



2023 SUSTAINABILITY REPORT

HOTELES CITY®

A HOTEL FOR EVERYONE



ABOUT THE REPORT

GRI 2-1, 2-3, 2-6, 2-14

Reaffirming our commitment to transparency and accountability, we present our eleventh Sustainability Report. This report outlines the results of our ESG practices (environmental, social and governance), as well as the performance of our economic, social and environmental value creation model, from January 1 to December 31, 2023.

The topics covered in this document were chosen based on a materiality analysis conducted at the end of 2021, with a view to our strategy through 2024. Following the Global Reporting Initiative (GRI) standards and the AA1000 *Accountability* principles, we have identified new aspects relevant to our industry to inform our investors and key stakeholders.

The report follows the GRI 2021 standards in compliance with the principles of Stakeholder Inclusion, Sustainability Context, Materiality and Completeness. In addition, we outline our compliance with the Sustainability Accounting Standards (SASB) for the hotel and lodging sector and the Carbon Disclosure Project (CDP) for our emissions inventory, the Global Compact's 10 Principles, and we align our programs and initiatives with the 2030 Agenda's 17 Sustainable Development Goals.

In this report, we also present an update of the water stress analysis, where we identify the areas with the greatest water challenges in 2023 with the aim of properly managing our risks. We also provide an update of our climate change risk study, following the recommendations of the TCFD (*Task Force on Climate-Related Financial Disclosures*).

Hoteles City's sustainability report is reviewed and approved by the Sustainability Committee, senior management and areas involved in providing relevant data. This process includes distributing the report for review and making final decisions on its approval, based on criteria such as relevance, completeness, accuracy, transparency and compliance with applicable indicators. A qualitative and quantitative analysis of environmental, social and governance issues was conducted with peers in the sector prior to issuing the final version, allowing us to innovate in our report and to provide more exhaustive follow-up on these aspects.

Company Name:

Hoteles City Express S.A.B. de C.V.

Website: <https://norte19.com>

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

Countries in which it is present: México, Colombia, Costa Rica and Chile.

Dissemination of the Annual Corporate Sustainability Report: Website, email and Global Compact page.

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Hotel City Express Plus by Marriott Reforma El Ángel

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MESSAGE FROM LUIS

GRI 2-22

Dear all,

At Hoteles City, **our guiding principle is sustainability**, which is why we strive daily to improve our environment and become a steward for positive change in the communities where we operate. This document summarizes the actions taken in 2023 and reflects our continued commitment to fostering high-impact projects and initiatives that promote entrepreneurship, environmental protection, and social welfare.

I'd like to start by highlighting one of our major milestones in 2023. Hoteles City made a strategic move by selling its five brands to Marriott International Inc., making City Express the 31st brand of the world's largest hotel chain. As part of this agreement, we became the preferred owner, operator, developer, project manager and construction supervisor for Latin America and the Caribbean for future properties bearing the City Express brand or other Marriott brands. It also gives us the flexibility to operate and develop hotels under other international brands, which will allow us to

leverage all our knowledge and experience as a fully integrated player.

These changes will further strengthen our projects and initiatives that bring socio-environmental benefits, seeking to improve our environment through sustainability, social responsibility and community development. Our actions are aligned with the UN 2030 Agenda's 17 Sustainable Development Goals (SDGs), to which we are actively contributing to. This is reflected in our creative approaches and strategic collaborations with **30 organizations and institutions dedicated to promoting holistic well-being and natural resource conservation.**

In 2023, our efforts and commitments were recognized and we received multiple awards. We were honored as a Socially Responsible Company, highlighting our commitment to the environment and sustainability. We were also featured among Top Companies' 2023 Super Companies, highlighting **our exceptional organizational culture and work environment.** In addition, we were honored as one of the 2023

Super Companies for Women, reaffirming our commitment to gender equity and women's empowerment. At the regional level, we were included in the TOP+America 2023 - LATAM Ranking, highlighting our influence and leadership in Latin America. We were also recognized by Equidad MX for our inclusive and equality policies and earned a **distinction in Éntrale 2023 for our labor inclusion practices.**

We continue to strengthen our commitment to the environment and the efficient use of natural resources by implementing strategies to save and protect vital resources such as water, energy and gas. In 2023, **we managed to reduce water consumption by 2.37%** compared to the previous year, which represents significant progress in our sustainable resource management. By the end of 2023, **43 of our hotels used Natural Gas**, 11 more properties than in 2022, marking progress in our energy transition. We have also improved our reporting process to include fugitive emissions from refrigerant use, underscoring our dedication to mitigating our carbon footprint.

“ We strive daily to improve our environment and act as steward for positive change in the communities where we operate. ”

“Looking to the future, in 2024 we will continue to work to maintain this momentum, leaving a positive footprint in the world and actively promoting good practices within our organization.”

In addition to environmental initiatives, we demonstrate our dedication to community well-being by participating in activities that promote donation and recycling, both of which support charity causes. In 2023, we encouraged **989 volunteers from 100 hotels** to participate in our Environmental Volunteer Program, representing 66.2% of our hotels, an 8% increase over 2022.

We are a company committed to maintaining the highest quality standards in our services and sustainability strategy. **Our governance structure is responsible for managing and overseeing our goals and objectives** from a socially responsible economic growth perspective. These efforts involve each of our customers, suppliers, employees and the communities we serve, thus achieving significant results in terms of transparency, ethics and integrity.

On the other hand, we are a market leader in the hotel industry, with **152 hotels in 75 Mexican cities and operations in Colombia, Costa Rica, and Chile**. Our contribution to economic and social development in Latin America is a key factor in the development of present and future generations. This is why, in 2023, **we doubled our social investment** compared to 2022, benefiting 104,000 people in different communities.

For several years, Hoteles City has supported national and international programs that promote entrepreneurial training and development. Through our strategic alliances, we are able to share significant results, witnessing the talent and innovation in our region. In 2023 alone, **1,009 women entrepreneurs in Mujer POSIBLE Chiapas**

participated in conferences, camps, training and other activities that promoted their entrepreneurial projects.

In 2023, we made a significant social investment of 4.8 million pesos. 60% of this sum was donated in kind, including **1,922 room nights**, with the remaining 40% invested in social and emission-offsetting projects. It is worth noting the involvement of over 30 associations that profited from projects and strategic collaborations.

In terms of safety and security, we see remarkable growth. **100% of employees attended chain-wide training sessions**, and the overall training cost was lowered by 30%. Health and safety training hours increased from 717 to 1,181 hours, a significant rise. In addition, **the number of trained employees grew by 43%**, reflecting the company's commitment to staff safety and well-being.

Similarly, **the number of employees increased from 3,612 to 3,801**, demonstrating our strong commitment to the workforce and focus on driving positive change throughout the organization. It is worth noting the increase in open positions. We added 25 new roles during the year, which shows our sustained growth and the introduction of new job opportunities.

2023 saw great achievements as a result of our team's efforts and commitment.



