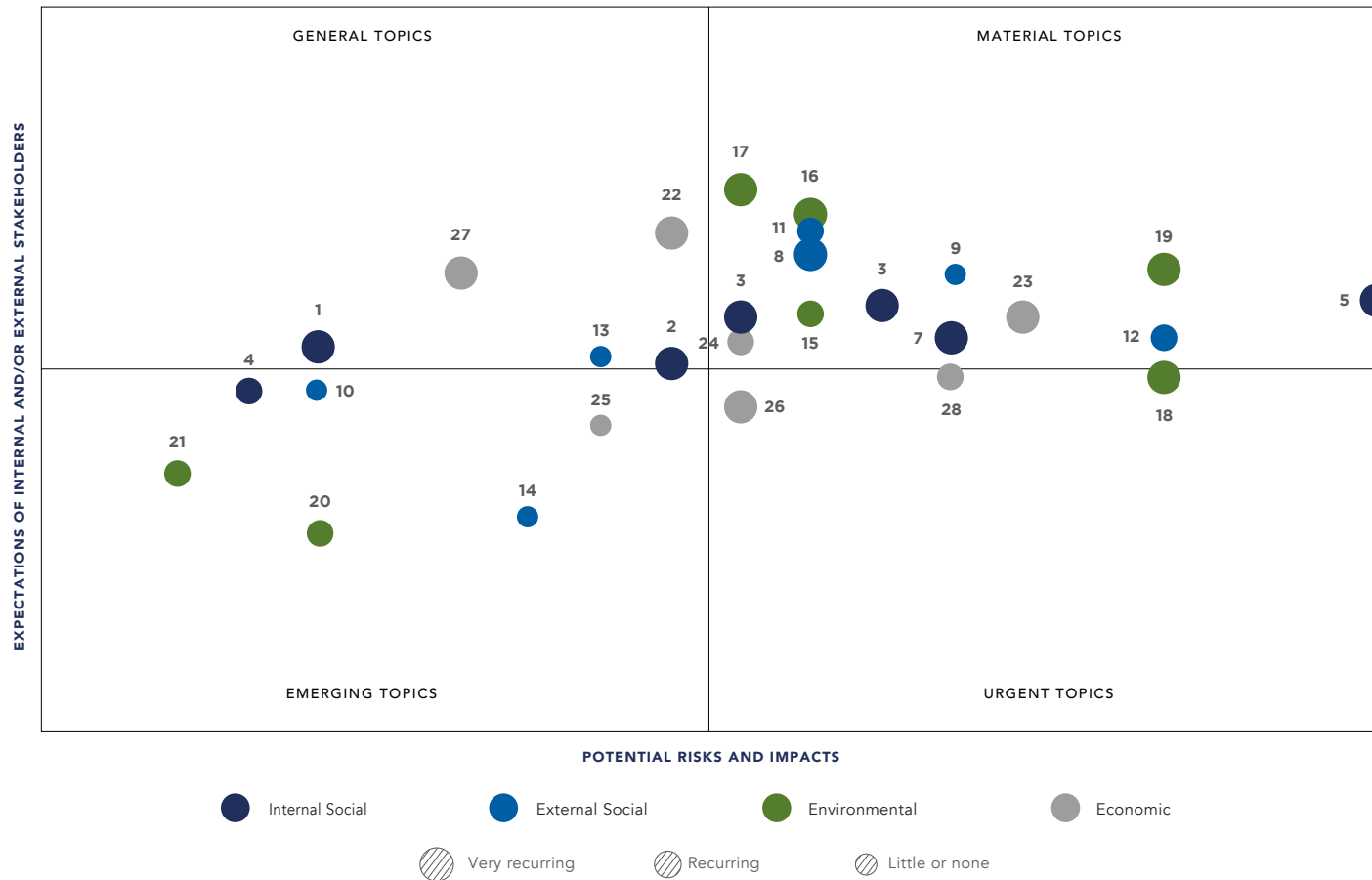
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MATERIALITY MATRIX

We take on the task of addressing material and urgent issues in a timely and immediate manner, followed by emerging issues that are becoming increasingly relevant in our sector.



- 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 welfare 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



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MANAGEMENT OF OUR MAIN MATERIAL AND URGENT ISSUES

GRI 3-3, 3-1

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 Mexican Federal Labor Law. Likewise, we encourage respect for freedom of association, so, at the end of 2022, 27% of our employees are part of a union. Our Organizational Development area is dedicated to creating the best work experience for our employees, and with our **#OrgulloCity** survey we measure the work environment to strengthen our culture and climate, a tool that provides us with the results to innovate and improve our operating processes.

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 14 wastewater treatment plants that help us improve the quality of the water we return to the sewage system. In addition, during this period, we updated our water stress analysis to identify and match our hotels' locations with water scarcity places, which allows us to manage our Water Footprint. In addition, we strengthened our water management practices, resulting in a reduction of 10.51% compared to 2021.

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 are against hiring minors and this clause extends to our suppliers.

CLIMATE, SOCIAL, ENVIRONMENTAL AND ECONOMIC RISK MANAGEMENT

At the beginning of 2021 we conducted our first climate change risks assessment using the TCFD framework. We developed a climate risk matrix that graphically displayed the main findings. One of the goals we have set for 2023 is to update our risk assessment in relation to climate change, working along four major areas.

PRESERVATION OF LOCAL CULTURE AND NATURAL HERITAGE

At Hoteles City we respect and preserve natural monuments as well as the values, traditions, symbols, beliefs and styles of conduct of the communities in which we work. Through our Origins Labor Inclusion program, we recognize our roots as part of our identity, and we focus on identifying the indigenous communities to which our employees might belong. We also created a responsible traveler's decalogue so that our guests behave in a positive way during their stay, in benefit of the community and the environment.

EMPLOYEES' AND GUESTS' HEALTH, SAFETY AND PROTECTION

Taking care of the physical and mental health of our employees and guests has taken a special importance in the company. We develop several actions for the care and well-being of our employees. We are pioneers worldwide in being certified

with *Safehotels Covid Clean and SafeTravels*, which evaluate protocols focused on prevention, cleaning and disinfection in rooms and common areas. During 2022, we continued with the biosafety processes within our work centers.

EMPLOYEES' COMPREHENSIVE WELL-BEING

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 care for our employees' overall well-being.

CLIMATE STRATEGY AND EMISSIONS REDUCTION

We are committed to measuring and reporting our carbon footprint in line with the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and Global Compact, identifying on an annual basis our consumption levels related to our operations (use of gas, diesel and electricity), while developing 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.

[Learn about our carbon footprint reports: 2022 Carbon Footprint Report »](#)



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PROMOTING RESPONSIBLE TOURISM

We have developed a collaborative and responsible tourism concept. We formed alliances with and joined 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 while maximizing our 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 source of employment, both during the construction of each hotel and in its daily operations, positively impacting the different communities where we are present. We support organizations such as *Fundación Televisa's CUANTRIX* and *POSiBLE*, as well as *INSADE A.C.* and *Nuhusehe Educación y Desarrollo, A.C.*, that promote entrepreneurship at different stages, from the inception of an idea through its consolidation, as well as advancing the business model to the next level. The Innovation and Entrepreneurship Support program has benefited more than 75,000 business models.

DESTINATION'S BIODIVERSITY MANAGEMENT AND HABITAT PROTECTION

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, also generating a strategic alliance with *Pronatura Noroeste, A.C.*, whose objective is to preserve this area's biodiversity. Our commitment to the natural ecosystem remains firm in our sustainable strategy and our operations. We concentrate on a variety of actions in the communities where we operate, with the firm purpose of preserving nature and its vital cycles.

Hoteles City is once again joining the worldwide electric blackout, Earth Hour, in order to raise awareness of climate change issues and what each of us can do to help the



planet. In addition, in 2022 we had an internal environmental volunteer program involving 93 hotels and more than 720 volunteers, addressing 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 2022, we reduced our energy use by 13.59%, compared to 2021.

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 optimal performance, the fulfillment of their personal objectives, as well as their contribution to the company's purpose as well as short- and long-term objectives.

LOCAL ECONOMIC IMPACT

During 2022, we hired 423 new employees. To operate our hotels, we hire people who live close to the work centers, thus favoring local hiring. We ended 2022 with 3,612 employees, of which 36% are men and 64% are women, and 95% of them are Mexican. Likewise, 54% of our management and executive positions are held by women.



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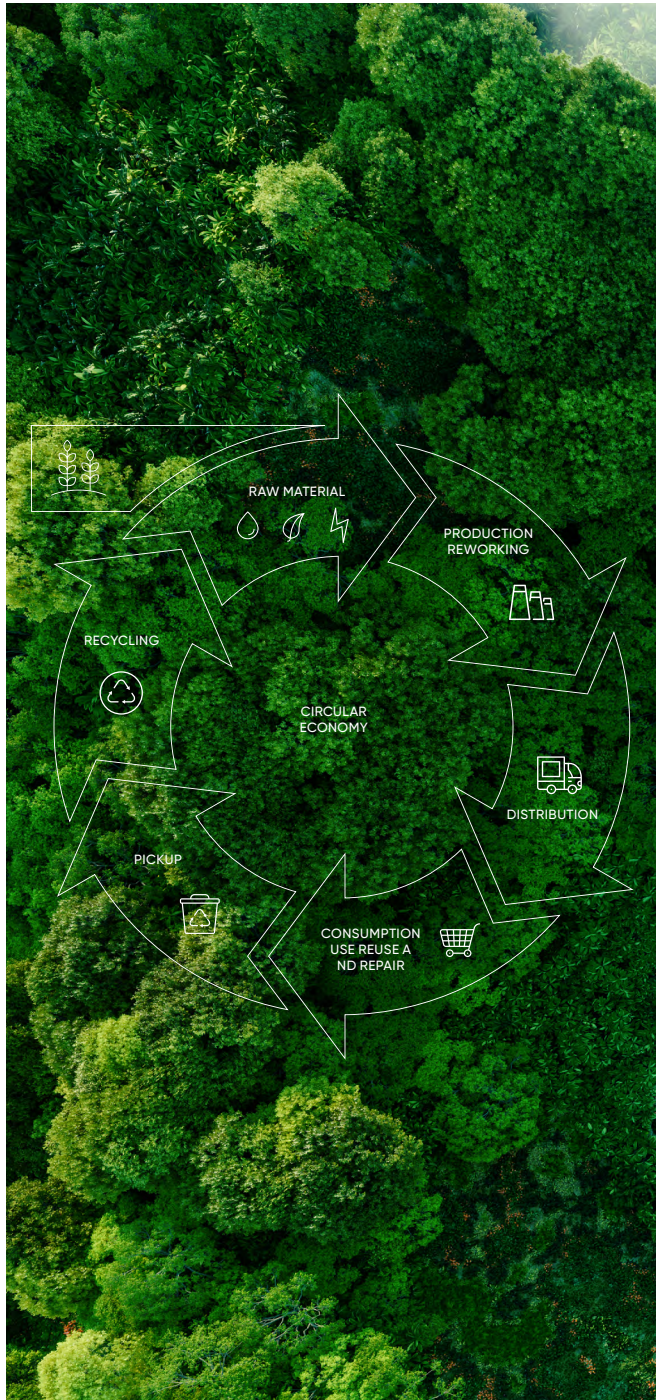
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WASTE MANAGEMENT AND CIRCULAR ECONOMY

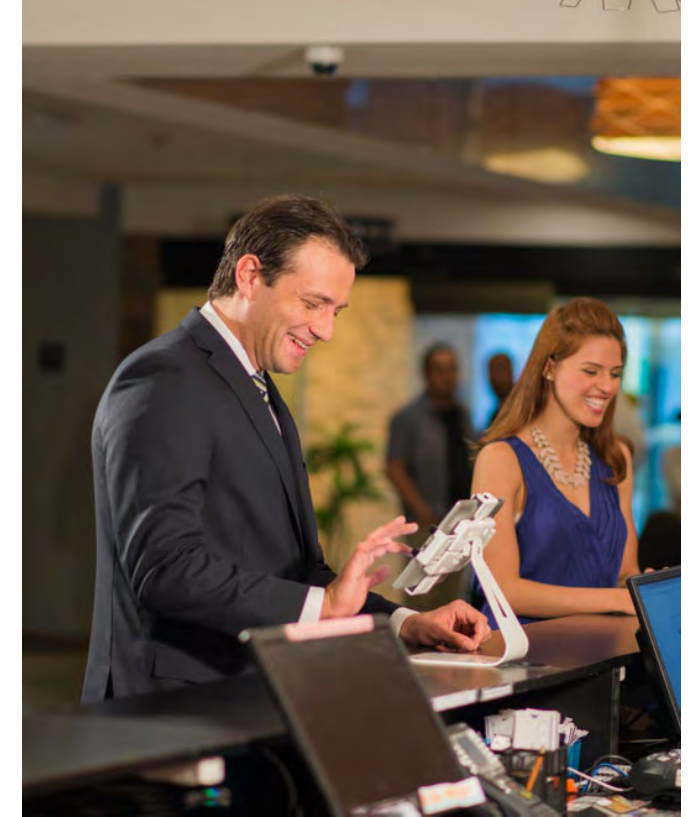
Chain-wide, we have procedures in place to collect, separate, record, and recycle all waste generated during operation. Finally, this waste is delivered to authorized collectors or managers who comply with local, state and federal laws. During 2022 we summarized our efforts to raise awareness of this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

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. There are currently 35 hotels at moderate risk, which corresponds to 23.6% of the total number of hotels located in Mexico, and 3.9% in areas at high risk of flooding. Each hotel has an internal civil protection program that identifies and anticipates the physical risks to which each hotel is exposed. We are aligned 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 opportunity areas.

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 of design, construction and operation, which our customers 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, please visit:

[Environmental Impact Policy - click here »](#)

[Comprehensive Waste Management Procedure - click here »](#)

[Supplier Policy and Sustainable Purchasing - click here »](#)



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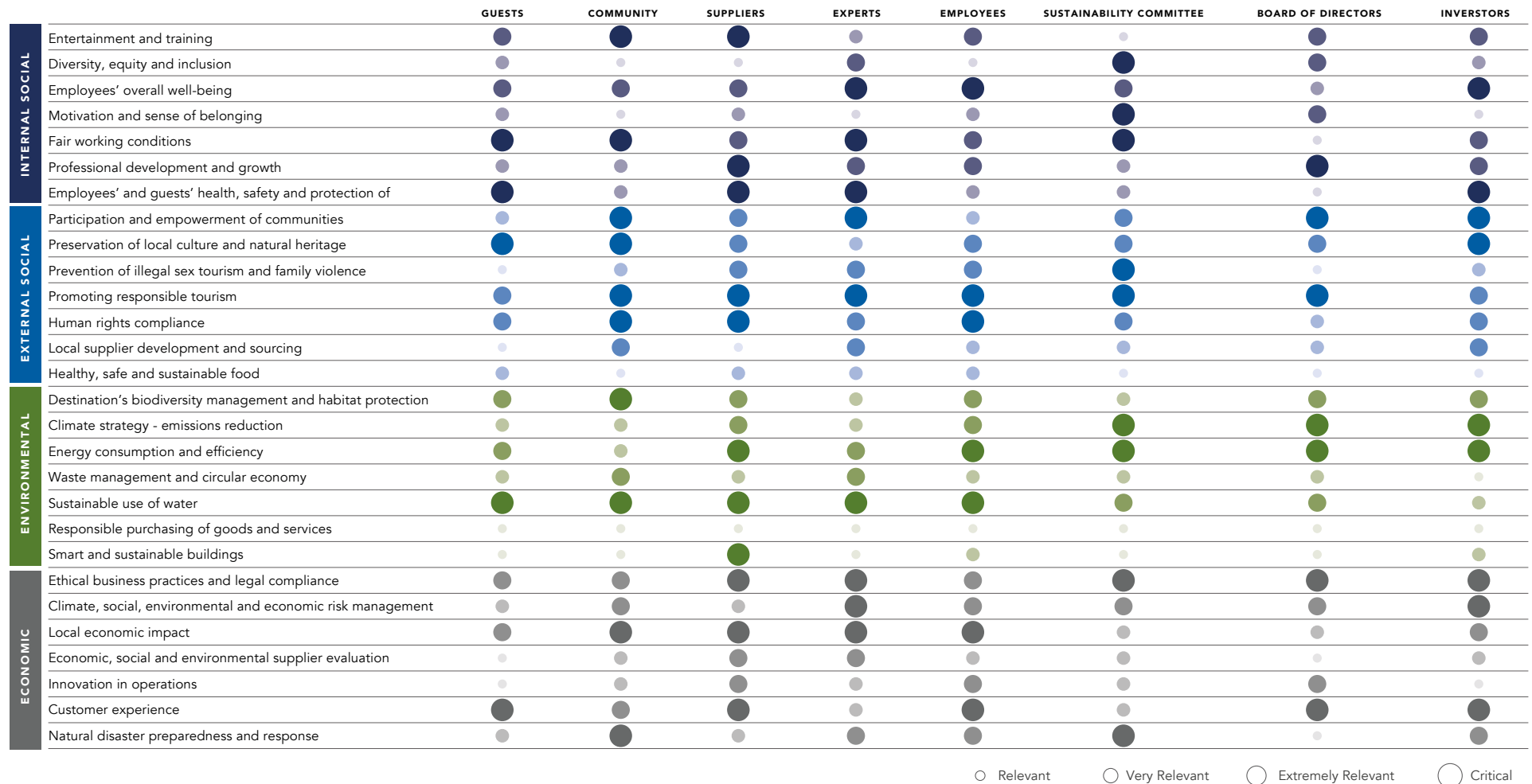
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RELEVANT TOPICS BY STAKEHOLDER GROUP

Below we present an analysis showing the most relevant issues for our different Stakeholders, according to our materiality study. This information will be used to strengthen our 2022-2024 Sustainability Strategy and to better satisfy our Stakeholders' needs.

RELEVANCE ANALYSIS



○ Relevant ○ Very Relevant ○ Extremely Relevant ○ Critical



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Impacto city

GUESTS OF THE WORLD

Under this scenario, we reaffirm our sustainable commitment through *Impacto City*, a platform that stems from the essence, values and philosophy of our chain, that allows to showcase our strategic axes to generate a positive impact on the environment, society and the communities where we operate.

MANIFIESTO

“ 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 strategy 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*:

ENVIRONMENT CONSERVATION

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

CREATING ECONOMIC VALUE

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

CONTRIBUTING TO SOCIAL WELFARE

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



Environmental conservation



Creation of economic value



Contribution to social welfare

Biodiversity protection

Waste reduction and energy efficiency

Responsible Tourism

Innovation and entrepreneurship support

Direct and indirect job creation

Ethics, transparency, and governance

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.

To learn about our contribution to the 17 Sustainable Development Goals, click here »



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SUSTAINABILITY COMMITTEE

GRI 2-9

Our Sustainability Committee is made up of a multidisciplinary group in charge of representing *Impacto City's* actions.

Its objective is to ensure that the Company's investment, development and operating decisions are oriented to comply with best sustainability practices.

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. It is also the body that defines, approves and supervises the execution of the Sustainability Strategy.

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



SUSTAINABILITY COMMITTEE'S OBJECTIVES AND RESPONSIBILITIES

- 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.
- Defines *Impacto City's* manifesto and objectives.
- Participate in actions and programs called for by the government, as well as public and private organizations and institutions, whose actions are relevant to the Sustainable Actions Program.
- Evaluate results and monitor the execution of the social investment budget.



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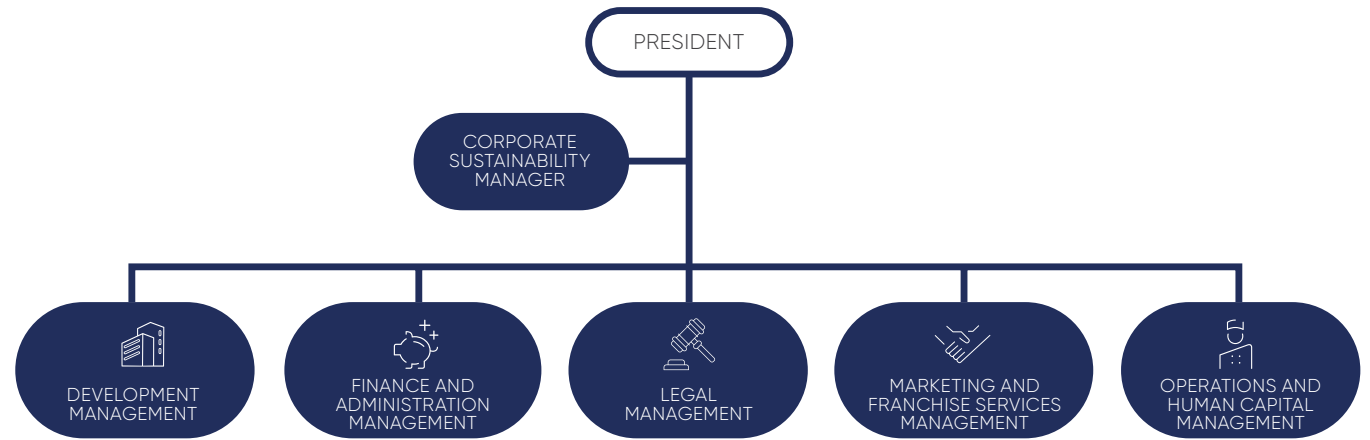
IT ALSO PERFORMS THE FOLLOWING TASKS:

- 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.
- Inform all stakeholders about the sustainability initiatives being undertaken by Hoteles City regarding sustainability through *Impacto City*.
- Conduct certification processes in the programs and awards defined within the Sustainable Actions Program (social and environmental).
- Encourage Hoteles City's 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.