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



HOTELES CITY

GOALS TO 2025

We continue to implement programs and initiatives that have a significant socio-environmental impact in order to positively impact our environment.

1 Increase **hotel participation** in our environmental volunteer program by **80%**.

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

3 Maintain the organization's **active commitment** to implementing and monitoring international **ESG** (*Environmental, Social, and Governance*) standards.

4 Implement initiatives to support our **carbon capture and mitigation strategy**.



Hotel City Express Plus Reforma, CDMX



5 Support the global commitment **to halve emissions by 2030** and **reach net zero by 2050** - Glasgow Declaration.

OUR PHILOSOPHY

GRI 2-23, 203-2

MISSION



To provide a hospitality service that facilitates the SMART traveler to achieve the objective of their venture within a warm, inclusive and avant-garde environment that exceeds their expectations in their travel experience.

VISION



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



VALUES



Ingenuity and creativity
Open our minds to ideas of continuous evolution.



Personal excellence
Integral development and personal balance.



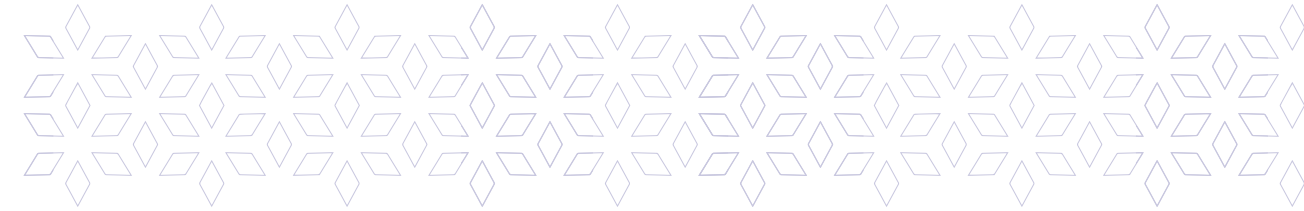
Integrity and sustainability
Transparency, congruence and values.



Sense of success and achievement
Do things right the first time; become better every time.



Customer centricity and passion for service
Anticipate our guests' needs.



WE REINVENTED THE CONCEPT OF LODGING

More than 20 years ago, we had a dream: to be the largest hotel chain in Mexico and Latin America. In 2002, a team that combined talent, experience and knowledge of the hotel industry created an innovative concept: Hoteles City.

Discipline, teamwork and passion were the basis to turn the company into an international business present in Mexico, Costa Rica, Chile and Colombia, becoming an important Hotel Developer and Operator dedicated to satisfying our guests and optimizing hotel profitability.

As of April 2023, Hoteles City made a strategic shift in its business structure, selling its five brands to Marriott International Inc. through a strategic partnership, making Hoteles City the world's 31st largest hotel chain brand, as well as the preferred Developers and Operators of the City Express By Marriott chain for new projects, hotel renovations, and conversions in Latin America and the Caribbean.

We focus on providing excellent service to hotels through our corporate management teams, from project conception to everyday operations, with a strong commitment to profitability.

OUR OPERATIONS

GRI 2-6

Our operations in 2023 were made up of:



We are a hotel brand offering a pleasant and reliable experience that meets the needs of business and leisure travelers. We provide practical stays that are characterized by quality, simplicity and comfort.



This brand extension caters to those seeking a higher level of comfort with slightly elevated designs, featuring prime locations.



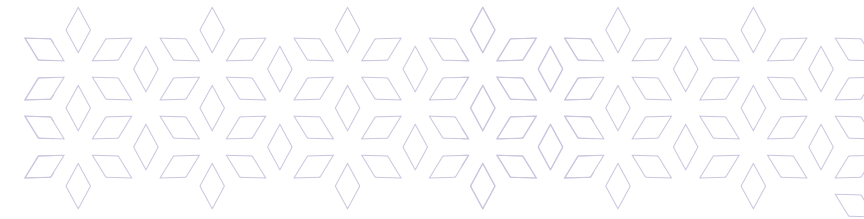
This brand extension is geared towards extended stays or those looking for a little more space and privacy.



This brand extension features more compact room sizes while maintaining comfort and quality.

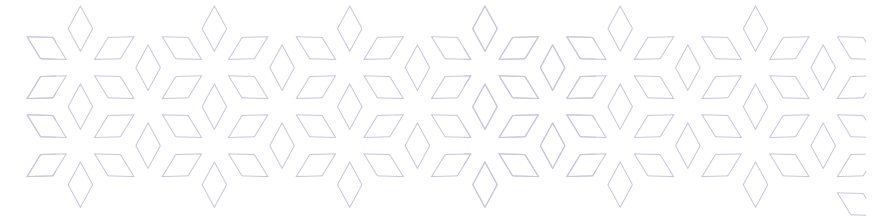
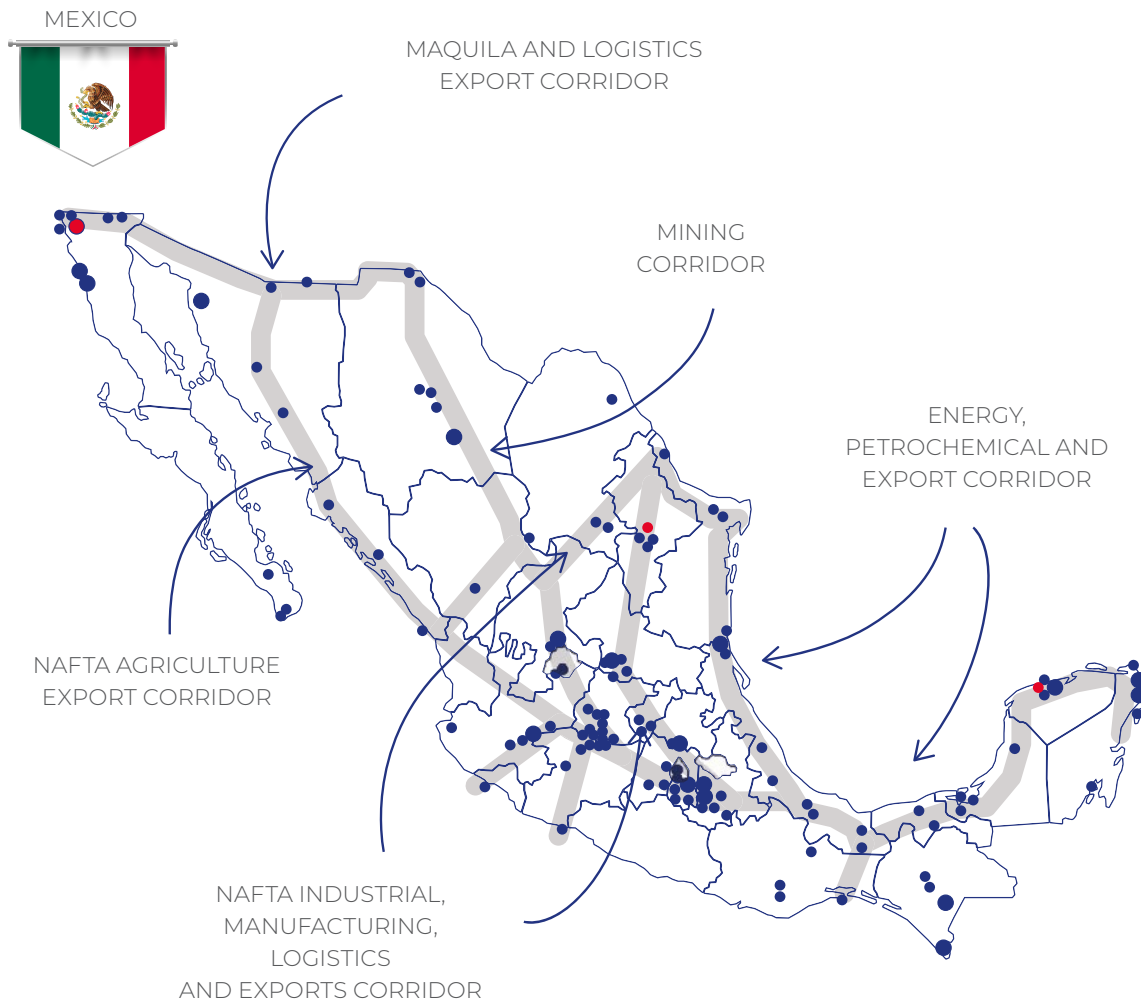


This brand extension caters to those who want to immerse themselves in the local culture, by providing a unique experience in the heart of the city, connecting guests with the energy of the place.



OUR LOCATIONS

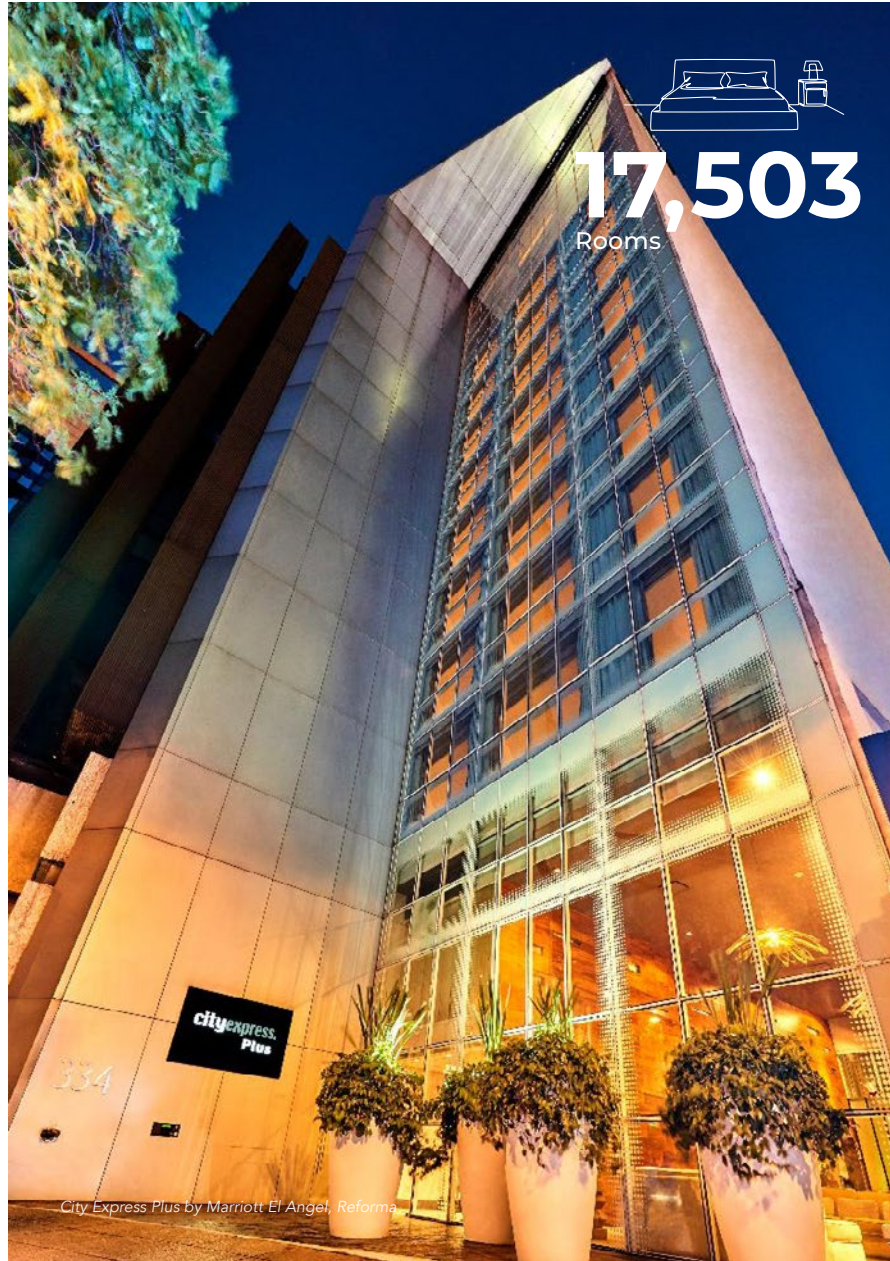
GRI 2-1



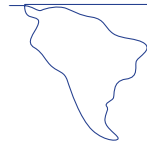
- HOTELS IN OPERATION
- PIPELINE

PRESENCE IN 2023

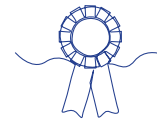
GRI 2-6



17,503
Rooms



4
countries



5
brands



30
Mexican states



75
cities



152
hotels

SASB ACTIVITY PARAMETERS

CODE	PARAMETER	2019	2020	2021	2022	2023
SV-HL-000.A	Installed Room Nights EoY	6,239,759	6,356,468	6,338,175	6,320,004	6,346,602
	Occupied Room Nights EoY.	3,549,451	1,761,277	2,555,225	3,392,984	3,530,364
SV-HL-000.B	Average occupancy rate (%)	56.9%	27.7%	40.3%	53.7%	55.60%
SV-HL-000.C	Total area in lodging facilities (m ²)	794,426	806,258	759,137	766,492	786,950

NUMBER OF LODGING FACILITIES

SASB SV-HL-000.D

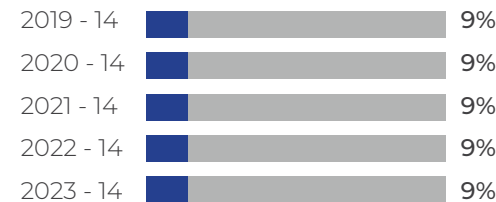
Wholly owned



Co-Invested



Leased



Franchise and Managed



COMMITTED TO OUR GUESTS

THE GUEST'S VOICE

Detecting opportunities for improvement in a timely manner is crucial to ensuring that we deliver on our Brand Promise, and the Guest's Voice provides us with that valuable feedback.