To ensure that projects are implemented as a team effort, the Sustainability Committee is made up of business leaders who are agents of change and important influences in their fields.

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

AREA REPRESENTATION IN THE SUSTAINABILITY COMMITTEE



SUSTAINABILITY COMMITTEE MEETINGS

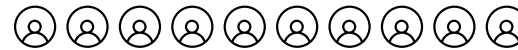
2019 – 13 MEETINGS



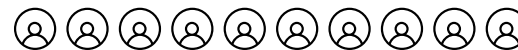
2020 – 10 MEETINGS



2021 – 10 MEETINGS



2022 – 10 MEETINGS



“In 2022, we held ten Sustainability Committee meetings. In each of them, we reaffirmed our commitment and consolidated specific sustainability practices for our entire operation.”

To learn more about our strategy in our website »



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**ENVIRONMENTAL
CONSERVATION**

- Our Carbon Footprint
- Energy Efficiency
- Gas Consumption
- Water Conservation
- Waste Management
- Biodiversity Protection
- Initiatives that leave a mark
- Responsible Tourism
- Sustainable Purchases
- Total compliance with environmental legislation
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Environmental conservation



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We continue to strengthen our environmental commitment and the efficient use of natural resources, always looking for strategies to save and care for water, energy and gas. This allows us to continue to innovate in initiatives to mitigate and offset our carbon footprint.

We have an **Environmental Impact Policy** that establishes the criteria for reducing and making our consumption of natural resources and Greenhouse Gas emissions in our daily operations more efficient. This policy is aligned with Mexican environmental standards, with our operation and approved by the highest level of the company.

[Check out our policy by clicking here»](#)

OUR CARBON FOOTPRINT

GRI 3-3, 305-1, 305-2, 305-4 SDG 13 Goal: 13.2 Material topic: Climate strategy and emissions reduction



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“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).”

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.

Below 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), Carbon Disclosure Project (CDP) and Global Compact.

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 we do 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 generate biogenic emissions⁴



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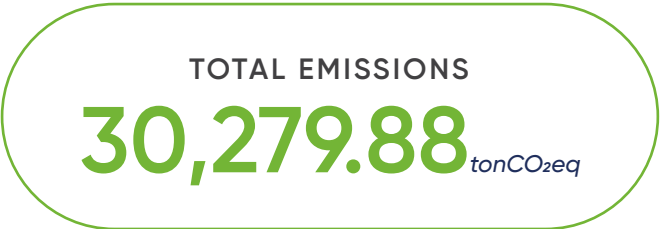
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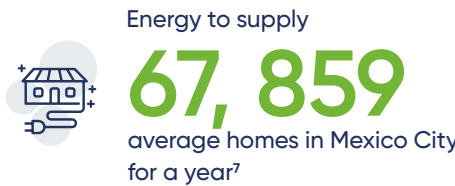
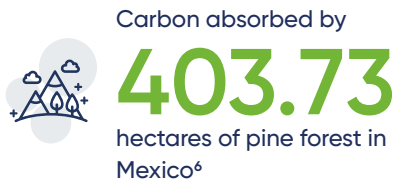
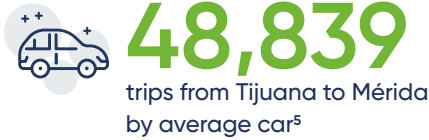
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THESE EMISSIONS ARE EQUIVALENT TO:



TOTAL EMISSIONS HISTORY

Hoteles City's total emissions* in 2022 grew **18.98%** over 2021, equivalent to **4,830.13** tons of CO₂eq



Hotel City Centro Oaxaca



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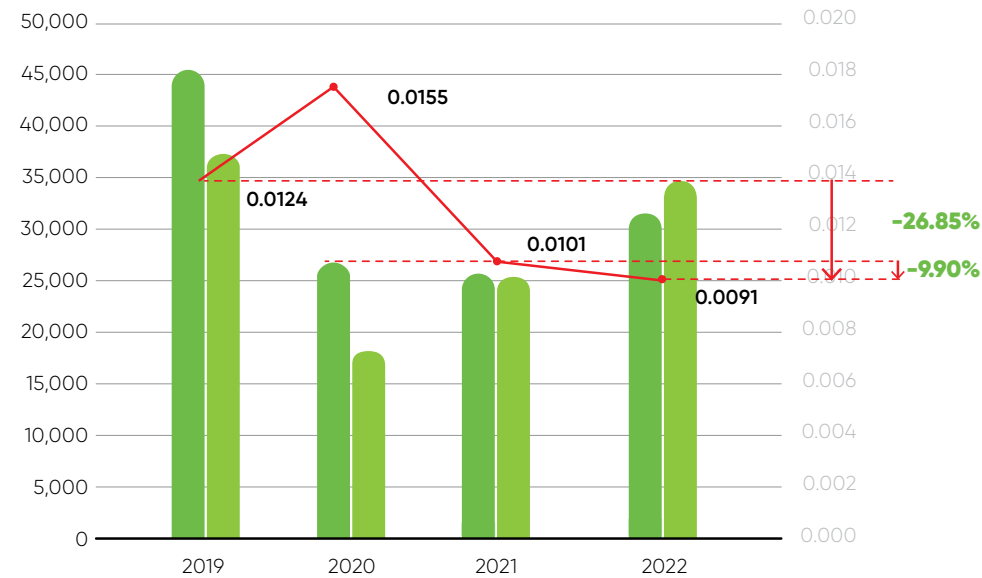
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Although 2022 reflects a variation in the overall emissions reduction trend since 2019, the total emissions ratio (Ton CO₂eq/ORN) has continued to improve since 2020.

In 2022 the total emissions ratio improved by 990%, emitting 1.00 kg CO₂eq less per Occupied Room Night compared to 2021, and showed a reduction of 26.85% compared to 2019.

GRAPH REPRESENTING TOTAL EMISSIONS PER OCCUPIED ROOM NIGHT:



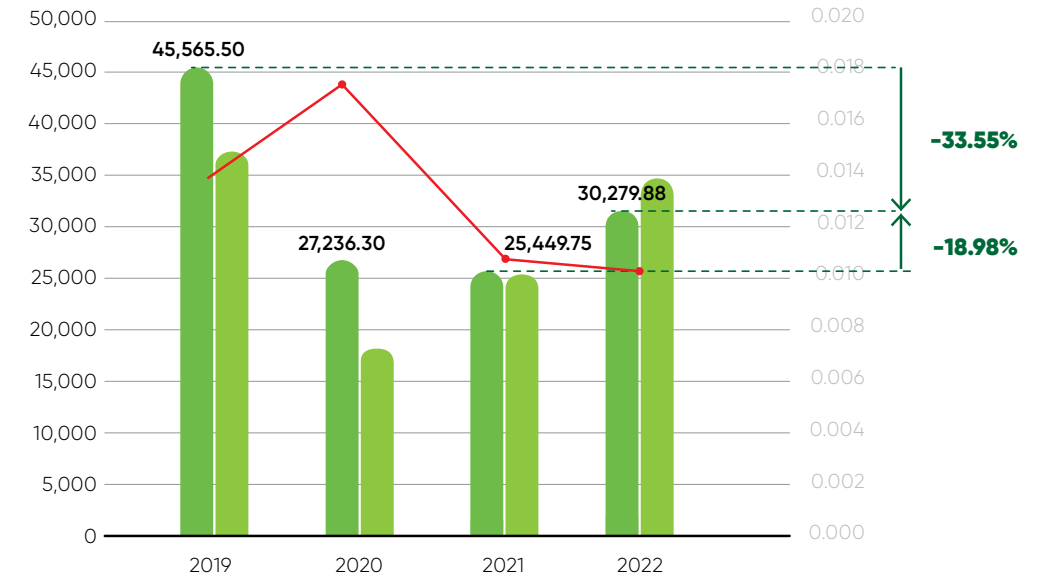
	2019	2020	2021	2022
Ton CO ₂ eq	45,565.50	27,236.30	25,449.75	30,279.88
ORN *100	36,628.22	17,612.77	25,174.50	33,446.03
Ton CO ₂ eq	0.0124	0.0155	0.0101	0.0091

⁵ <http://mx.lasdistancias.net/calcular?from=Baja+California%2C+M%C3%A9xico&to=merida>

⁶ <http://www2.inecc.gob.mx/publicaciones2/libros/296/cap3.html>

⁷ http://dgeiawf.semarnat.gob.mx:8080/ibi_apps/WFServlet?IBIF_ex=D2_ENERGIA06_20&IBIC_user=dgeia_mce&IBIC_pass=dgeia_mce&NOMBREENTIDAD=* &NOMBREANIO=*

GRAPH REPRESENTING TOTAL EMISSIONS:



*Total emissions include electricity, gas and fuels (gasoline and diesel).

Total emissions for 2022 compared to 2019 allow us to detail Hoteles City's current performance in the face of global warming. Occupancy in 2022 had a decrease of only 8.69% compared to 2019, while total CO₂eq emissions against this same year show a reduction of 33.55%. This suggests that, in terms of overall emissions, the organization is operating with more efficiency.

The reduction in total emissions per Occupied Room Night is mainly due to:

1. The split in recording LP Gas and Natural Gas use *. We increased by 45% the number of hotels that use Natural Gas compared to 2021, which allows us to reduce our carbon footprint.
2. The increase in occupancy using the same resources following the pandemic.
3. The reduction of the national electricity systems' emission factors (electricity is responsible for about approximately 76% of the carbon footprint).

*LP Gas contributes to global warming approximately 700 times more than Natural Gas.



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CARBON FOOTPRINT CALCULATION BREAKDOWN

	EMISSION SOURCE	CONSUMPTION	U*	CONSUMPTION	U*	EMISSION	U*	COMPARISON 21/22	DISCLAIMERS
SCOPE 1	NATURAL GAS	1,736,098.88	Liters	70.02	GJ*	4.17	ton CO ₂ eq	↑ 16.53%	Used specifically to provide hot water and breakfast service.
SCOPE 1	LP GAS	3,812,955.99	Liters	99,600.45	GJ*	6,462.52	ton CO ₂ eq	↑ 23.40%	
SCOPE 1	DIESEL	10,628.00	Liters	400.42	GJ*	30.14	ton CO ₂ eq	↑ 77.52%	Use in firefighting system and emergency plant equipment.
SCOPE 1	GASOLINE	341,049.00	Liters	10,255.88	GJ*	740.29	ton CO ₂ eq	↑ 64.77%	Used for hotel vans and fleet of sales employees.
SCOPE 2	ELECTRICITY	54,602,034.00	kWh	196.57	GJ*	23,042.77	ton CO ₂ eq	↑ 14.80%	Electricity consumption of hotels located in Mexico and LATAM.

All 2022 consumptions increased in quantity, which is reflected in the overall 18.98% increase in total emissions. The largest percentage increase in emissions was that of LP Gas, with 23.40% more compared to 2021, equivalent to 1,225.30 tons CO₂eq. The largest increase was associated with electricity, with 3,300.07 tons CO₂eq more compared to 2021, although this only represents a 14.80% increase.

Emissions are mostly derived from electricity, so changes in emission factors can significantly affect this; however, the change in Mexico's emission factor (the most representative) was only 3%, which would not fully explain the overall growth of 18.98%.

U: Unit, kWh: Kilowatt-hour, tonCO₂eq: Tons of carbon dioxide equivalent, MWh: Megawatt



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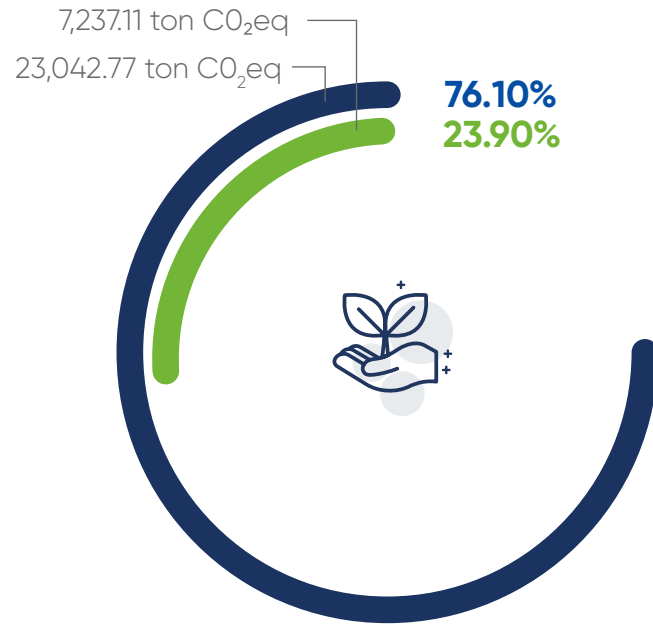
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DISTRIBUTION BY TYPE OF SCOPE



- Scope 1 (Direct): LP Gas, Natural Gas, Diesel and Gasoline
- Scope 2 (Indirect): Electricity

EMISSIONS BY BRAND



City Express Junior: The most eco-efficient brand, emitting **0.0063 tonCO₂eq** per Occupied Room Night (6.3 kg CO₂eq/ORN).

City Express: Medium-high eco-efficiency level, emitting **0.00809 ton CO₂eq** per Occupied Room Night (8.0 kg CO₂eq/ORN).

City Express Plus: Medium eco-efficiency level, emitting **0.0096 ton CO₂eq** per Occupied Room Night (9.6 kg CO₂eq/ORN).

City Express Suites: Medium-low eco-efficiency level, emitting **0.0117 ton CO₂eq** per Occupied Room Night (11.7 kg CO₂eq/ORN).

City Centro: The brand with a **low** eco-efficiency level, generating the most emissions per Occupied Room Night with **0.0141tonCO₂eq**perOccupiedRoomNight (14.1kgCO₂eq/ORN).

With **18,751.01 tonCO₂eq**, around **62%** of all emissions, **City Express** is the brand that contributes the most to overall emissions.





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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 2022 is **0.0088** CO₂eq/ ORN (8.82 kg CO₂eq/ ORN).



2022

0.0088

ton CO₂eq/ORN

2021

0.0099

ton CO₂eq/ORN

2020

0.0153

ton CO₂eq/ORN

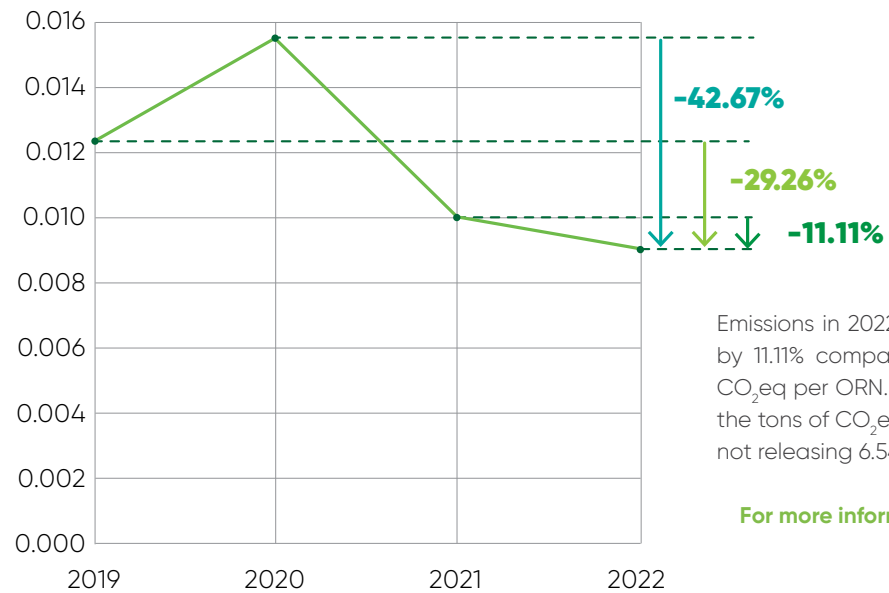
2019

0.0124

ton CO₂eq/ORN



Hotel City Express Plus Mazatlán



Compared to the 2019 reference year, the emission ratio per Occupied Room Night decreased by **29.26%**.

Emissions in 2022 per Occupied Room Night (ORN) were reduced by 11.11% compared to 2021, equivalent to not releasing 1.10 kg CO₂eq per ORN. Compared to the lowest efficiency point in 2020, the tons of CO₂eq per ORN were reduced by 42.67%, equivalent to not releasing 6.54 kg CO₂eq per Occupied Room Night.

For more information on the calculation of our carbon footprint, you can see our 2022 report: [Click here](#) »



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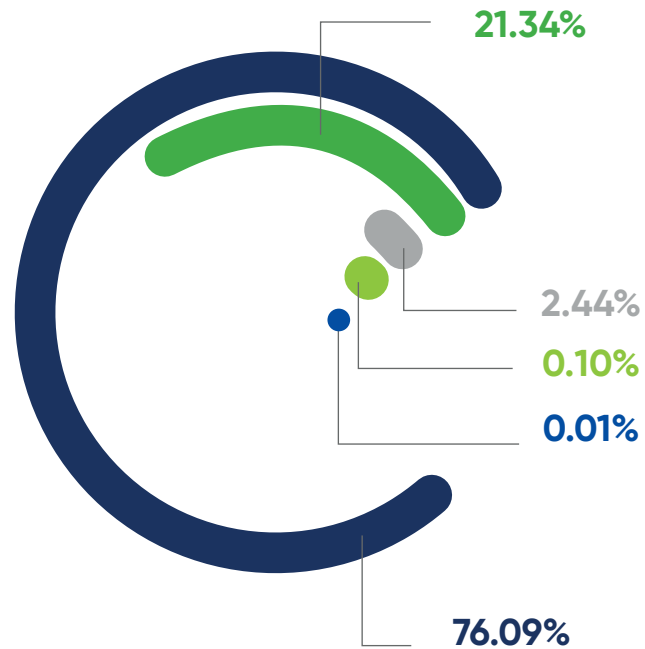
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DISTRIBUTION BY TYPE OF ENERGY

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 LP Gas, and gasoline.



- Electricity
- LP Gas
- Diesel
- Gasoline
- Natural Gas

TOTAL EMISSIONS RATIO

The total emission intensity regarding the business operation is calculated based on ORN and takes it as the denominator. The ratio includes the total emissions generated by Scope 1 and 2 by the previously identified gases.



TOTAL EMISSIONS
30,279.88
ton CO₂eq



PRODUCTIVITY UNIT
3,344,603
ORN



0.0091
ton CO₂eq per Occupied Room Night

The total emission ratio per Occupied Room Night was reduced by **9.90%** compared to 2021



ENERGY EFFICIENCY

GRI 3-3, 302-1, 302-3 SASB SV-HL-130a.1 SASB – Energy Management SDG 7 Goal: 7.3 Material topic: Energy consumption and efficiency.



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City Express Plus Puerto Vallarta

We guarantee the efficient use of electric power and fuels such as diesel, gasoline and gas, which are a basic resource for our business' operation

At the end of 2022, we had a 13.59% reduction in energy consumption* per Occupied Room Night, compared to 2021.**



100%

of our properties have implemented controls to monitor energy



100%

compliance with local and national regulations on energy issues.

The data presented below were obtained through internal records. In 2022, consumption per Occupied Night was down 0.09% compared to 2019.



*Measurement of this energy is not separated by heating and cooling.
 **Result obtained by the increase in hotel occupancy during 2022; with higher occupancy, the electricity consumed in rooms and public areas is distributed among a greater number of occupied rooms.



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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.

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

REGION	AVERAGE KWH CONSUMPTION FOR OCCUPIED ROOM NIGHT	TOTAL ANNUAL ELECTRICITY CONSUMPTION	
		KWH	GIGAJOULES (GJ)
Metropolitan	11.23	3,603,537	12,972.73
Central West	15.60	5,585,596	20,108.14
North	17.38	8,851,483	31,865.33
Northeast	15.57	10,006,395	36,023.02
South	15.09	4,577,591	16,479.32
Southeast	17.25	8,102,704	29,169.73
Plus-Centro ⁸	19.64	12,744,749	45,881.09
LATAM ⁹	12.29	1,129,979	4,067.92



54,602,034 kWh
(196,567.32 GJ) annual electricity consumption

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.

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



16.33 kWh
(0.05878 GJ) energy consumption per Occupied Room Night.

⁸ Plus-Centro: Includes consumption at hotels in Mexico and Colombia under the brands City Express Plus, City Express Suites, and City Centro.

⁹ LATAM: Includes hotels located in Costa Rica, Chile and Colombia under the City Express and City Express Junior brands.



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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.



SOLAR HEATERS

SDG 7 Goal: 7.2

The use of clean energy has numerous advantages, including a decrease in pollutant contribution, a reduction in our carbon footprint and a reduction in gas consumption.

During 2022 we resumed operation of the solar heater installed in our City Express Plus Mexicali hotel, an eco-technology that has enabled us to save up to 30% in gas consumption, compared to other properties in the same area and with the same average occupancy rate.

The use of this type of clean energy in the properties will add to the chain's efforts and objectives to strengthen our portfolio of environmental actions.

GAS CONSUMPTION

SDG 7 Goal: 7.3



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



By the end of 2022, our Gas consumption per Occupied Room Night had a 7.83% reduction compared to 2021.*

TOTAL GAS CONSUMPTION BY REGION IN 2022

REGION	AVERAGE CONSUMPTION (LITERS PER OCCUPIED ROOM NIGHT)
Metropolitan	1.48
Central West	1.37
Northeast	1.85
Northwest	1.59
South	1.35
Southeast	0.91
Plus-Centro ¹⁰	2.38
LATAM ¹¹	2.54

*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.