On the other hand, we identify our clients as promoters of each of the five brands through the use of the Net Promoter Score (NPS), which yields the following results:

In 2023, we achieved:



1,366,572
checkouts (departure data per stay)



148,017
surveys answered



72%
Customers who are Hoteles City Promoters

20%
Customers who are classified as Passives, neither Promoters nor Detractors of the brand.



8%
Customers who identify with a potential opportunity area





CITY PETS

In 2023, we continued to foster a dog-friendly culture in 21 of our hotels. Pets can now accompany our guests on their leisure travels, by choosing us as their host. To ensure an enjoyable experience, we have established guidelines that fulfill our brand promise and meet the needs of both our guests and their canine companions.

[Click here to find out if the hotel you are interested in offers this service as well as the applicable pet policies. »](#)



CUSTOMER SECURITY AND PRIVACY

GRI 418-1

We implement comprehensive information security measures to protect our stakeholders' personal data. These measures cover physical, organizational, administrative and technical aspects in order to prevent the loss, alteration, disclosure or illegal use of the information. In addition, we develop work plans that reinforce both cybersecurity and the protection of our customers' information. During 2023, we had **zero complaints regarding customer privacy violations, or from regulatory authorities, as well as zero occurrences of theft or loss of customer data.** Furthermore, we have no recorded payments for fines associated with information security breaches or other cyber security incidents.

[Read our privacy notice here »](#)

HEALTH AND BIOSAFETY

GRI 3-3, 416-1

In 2023, we continued to apply Biosafety and Healthy Coexistence Protocols for our customers, employees, and suppliers according to the updates of the Ministry of Health.

We comply with worldwide certification norms and standards, such as:

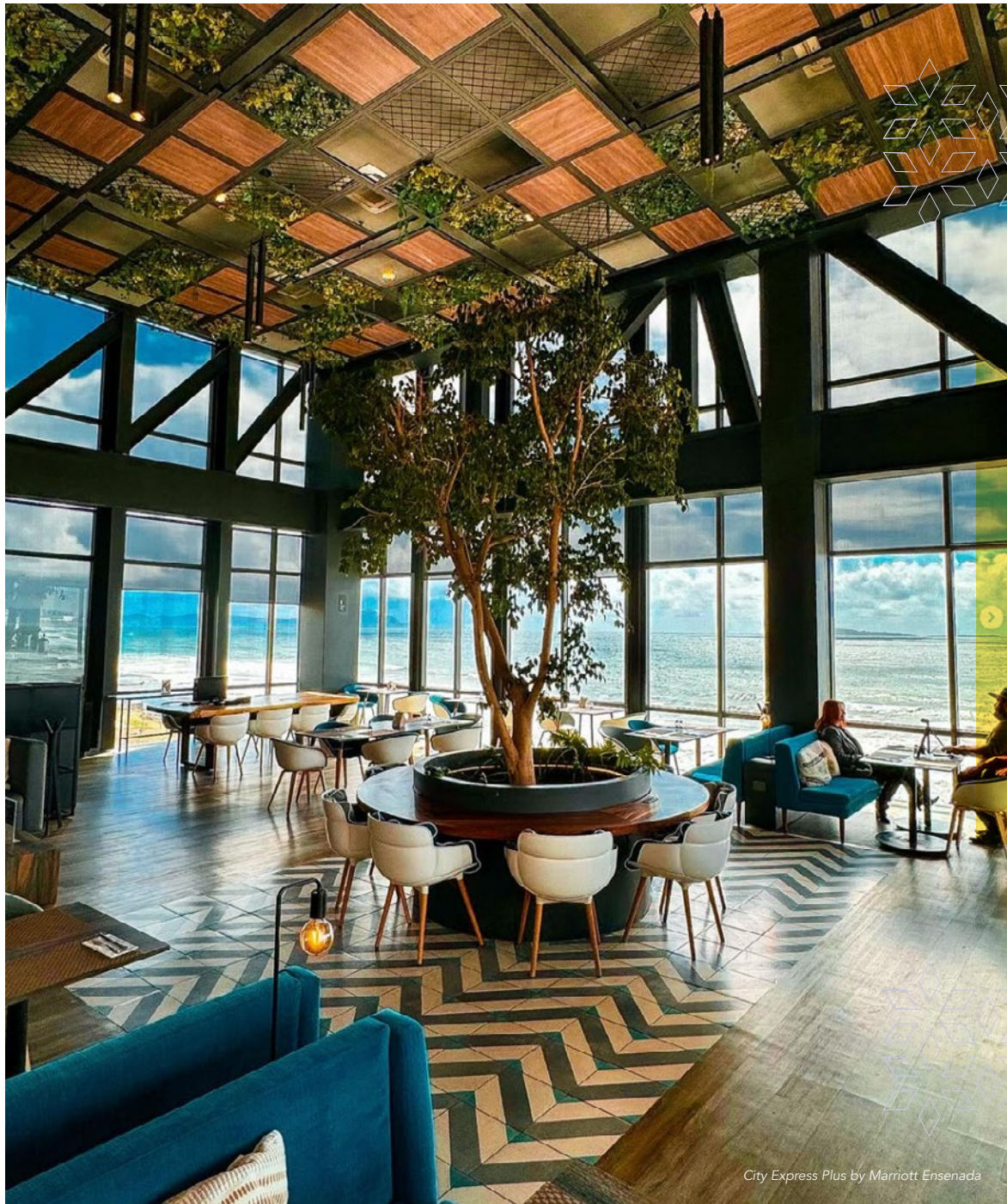
SafeHotels CovidClean™ - Hotel standard based on World Health Organization (WHO) guidelines. It assesses hygiene, cleanliness, social distancing and biosecurity protocols.

Safe Travels - Stamp awarded by the World Travel and Tourism Council (WTTC), which certifies compliance with health and hygiene protocols. It recognizes governments, destinations and companies worldwide that guarantee health security for tourists.

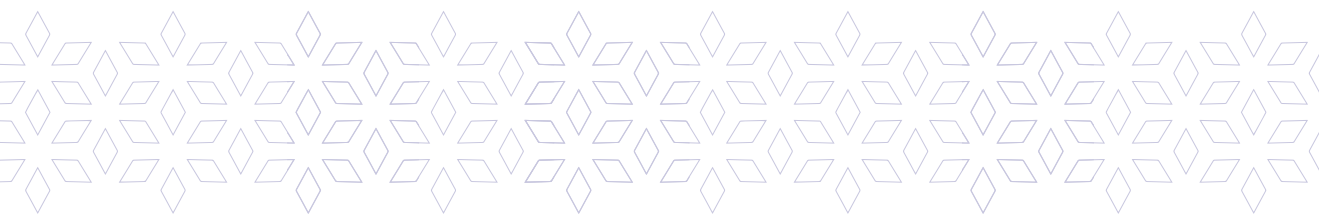
“ We ensure safe spaces for our guests, employees, and local communities. ”



HOW DO WE MAKE OUR BUSINESS SUSTAINABLE?