¹⁰ Plus-Centro: Includes consumption at hotels located in Mexico and Colombia under the City Express Plus, City Express, Suites and City Centro brands.

¹¹ LATAM: Includes hotels located in Costa Rica, Chile and Colombia under the City Express and City Express Junior brands.

2022
1.66
Gas consumption (Liters per Occupied Room Night)

The proportion with respect to 2019 is at 38.26% increase for Occupied Room Night. This is due to the increase in occupancy in fiscal year 2022, since 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.



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During 2022 we use
3,365,196.00 liters
 of LP Gas (61%) and



2,183,859.00 liters
 of Natural Gas (39%), totaling 5,549,055 liters of gas.

At the end of 2022, 32 hotels used Natural Gas, which represents 21% of the total hotels at the chain level.

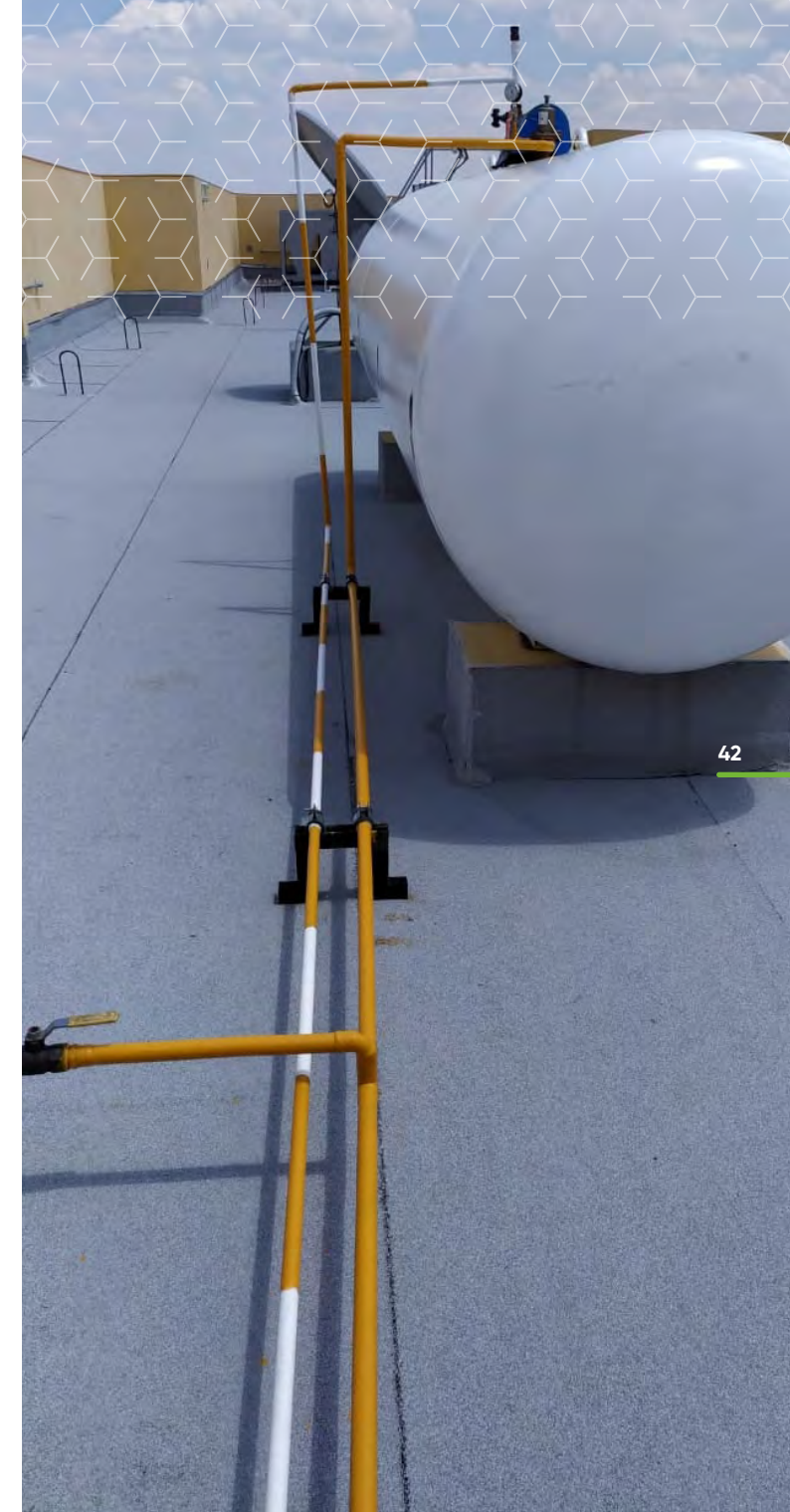
Below, we present the total consumption of LP Gas and Natural Gas broken down by region:

REGION	LP GAS			NATURAL GAS		
	CONSUMPTION	U	%	CONSUMPTION	U	%
Metropolitan	377,195	L	79%	97,971	L	21%
Central West	409,826	L	83%	81,087	L	17%
Northeast	511,534	L	54%	433,007	L	46%
Northwest	599,110	L	59%	424,654	L	41%
South	409,336	L	100%	-----	L	0%
Southeast	427,310	L	100%	-----	L	0%
Plus-Centro¹²	607,777	L	39%	936,403	L	61%
LATAM¹³	23,108	L	10%	210,737	L	90%
Total	3,365,196	L	61%	2,183,859	L	39%

L: Liters,
 LP Gas: Liquefied petroleum gas,
 Natural Gas: A mixture of simple hydrocarbons composed mainly of methane.

¹² Plus-Centro: : Includes consumption at hotels in Mexico and Colombia under the brands City Express Plus, City Express Suites, and City Centro.

¹³ LATAM: : Includes hotels located in Costa Rica, Chile and Colombia under the City Express and City Express Junior brands.



WATER CONSERVATION

GRI 3-3, 303-3 SASB SV-HL-140a.1 SASB – Water Management SDG 6 Goal: 6.4 Material topic: Sustainable use of water.



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“Faced with such a challenging environment in terms of water, we reaffirm our commitment to the care, protection and good use of water resources. As a result, our properties feature highly efficient equipment and innovation in day-to-day processes.”

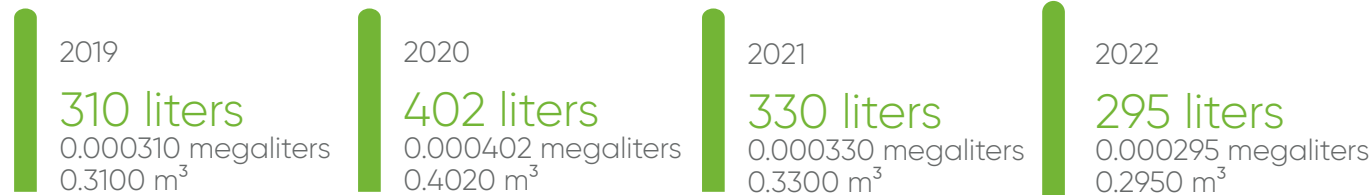
We measure our water consumption on a daily basis by means of internal records, using the main meter and additional meters placed in the machine room and laundry room equipment. Water is supplied to our buildings through the municipal network and/or our own wells and tanker trucks.

In 2022 we had the most significant reduction in water consumption in the last three years, as we decreased water use by 4.77% compared to 2019. Although the health crisis caused by Covid 19 has subsided, we continue to reinforce hygiene and cleanliness measures in public areas and rooms, as well as in the linen washing process. Undoubtedly, water is a fundamental resource for continuing to carry out biosecurity actions in each hotel.



Hotel City Express Plus Medellín

WATER USE (OCCUPIED ROOM NIGHT)



*Result obtained due to an increase in hotel occupancy. With higher occupancy, the total water consumed in rooms and public areas and other services is distributed among a greater number of occupied rooms.



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At the end of 2022, we had a **10.51%** reduction in water use per Occupied Room Night compared to 2021*.

WATER USE BY REGION (OCCUPIED ROOM NIGHT) 2021

REGION	LITERS	MEGALITERS	CUBIC METERS
Metropolitan	182	0.000182	0.1820
Central West	362	0.000362	0.3620
Northeast	330	0.000330	0.3300
Northwest	295	0.000295	0.2950
South	244	0.000244	0.2440
Southeast	360	0.000360	0.3600
Plus-Centro ¹⁴	273	0.000273	0.2730
LATAM ¹⁵	233	0.000233	0.2330

 **987,353,000** liters
 equivalent to 987,353m³ (0.9873 megaliters)
 total chain-wide water use in 2022.

¹⁴ Plus-Centro: Includes consumption at hotels in Mexico and Colombia under the brands City Express Plus, City Express Suites, and City Centro.
¹⁵ LATAM: Includes hotels located in Costa Rica, Chile and Colombia under the City Express and City Express Junior brands.



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WATER STRESS ANALYSIS

GRI 3-3, 303-3 SASB SV-HL-140a,1 SASB - Water Management **Material topic:** Management of climate, social, environmental and economic risks.

At the beginning of 2022 we presented our first water stress study for hotels located in Mexico.

We set ourselves the task of identifying areas with a **high level of water stress** in order to correctly manage the risks derived from the environmental conditions in which we operate and thus identify and apply better water management practices. The aim is to reduce operating costs and environmental impacts, as well as to continue

offering our guests, a lodging option that is responsible with the care of water, especially in the most stressed areas.

To read our complete report, please see our 2021 Sustainability Report »



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HOTELS LOCATED IN WATER-STRESSED AREAS IN MEXICO

According to the water stress analysis conducted in 2022, we included the percentage of hotels located in areas classified* as having **absolute scarcity**, **water scarcity** and **water availability**.



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



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Hotel City Centro Oaxaca

WATER EXTRACTION

The following table shows the extraction of surface water and groundwater that we used throughout the chain during 2022, broken down by region.

REGION	% HOTELES	WATER COMING FROM THE MUNICIPAL DISTRIBUTION NETWORK AND TANKER TRUCKS	U	GROUNDWATER (WELL)	U	TOTAL	U	PROPORTION OF WATER EXTRACTED
Metropolitan	11%	58.50	ML	0	ML	5.85	ML	6%
Central West	14%	129.70	ML	0	ML	12.97	ML	14%
Northeast	14%	168.10	ML	0	ML	16.81	ML	18%
Northwest	16%	185.80	ML	3.6	ML	18.58	ML	19%
South	12%	71.40	ML	2.6	ML	7.14	ML	7%
Southeast	11%	143.90	ML	25	ML	14.39	ML	15%
Plus-Centro¹⁶	18%	174.80	ML	2.5	ML	17.48	ML	18%
LATAM¹⁷	4%	21.40	ML	0	ML	2.14	ML	2%
TOTAL	100%	953.7	ML	33.7	ML	95.36	ML	100%

ML: Megaliters

¹⁶ ¹⁸ Plus-Centro: Includes consumption at hotels in Mexico and Colombia under the brands City Express Plus, City Express Suites, and City Centro.

¹⁷ LATAM: Includes hotels located in Costa Rica, Chile and Colombia under the City Express and City Express Junior brands.



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WATER EXTRACTION IN WATER-STRESSED AREAS

By the end of 2022, 71% of the water extracted came from areas with absolute scarcity, while 29% 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.

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	5.90	ML	100%	0%
Central West	10.10	ML	78%	22%
Northeast	14.70	ML	88%	12%
Northwest	18.90	ML	100%	0%
South	4.20	ML	57%	43%
Southeast	0.60	ML	4%	96%
Plus Centro ¹⁸	13.20	ML	87%	13%
TOTAL	67.70	ML	71%	29%

ML: Megaliters, AS: Absolute Scarcity, WAS: Without absolute scarcity

In 2022 we had the most significant reduction in water consumption in the last three years, as we decreased water use by 4.77% compared to 2019.

We demonstrate our efficiency by carrying out the following actions in 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 different equipment 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 – SDG 6 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 for the 2022-2025 period:

- 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 irregularities and implement actions to address any atypical behavior.

WASTE MANAGEMENT

GRI 3-3, 306-4 SDG 12 Goal: 12.5



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We promote an internal environmental policy and a permanent recycling program, involving all employees and our guests.



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.

During the first quarter of 2022 we resumed training for employees in the Comprehensive Waste Management process, 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 »](#)

WASTE GENERATION



4.93%

increase in waste generation compared to the base year 2019.



1,298 tons

of waste on average were produced at the chain level in 2022.



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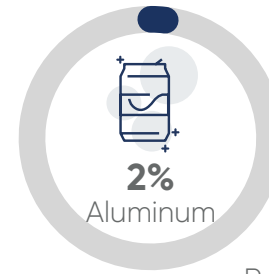
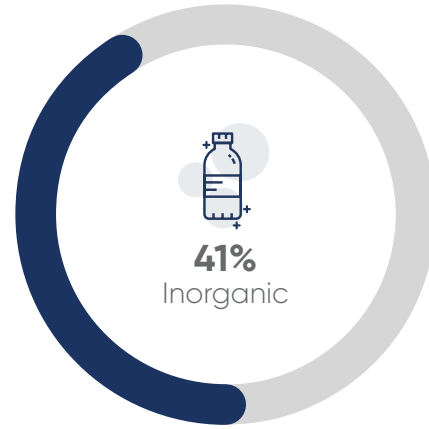
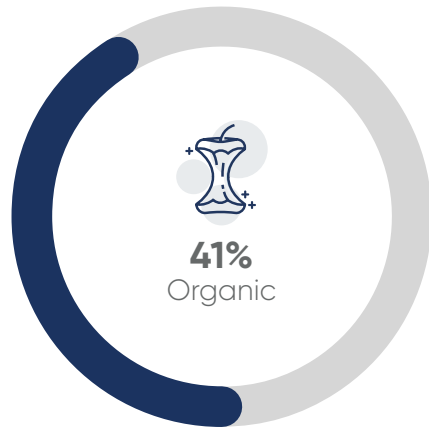
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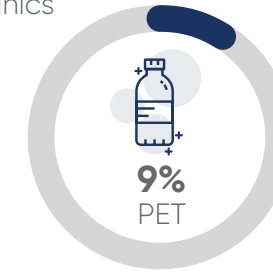
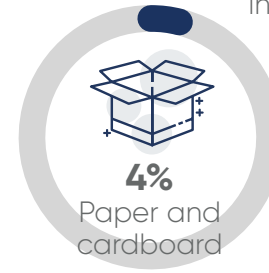
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WASTE CLASSIFICATION BY OCCUPIED ROOM NIGHT



Recyclable inorganics



AVERAGE WASTE GENERATION BY REGION

REGION	2022 (GRAMS PER OCCUPIED ROOM NIGHT)
Metropolitan	402
Central West	375
Northeast	387
Northwest	371
South	393
Southeast	386
Plus-Centro ¹⁹	406
LATAM ²⁰	390

We continue to participate in various **events of donation of recyclable material and plastic caps**. In addition, we volunteer by **donating linens** to support different institutions that benefit our communities, which allows us to extend the useful life of the linens, reduce the amount of this type of waste in landfills and reduce the environmental impact caused by the production of new textiles.



19,430

linen pieces donated to different institutions to be recycled or reused.

¹⁹ Plus-Centro: Includes consumption at hotels in Mexico and Colombia under the brands City Express Plus, City Express Suites, and City Centro.

²⁰ LATAM: Includes hotels located in Costa Rica, Chile and Colombia under the City Express and City Express Junior brands.

BIODIVERSITY PROTECTION

GRI 3-3, 304-1, 304-2 SASB SV-HL-160a.1 SASB- Ecological Impacts SDG 15 Goal: 15.1 Material topic: Biodiversity management and habitat protection at the destination and preservation of the natural heritage.



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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.”

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

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 2022, we had a total of

13 hotels

located near or in one of said areas, representing 8.5% of the total number of hotels.





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HOTELS NEAR OR IN PROTECTED RESERVE AREAS:

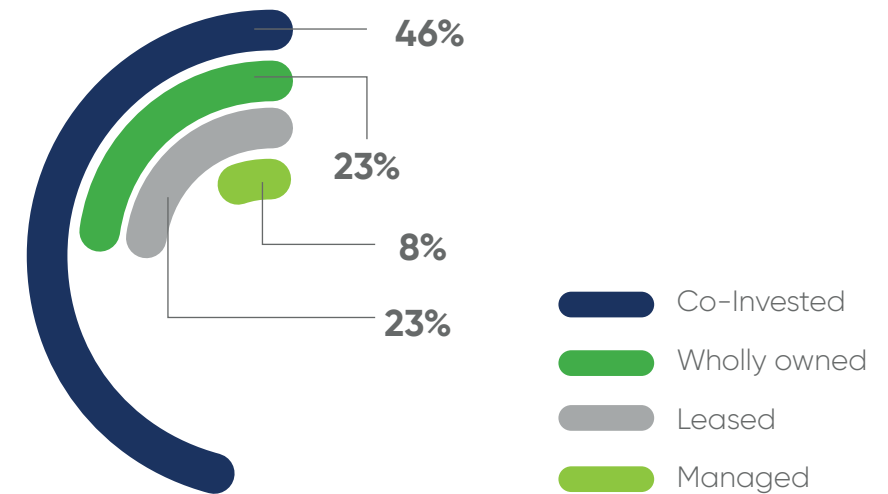
1. City Express Playa del Carmen
2. City Express Suites Playa del Carmen
3. City Express Suites Cabo San Lucas
4. City Express Plus Cabo San Lucas
5. City Express Junior Puebla Angelópolis
6. City Express Puebla Angelópolis
7. City Express Cancún
8. City Express Junior Cancún
9. City Express Paraíso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

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.

CLASSIFICATION OF LAND TYPE OF HOTELS LOCATED IN PROTECTED AREAS:



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.

BIODIVERSITY CONSERVATION

GRI 413-1 SASB SV-HL-160a.2 SASB-Ecological Impacts **Material topic:** Biodiversity management and habitat protection at destination.



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This year we have increased our partnerships for the protection of the terrestrial and marine ecosystem.

OUR PRONATURA ALLIANCE

In coordination with Pronatura Noroeste, A.C., we join efforts to contribute to the conservation of ecosystems and biodiversity in the northwestern area, carrying out evaluation and monitoring processes of Greenhouse Gas neutralizing ecosystems, among which are:

PROTECTION AND CONSERVATION OF THE MAGDALENA BAY - B.C. SUR

SDG 14 Goal: 14.5

We support the protection and conservation of a 3,074-hectare coastal zone reserve, which contributes to neutralizing large amounts of CO₂, has a mangrove forest and seagrasses that also serve as carbon sinks, as well as adjacent semi-desert soils that capture large amounts of carbon through annual vegetation.

CONSERVATION OF THE SAN IGNACIO LAGOON - B.C. SUR

SDG 14 Goal: 14.2

Monitoring consists of periodic visits that allow us to evaluate whether the mangrove and adjacent lands maintain their biological and ecological attributes to fulfill the environmental service of being a CO₂ sequestration site.

CONSERVATION OF SANTA MARÍA BAY - SINALOA

SDG 14 Goal: 14.5

Santa María Bay has 1,708 hectares protected by federal law, and is considered one of the most important nesting, feeding, and refuge sites for ducks and migratory shorebirds in northwestern Mexico.

Thank you very much, Hoteles City, for considering Pronatura Noroeste, A.C. as an ally in your sustainable strategy. Your valuable support is key to the conservation of Mexico's natural capital.

Nohemí González Peña, Director of Institutional Development, Pronatura Noroeste, A.C.



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RECOVERY OF GOLDEN EAGLE POPULATIONS AND ITS HABITAT IN MEXICO

SDG 15 Goal: 15.5

We have been contributing to the conservation of the Golden Eagle in our country for over 10 years.