City Express Plus by Marriott Ensenada

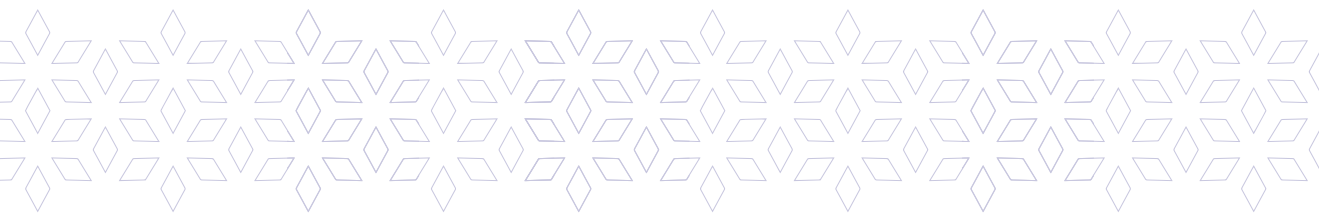


To ensure property sustainability and minimize impacts on the environment, society, the local economy and our business, we manage operations proactively. We develop Business Continuity Plans that address crucial environmental, social and economic aspects, identifying relevant risks and impacts.

It should be noted that all of our hotel development projects include an Environmental Impact Assessment (EIA) in compliance with the Mexican Ministry of Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT) requirements. In addition, we conducted a

materiality analysis and a dialogue with our Stakeholders to understand their perceptions of the impacts generated by Hoteles City.

One of our objectives for 2023 was to update our climate change risk study, following the recommendations of the Task Force on Climate-related Financial Reporting (TCFD). We also conducted a nationwide water stress analysis to identify areas with the most water scarcity, where the hotels are located. This has enabled us to manage our water footprint more effectively.



2023 SUSTAINABILITY ACHIEVEMENTS



4.8 million pesos social investment, with 60% being donated in kind, including 1,922 room nights, and the remaining 40% as an economic investment for social and emission-offsetting projects.



We generated **alliances with more than 30 organizations and institutions that work for the benefit of the environment and society.**



We encouraged **989 volunteers from 100 hotels** to participate in our Environmental Volunteer Program.



We reduced water use by 2.37%.



At the end of 2023, **43 hotels used Natural Gas**, which sets us on the path towards an energy transition.



Our actions contribute to the advancement of the 17 Sustainable Development Goals (SDGs) outlined in the United Nations' 2030 Agenda.



With our social investment, **we benefited 104,000 people in various communities.**



Our employees make Hoteles City a culturally powerful company, achieving distinctions such as:



STAKEHOLDERS

GRI 2-29



At Hoteles City, we value our stakeholders' relevance. Therefore, we selected and classified these groups according to the Global Reporting Initiative (GRI) standards and the AA1000 Accountability principles, as well as through a study of national and international best practices in the hotel industry.

CLOSENESS	REPRESENTATIVENESS	DEPENDENCE	RESPONSIBILITY	INFLUENCE
Certifiers Customers Employees Communities Building Companies	Associations & Chambers ANCH (Asociación Nacional de Cadenas Hoteleras)	Shareholders	Shareholders	Partnerships
Corporate agreements	Sustainability committee	International Finance Corporation (IFC))	Mexican Stock Exchange	Industry Associations (i.e. Trip Advisor)
Guests	Communities Government Investors NGOs 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	Online Travel Agencies (OTAs) Sponsorships Suppliers

MATERIALITY ANALYSIS

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

At the end of 2021 and the beginning of 2022, we updated our materiality following the Global Reporting Initiative (GRI) standards and national and international best practices, with the aim of guiding our sustainable strategy for 2022-2024.

846

People consulted in the dialogue with stakeholders.



In addition, every three years, we engage in a formal dialogue with our Stakeholders via interviews or surveys to collect their perspectives on economic and socio-environmental matters. There were no significant changes or restatements compared to previous reports.

To learn more about our materiality analysis, [click here](#) »





MATERIALITY MATRIX

GRI 3-2

DOUBLE MATERIALITY

We identified the expectations of all stakeholders with whom we engaged in dialogue using our double materiality analysis. In addition, we assessed the main risks and effects that Hoteles City may have on society and/or the planet. This process of identifying expectations, risks and impacts results in a Double Materiality matrix, which is presented in four quadrants:

MATERIAL: Identifies crucial factors for the business that could represent risks or have a significant impact on the strategy.

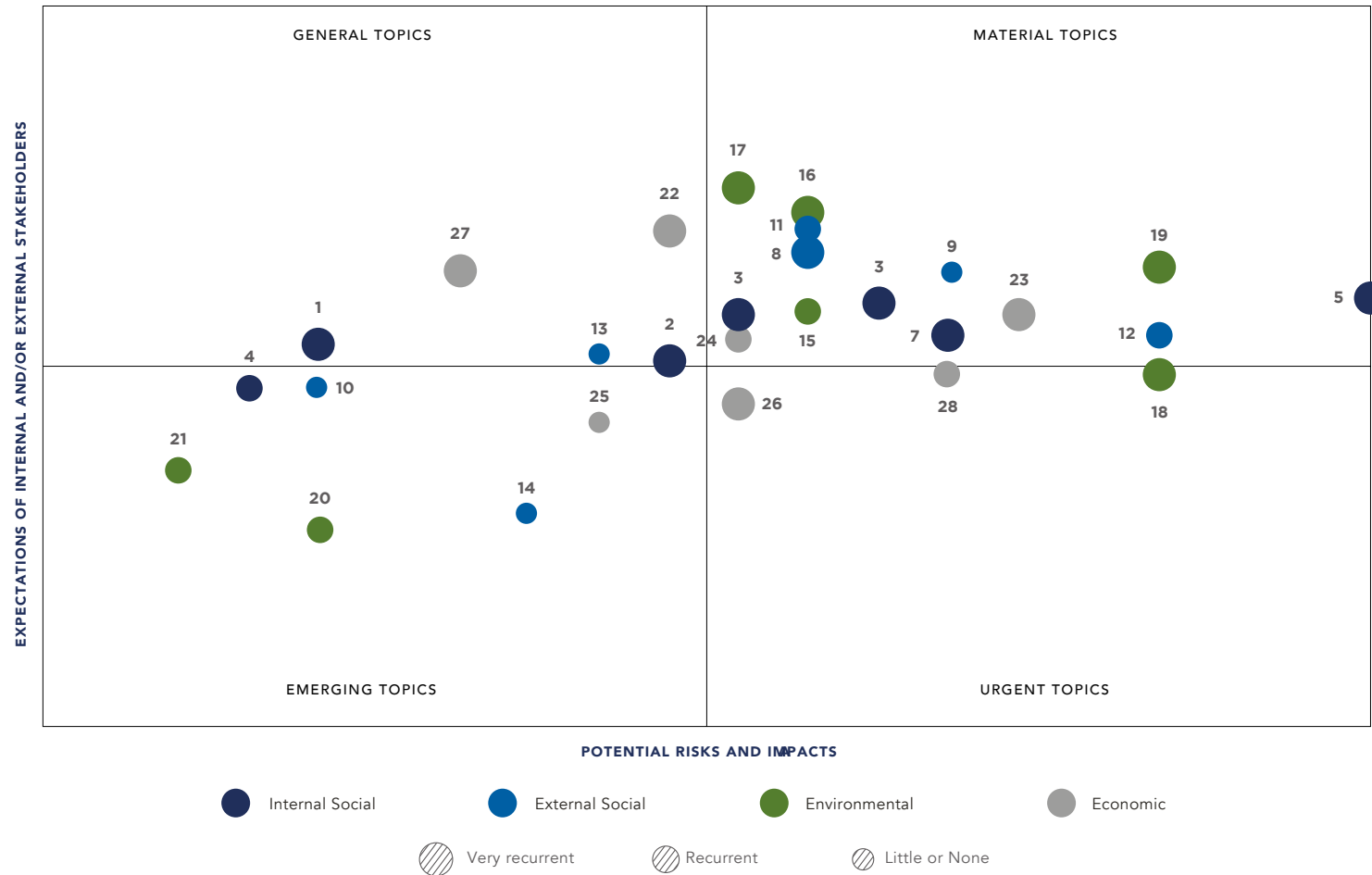
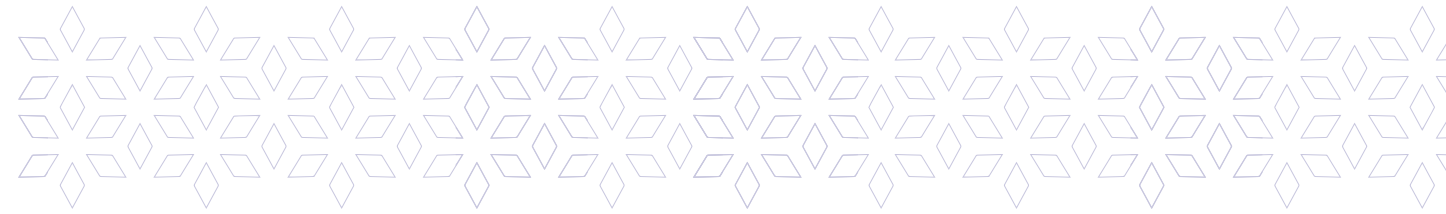
URGENT: Underscores highly relevant factors for the business that could become immediate risks or significantly impact the strategy.

GENERAL: Identifies factors that, although not a priority for Hoteles City's current strategy, are important for Stakeholders in general.

EMERGING: It highlights factors that are just beginning to acquire importance, both for Hoteles City and for Stakeholders.

MATERIALITY MATRIX

We are committed to addressing material and urgent topics in a timely and immediate manner, followed by emerging topics that are becoming increasingly relevant in our industry.



- MATERIAL TOPICS:**
- 5 Fair working conditions
 - 19 Sustainable water use
 - 12 Human rights compliance
 - 23 Climate, social, environmental and economic risk management
 - 9 Preservation of local culture and natural heritage
 - 7 Health, safety and security of employees and guests
 - 3 Comprehensive employee well-being
 - 16 Climate strategy and emission reduction
 - 11 Promoting responsible tourism
 - 8 Community participation and empowerment
 - 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

MANAGEMENT OF OUR MAIN MATERIAL AND URGENT TOPICS

GRI 3-3, 3-1



FAIR WORKING CONDITIONS

At Hoteles City, we recognize the importance of ensuring working conditions for our employees. We value well-being and equity at work, which is why, throughout 2023, we implemented actions focused on them.

To learn more about our initiatives in this area, [click here](#) »

SUSTAINABLE WATER USE

We are committed to using water sustainably, both as part of our environmental responsibility and for the well-being of the communities where we operate. In 2023, we implemented concrete actions to ensure its efficient and responsible use.

To learn more about our initiatives in this area, [click here](#) »

HUMAN RIGHTS COMPLIANCE

We constantly strive to uphold human rights in all of our activities, with a focus on creating a safe and respectful work environment. This year, we implemented concrete actions to promote and protect human rights.

To learn more about our initiatives in this area, [click here](#) »

CLIMATE, SOCIAL, ENVIRONMENTAL AND ECONOMIC RISK MANAGEMENT

In 2021, we conducted our first climate change risk assessment using the TCFD framework and developed a graphic climate risk matrix. In 2023, we updated this analysis by identifying the main transition risks based on scenarios.

To learn more about this study, [click here](#) »

PRESERVATION OF LOCAL CULTURE AND NATURAL HERITAGE

We are committed to the preservation of local culture and natural heritage in the communities where we operate. This year, we implemented actions aimed at protecting and promoting our cultural and natural heritage.

To learn more about our initiatives in this area, [click here](#) » and [here](#) »

HEALTH, SAFETY AND SECURITY OF EMPLOYEES AND GUESTS

The health, safety and security of our employees and guests are of utmost importance. This year, we implemented measures to ensure a safe and healthy environment in all our facilities.

To learn more about our initiatives in this area, [click aquí](#) » y [aquí](#) »

COMPREHENSIVE EMPLOYEE WELL-BEING

We care about our employees' comprehensive well-being. This year, we took a number of steps to promote their physical, emotional, and mental health.

To learn more about our initiatives in this area, [click here](#) »



CLIMATE STRATEGY AND EMISSION REDUCTION

We are committed to measuring and reporting our carbon footprint aligned with the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP) and the Mexico Global Compact. Annually, we identify our operations, electricity, gas and other fuel consumption and develop reduction, mitigation and offset strategies.

To learn more about our initiatives in this area, [click here](#) »

**See our carbon footprint reports:
[2023 carbon footprint report](#) »**

PROMOTING RESPONSIBLE TOURISM

We promote responsible tourism as part of our commitment to sustainability and respect for local communities and the environment. This year, we implemented a number of actions to promote ethical and sustainable tourism practices.

To learn more about our initiatives in this area, [click here](#) » and [here](#) »

COMMUNITY PARTICIPATION AND EMPOWERMENT

We value the participation and empowerment of the local communities in which we operate. For this reason, we take steps to promote their involvement in our initiatives and projects.

To learn more about our initiatives in this area, [click here](#) »

BIODIVERSITY MANAGEMENT AND HABITAT PROTECTION AT THE DESTINATION

At Hoteles City, we are committed to managing biodiversity and protecting habitats in the destinations where we operate. We focus on implementing actions to preserve and conserve local flora and fauna.

To learn more about our initiatives, in this area, [click here](#) »

ENERGY CONSUMPTION AND EFFICIENCY

We are dedicated to promoting energy consumption and efficiency as part of our environmental responsibility. With this in mind, we take a number of measures to reduce and improve hotels energy efficiency.