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. That is why during 2021 and 2022 we worked with *Espacios Naturales and Desarrollo Sustentable A.C. (ENDESU)* to carry out the following actions:

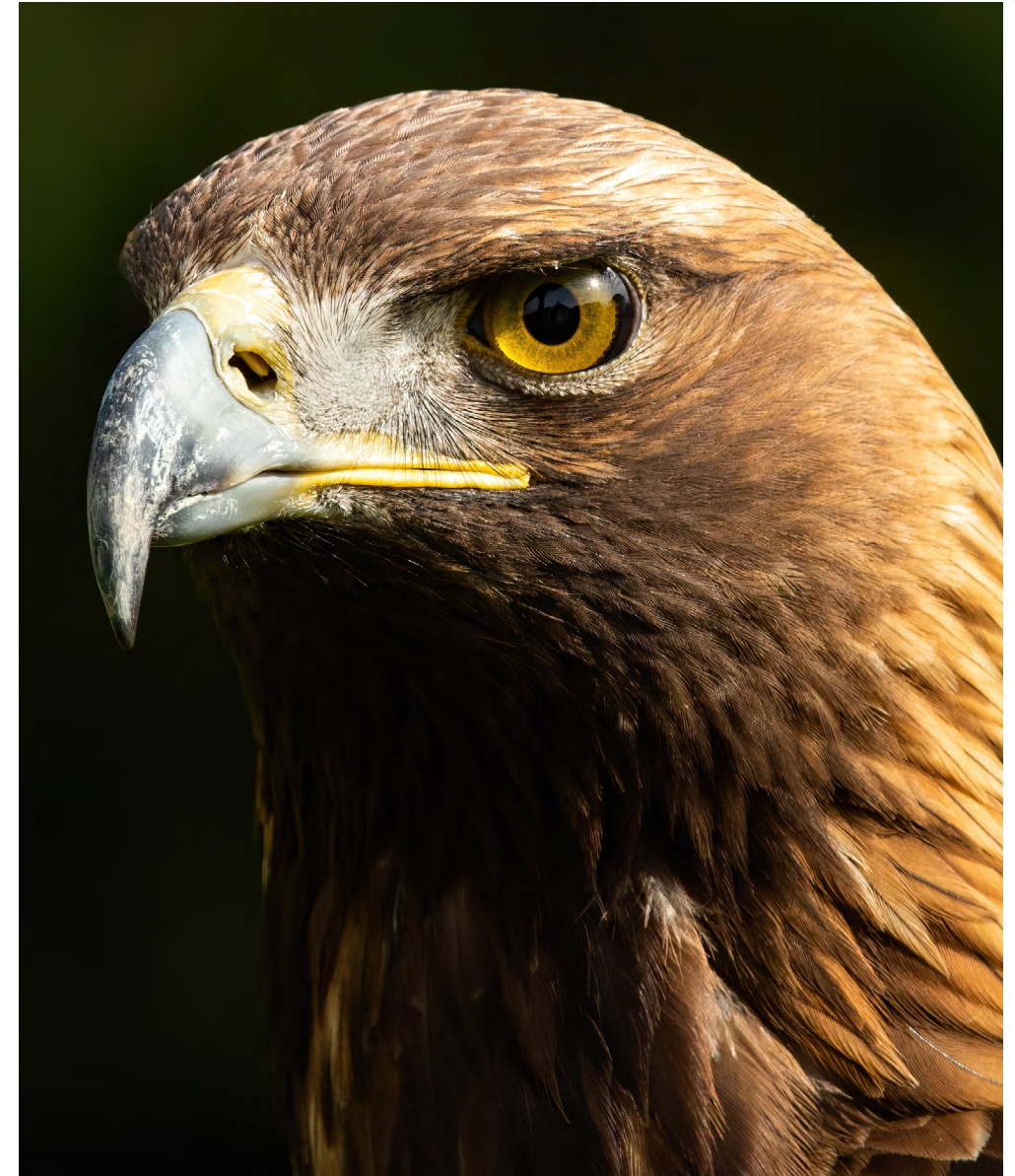
- Digital campaign to reinforce the importance of preserving this species
- Field visits to nesting sites.
- The **Capacitando para Conservar** (Training for Conservation) strategy was developed for young people with a high school diploma, to train them in the sustainable management of wildlife populations so that they can generate self-employment.
- Donation program for different stakeholders on the ENDESU website.

We are part of the Abanderados program which aims to conserve 100 nesting sites over a 10-year period and thereby ensure the future of the species, the ecosystem and the communities with which we work side by side to achieve it.

GUARDIÁN DEL ÁGUILA REAL (GUARDIAN OF THE GOLDEN EAGLE)

It is a Hoteles City initiative that allows our guests to be part of this important commitment to preserve the species, by donating their points in the City Premios loyalty program.

We invite you to learn more here: Hoteles City joins the protection and conservation of the Golden Eagle »



INITIATIVES THAT LEAVE A MARK



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“Our staff band together and are passionate about the environment and the communities in which we operate. We had 62% participation at hotel level in 2022 and boosted volunteer engagement by 22% over 2021.”

We invest in high-impact projects that help the communities and the environment where we operate as part of our sustainability strategy and in the everyday operation of our hotels, with the goal of offsetting our environmental effect.

PARTICIPATION IN EARTH HOUR

SDG 13 Goal: 13.3

Hoteles City is once again joining the worldwide electricity blackout to draw attention to climate change issues and raise awareness of what everyone can do for the planet



#LaHoraDelPlaneta

LA HORA DEL PLANETA

Sábado 26 de marzo / 20:30-21:30 hrs.

Movimiento global contra el cambio climático.

Realiza acciones para reducir el consumo energético, ya sea en casa o en tu hotel.

- Coordínate con tu equipo para desarrollar alguna actividad con huéspedes en el horario establecido.
- Recuerda compartir tus iniciativas en el grupo **impacto city**

CITY CENTRO CITY EXPRESS Suces. CITY EXPRESS PLUS. cityexpress. hoteles. cityexpress. Junior



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ENVIRONMENTAL IMPACT VOLUNTEERING

SDG 15 Goal: 15.2

We keep encouraging the participation of the local population through our Environmental Volunteer Program, implementing actions that benefit the environment and the community. The main activities are focused on reforestation and tree maintenance, waste collection, habitat maintenance, and marine species protection.

OUR IMPACT IN 2022





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“In 2022, ECOPIIL presented Hoteles City with the Cladodio Award in its inaugural edition, recognizing us as a Mexican company promoting the effort, work and good practices to develop corporate volunteering and social investment actions nationwide.”

ECOPIIL Social and Environmental Innovation Meeting



SOCIAL AND ENVIRONMENTAL INNOVATION MEETING

SDG 6 Goal: 6.2 SDG 13 Goal: 13.3 SDG 15 Goal: 15.2

We joined forces with ECOPIIL, Arte Crea Conciencia A.C. to carry out the **Third Meeting of Social Innovation and Environmental Leadership**, in order to create a space to catalyze positive impacts in the communities where ECOPIIL operates, through the meeting and exchange of our youth groups, who will receive training and capacity building in entrepreneurship, leadership and environmental education.

In 2022, during four days of environmental work, 58 innovation agents carried out various activities to improve the environment in Mexico City and the State of Mexico:

Sierra de Guadalupe, Coacalco, State of Mexico (10 hrs.)

- Observation and registration of more than 100 species of birds.
- Training for teamwork, resource management for their projects and attention to visual and motor disability.

Parque La Hoja, Naucalpan, State of Mexico and Los Dinamos, Mexico City

- Construction of 20 hotels for pollinators.
- Maintenance of 25m² of garden for pollinators.
- Collection of 76.5 kg of municipal solid waste (MSW) in the Magdalena River, one of the last living rivers in Mexico.

Barranca México 68, Naucalpan, State of Mexico

- Forest restoration and removal of 100 kg of castor oil plant, an invasive species in the region.
- Creation of a 60 m² collaborative mural of local biodiversity.
- Training on Mexican Dahlia propagation

RESPONSIBLE TOURISM

SDG 8 Goal: 8.9 SDG 12, Goal: 12.b, SDG 11 Goal: 11.4, Material topic: Biodiversity management and habitat protection at the destination.



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We strengthen our responsible tourism strategy to prevent, reduce and eliminate our negative impact and maximize the positive one in all the communities where we operate.

We collaborate with the Responsible Tourism Institute (RTI), the World Tourism Organization (UNWTO) and the United Nations Global Compact (UNGC), to continue promoting programs that help us:

- 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, and reduce the consumption of energy, water and non-renewable resources.
- Support entrepreneurship and technology initiatives to directly and indirectly favor economic development.
- Satisfy our stakeholders through sustainable management and ensuring safety and hygiene measures.

With our Responsible Traveler Decalogue, we invite our guests to conduct themselves in a positive manner during their stay, for the benefit of the locality and the environment, as well as to promote values and practices to help preserve nature with total respect for the host community.



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 by separating it correctly 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 – don't engage 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.



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SUSTAINABLE PURCHASES

GRI 3-3, 2-6, 308-1 SDG 12 Goal: 12.5

In order to build a supply chain that is sustainable over time and responsible to society and the environment, we promote a relationship with each of our suppliers based on values and commitments. To ensure that all inputs that fall under the **environmentally friendly** category comply with the Sustainable Procurement and Supplier Policy, we have an internal and external auditing system in place.

- 155 suppliers are strategic
- 315 suppliers participated in a bidding process during 2022
- 34 suppliers are engaged in construction
- 11,343 total suppliers, of which 8,762 are essential to our operations
- 1,941 new suppliers joined our catalogs as service and product providers in 2022, complying with the environmental criteria set out in the sustainable procurement policy
- 99% are domestic suppliers, operating in the locations closest to our facilities. Only 1% are foreign suppliers**

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

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



CLASSIFICATION OF SUPPLIERS BY TYPE OF SECTOR

0.10% Primary sector: Productive activities involved in the extraction and generation of raw materials such as agriculture, livestock, fisheries, forestry and mining.

13% Secondary Sector: Transforms raw materials, extracted or produced by the primary sector, into consumer products or capital goods.

86.90% Tertiary Sector: Goods and services.

CATEGORY	TOTAL SUPPLIERS	STRATEGIC SUPPLIERS	% EXPENDITURE	% OF TOTAL PROCUREMENT EXPENDITURE
Food & Beverages	720	16	10%	5%
Equipment	445	12	8%	3%
Maintenance	1,274	11	10%	4%
Supplies	1,292	27	18%	7%
Services	5,031	89	53%	18%



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SUPPLIER BIDDING

GRI 204-1, 308-2

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.

100% 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 >>](#)



Hotel City Express Plus Mexicali



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TOTAL COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

GRI 3-3, 2-27

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.



Hotel City Express Plus Mazatlán



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Hotels located in flood zones

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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 the 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*). 35 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.

We have a total of 3.9% hotels located in high flood risk zones in Mexico, distributed as follows:

- 3 en Baja California Sur
- 2 en Oaxaca
- 1 en Nayarit

Each of our hotels has an internal civil protection plan that enables them to effectively 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 track any changes that may occur, and during 2023 we will update this analysis once again.



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CLIMATE CHANGE RISKS AND OPPORTUNITIES STUDY

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

At the end of 2020 we conducted our first study of risks and opportunities related to climate change, 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 in organizations.

Its guidelines are divided into four main groups of recommendations related to governance, strategy, risk management, setting metrics and objectives.

To know this study in detail, please see our 2020 Sustainability Report »

During 2023, one of the objectives we have set ourselves is to update our study of risks associated with climate change, working along four fundamental lines:

1. The assessment of the physical and transitional risks to which Hoteles City facilities are exposed based on scenarios.
2. Assessment of the vulnerability of the Hoteles City facilities to the hydrometeorologic phenomena identified.
3. Risk mapping and prioritization.
4. Assessment of identified risks.



Hoel City Express Plus Ensenada



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- Social Investment
- Innovation and entrepreneurship programs

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Hotel City Express Plus Mexicali

Creating economic value

GROWTH

SDG 9 Goal: 9.2



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In 2022, we diversified the mix of travelers we serve through different communication strategies focused on brand differentiation and attributes of our hotels. At the same time, we maintained the standards that characterize us in order to continue to be an attractive option in terms of

BY THE END OF 2022, WE OPERATED:



WITH A SIGNIFICANT HOTEL OCCUPANCY AND A NEW VISION OF GROWTH.

quality and price for all our guests. In this way, we were able to capture a greater number of leisure travelers and expand our coverage in the foreign market.

We generate a positive economic impact. We listen to our guests to innovate our business experience and services. Undoubtedly, staying the **top choice** means adjusting to the needs of our clients, **whether they are traveling for business or pleasure.**



NUMBER OF ROOMS



NUMBER OF HOTELS





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"As a result of this strategic collaboration with Marriott International, the company will continue to run the more than 150 hotels it currently owns and will continue to grow through investment initiatives, hotel development, and new management contracts."

Luis Barrios Sánchez. Founder and CEO of Hoteles City

Hotel City Express Plus Mexicali

We achieved noteworthy accomplishments that implied challenges of great transcendence assumed for our business in 2022, despite having a 0.2% decrease in the number of occupied rooms compared to 2021. As a result, we positioned our City Centro, City Express Plus, and City Express Suites brands, with a primary focus on our guests who travel for leisure. To position them, we pay special attention to **"All that matters"** to our clients when traveling: strategic locations, modern, comfortable, safe and clean accommodations, check-in and check-out, fast and reliable WiFi, and other elements that make the difference in our service.

We prepare and plan for the future.

We know that growing with national and international responsibility and significance means joining forces and creating reliable, solid and robust strategic alliances. That's why, at the end of 2022, we went one step further by signing a strategic relationship with Marriott International, Inc. ("Marriott"), which

includes the sale of our five brands (City Express, City Express Plus, City Express Suites, City Express Junior and City Centro), the associated trademarks, domains and related intellectual property, the loyalty program (City Premios Rewards) as well as other assets and liabilities related to the brands (the "Brand") to Marriott. This is a new growth opportunity for Hoteles City in Mexico and Latin America, opening the possibility of expansion into other markets. We expect this strategic alliance to materialize during the first half of 2023.

It should be noted that, as a result of this operation, the corporate structure of Hoteles City will remain the same. The Company will retain its Operating Contracts, development activities and ownership of its hotels (owned, co-invested and leased). In addition, all Hoteles City brands are expected to be endorsed with the "by Marriott" signature.

[Learn more in detail here »](#)

CORPORATE GOVERNANCE

GRI 2-9, 2-26, 2-29



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We have a strong Board of Directors that represents the interests of all shareholders and is the highest authority within the Company.

The Board of Directors is comprised of a group of eleven specialists in multiple areas of the industry, each with extensive experience in developing successful companies. Ten are independent members who guarantee the proper alignment with the interests of the investing public. Hoteles City is a public company and our public investor ownership represents 97%, with 3% coming from our management team's shareholding

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.

As a company listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*, BMV), we strictly enforce full compliance with the Mexican Securities Market Law, which translates into the implementation of best practices in corporate governance.

COMMITTEES

Audit, Risk and Corporate Practices Committee
Planning and Finance Committee
Procurement and Construction Committee
Compensation and Nominations Committee



ETHICS AND TRANSPARENCY

GRI 2-23, 2-24, 2-25

Hoteles City has several mechanisms to guarantee the ethical performance of all its operations. To learn more about them, click on each one.

- **Code of Ethics »**
- Information Security Policies
- **Confidential Reporting »**
- **Anti-Corruption Policy »**
- **Fair Business Practices Guidelines »**
- **Human Rights and Non-Discrimination Policy »**
- Objective Evaluation Mechanisms
- **Ethics Committee »**
- Civic Engagement

Our Policies establish ZERO Tolerance for Corruption, thus contributing to our Ethics and Transparency objectives.





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INTEGRITY

GRI 2-16, 2-25, 2-26 SV-HL-310a.4 SASB-Labor practices SDG 16 Goal: 16.5

CONFÍA PROGRAM

Confía is an effective, anonymous, independent, confidential and secure communication channel that can be activated by our stakeholders at any time.

Confía Program is guided by our mission, vision and values to promote ethics, a culture of integrity and transparency in our Company. For this reason, we categorically condemn discriminatory and corrupt conduct that hinders the full growth of Hoteles City.

Our employees, suppliers, officers and directors are free to make claims for inappropriate acts or any other type of conduct contrary to our ethical principles or legal standards.

The increase shown in 2022 with respect to 2021, resulted mainly from a greater dissemination of this means of reporting in various communication channels of the Company, which led, in some cases, to the communication of situations not related to non-compliance with the Code of Ethics.



The Ethics Committee considers all complaints to be anonymous and extremely confidential in order to safeguard the complainant's integrity at all times, and handles them promptly in 100% of the cases.

REPORTING CHANNELS

- Mexico: 01-800-1223-3312
- Colombia: 01-800-752-2222
- Costa Rica: 01-800-054-1046

[Consult our complaint channel website here »](#)

IMPACT OF THE COMPLAINT CHANNEL PER YEAR





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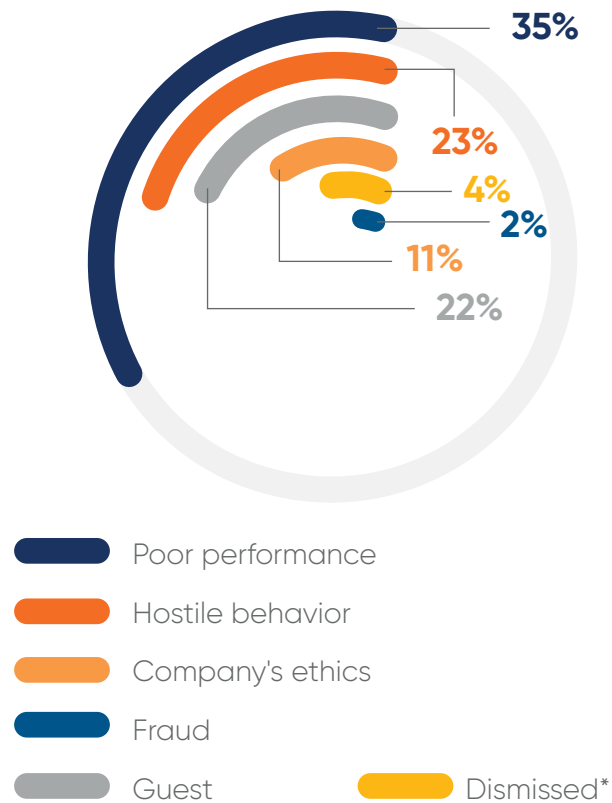
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To classify the reports received, we have a catalog of behaviors with generic themes that facilitate the complaint procedure. In the same way, to guarantee the impartiality and neutrality of the channel, those cases that contain a greater complexity are managed, by the hand of independent experts. In addition, we have supervision procedures and the taking of corrective and disciplinary measures internally, depending on the seriousness of the case.

In 2023, we set ourselves the goal of innovating our reporting platform to make it more dynamic and easier to understand and manage. This will help in the effective detection of cases that expose irregularities in accordance with our Code of Ethics.

COMPLAINT CLASSIFICATION BY CATEGORY:



PERCENTAGE OF COMPLAINTS RECEIVED BY REGION:

The complaints that effectively met the criteria to assess a case of irregularity to the Code of Ethics are broken down according to this classification.

REGION	2019	2020	2021	2022
Metropolitan	40%	0%	29%	7%
Central West	26%	31%	19%	9%
Northeast	1%	0%	3%	12%
Northwest	17%	9%	19%	17%
South	5%	1%	6%	2%
Southeast	3%	4%	3%	13%
LATAM	5%	1%	10%	5%
Plus-Centro	--	--	--	24%
Headquarters	5%	1%	10%	5%
Total	100%	100%	100%	100%

100% of complaints received were handled.

*The information received did not meet the necessary criteria to move forward with the complaint's activation.

CODE OF ETHICS

SV-HL-310a.4 SASB-Labor practices SDG 16 Goal 16.5 Material topic: Human Rights Compliance

“Through the Code of Ethics, establish a set of guidelines for conduct that defines the principles that lead to our company. The Code of Ethics is a mechanism to prevent corruption at all levels.”

Our Code of Ethics lays forth the principles and pillars of our company's conduct and serves as a guide to project ourselves as a company of integrity, transparency and respect for human rights. To this end, it is necessary to avoid irregularities at all levels and to take appropriate measures in the event of conduct that violates the Code of Ethics.

Likewise, we establish that 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 2022, no such contribution was made.

The Code of Ethics is for public use and is available on our website, accessible to all our stakeholders.

[We invite you to know our Code of Ethics by clicking here »](#)



ETHICS COMMITTEE

Our Ethics Committee is responsible for ensuring full compliance with the Code of Ethics. In addition, it is composed of **seven members** who are appointed by Hoteles City's Board of Directors. They are chosen preferably from among officers from each of the following areas: Legal, Internal Audit, Marketing and Franchise Services, Human Capital, Operations, Administration and Development. The committee has a **secretary**, who may or may not be one of the members. The committee reports directly to the Corporate Practices and Audit Committee.



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TRAINING ON THE CODE OF ETHICS AND ANTI-CORRUPTION POLICY

GRI 205-2

In the course of 2022, we resumed training for employees on the Code of Ethics and the Decalogue of our Company. This allows us to periodically strengthen the fundamental principles by which the company is governed, while at the same time preventing any type of irregularity.



EMPLOYEE TRAINING BY REGION:

REGION	% OF EMPLOYEES REACHED
Metropolitan	77%
Central West	56%
Northeast	66%
Northwest	79%
South	68%
Southeast	45%
Plus-Centro	53%
LATAM	77%
Headquarters	76%

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

In addition, we ensure that there is a clear understanding of our Supplier Code of Ethics. To this end, we employ strategies to disseminate our code through digital media, thus aligning this stakeholder group with important issues such as transparency and anti-corruption.



1,753
training hours on the Code of Ethics and Anti-corruption



76%
of employees in headquarters were trained on these topics



66%
of employees trained in hotels

SOCIAL INVESTMENT

GRI 2-2, 2-6, 201-1 Material topic: Participation and empowerment of communities and local economic impact



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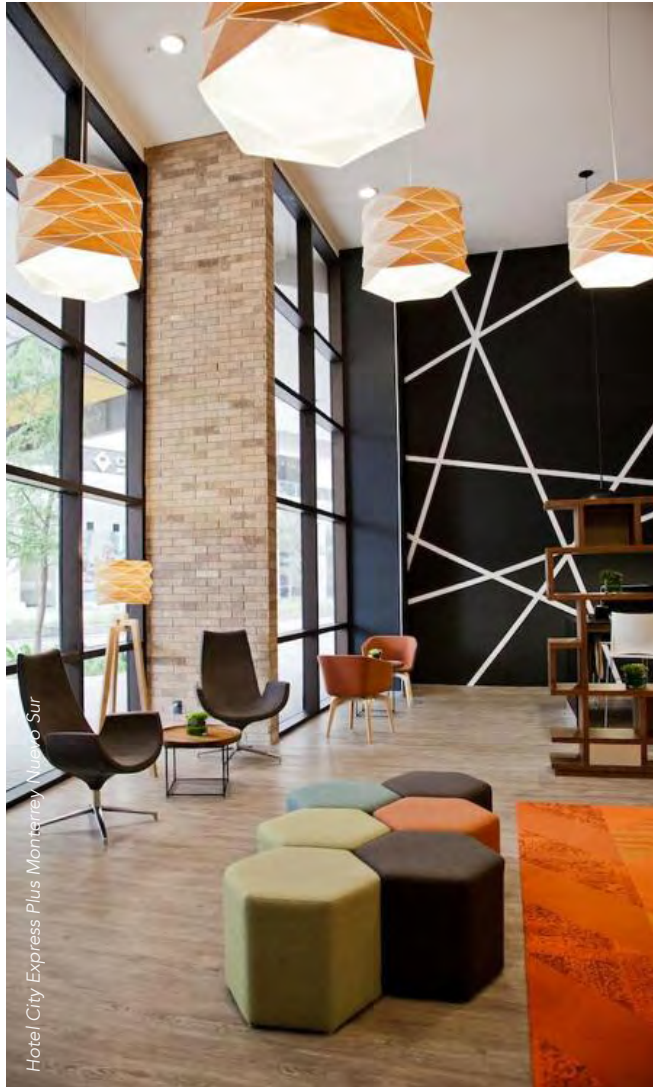
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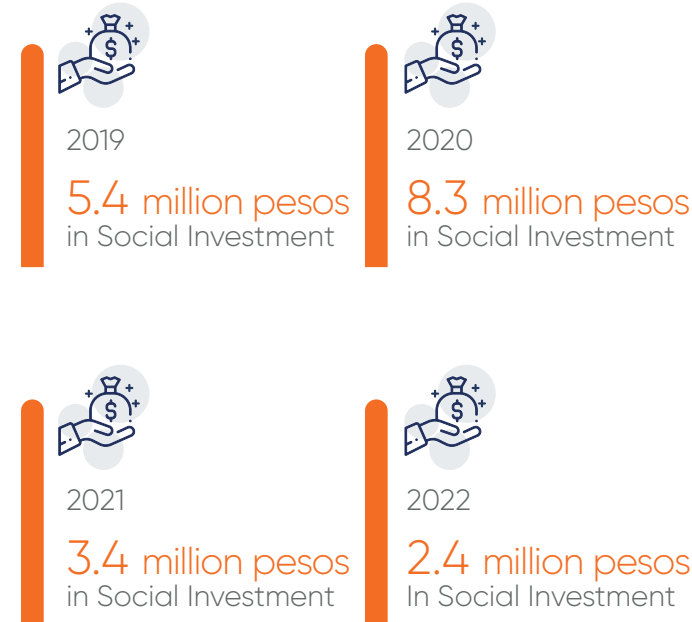
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Hotel City Express Plus Monterrey Nuevo Sur

At Hoteles City we know that Social Investment is an important element of sustainable Growth. Through our Social Investment in kind, we drive several initiatives that contribute significantly to the **17 Sustainable Development Goals of the 2030 Agenda**, creating alliances with high-impact organizations that benefit various communities.



In 2022 we provided 1,474 room nights equivalent to 2.4 million pesos to carry out actions aimed at preserving the environment, generating economic value and the wellbeing of the communities where we are present, as part of a global

effort to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

[To learn more about our consolidated and audited financial statements, click here »](#)

[Our 2022 Annual Financial Report can be viewed by clicking here »](#)

SOCIAL INVESTMENT	2022
Total sales	\$3,176,528
Hotel Operating Costs	\$1,739,517
Salaries and Related	\$702,830
Investments	\$227,829
Tax Payments	\$73,565
Net profit	\$9,821
Social Investment	\$2,437 ¹
Operating Cash Flow	\$1,150,988
Economic value generated	\$3,176,528
Economic value distributed	\$776,395
Economic value retained	\$2,400,133

Figures are shown in thousands of pesos

¹ Social investment in kind.

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



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INNOVATION AND ENTREPRENEURSHIP PROGRAMS

GRI 2-29, 203-1 SDG: 8 Goal: 8.2 Material topic: Participation and empowerment of communities

Within our main Social Responsibility initiatives, we prioritize the development of high-impact projects where innovation and entrepreneurship go hand in hand to generate value for society and contribute to the social and economic well-being of communities. For this reason, year after year, we focus our efforts on supporting initiatives that have undoubtedly created sustainable benefits in the medium and long term.



ENTREPRENEURSHIP VALUE CHAIN

GRI 203-2

We know that creating Economic Value for our Company involves developing strategies that are not limited to business growth. Therefore, we seek that our innovations contribute to the quality of life and the integral progress of the communities where we operate. Thus, in partnership with various organizations, we support programs and projects that contribute positively to the social and environmental well-being of our surroundings.





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Tecnolochicas México

SDG 8 Goal: 8.2 SDG 4 Goal: 4.5

Tecnolochicas is an initiative of *Fundación Televisa's Cuantrix* program, which provides basic programming and computer science skills to Mexican girls and young women. The main objective is to broaden the professional aspirations and life projects of each of them through useful tools, while seeking to strengthen their confidence in matters of personal aspirations and dreams.

Thanks to this alliance we have impacted more than 300 girls from 12 to 17 years old in various events:

STEM* Workshops and Women's Panel: Aimed at female students from San Luis Potosí's municipal secondary and high schools, encouraging them to study STEM careers. 150 participants.

LEGO Operations Workshop and Panel: The Technolochicas who passed the four program courses took a trip to the LEGO facility in the State of Nuevo León. There were 30 participants from the Ministry of Public Education in Nuevo León.

Visit to Universities in Nuevo León: To raise awareness on the importance of incorporating girls and teenagers to STEM. There were 150 participants in Nuevo León.

In addition, during 2022 we launched the first edition of **Convocatoria Hoteles City**, benefiting **44 girls and teenagers** to take free online courses on the importance of Artificial Intelligence in today's societies, as well as the creation of websites, mobile applications, among other topics.

*STEM - acronym for Science, Technology, Engineering and Mathematics.

¡Hola! Tecnolochicas México

Conoce los cursos para aprender a programar y conviértete en una de las futuras creadoras de tecnología.



¡Regístrate!

Contenido de nuestros cursos:

Diseño de Sitio Web

Diseño de Aplicaciones

Robótica

Inteligencia Artificial

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POSIBLE

SDG 8 Goal: 8.2 SDG 5 Goal: 5.5

5 years strengthening our alliance to promote Mexican entrepreneurship.

Through *Fundación Televisa's POSIBLE* program and *Monte de Piedad*, we make possible those ventures that, due to lack of support, cannot be materialized. To this end, we join forces to provide tools, advice, training, contacts and resources to promote the dreams of the beneficiaries and thus achieve solid, lasting and successful ventures for the people who need them most.

“POSIBLE is one of the most far-reaching entrepreneurship programs in Mexico, and Hoteles City has been present in the different actions implemented both locally and nationally.”

STATE VIRTUAL PANELS:

We have a significant virtual arena for presenting entrepreneurship projects to industry professionals. This makes it possible to create strategic alliances and support sustainable business ideas.

CAMP (ZACATECAS, SINALOA, EDO MEX)

It is an incubation program for the best evaluated business models during state panels. The main objective is to perfect key strategies for starting a business. In this way, we provide activities such as individual counseling, workshops, locating



funding sources, getting the project ready for accelerators and the importance of understanding the client, among others.

In 2022 we supported **805 projects** with a **39%** participation rate from **women**. We are committed to further promoting women's economic empowerment. To this end, we create training and empowerment programs for women.



21%
first-time participation of cooperatives



3,379
projects evaluated



70
projects selected



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POSIBLE COOP

Through this program, we encourage cooperatives to become agents of positive change in their communities. In order to do this, we work to professionalize and strengthen business models. In this way, the benefited cooperatives are able to become

scalable and profitable enterprises, capable of guaranteeing their members the income necessary to improve the quality of life and promote the development of the regions where they operate.



PARTICIPATION OF:



52

cooperatives in the states of Mexico, Chiapas, Oaxaca, Zacatecas and Yucatan.



124

cooperative members directly supported



2,134

indirect beneficiaries



77%

participation of women



83%

rural population



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MUJER POSIBLE

Mujer Posible has evolved into a space for training, networking, and inspiration for numerous women entrepreneurs and micro-entrepreneurs who want to acquire new tools, exchange knowledge, and add significant experiences in the states of Zacatecas and Chiapas as we continue to work toward the eradication of social and gender inequality.



966

future women entrepreneurs trained in entrepreneurship and technology



3,763

women trained in local consumption



163

participants in camps



1,089

people trained online



SDG 1 Goal: 1.4 SDG 8 Goal: 8.5 SDG 10 Goal: 10.2

In partnership with *Interculturalidad, Salud y Derechos A.C.*, Hoteles City supports the **Hecho en Libertad** (Made in freedom) program, which is targeted at women looking to reintegrate into society. In order to help social micro-businesses start their own firms in freedom, we provide seminars for the identification, development, and validation of micro-businesses with secure results.



200

women benefited



98%

reintegration rate



45%

increase in revenue



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LIDERAZGOS POR UN MÉXICO MEJOR

SDG 8 Goal: 8.3 Goal: 8.6

In 2022, our alliance with the Mexican Business Council, Colegio de México and Harvard University, was aimed at providing training to strengthen the leadership skills of young Mexicans involved in solving Mexico's public challenges.



40

leaders involved in solving Mexico's public issues



38

leaders trained at Colmex and Harvard in courses on social leadership and social-emotional skills.



37

internships in environmental and social issues



Thanks to Hoteles City for contributing to the construction of a sustainable society in harmony with life. We thank you for all your support.

Isaac Escamilla / Coordinator at Nuhusehe Educación y Desarrollo, A.C.



SDG 8 Goal: 8.3

We joined the **Reactivación Económica Solidaria** (Solidary Economic Reactivation) initiative created by *Nuhusehe Educación y Desarrollo, A.C.* Through this initiative, we strengthen the sources of work of solidary socio-economic organizations, especially cooperatives. To achieve this, an educational program is being implemented to promote the professionalization of producers, as well as the creation of sources of employment and their involvement with the communities and society at large. In addition, meetings of producers and artisans in different states of the Mexican Republic are encouraged in order to create strategic alliances and networks that favor the country's economic growth and the support of our Mexican talent.



1,091 people benefited



15 integration activities for artisans

Participation in Mexico City, Tlaxcala, Chiapas, Sinaloa, Morelia, Oaxaca and Veracruz



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Clima laboral

Libertad de Asociación

Medios de Comunicación Interna

Evaluación del Desempeño

Sueldos, Beneficios y Prestaciones

Salud y Seguridad Ocupacional

Programa de Diversidad e Inclusión Laboral

Código de Conducta Nacional para la
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Contributing to social welfare



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Impacto City has allowed us to contribute to social welfare, offering services with fair operating practices for our employees, guests and communities.

OUR EMPLOYEES

GRI 2-7, 2-8, 3-3, 405-1 SASB Labor Practices, SDG 8 Goal: 8.2 Material topic: Local economic impact



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100% of our employees are full-time and are hired as part of our workforce.



3,612
employees in 2022

WE HAVE A GREAT WORK TEAM FORMED BY:



36%
men



64%
women

LOCATED IN:



95%
Mexico



5%
LATAM



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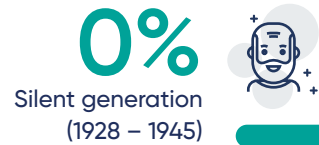
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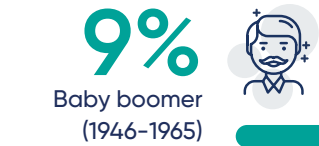
EMPLOYEES DIVIDED BY GENERATION

At Hoteles City we are against discrimination for any reason, so generational diversity is present in our Company.

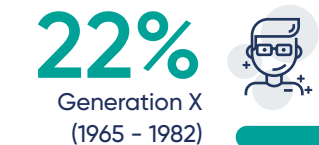
Also known as *builders seniors*, it is a generation marked by events such as the Great Depression, Nazism and the nuclear bomb.



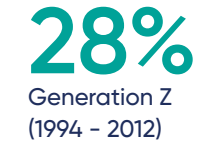
Those born during the demographic explosion resulting from World War II.



A less idealistic generation, having faced economic recessions and a context of unemployment, which they have had to face.



A generation shaped by the massive arrival of technological tools and the Internet, focused on technology and innovation.

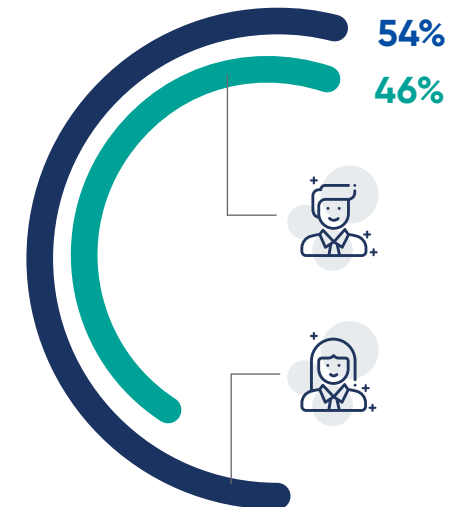


A generation starting to join the labor market. They were born in the digital era, which has increased their ability to use technological tools.

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

CHAIN MANAGERS AND DIRECTORS BY GENDER

This year, our Management and Director positions were comprised of:



Men
 Women



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DISTRIBUTION OF EMPLOYEES BY REGION

REGION	% 2019	% 2020	% 2021	% 2022
Metropolitan	17.2%	16.4%	9.3%	9.1%
Central West	16.1%	13.9%	10.5%	10.3%
Northeast	16.1%	16.1%	14.1%	12.8%
Northwest	13.0%	15.9%	14.6%	14.4%
South	9.1%	8.4%	8.2%	8.6%
Southeast	12.0%	13.0%	10.9%	10.3%
Plus-Centro	0	0	17.9%	18.7%
LATAM	5.2%	4.8%	2.9%	5.3%
Headquarters	11.3%	11.4%	11.8%	10.5%

TURNOVER RATE

GRI 401-1 SV-HL-310a.1 - SASB - Labor Practices

OVERALL TURNOVER RATE BY GENERATION

METROPOLITAN	10.47%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION
WOMEN	0.51%	1.44%	2.62%	2.28%	0.00%
MEN	0.17%	0.42%	1.54%	1.48%	0.00%
CENTRAL WEST	10.85%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION
WOMEN	0.34%	1.65%	2.43%	2.45%	0.00%
MEN	0.13%	0.80%	1.52%	1.52%	0.00%





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NORTHEAST		12.61%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION	
WOMEN	0.51%	2.09%	3.13%	3.03%	0.02%	
MEN	0.17%	0.38%	1.90%	1.31%	0.06%	
NORTHWEST		18.66%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION	
WOMEN	0.68%	2.75%	4.42%	4.87%	0.04%	
MEN	0.49%	1.14%	2.35%	1.84%	0.08%	
SOUTH		6.22%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION	
WOMEN	0.17%	0.93%	1.59%	1.84%	0.00%	
MEN	0.08%	0.13%	1.02%	0.44%	0.02%	
SOUTHEAST		9.03%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION	
WOMEN	0.15%	0.76%	1.86%	2.07%	0.02%	
MEN	0.08%	0.51%	1.90%	1.67%	0.00%	
PLUS-CENTRO		25.87%				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION	
WOMEN	0.55%	2.90%	5.44%	5.16%	0.02%	
MEN	0.63%	1.73%	5.25%	4.19%	0.00%	





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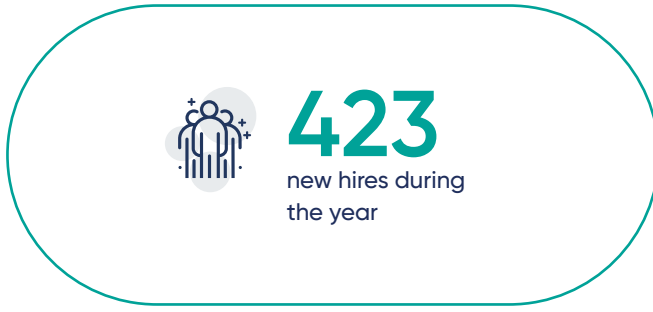
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	LATAM				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION
LATAM	3.28%				
WOMEN	0.15%	0.15%	0.89%	0.59%	0.08%
MEN	0.11%	0.23%	0.66%	0.40%	0.02%
	HEADQUARTERS				
	BABY BOOMER	GENERATION X	GENERATION Z	MILLENNIALS	SILENT GENERATION
HEADQUARTERS	3.00%				
WOMEN	0.00%	0.15%	0.42%	0.91%	0.00%
MEN	0.04%	0.36%	0.34%	0.78%	0.00%

*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 2022



JUMP&GROW REACH

Material topic: Professional development and growth



We encourage our team's internal growth through our internal promotion program that allows us to identify our employees' strengths and growth areas in order to provide them with the best development opportunities. Our program is based on three pillars:

- Competencies**
- Effectiveness**
- Adherence to Hoteles City's culture**



CITY CULTURE



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At Hoteles City, we strive every day to give each of our workers an excellent working environment that makes them proud to be a part of the team and fosters devotion and loyalty. In order to do this, we invite each of them to contribute to the creation of our strategy and to suggest ideas for innovative and ongoing improvement.



3,612
direct jobs generated



38 years
is the average age of our employees.



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LEARNING, TRUST AND COMMUNICATION

GRI 3-3, 404-1 SDG 4 Goal: 4.4 Material topic: Professional development and growth



ORGANIZATIONAL LEARNING

“Organizational Culture is our identity and the basis for forming integrated, solid and goal-oriented work teams.”

Betsy Arzate Zamora
Organizational Learning Manager, Hoteles City

With the purpose of promoting our organizational culture, we offer training and coaching that favor our employees' professional development. We have Onboarding and Technical Coaching programs, in addition to programs that help employees adjust to the duties of each position, the Company's processes and the operation. This allows us to keep setting trends in our industry.

32.99 hours was the average training hours per employee in 2022 ¹

^{*}Over the next few months, we will be working to have the breakdown of training hours by job category.
¹The average training hours = (Total training hours / Total employees in the workforce at the end of 2022)..



119,169
training hours



71,501
training hours for women



47,668
training hours for men



3,612
trained employees



381
sessions



262
courses provided



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In order to promote good relationships among our team members and to encourage ideas for improvement, in 2022 we maintained our Technical Coaching process, using the Training Within Industry (TWI) Institute's Job Instruction program as a guide.

Among the main actions of our Technical Coaches are:

- To train our talent.
- To share their knowledge with new members.s
- To abide by Hoteles City's processes, standards, branding and organizational culture.



105

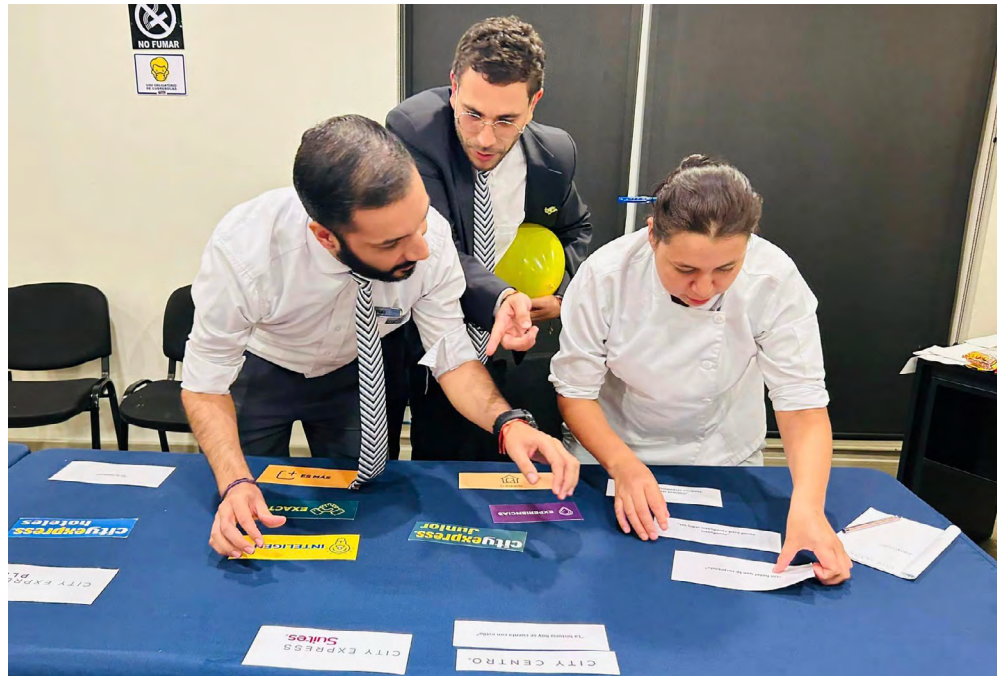
new Technical Coaches certified with TWI Job Instruction methodology



539

training sessions delivered by our Technical Coaches

"The best team is at Hoteles City"



WORK ENVIRONMENT

Material topic: Fair Working Conditions

In order to innovate and make continual improvements to the business, each team's work environment is essential.

We constantly strive to maintain a work environment and organizational culture where our employees feel valued and appreciated by the company. That's why we continue to use **Top Companies'** survey **#OrgulloCity-SuperEmpresa**. This survey has allowed us to:

- Analyze how well employees get along with other company members.
- Learn what the staff thinks and look for opportunities.
- Apply work/life balance schemes.



79.62%

satisfaction



93.90%

participation at the chain level



IN 2022:

4 consecutive years in the *Top + America* ranking at LATAM level.

3 years being part of the *Súper Empresas Ranking*

For the *second year* we are part of the *Súper Empresas Mujeres Ranking*



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FREEDOM OF ASSOCIATION

GRI 2-30 SDG 16 Goal: 16.7



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Our workers are free to join existing or new unions in accordance with the International Labor Organization's (ILO) standards and with respect for human rights.