To learn more about our initiatives in this area, [click here](#) »

PROFESSIONAL DEVELOPMENT AND GROWTH

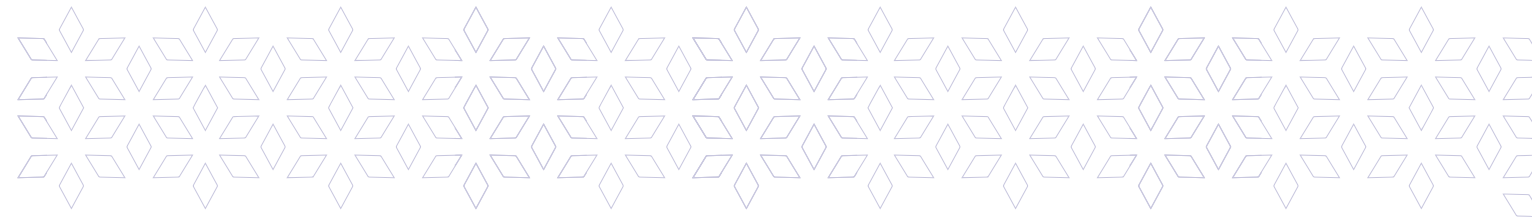
We are committed to our employees' professional development and growth. To this end, we encourage initiatives to promote their training, growth and development within Hoteles City.

To learn more about our initiatives in this area, [click here](#) »

LOCAL ECONOMIC IMPACT

We value the local economic impact and strive to contribute positively to the communities where we operate. That is why we carry out actions to support and strengthen the local economy.

To learn more about our initiatives in this area, [click here](#) » and [here](#) »



WASTE MANAGEMENT AND CIRCULAR ECONOMY

At Hoteles City, we are committed to responsible waste management and the promotion of the circular economy. In 2023, we reaffirmed the procedures for the collection, separation, registration and recycling of all waste generated by our operations.

To learn more about our initiatives in this area, [click here](#) »

NATURAL DISASTER PREPAREDNESS AND RESPONSE

We take natural disaster preparedness and response seriously to ensure the safety of our guests and employees. We continue to strengthen our emergency protocols and train our staff to act effectively in crisis situations.

To learn more about our initiatives in this area, [click here](#) »

INNOVATION IN OPERATIONS

We value innovation in our operations as a means to improve our guests' experience and optimize our efficiency. For this reason, we have implemented innovative initiatives and strengthened alliances to drive innovation and modernize our processes and services.

To learn more about our initiatives in this area, [click here](#) »

LEARN ABOUT OUR ESG POLICIES:

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

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

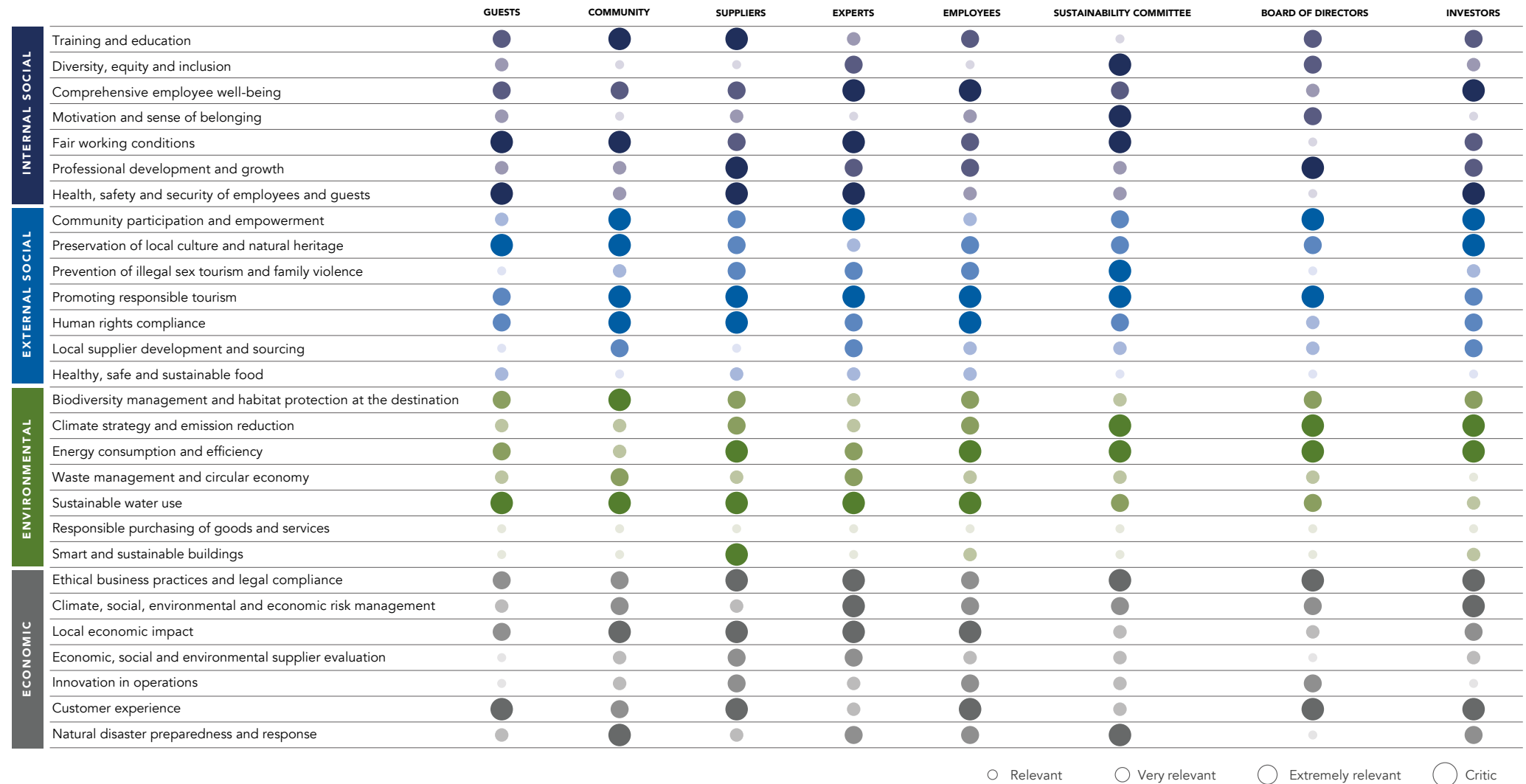
Sustainable Supplier and Purchasing Policy, [click here](#) »

Glasgow Declaration on Climate Action in Tourism, [click here](#) »



RELEVANT TOPICS BY STAKEHOLDER

Based on our materiality study, we present an analysis that highlights the most relevant topics for our different Stakeholders. This information is essential for the development of our 2022-2024 Sustainability Strategy and allows us to accurately address our Stakeholders' interests.



○ Relevant ○ Very relevant ○ Extremely relevant ○ Critic



impacto city

Impacto City is a platform that reflects our company's essence, values, and philosophy. This platform allows us to highlight our three strategic axes to generate a positive impact on the environment, society and the communities where we operate. In addition, it is a tool that allows us to promote sustainable development throughout our operations..