144
registered unions.



27%
of the chain's total employees are registered with a union.



INTERNAL COMMUNICATION MEDIA



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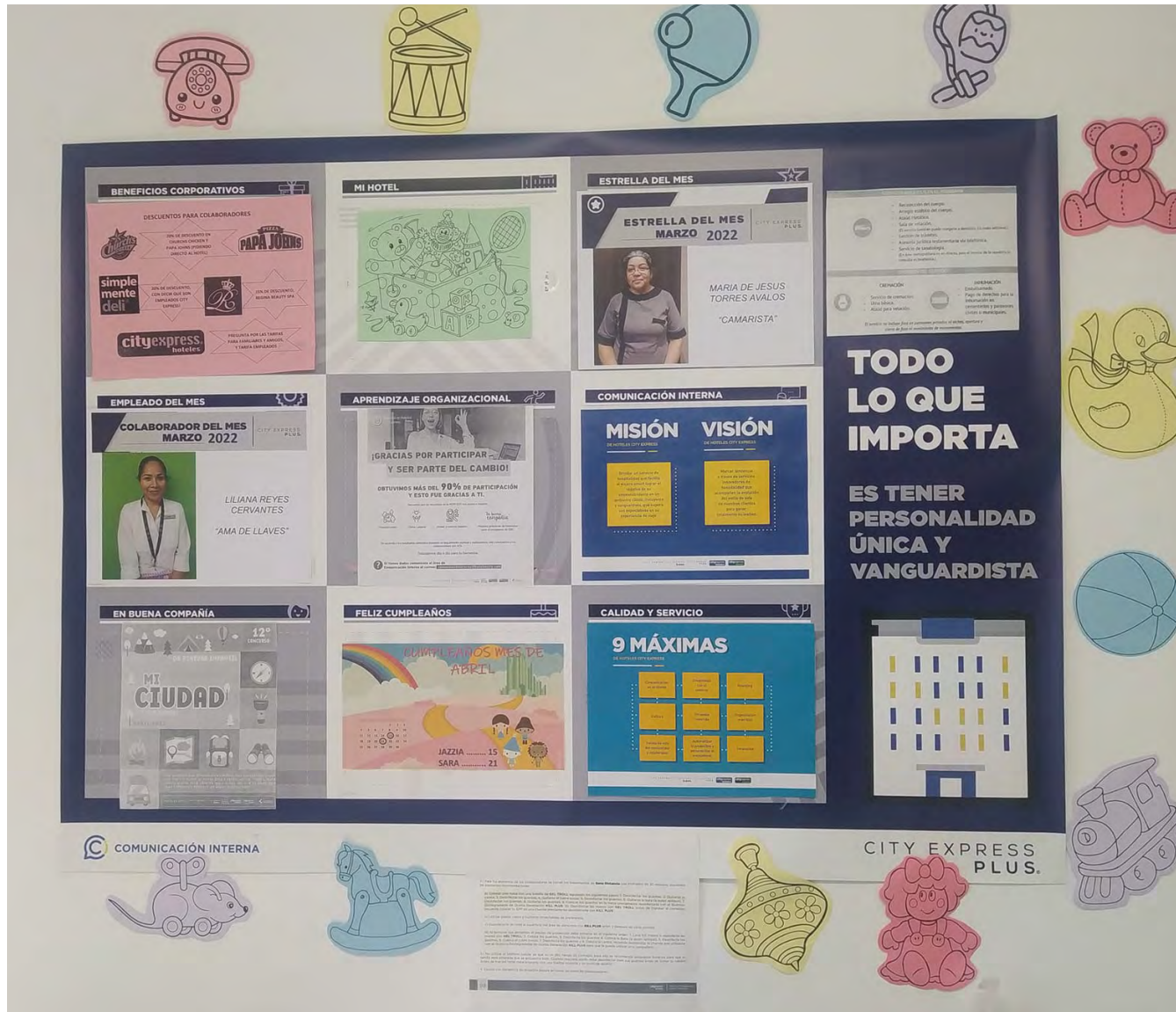
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CLICK – WORKPLACE

We maintain active, constant and effective communication through this digital communication platform, which makes it possible to communicate relevant issues from top management to the hotel operation areas.

WORKCHAT

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

COMMUNICATION BOARD

This tool allows us to share relevant information to all employees who lack a computer or institutional e-mail due to the type of functions they perform in the company.

MAILING

We share important information with our employees (except hotel staff) directly via email, which allows us to communicate openings, campaign launches, appointments, and other activities.



+1,450

employees are on Click-Workplace.

PERFORMANCE EVALUATION

GRI 404-3

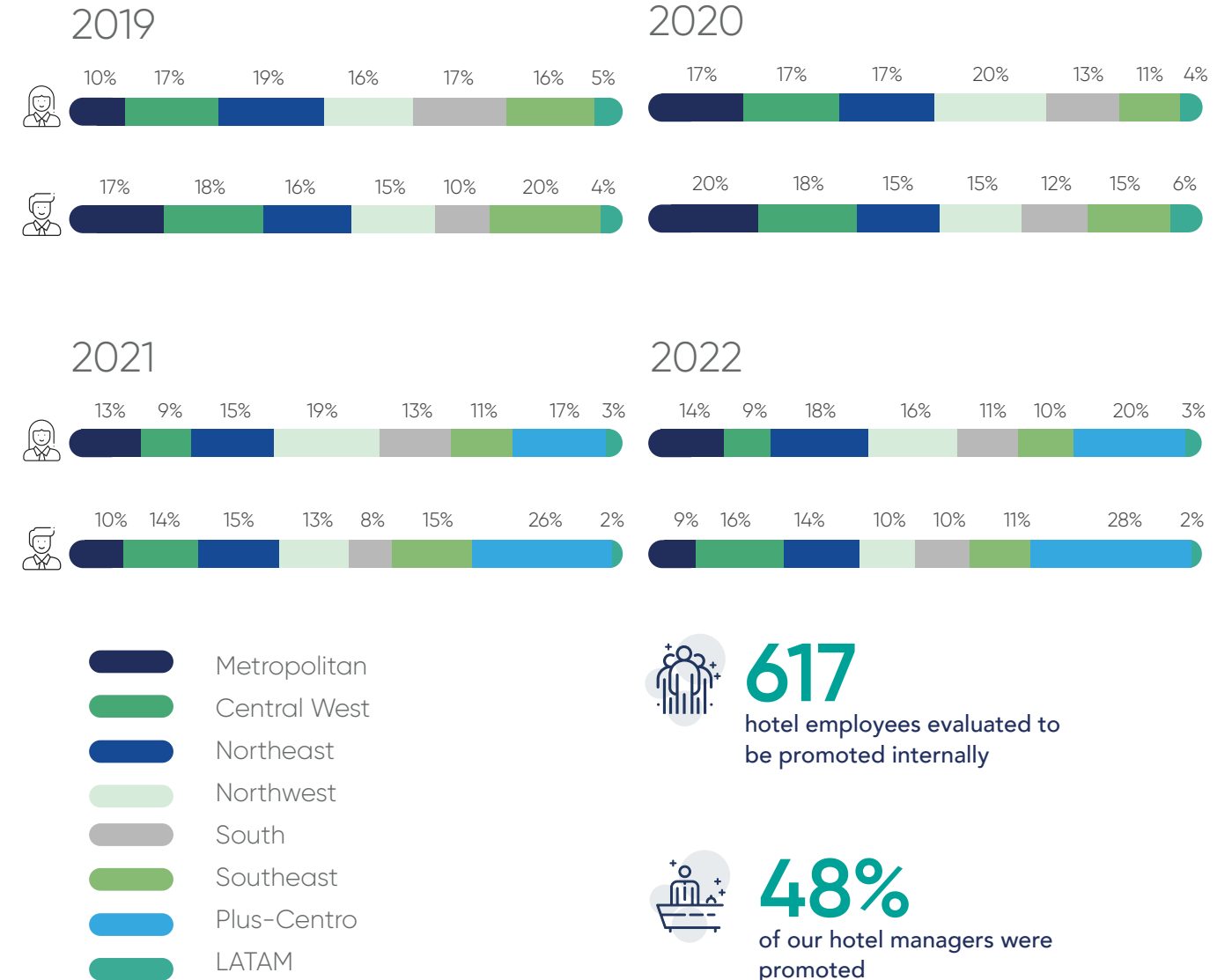


We value the performance of our employees and are committed to offering them growth opportunities. We understand the importance of implementing performance evaluations that allow us to know their strengths and areas of opportunity.

In 2021, 28% of our chain's employees participated in these evaluations in the following job categories and regions:

- General accountant
- Sales executive
- Sales manager
- Food and beverage manager
- General manager
- Operations manager
- Service and direct sales manager

EVALUATIONS BY REGION



617
hotel employees evaluated to be promoted internally

48%
of our hotel managers were promoted



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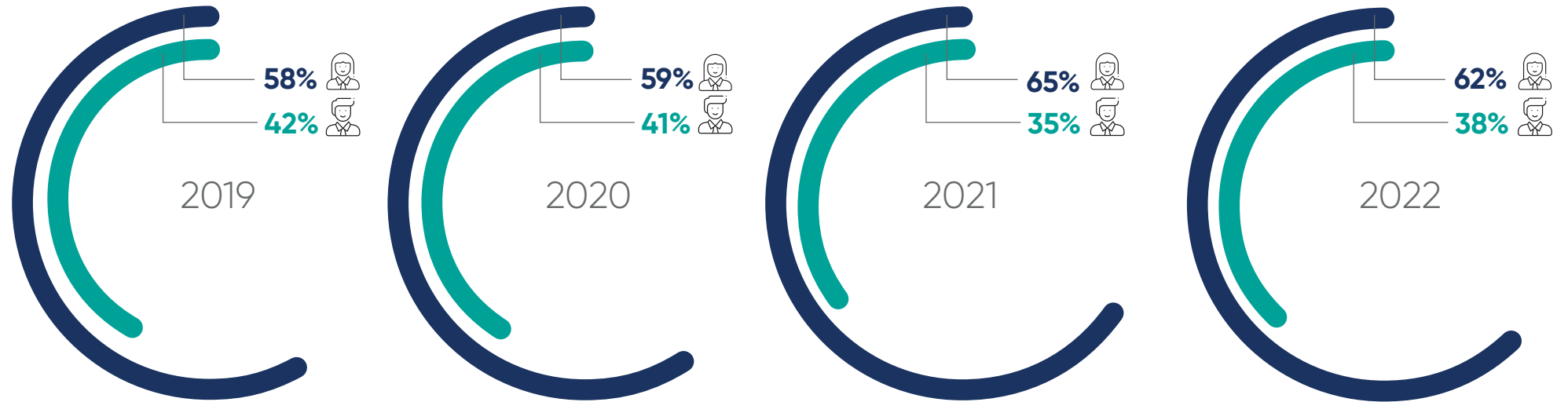
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EVALUATIONS BY GENDER



Men
Women

378
employees evaluated for performance at headquarters

49%
men

51%
women



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SALARIES AND BENEFITS

SASB-Labor Practices SV-HL-310a.4 Material topic: Fair Working Conditions

“100% of our employees have a salary above the national minimum wage established by law.”

REGION	2019	2020	2021	2022
Metropolitan	\$31.00	\$39.89	\$38.01	\$42.00
Central West	\$30.11	\$37.56	\$39.99	\$43.96
Northeast	\$32.48	\$40.96	\$39.95	\$44.81
Northwest	\$29.49	\$41.37	\$43.24	\$46.31
South	\$27.02	\$34.34	\$34.32	\$36.30
Southeast	\$30.65	\$34.60	\$37.29	\$40.48
Plus-Centro	-	-	\$42.24	\$46.21

\$42.31 MXN is the average hourly wage nationwide in our hotels.



BENEFITS AND PERKS

GRI 401-2 SDG 3 Goal: 3.4

In 2022 we kept our commitment to attract and retain the best human talent and offer them a great work environment that promotes their personal and professional growth.

Therefore, we undertake actions to achieve this goal:

- Development and training program
- Annual planning meetings
- Integration events
- Lodging in chain hotels at preferential rates
- Agreements with different companies
- Inclusion and non-discrimination policy
- In Good Company Program



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WELLNESS PROGRAM

GRI 3-3, 403-6, 403-7

In line with our commitment to the health, safety and well-being of our employees, we offer them our **In Good Company** (*En Buena Compañía*) program, which allows us to design, implement and follow up on various activities to prevent and mitigate negative 95 impacts on our team's health and safety, while promoting health care and well-being in three areas of action



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 and CETES investments
- 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





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We worked on the application of NOM-035 to identify and manage psychosocial risk factors, as well as to promote a better work environment. We are carrying out actions with this approach at 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 on 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 leave - 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

GRI 3-3 Material topic: Health, safety and protection of employees and guests



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ADHERENCE TO THE LAW

GRI 403-1, 403-8 SASB Labor Practices SV-HL-310a.2

Our business practices comply with the legal framework and labor laws, thus throughout 2022 we did not suffer financial damages as a result of breaking the law.

“Our employees are a fundamental part of our business strategy and our success; their well-being and safety is paramount.”

Sandra Ávalos
Human Capital Director, Hoteles City

Following our commitment to ensure our employees' health and safety, our management system (OHS) aligns with our Health and Safety Policy, coordinated through the Health and Safety Committee, and compliant with the Federal Occupational Health and Safety Regulations. In addition, our internal Safety Manual sets forward the management system's main guidelines and actions.

To learn more about our Health and Safety Policy [click here](#) »



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RISK MANAGEMENT IN OUR WORKPLACES

GRI 403-2, 403-3, 403-4, 403-9, 403-10 SDG 8 Goal: 8.8

In order to care for our employees' the health and well-being, our health and safety protocols allow us to identify and eliminate hazards and minimize health risks for our workers during operations. In this way, we can help to raise the standard of living for our employees. Among the actions we take to ensure good risk management are:

- Risk identification and mitigation analysis for employees, according to their job position.
- Assignment of Personal Protective Equipment (PPE), appropriate to each type of occupation.
- Training and participation in awareness-raising campaigns to prevent work accidents.
- We have a Safety and Hygiene Committee that adheres to the NOM 019 STPS. This committee meets once every three months and is in charge of planning and alignment, adopting measures for improvement, and assessing actions taken for continuous improvement. We list the duties that this committee performs below:
 - Compliance with OSH Policy.
 - Planning, developing and implementing the OHS system
 - Competence and training in OSH issues.
 - Ensuring participation of workers in the OHS System.
 - Adopting preventive, corrective and continuous improvement measures.
 - Controlling and measuring identified risks.
 - Internal communication to prevent occupational hazards.

These actions resulted in:



²² Major industrial accident injury rate = (Number of major industrial accident injuries (not including fatalities) / Number of hours worked) * 200 000

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

*The main types of injuries are: cervical and lumbar sprain derived from the general cleaning procedure in rooms and public areas.

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

*During 2022, the estimated result of the occupational injury rate is calculated based on the ^{3,234} hotel employees, working a period of ⁵² weeks, ⁵ days and ⁸ hours (not considering vacation days, days of absence or medical leave, leaves of absence, etc.). In the following years, we will ensure that the calculation is based on the latter criteria.



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CIVIL PROTECTION

GRI 403-5

In 2022, we resumed face-to-face training, preparation and improvement activities in civil protection for our employees. We achieved the following results:

 **717**
training hours on Health and Safety

 **825**
employees trained in Health and Safety

 **253**
brigade members chainwide

 **59**
courses delivered

 **32**
drills performed

Compared to 2021, we increased the number of **staff trained on health and safety issues by 32%.**

LABOR DIVERSITY AND INCLUSION

GRI 3-3, 405-1, 413-1 SDG 4 Goal: 4.5 10 Goal: 10.2 Material topic: Fair working conditions



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We remain steadfast in our commitment to recognizing and integrating diverse social groups into our workforce. We promote equality and equity, while opposing discrimination based on, among other things, gender, age, sexual orientation, beliefs, ethnicity and disability. For this, we have formal processes focused on respect for diversity:

- Implementation of the Human Rights and Non-Discrimination Policy
- Support from the Diversity and Inclusion Committee
- Application of the Diversity and Inclusion Model throughout the company
- Prejudice-Free Recruitment Processes



Inclusion and diversity are commitments that we live every day





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Our internal **City Incluye** Program allows us to create equal opportunity and Zero Discrimination spaces. In order to integrate initiatives and strategies for inclusion in our sustainable model, we collaborate closely with foundations and associations who have a strong commitment to the subject.

A program with five perspectives that focus on labor inclusion.

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 CENTRO CITY EXPRESS CITY EXPRESS SÚITES cityexpress hoteles cityexpress junior



HEARING IMPAIRED PEOPLE

SDG 10 Goal: 10.2

We promote the labor inclusion of people with hearing disabilities in our hotels and give continuity to our internal certification City Incluye.

62 hotels certified by City Incluye.

50 employees on average with hearing impairment at the chain level.

Together with the civil association Incluser A.C., we created the tourism glossary in Mexican Sign Language, which contains the basic vocabulary concerning activities related to tourism in order to achieve effective communication with and among people with hearing disabilities.

We promote inclusive tourism in Mexico under the motto "Turismo para un crecimiento inclusivo" (Tourism for inclusive growth).

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



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GENDER EQUALITY

GRI 405-1 SDG 5 Goal: 5.5

We are strongly committed to the empowerment of women in our workforce and strive for equality and equity among all people close to our organization, regardless of their gender, condition, age, sex or race.



64%

of our workforce are women.



54%

of management and executive positions are held by women.

For the second consecutive year, we obtained the *Súper Empresas para Mujeres 2022* certification, by *The Top Companies* and *Revista Expansión*, reaching position number 16 in the ranking, which means a recognition of our actions in favor of labor equity and leadership on gender issues.





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LGBTQ+ COMMUNITY

SDG 10 Goal: 10.2

QUEER DESTINATIONS

During 2022, we continued with the international certification plan for the **Queer Destinations** label, which is awarded to those service providers whose employees have undergone a training process to cater to LGBTQ+ travelers. This allows us to ensure that we have the best conditions to receive them in an inclusive and respectful manner.

20 properties in 10 destinations in Mexico, one hotel in Bogota and another in Medellin have the **Queer Destinations** label.

City Incluye together with Hoteles City's Commercial and Franchise Services area, are committed to offering supportive spaces for the LGBTQ+ community, both for employees and guests. For this reason, our hotels:

- Are spaces free of discrimination based on sexual orientation and gender identity.
- Respect and protect the integrity of both employees and guests in the LGBTQ community
- Recognize diversity as a value of humanity and empathy

At the end of 2022, we received the **Equidad MX** certification from the **Human Rights Campaign** foundation, which accredits organizations with Zero Discrimination practices that offer safe spaces for members of the LGBTQ+ community and allies. Undoubtedly, this is a recognition of the effort of the entire Company. We will remain committed to supporting and continuing this certification.



ORÍGENES - ETHICAL COMMUNITIES

SDG 11 Goal: 11.4

During 2021 we applied for the first time the **Encuesta Orígenes** (Origins Survey) to identify our employees' roots and contact with the indigenous communities to which some of them belong. In 2022, we followed up on the results of this survey and focused on creating inclusive communication with our employees, which allows us to highlight the importance of cultural diversity in the communities where we operate

“Recognize our roots as part of our identity.”

¡FELICITACIONES!
HOTELES CITY

Por haber obtenido la certificación
“MEJORES LUGARES PARA TRABAJAR LGBTQ+ 2023”
Del índice HRC Equidad MX

TURISMO INCLUSIVO MX

City Incluye

21 de febrero
Día de la Lengua Materna

México es uno de los 10 países más ricos en diversidad lingüística, ya que cuenta con 68 lenguas originarias y 364 variantes.

HOTELES CITY. DESARROLLO ORGANIZACIONAL

MEXICAN NATIONAL CODE OF CONDUCT

GRI 3-3, 408-1, 413-1 SDG 5 Goal: 5.1 SDG 16 Goal: 16.1



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The Mexican National Code of Conduct, an initiative of the Ministry of Tourism (*Secretaría de Turismo, SECTUR*), aims to prevent sexual and/or labor exploitation of children and adolescents by protecting their rights. It also hopes to have a positive influence on the creation of CSR policies..

Hoteles City adheres to this protocol to ensure compliance from the tourism sector. We seek to improve the quality of life in the communities where we operate, and we reject human trafficking, especially in those cases involving the exploitation of children and teenagers for sexual or labor purposes

As part of our strategy, we have carried out the following actions:

- 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.

121 of our hotels adhere to the Mexican National Code of Conduct.



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SOCIAL INVESTMENT AND STRATEGIC PARTNERSHIPS

SDG 17 Goal: 17.6



In order to contribute to the development and welfare of non-profit institutions in our community, we carry out local actions supported by our Donation and Volunteering Policy.

In 2022 we had the following impact:



19,430
items between linen and supplies donated on average



286
volunteers



54
organizations benefited



Donation of plastic bottle caps for the treatment of children with cancer



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SDG 1 Goal: 1.3 SDG 2 Goals: 2.1, 2.2

We contribute to the welfare of people living in food insecurity and promote the recovery and efficient distribution of food. In 2022, a portion of the gift we gave to our business partners went to support the Mexico Food Bank (Banco de Alimentos México, BAMX), which recovers food throughout the value chain and delivers it to the families, communities and institutions that need it most, improving food and nutrition in Mexico.



53

food banks benefited.

Our economic contribution allowed us to work in the **recovery of more than 135,000 tons of food** to take it to **8,000 communities in 29 states** of the Mexican Republic. This is equivalent to supporting more than 18,500 people monthly.





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WE PROMOTE EDUCATION IN COMMUNITIES



SDG 4 Goal: 4.2

In alliance with **Club de Niños y Niñas A.C.**, we contribute to improve the quality of life of boys and girls through reading. This year, we allocated room nights for reading mediators who are representatives of the Clubs of Baja California Sur, Nuevo León, San Luis Potosí, State of Mexico and Hidalgo, to take part in the professional training workshop and the Clubs' Annual Convention.

In this collaboration, the mediators gained new knowledge and tools to promote reading among children. In addition, they learned about strategies to provide care to children in vulnerable situations who attend the reading clubs. With this, we achieved:

Participation of **13** reading mediators

2,500 children in vulnerable situations were benefited

200 books donated by **Librerías Gandhi** for reading rooms





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Bécalos

SDG 4 Goal: 4.b

Programa Bécalos is a joint initiative of *Fundación Televisa* and the *Asociación de Bancos de México* that aims to create development opportunities for students and provide them with the necessary tools to face the demands of today's world and access the jobs of the future.

At Hoteles City we offered room nights in Mexico City to young people who attended the *Bécalos 2022* Celebration, an event where they share knowledge, enjoy different activities and exchange experiences



82

young students benefited in different states of Mexico



SDG 4 Goal: 4.a SDG 8 Goal: 8.6 SDG 16 Goal: 16.2

Together with *Casa Hogar IPODERAC*, we seek to guarantee the entry of girls, boys and adolescents, in a program that strengthens their values and philosophy of life, through an educational model.

We reach children who have broken parental ties, to give them the opportunity to transform their lives and offer them a better future, guaranteeing their care and integral development. In addition, we promoted their sales strategy focused on a self-sustainable productive project (cheese sales) in Mexico City, Queretaro, Cancun, Monterrey, Guadalajara and Chiapas.



64

boys and 32 girls supported with this alliance





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COMMUNITY HEALTH IS ALSO IMPORTANT TO US



SDG 3 Goal: 3.4

GiGi's Playhouse Mexico is an awareness and knowledge center that provides resources, specialized tutoring and support to people with Down Syndrome, their families and the community.

During 2022 we provided lodging for specialists and medical personnel from different states of the country who participated in the first Medical Day in alliance with Red Down Mexico, held in the city of Querétaro. In this event, attention was provided to people of different ages with Down Syndrome in order to contribute to the development of their full potential.



80

patients received medical attention



20

doctors from different Mexican states contributed to this action



AMANC

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

SDG 3 Goal: 3.4

In alliance with AMANC IAP we accompany with dignity and humanity in the timely detection, comprehensive treatment and follow-up for the recovery and strengthening of children and adolescents with cancer and their families.



3,200

children and adolescents benefited

In addition, this year we joined the *Llegó tu momento de emprender* (It's your time to start a business) initiative, in which children's cancer survivors from all over Mexico present and develop business ideas through mentoring, training and professional advice.



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SDG 3 Goal: 3.4

Asociación Galher supports families who have a child family member with a chronic degenerative disease such as cancer, renal insufficiency, mega cephalalgia and hydrocephalus, among others. In order to improve their quality of life, comprehensive programs based on nutritional, psychological and emotional support are available. Our support was aimed at providing lodging for the association's team, in order to generate more alliances in different locations and benefit more children.



+270

children benefited with room nights for medical treatment



Our partnership with Operation Smile Mexico A.C. creates smiles.

SDG 3 Goal: 3.4

In 2022 we joined efforts to change the lives of children born with cleft lip and/or cleft palate. We donate lodging to volunteer doctors who perform free surgeries and multidisciplinary treatments in Mexico City and Nuevo León, life-changing surgeries for people and their families.



MONTERREY, NUEVO LEÓN



103

patients received medical assessment



42

patients operated on



51

surgical procedures

MEXICO CITY



3

surgical events



24

patients from different municipalities served

On behalf of Operation Smile and all of our patients, we thank you infinitely for your support so that together we can change more lives.

María Pérez Vivanco
Fundraising Manager at Operation Smile Mexico A.C.



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SDG 3 Goal: 3.4

Asociación Pro Oncología y Calidad de Vida A.C. is a team committed to implementing strategies focused on education, prevention, early referral and comprehensive care for people with cancer or susceptible to the disease, especially those in vulnerable situations. We provide lodging so they can rest in a comfortable and safe place while they receive their treatment.



10

women benefited with room nights in Tijuana, Mexicali and Ensenada



Teletón®

CAPACIDAD SIN LÍMITES

SDG 3 Goal: 3.4 SDG 10 Goal: 10.2

Fundación Teletón is a non-profit organization that seeks to serve people with disabilities, cancer and autism, offering them comprehensive and quality care that promotes their full development and inclusion in society.

Through our alliance, we provide room nights for activities related to the CRITs' operations (*Centros de Rehabilitación e Inclusión Infantil Teletón*), fundraising campaigns and annual events of the foundation.

- National Board of Medical Directors in the State of Mexico / 20 medical directors of Teletón Centers
- National Board of Voluntary Action in the State of Mexico / 26 volunteer heads of Teletón Centers
- CRIT Occidente fundraising campaign / 4 fundraising representatives in this area
- Medical Rehabilitation Congress for the medical staff of *Universidad Teletón* / 2 directors of *Universidad Teletón* which is the talent incubator for professionals in Physical Therapy and Occupational Therapy.

In addition, we became benefactors of the **Subasta Morada Teletón 2022**, donating many room nights in different locations. Through this auction, the foundation raised funds to benefit the children who are part of the CRITs.



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WE ENCOURAGE INCLUSIVE SPORT

SDG 3 Goal: 3.4 SDG 10 Goal: 10.2

We provided lodging for Christopher, a Paralympic swimmer who traveled from Mexico City to Tijuana, Baja California, to participate in the Mexican Para Swimming Open 2022.



SDG 3 Goal: 3.4 SDG 10 Goal: 10.2

We promote the practice of physical activities and sports for children and adolescents in Mexico. For this reason, in coordination with Aspen Institute Mexico - Project Play, we provided room nights to the organization's team during the **Feria del Deporte Infantil 2022**, held in April.

 **21**
Olympic federations in alliance

 **+1,500**
girls and boys participating

 **300**
volunteers



SDG 3 Goal: 3.4 SDG 10 Goal: 10.2

During the First Inclusive Basketball Camp **"Basketball in Paradise - Mérida 2022"**, held from October 8 to 15, we provided room nights for the coaches who traveled from abroad and supported the activities of the event.

 **232**
participating athletes

 **98**
people with disabilities

 **25**
volunteers

Categories considered:

- Persons with disabilities 6 to 75+ years of age
- Basketball players from 6 to 75+ years of age
- "Elite" basketball players seeking to raise their game to a level that will allow them to compete for sports scholarships in Mexico or abroad.
- Trainers willing to participate in such clinics, taught by professional instructors.





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WE CONTRIBUTE WITH ACTIONS TO SUPPORT REFUGEES AND VICTIMS OF VIOLENCE



SDG 5 Goal: 5.2 SDG 10 Goal: 10.7 SDG 16 Goal: 16.1 SDG 17 Goal: 17.17

Together with the association *Ayuda en Acción México, A.C.*, we help migrants seeking refugee status in Mexico. We seek solutions to protect vulnerable people from violence along the migration route and contribute to the respect of their human and children's rights through safe spaces.

In 2022 we collaborated to carry out the International Forum **The Other View: Women, Migration and Gender** (*La otra mirada: Mujeres, Migración y Género*) in Mexico City. The main objective of this forum was to bring together leaders in the field to contribute to the right to free mobility and to eradicate violence against women.



40

humanitarian protection experts participated in the event



800

people benefited

One more year in alliance with the association *Ayuda en Acción de México, A.C.*, to **support migrants in Mexico.**





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SDG 10 Goal: 10.7 SDG 16 Goal: 16.1

In 2022, with Asylum Access Mexico, we provided safe housing to an Afghan family that had recently arrived in Mexico City in search of protection due to the current conditions in their country. In addition, we provide accommodation for staff to carry out activities aimed at fulfilling the organization's objectives.



We support asylum seekers during the refugee status determination process in Mexico.



Iniciativa Spotlight

SDG 5 Goal: 5.1 SDG 16 Goal: 16.1

In mid-2021, we began a partnership with **Spotlight**, an initiative that operates worldwide thanks to the United Nations and aims to eliminate all types of violence against women and their children.

Thus, in coordination with UNICEF, the United Nations Population Fund, the Commission to Prevent and Eradicate Violence against Women and other government agencies, we created a protocol to provide free housing and food to women and their children who have been affected by violence, while government authorities indicate a safe shelter or support network for them.

Since the beginning of the alliance and the end of 2022, we have supported:

 **55**
women and 6 companions

 **83**
girls and boys

 **280**
room nights

“We offer room nights in seven hotels of the chain, distributed in different cities.”



COMMITTED TO ART AND CULTURE



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For nine consecutive years we have strengthened our alliance with the **Museo Universitario de Arte Contemporáneo (MUAC)**, contributing to the dissemination of cultural content in digital media and providing room nights for key international contemporary art speakers during the mounting of their exhibitions.



SDG 10 Goal: 10.2

In 2018 we began joining efforts with **ilumiteatro Monumental** to bring an innovative show to various communities, based on Mexican folk art "La fiesta de Coloricuario" (Coloricuario's party). It is a show with illuminated *alebrijes* that aims to provide social values, cultural diversity and a message of inclusion, peace, respect and tolerance.





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ASSOCIATIONS AND ORGANIZATIONS

GRI 2-28 SDG 17 Goal: 17.16

In 2022, we became an ally of the Mexican Center for Philanthropy (*Centro Mexicano para la Filantropía, Cemefi*), providing room nights to representatives of various associations to carry out the *Círculos de Dar* (Circles of Giving) Workshop in Mexico, an event that allowed donors to work in a linked and strategic way to promote philanthropy and citizen participation.



16

representatives of different organizations benefited

In addition, for the third consecutive year and with the support of Cemefi, we launched the **"Hoteles City - Huéspedes del Mundo"** (Guests of the World) initiative, which allows us to integrate civil society organizations into our **Impacto City strategy**.



We benefited

73,933

people in several communities



+20

organizations joined us, complying with the Sustainable Development Goals 2030 Agenda provisions



"We create alliances with public and private institutions to promote strategies in favor of Sustainability."

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
- 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



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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 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.



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 four 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.



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 121 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.



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TURISMO

SECRETARÍA DE TURISMO



HOTEL CLASSIFICATION SYSTEM

Methodological tool supported through a self-evaluation mechanism regulated by the Ministry of Tourism, which allows lodging establishments to know the status of their facilities and services offered, as well as their areas of opportunity. Hoteles City obtained this certificate for 121 of the chain's hotels, which accredit compliance with the characteristics of the 3- and 4-star classification, respectively.



CITY INCLUYE CERTIFICATION

Internal certification that outlines diversity and inclusion standards, permits the creation of equal opportunity and Zero Discrimination spaces, and concentrates its actions on five key pillars including: gender equity, the LGBTQ+ Community, *Origenes*, interaction between generations, and people with hearing impairments. 62 hotels owned by the Company now hold this distinction.



QUEER DESTINATIONS

Together with the Federal Ministry of Tourism, Queer Destinations, a globally renowned leader in the LGBTQ+ tourism sector, bestows this distinction on 20 of the Company's hotels, recognizing that they are among the service providers whose staff have gone through training to understand and meet the needs of LGBTQ+ visitors, ensuring that they have the best conditions to accommodate them in a welcoming and respectful manner throughout their stay.



DISTINTIVO EMPRESA SOCIALMENTE RESPONSABLE

For the past nine 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.



SÚPER EMPRESAS RANKING

The Company is part of the *Súper Empresas' "Los lugares donde todos quieren trabajar"* (Places where everyone wants to work) 2022 Ranking based on the TOP Companies methodology and *Revista Expansión*, the leading firm in organizational culture and climate measurement and consulting, in the category of over 3,000 employees.



SÚPER EMPRESAS PARA MUJERES RANKING

According to the "*Súper Empresas para Mujeres 2022*" (Super Companies for Women) list, the Company is among the top workplaces for women. *Revista Expansión* and TOP Companies carry out the ranking and rating. This acknowledgment makes human resources methods, policies, and initiatives for the female workforce more relevant.



TOP AMERICA RANKING

Hoteles City has been included in the TOP+America 2022 LATAM Ranking conducted by TOP Companies and the regional business magazine *El Economista*. This ranking includes the evaluation of 12 organizational culture factors, organizational climate factors and the measurement of various actions taken by the Company from the perspective of the employees.



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ADHERENCE TO THE UNITED NATIONS GLOBAL COMPACT

Through this adherence, 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.



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.



HRC EQUIDAD MX

Human Rights Campaign Foundation's HRC Equidad MX, is a certificate obtained by the Company for adopting anti-discrimination protections, having a diversity council/ LGBT+ employee group, implementing LGBTQ+ training and coaching strategies, as well as creating a more inclusive work environment for all employees.

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. 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)**. Also, for the second consecutive year, we participated in the **Carbon Disclosure Project (CDP)** global disclosure system reporting, resuming advocacy for coordinated management in climate action.



HOTELES CITY IMPACTS ON THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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SDG GOAL INITIATIVE / PROGRAM



End poverty in all its forms everywhere.

1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

In partnership with **Banco de Alimentos México (BAMX)**, we support people experiencing food insecurity by recovering and distributing food.

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

With **INSADE** we support the **Hecho en Libertad**, (Made in Freedom) program, focused on women seeking to reintegrate into society. To this end, we support social micro-businesses through workshops for the identification, construction and validation of a micro-business with safe results that they can undertake in freedom. This support **benefited 200 women**.

SDG GOAL INITIATIVE / PROGRAM



Ensure healthy lives and promote well-being for all at all ages.

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.

We care for the physical, financial and emotional health of our employees through our **En Buena Compañía (In Good Company) program**.

We supported the awareness center **GiGi's Playhouse México** Mexico with room nights for specialists and medical professionals who participated in the Medical Day in alliance with Red Down Mexico, allowing us to help **80 patients receive medical attention**.

In alliance with **Operation Smile Mexico, A.C.**, we were able to provide medical assessment to **103 patients** and perform **54 surgical procedures** on children born with cleft lip and/or palate.

In a joint effort between **AMANC I.A.P.** and Hoteles City, we support **3,200 children and teenagers** in the detection, treatment and follow-up of cancer.

Through the **ProOncavi A.C.** association, we benefited **10 women** in vulnerable situations with room nights while they receive their oncology treatment in Tijuana, Mexicali and Ensenada.

We provided room nights to the **Asociación GALHER** team, which allowed **more than 270 children** with chronic degenerative diseases to receive their medical treatments.

We promoted physical and mental health and encouraged **sports**, providing accommodation for a Paralympic athlete to participate in the **Mexican Para Swimming Open 2022**.

SDG GOAL INITIATIVE / PROGRAM



End hunger, achieve food security and improved nutrition and promote agriculture.

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.

In order to improve food and nutrition in Mexico, we supported **53 food banks by recovering 135,000 tons of food**.

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.



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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.	We promoted sports for children and teenagers in conjunction with the Aspen Institute Mexico - Project Play , donating room nights to the organizing team of the Feria del Deporte Infantil 2022 (Children's Sports Fair 2022), reaching more than 1,500 participating children and 300 volunteers .
		We promoted integral wellness in the communities and provided room nights to the coaches who participated in the Inclusive Basketball Camp - Hoop Camp , thus impacting 232 participants and 25 volunteers .
		Through our alliance with Fundación Teletón , we support people with disabilities, cancer and autism so that each of them receive comprehensive care, promoting their development and inclusion .

SDG	GOAL	INITIATIVE / PROGRAM
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.	In alliance with Casa Hogar IPODERAC , we support children and teenagers who have broken parental ties, seeking to transform their lives and promoting their integral development through an educational model, which allowed us to benefit 64 boys and 32 girls in Mexico City, Querétaro, Cancun, Monterrey, Guadalajara and Chiapas.
	4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training, information and communications technology, technical, engineering and scientific programs in developed countries and other developing countries.	With the aim of creating development opportunities for students, we provided room nights for 82 young people from different states of Mexico who participated in the Bécalos 2022 Celebration , an event of Fundación Televisa's Bécalos Program

SDG	GOAL	INITIATIVE / PROGRAM
	4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.	We promoted education through reading and in alliance with Club de Niños y Niñas A.C., we provided room nights to reading mediators who participated in the professional training workshop and the Annual Club Convention, with which we impacted 13 reading mediators and 2,500 boys and girls in vulnerable situations..
	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.	In order to develop our organizational culture and learning, we provided 119,169 training hours, 381 training sessions and 262 courses , reaching 3,612 employees .
	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 peoples and children in vulnerable situations.	Our internal City Incluye program has allowed us to create equal opportunity spaces free of discrimination , based on five pillars: Gender Equity, LGBT+ Community, Orígenes, Intergenerational Interaction and People with Hearing Impairment.
		Through Fundación Televisa's Cuantrix program's TECNOOchicas initiative, we have impacted more than 300 girls between the ages of 12 and 17 , helping to provide basic programming and computer science skills.

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

SDG	GOAL	INITIATIVE / PROGRAM
	5.1 End all forms of discrimination against all women and girls everywhere.	We adhere to the Mexican Ministry of Tourism's National Code of Conduct to protect children and young people from sexual and/or labor exploitation in the tourism sector.
		Since 2021, we have formed an alliance with Spotlight to eliminate all types of violence against women and their children. Through this alliance, we have supported 55 women, 6 companions and 83 children

Achieve gender equality and empower all women and girls.



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SDG	GOAL	INITIATIVE / PROGRAM
	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	We contributed to the International Forum " La otra mirada: Mujeres, Migración y Género " ("The Other View: Women, Migration and Gender"), which focused on free mobility and the eradication of violence against women. We had the participation of 40 experts and benefited 800 people . Mujer POSiBLE We continue to contribute to the eradication of social and gender inequality. <i>Mujer POSiBLE</i> has become a space for training, networking and inspiration for many women entrepreneurs and microentrepreneurs who want to acquire new tools, exchange knowledge and add significant experiences in the states of Zacatecas and Chiapas.
	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.	64% of our workforce is made up of women. 54% of management and executive positions are held by women.

Achieve gender equality and empower all women and girls.

SDG	GOAL	INITIATIVE / PROGRAM
	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.	Thanks to our initiatives that leave a mark and our social and environmental innovation meeting, we contributed to actions that promote the cleanup of bodies of water with great value for the biodiversity of local communities.
	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.	Our 14 wastewater treatment plants on properties in different regions contribute to water sanitation, with an overall capacity of approximately 866.50 m ³ , which has allowed us to treat an average of 119,646.73 m ³ of water.

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

SDG	GOAL	INITIATIVE / PROGRAM
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	Thanks to our improvement actions, at the end of 2022, we had a 10.51% reduction in water use per Occupied Room Night compared to 2021.

SDG	GOAL	INITIATIVE / PROGRAM
	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	During 2022 we resumed operation of the solar heater installed in our City Express Plus Mexicali hotel, an eco-technology that has enabled us to save up to 30% in gas consumption , compared to other properties in the same area and with the same average occupancy rate.
	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 2022, we had a 13.59% reduction in our energy consumption compared to 2021.

Ensure access to affordable, reliable, sustainable and modern energy for all.

7.3 By 2030, double the global rate of improvement in energy efficiency.	We increased by 45% the number of hotels that use Natural Gas with respect to 2021, which allows us to reduce our carbon footprint and take actions aimed at energy transition.
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HOTELES CITY

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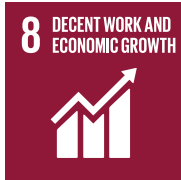
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Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.

We generated 3,612 direct jobs.

Innovation and entrepreneurship programs. Within our main Social Responsibility initiatives, we give priority to the development of high impact projects where innovation and entrepreneurship go hand in hand to generate value to society and contribute to the social and economic welfare of communities.

Leadership for a better Mexico. In 2022, our alliance with the Mexican Business Council, Colegio de México and Harvard University, aimed to provide professional training to strengthen leadership skills in 40 young Mexicans involved in solving Mexico's public challenges.

Nuhusehe Educación y Desarrollo, A.C. With this alliance we strengthened the sources of employment of socio-economic solidary organizations, especially cooperatives. To achieve this, we execute an educational program that aims to promote the professionalization of producers, as well as the creation of sources of employment and their involvement with communities and society at large, among other actions that strengthen the economic growth of the country and the national support of our Mexican talent.

Leadership for a better Mexico. In 2022, our alliance with the Mexican Business Council, the Colegio de México and Harvard University, aimed to provide professional training to strengthen leadership skills in 40 young Mexicans involved in solving Mexico's public challenges.

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8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

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.

SDG GOAL INITIATIVE / PROGRAM

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

In alliance with Casa Hogar IPODERAC, we promoted the strategy of cheese sales, a self-sustainable project that operates in Mexico City, Querétaro, Cancún, Monterrey, Guadalajara and Chiapas, benefiting 64 boys and 32 girls.

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

The estimated total recordable incident rate (TRIR) was 1.98.

8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

Responsible Tourism. With our Responsible Traveler's Decalogue, we promote local consumption, the preservation of the natural landscape and respect for the habitat of flora and fauna, among other recommendations.

SDG GOAL INITIATIVE / PROGRAM



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

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.

Growth. With 151 hotels and 17,296 rooms throughout 75 locations, we operate with high hotel occupancy and a fresh outlook on growth.



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Reduce inequality within and among countries.

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.

62 of our hotels are certified by our internal City Include certification, which is granted through our Labor Diversity and Inclusion Program.

An average of 50 employees with hearing impairment are part of our work team.

We seek to offer a safe and inclusive space for LGBTQ+ travelers, which is why 20 properties in 10 destinations are certified with Queer Destinations.

Thanks to our alliance with Fundación Teletón, we have provided room nights for CRIT operation activities, fundraising campaigns and annual events of the foundation to support the inclusion of people with disabilities, cancer and autism.

We promoted inclusion in sports and provided accommodation for a Paralympic athlete to participate in the Mexican Para Swimming Open.

In partnership with Aspen Institute Mexico - Project Play, we seek to contribute to the development of healthy communities free of discrimination through sports for children and teenagers.

We provided room nights to the coaches who supported the First Inclusive Basketball Camp - Hoop Camp, which had 232 participants, including 98 people with disabilities.

Since 2018 we have been collaborating with Ilumiteatro Monumental to offer innovative shows to the communities. This year we staged the play "La fiesta de Coloricuario" ("Coloricuario's Party"), which addressed social values and cultural diversity, exposing a message of inclusion, peace, respect and tolerance.

INSADE. During 2022, through the Hecho en Libertad (Made in Freedom) program, we supported 200 women seeking to reintegrate into society. The beneficiaries saw a 45% increase in their economic income, thus improving their quality of life for themselves and their families.

SDG GOAL INITIATIVE / PROGRAM

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

We maintain our alliance with Ayuda en Acción México, A.C. and support migrants applying for refugee status.

In partnership with Asylum Access Mexico, we provide housing for asylum seekers during the refugee status determination process in Mexico.

SDG GOAL INITIATIVE / PROGRAM



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 continued the Origenes Survey to identify the roots and contact with indigenous communities to which our employees belong. In this way, we were able to create inclusive communication that highlights the importance of cultural diversity.

We have a Responsible Traveler's Decalogue that invites our guests to adopt positive behavior during their stay, for the benefit of the locality and the environment.

SDG GOAL INITIATIVE / PROGRAM



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).

1,298 tons of waste on average were produced at the chain level in 2022, and we continued our recycling process through our Integrated Waste Management Program.

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

In the Sustainable Procurement Policy, we established the category of environmentally friendly inputs.

We work hand in hand with the Responsible Tourism Institute (RTI), the World Tourism Organization (UNWTO) and the United Nations Global Compact, to promote clear actions on responsible tourism issues.



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Adopt urgent measures to combat climate change and its effects.

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

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

Our Carbon Footprint accounted for the total emissions of Hoteles City; in 2022 it was 30,279.88 tonCO2eq.

Annual participation in the Earth Hour, where for one hour the lights are turned off in all hotels, thus providing a break for the planet.

With ECOPII, Arte Crea Conciencia A.C., we carried out the Third Meeting of Social Innovation and Environmental Leadership, with which we were able to have 58 innovation agents in four days of environmental work that carried out activities to improve the environment in Mexico City and the State of Mexico.

SDG GOAL INITIATIVE / PROGRAM



Conserve and sustainably use the oceans, seas and marine resources

14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.

14.5 By 2020, conserve at least 10% of coastal and marine areas, consistent with national and international law and based on the best available scientific information.

Conservation of San Ignacio Lagoon in B.C. Sur

We contributed to the monitoring that made it possible to evaluate whether the mangrove and adjacent lands maintain conditions that allow them to be a CO2 sequestration site.

Conservation of Santa María Bay, Sinaloa Santa María Bay has 1,708 hectares protected by federal law, and is considered one of the most important nesting, feeding, and refuge sites for ducks and migratory shorebirds in northwestern Mexico.

Protection and Conservation of Magdalena Bay, B.C. Sur

We support the protection and conservation of a 3,074-hectare coastal zone reserve, which has a mangrove forest and seagrasses that also serve as carbon sinks, as well as adjacent semi-desert soils

SDG GOAL INITIATIVE / PROGRAM



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

15.1 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.

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.

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.

We have a total of 13 hotels located near or in one protected areas, representing 8.5% of the total number of hotels.

With the environmental impact volunteer program, we carried out reforestation and tree maintenance activities on an annual basis, with a participation of 93 hotels, 166 volunteer hours, 834 trees planted, 102 m2 of green space recovered and 1,200 olive ridley turtles released

Social and environmental innovation meeting. In 2022, we had 58 innovation agents in four days of environmental work, carrying out various activities to improve the environment in Mexico City and the State of Mexico.

We have been contributing for more than 10 years to preserve the Golden Eagle in our country. During 2022 we worked with Espacios Naturales y Desarrollo Sustentable, A.C. (ENDESU) for its preservation.



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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.

Together with Ayuda en Acción México, A.C., we provide safe spaces to protect vulnerable populations along the migration route

Together with Asylum Access Mexico, we provided safe housing to an Afghan family that came to Mexico City in search of protection and safe living conditions.

In partnership with Spotlight and in coordination with UNICEF, the United Nations Population Fund, the Commission to Prevent and Eradicate Violence against Women and other government agencies, we created a protocol to provide shelter and food to women and their children who have been affected by violence.

121 of our hotels are members of the Mexican National Code of Conduct, a SECTUR initiative aimed at protecting the rights of children and adolescents in order to prevent their sexual and/or labor exploitation.

16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children.

We support children and adolescents in vulnerable situations through our alliance with Casa Hogar IPODERAC, strengthening their values and philosophy of life.

16.5 Substantially reduce corruption and bribery in all their forms.

Integrity. 100% of the complaints are analyzed and handled in a timely manner by the Ethics Committee. They are all considered anonymous and highly confidential in order to protect the integrity of the complainant at all times.

Code of Ethics. Our Code of Ethics sets forth the principles and pillars of our company's conduct and serves as a guide to project ourselves as a company of integrity, transparency and respect for human rights. It is also a mechanism to prevent corruption at all levels.

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

27% of our employees are registered with one of the 144 unions.

SDG GOAL INITIATIVE / PROGRAM



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

17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, particularly developing countries.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

We created alliances with public and private institutions to promote strategies in favor of sustainability. We also launched the "Hoteles City - Guests of the World" initiative, which allows us to integrate civil society organizations into our Impacto City strategy, incorporating more than 20 organizations and benefiting 73,933 people in various communities.

We promote the development and welfare of non-profit institutions, under our Donation and Volunteering Policy.

We worked together with Ayuda en Acción México, A.C. to carry out the International Forum "La otra mirada: Mujeres, Migración y Género" (The Other View: Women, Migration and Gender). This forum brought together 40 experts in human protection and benefited 800 people, to contribute to the right to free mobility and the eradication of violence against women.



GRI CONTENT INDEX



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Statement of Use: Hoteles City Express S.A.B. de C.V. has prepared the report in accordance with the GRI Standards for the period from January 1, 2022, to December 31, 2022.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	CONTENT	SECTION	PAGE	OBSERVATIONS
THE ORGANIZATION AND ITS REPORTING PRACTICES				
GRI 2: General Disclosures 2021	2-1	Organizational details	About the report / Location of operations	2,10
	2-2	Entities included in the organization's sustainability reporting	Social Investment	72
	2-3	Reporting period, frequency and contact point	About the report	2
	2-4	Restatements of information	Materiality analysis	19
	2-5	External assurance	Verification letter	136
ACTIVITIES AND WORKERS				
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	About the report / Our brands / 2022 Presence / Social investment / Sustainable purchases	2, 9, 11, 59, 72
	2-7	Employees	Our employees	81
	2-8	Workers who are not employees	Our employees	81
GOVERNANCE				
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Sustainability Committee / Corporate Governance	27, 67
	2-10	Nomination and selection of the highest governance body		Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
	2-11	Chair of the highest governance body		Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
	2-12	Role of the highest governance body in overseeing the management of impacts		Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
	2-13	Delegation of responsibility for managing impacts		Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.



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GRI STANDARD	CONTENT	SECTION	PAGE	OBSERVATIONS	
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Message from Luis	4	
	2-15	Conflicts of interest			We have a publicly available Conflict of Interest Policy that allows us to prevent and mitigate conflicts.
	2-16	Communication of critical concerns	Integrity	68	
	2-17	Collective knowledge of the highest governance body			Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
	2-18	Evaluation of the performance of the highest governance body			Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
	2-19	Remuneration policies			Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
	2-20	Process to determine remuneration			Information about our governing body is publicly available on our website and on pages 123 to 125 and 130 of our 2022 Annual Report.
2-21	Annual total compensation ratio			Annual Total Compensation Ratio information is not available due to internal policies; however, our compensation process can be reviewed on pages 250, 321 and 390 of our 2022 Annual Report.	
STRATEGY, POLICIES AND PRACTICES					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from Luis	4	
	2-23	Policy commitments	Our philosophy / Ethics and transparency	8, 67	
	2-24	Embedding policy commitments	Ethics and transparency	67	
	2-25	Processes to remediate negative impacts	Ethics and transparency / Integrity	67, 68	
	2-26	Mechanisms for seeking advice and raising concerns	Corporate governance / Integrity	67, 68	
	2-27	Compliance with laws and regulations	Total compliance with environmental legislation	61	
	2-28	Membership associations	Associations and Organizations	116	
STAKEHOLDER ENGAGEMENT					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Stakeholders / Corporate governance / Innovation and entrepreneurship programs	18, 67, 73	
	2-30	Collective bargaining agreements	Freedom of association	90	
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality analysis / Management of our key material and urgent topics	19, 22	
	3-2	List of material topics	Materiality analysis / Materiality matrix	19, 20	



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ECONOMIC STANDARDS					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Social Investment	72	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Innovation and entrepreneurship programs	73	
	203-2	Significant indirect economic impacts	Our philosophy / Entrepreneurship value chain	8, 73	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supplier bidding	60	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Training on the Code of Ethics and Anti-Corruption Policy	71	
ENVIRONMENTAL DISCLOSURES					
Energy consumption and efficiency					
GRI 3: Material topics 2021	3-3	Management of material topics	Energy efficiency	38	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy efficiency	38	
	302-3	Energy intensity	Energy efficiency	38	
Water					
GRI 3: Material Topics 2021	3-3	Management of material topics	Water conservation / Water stress analysis	43, 45	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource			Water is a very important resource in daily operations and is used mainly for cleaning rooms, doing laundry, maintaining public spaces, maintaining buildings and gardens, maintaining food-related areas, and for some hotels with swimming pools. Due to its significance as a resource, management of it is covered under the Environmental Impact Policy. We encourage our staff to work toward maintaining and caring for it, and through the Responsible Traveler's Decalogue, we encourage our visitors to save water while they are visiting.
	303-2	Management of water discharge-related impacts			All of our hotels release wastewater into the sewage system, thus we abide by regional laws that are relevant to the area or NOM-002-ECOL-1996, which specifies the maximum permitted limits for pollutants in wastewater discharged into urban or municipal sewage systems. We pay close attention to the drinking water used in our hotels and regularly have tests done at accredited labs to guarantee its quality. We do these water quality checks in all of our hotels.
	303-3	Water withdrawal	Water conservation / Water stress analysis	43, 45	



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GRI STANDARD		CONTENT	SECTION	PAGE	OBSERVATIONS
Biodiversity management					
GRI 3: Material Topics 2021	3-3	Management of material topics	Biodiversity Protection	51	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Protection	51	
	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Protection	51	
Atmospheric emissions (gas and energy)					
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Carbon Footprint	31	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our Carbon Footprint	31	
	305-2	Energy indirect (Scope 2) GHG emissions	Our Carbon Footprint	31	
	305-4	GHG emissions intensity.	Our Carbon Footprint / Occupied room night (ORN) comparative ratio	31, 36	
GRI 306: Waste 2020	306-4	Waste diverted from disposal	Waste management	49	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable purchases	59	
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier bidding	60	
SOCIAL DISCLOSURES					
Fair working conditions					
GRI 3: Material Topics 2021	3-3	Management of material topics	Our employees	81	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Turnover rate	83	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits and perks	94	
Employee and guest health & safety and protection					
GRI 3: Material Topics 2021	3-3	Management of material topics	Occupational Health and Safety	97	
Comprehensive wellbeing of employees					
GRI 3: Material Topics 2021	3-3	Management of material topics	Wellness program	95	



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GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Compliance with Legislation	97
	403-2	Hazard identification, risk assessment, and incident investigation	Risk management in our workplaces	98
	403-3	Occupational health services	Risk management in our workplaces	98
	403-4	Worker participation, consultation, and communication on occupational health and safety	Risk management in our workplaces	98
	403-5	Worker training on occupational health and safety	Civil protection	99
	403-6	Promotion of worker health	Wellness program	95
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Wellness program	95
	403-8	Workers covered by an occupational health and safety management system	Compliance with Legislation	97
	403-9	Work-related injuries	Risk management in our workplaces	98
	403-10	Work-related ill health	Risk management in our workplaces	98
Professional development and growth				
GRI 3: Material Topics 2021	3-3	Management of material topics	Learning, trust and communication	87
GRI 404: Training and Education 2016	404-1	Average training hours per year per employee	Learning, trust and communication	87
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance evaluation	92
Human rights compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	Diversity and Labor Inclusion Program / Mexican National Code of Conduct	100, 104
Promoting responsible tourism				
GRI 3: Material Topics 2021	3-3	Management of material topics	Mexican National Code of Conduct	104
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our employees / Gender equity	100, 102, 81
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Mexican National Code of Conduct	104



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Preserving local culture and natural heritage						
GRI 3: Material Topics 2021	3-3	Management of material topics		Diversity and Labor Inclusion / Mexican National Code of Conduct	100, 104	
Community engagement and empowerment						
GRI 3: Material Topics 2021	3-3	Management of material topics		Diversity and Labor Inclusion / Mexican National Code of Conduct	100, 104	
Local economic impact through the generation of direct and indirect jobs						
GRI 3: Material Topics 2021	3-3	Management of material topics		Diversity and Labor Inclusion	100	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs		Diversity and Labor Inclusion / Mexican National Code of Conduct / Biodiversity Protection	53, 100, 104	
Employee and guest health & safety and protection						
GRI 3: Material Topics 2021	3-3	Management of material topics		Health and Biosafety for Customers	14	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories		Health and Biosafety for Customers	14	



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INDUSTRY STANDARD | VERSION 2018-10



SASB CODE	METRIC	2020	2021	2022	REPORT SECTION	PAGE
SV-HL-130a.1	(1) Total energy consumed, Gigajoules (GJ)	147,344.20	171,230.29	196,567.32	ENERGY EFFICIENCY	38
SV-HL-130a.1	(2) Percentage of electricity from the grid, Gigajoules (GJ)	100%	100%	100%	ENERGY EFFICIENCY	38
SV-HL-130a.1	(3) Percentage of renewables, Gigajoules (GJ), percentage (%)		No Aplica		ENERGY EFFICIENCY	38
SV-HL-140a.1	(1) Total water extracted, thousand cubic meters (m ³)	696,885	830,428	987,353	WATER CONSERVATION	43
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 (%)	ND	69%	71%	WATER EXTRACTION IN AREAS WITH WATER STRESS	45
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	51
SV-HL-160a.2	Description of environmental management policies and practices to preserve ecosystem services	• Environmental Impact Policy» • Alliance with PRONATURA Noroeste, A.C. • Fondo Mexicano para la Conservación de la Naturaleza, A.C.- Golden Eagle. • Environmental Impact Volunteering • ECOPIIL – Social and Environmental Innovation Meeting.			IMPACT ON OPERATIONS	53
SV-HL-310a.1	Turnover rate (1) voluntary and (2) involuntary of the employees of the lodging facilities.	Voluntary 6.42% Involuntary 4.06%	Voluntary 8.51% Involuntary 2.60%	Voluntary 7.99% Involuntary 3.12%	TURNOVER RATE	83
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings related to labor law violations (2)		Zero		OCCUPATIONAL HEALTH AND SAFETY	97
SV-HL-310a.3	1) Average hourly wage MXN	38.12	39.29	42.31	SALARIES AND BENEFITS	94
	and 2) Percentage of lodging facility employees earning the minimum wage, by region		100%		SALARIES AND BENEFITS	94



HOTELES CITY

SUSTAINABLE BUSINESS

ENVIRONMENTAL
CONSERVATION

CREATING
ECONOMIC VALUE

CONTRIBUTING TO
SOCIAL WELFARE

INDICATOR
TABLES

SASB CODE	METRIC	2020	2021	2022	REPORT SECTION	PAGE
SV-HL-310a.4	Description of workplace harassment prevention policies and programs		Code of Ethics Confia Program		CODE OF ETHICS / CONFÍA PROGRAM	70
SV-HL-450a.1	Number of lodging facilities located in 100-year flood zones	40	40	40	HOTELS LOCATED IN FLOOD ZONES	62
SV-HL-000.A	Number of available lodging places	6,356,468	6,338,175	6,320,004		11
SV-HL-000.B	Average occupancy rate (3)	27.70%	40.30%	53.70%		11
SV-HL-000.C	Total area of accommodation facilities (4) / Square meters (m ²)	806,258	759,137	766,492		11
SV-HL-000.D	Number of lodging facilities and the percentage that are: Converted	38 (25)%	38 (25%)	34 (23%)	SASB ACTIVITY PARAMETERS	11
	(2) owned	62 (40)%	62 (41%)	63 (42%)		11
	leased,	14 (9)%	14 (9%)	14 (9%)		11
	3) franchised and managed	40 (26)%	38 (25%)	40 (26%)		11



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ANNEX 1 EMISSION FACTORS

DATA	FACTOR	UNIT
Electricity - Mexico	0.435	tCO ₂ e / MWh
Electricity - Costa Rica	0.04	tCO ₂ e / MWh
Electricity - Colombia	0.126	tCO ₂ e / MWh
Electricity - Chile	0.3006	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

DATA	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 HV	30.0715853	MJ / l
Diesel HV	37.6759665	MJ / l
Natural gas HV	0.040333	MJ / l
GWP CH ₄	279	CO ₂ /CH ₄
GWP NO ₂	273	CO ₂ /N ₂ O

VERIFICATION LETTER

GRI 2-5



Verification Letter of the 2022 Sustainability Report "Renewing ourselves to become a stronger team"

To the Board of Directors of Hoteles City Express S.A.B. de C.V.:

Please be advised that Redes Sociales en Línea Timberlan performed a limited and independent verification of a sample of GRI Standards Disclosures (listed later), published in the 2022 Sustainability Report: "Renewing ourselves to become a stronger team" ("2022 Sustainability Report") of Hoteles City Expres. The scope of our verification covered the results corresponding to the period from January 1st to December 31st, 2022 and the 5 brands that make up Hoteles City Express.

The Direction of Hoteles City Express it is responsible for the publication of the information in the "2022 Sustainability Report", and that presented in the verification process, which implies, but is not limited to, the identification of the material topics, the selection and publication of the GRI Standards Disclosures, as well as providing true and sufficient documentary and/or visual evidence to verify the selected sample of indicators.

Our objective is to issue impartial and objective opinions about the certainty, traceability and reliability of the GRI Disclosures selected as a sample for verification and published in the "2022 Sustainability Report". The compliance of the methodological requirements in accordance with the GRI Standards was validated. Our work considered the activities of the International Standard on Assurance Engagements (ISAE 3000), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information."

Among the activities carried out during the verification process are listed:

- Interview with the Sustainability Management,
- Verification of qualitative and quantitative data through visual, documentary and public evidence
- Validation of information presented in previous reports,
- Review of methodological compliance in accordance with the GRI Standards
- Analysis of quantitative data.

During the verification process, we did not find any aspect that would lead us to deduce that the data from the sample selected for verification contains significant errors and that the methodological requirements in accordance with the GRI Standards are not met.

An internal report of recommendations is delivered separately, exclusive to Hoteles City Express, which contains the areas of opportunity detected for a future report.

Declaration of independence and competence of Redes Sociales en Línea Timberlan

Employees of Redes Sociales en Línea Timberlan has the level of competence necessary to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on the reports of non-financial information, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, so no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on 30th may 2023 and is valid as long as no subsequent and substantial modifications are made to the "2022 Sustainability Report, Renewing Ourselves to become a Stronger Team" to Hoteles City Express.

Redes Sociales en Línea Timberlan S.A. de C.V. | Pico Sorata 180, Jardines en la Montaña, Tlalpan, C.P. 14210, CDMX | T. (55) 54 46 74 84

Verified GRI Disclosures sample	
Environmental	
303-3	Water withdrawal
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-4	GHG emissions intensity
304-1	Operational sites owned, leased, managed in, or adjacent to,
302-1	Energy consumption within the organization
302-3	Energy intensity
308-1	New suppliers that were screened using environmental criteria
Social	
2-1	Organizational details
2-6	Activities, value chain and other business relationships
2-7	Employees
2-8	Workers who are not employees
2-30	Collective bargaining agreements
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided
404-1	Average hours of training per year per employee
404-3	Percentage of employees receiving regular performance and
413-1	Operations with local community engagement, impact
Governance	
2-28	Membership associations
2-29	Approach to stakeholder engagement
3-1	Process to determine material topics
3-2	List of material topics
2-26	Mechanisms for seeking advice and raising concerns
205-2	Communication and training about anti-corruption policies and
201-1	Direct economic value generated and distributed

Alma Paulina Garduño Arellano
paulina@redsociales.com



Hotel City Centro San Luis Potosí

JUAN SALVADOR AGRAZ 69, COL. SANTA FE CUAJIMALPA,
DEL. CUAJIMALPA DE MORELOS, C.P. 05348, CIUDAD DE MÉXICO.

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