Below, we present *Impacto City's* three strategic pillars, their corresponding relevant topics, and the main SDGs to which they are linked.

To learn more about our contribution to meeting the 17 Sustainable Development Goals and Targets, [click here](#) »

 Environmental conservation	 Creating economic value	 Contributing to social welfare
<p>To mitigate climate change, protect biodiversity, promote resource efficiency and encourage responsible tourism.</p>	<p>To promote community development through decent jobs, support for social entrepreneurship, and ethical operations.</p>	<p>To promote fair and equitable labor practices and improve the living conditions of local communities by being a Socially Responsible Company.</p>
<ul style="list-style-type: none"> • Biodiversity protection • Waste reduction and energy efficiency • Responsible tourism 	<ul style="list-style-type: none"> • Innovation and entrepreneurship support • Direct and indirect job creation • Ethics, transparency, and governance 	<ul style="list-style-type: none"> • Inclusion and diversity • Training and development • Partnerships with high-impact organizations
		

SUSTAINABILITY COMMITTEE

GRI 2-9



The Sustainability Committee, composed of a multidisciplinary team, plays a crucial role in representing Impacto City's actions and ensuring that investment, development and operational decisions are aligned with sustainability best practices.

The Sustainability Committee reports directly to the Audit, Risk and Corporate Practices Committee, which reports to the Board of Directors on the efforts and initiatives implemented. This committee is also responsible for defining, approving and supervising the execution of the Sustainability Strategy.

The Board of Directors meets periodically, at least once every three months, and may convene extraordinary meetings as necessary.

OBJECTIVES AND RESPONSIBILITIES

- Define the profile, scope and goals in terms of Sustainability.
- Design, authorize, follow up and evaluate the results of Impacto City's Sustainable Actions Program.
- Define *Impacto City's* manifesto and objectives.
- Participate in actions and programs convened by the public sector, as well as by public and private organizations and institutions, in line with the Sustainable Actions Program.
- Evaluate results and monitor the execution of the social investment budget.

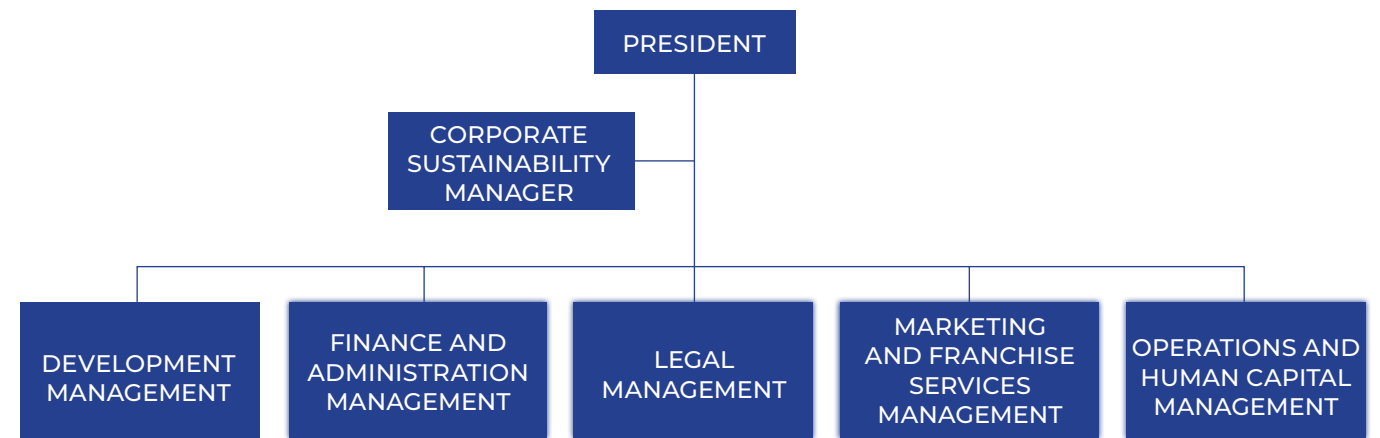
The Sustainability Committee also carries out the following activities:

- Establish contact, define actions, and sign agreements with public and/or private institutions aligned to the Sustainable Actions Program.
- Submit action plans or establish links with institutions that share similar objectives to those defined in the Sustainable Actions Program.
- Communicate to all stakeholders the sustainability actions carried out by Hoteles City through the Impacto City platform.
- Lead the certification process for the Sustainable Actions Program's environmental and social programs and distinctions.
- Encourage Hoteles City's employees to participate in everyday programs and actions that build a sustainable culture.
- Oversee that our investments adhere to the principles of social responsibility.
- Integrate sustainability into the company's continuous growth and development strategy.

The Sustainability Committee is composed of company leaders who act as stewards for change and influence their respective areas. This hierarchical diversity allows initiatives to be adopted as a joint effort.

The Sustainability Committee meets at least once every two months but may convene extraordinary meetings as necessary.

AREA REPRESENTATION IN THE SUSTAINABILITY COMMITTEE



SUSTAINABILITY COMMITTEE MEETINGS

At the Sustainability Committee meetings, we reaffirm our commitment to sustainability and reinforce practices aimed at improving our operations on this matter.

- **2019 - 13 meetings**
- **2020 - 10 meetings**
- **2021 - 10 meetings**
- **2022 - 10 meetings**
- **2023 - 10 meetings**

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



Environmental conservation



COP PRINCIPLES:

- **Principle 7.** Businesses should support a precautionary approach to environmental challenges.
- **Principle 8.** Businesses should undertake initiatives to promote greater environmental responsibility.
- **Principle 9.** Businesses should encourage the development and diffusion of environmentally friendly technologies.



ENVIRONMENTAL CONSERVATION

Through Impacto City, we actively combat climate change, protect biodiversity and use resources efficiently. We also measure and neutralize our carbon footprint while innovating sustainable products and services for the communities where we operate.



We continue to strengthen our commitment to the environment and the efficient use of natural resources by implementing strategies to save and protect vital resources such as water, energy and gas. This dedication drives us to innovate through initiatives that 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, which is consistent with Mexican environmental regulations and tailored to our operations, is backed by our company's top management.

To learn more about our Environmental Impact Policy, [click here](#) »

OUR CARBON FOOTPRINT

GRI 3-3, 305-1, 305-2, 305-4 SDG 13 Target: 13.2 Material topic: Climate strategy and emission reduction. **COP:** Principles 7, 8 and 9.

The carbon footprint is defined as the total amount of Greenhouse Gases (GHG) emitted directly or indirectly by an organization, product or service. This indicator is consolidated as a GHG inventory, expressed in tons of carbon dioxide equivalent (ton CO₂e). This calculation allows us to identify the main emission sources within our operations, providing a solid foundation for our mitigation plans.

We remain committed to transparency and accountability in our environmental management. Aligned with the standards of the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP), and the Global Compact, we present our updated carbon footprint measurement, reflecting our progress in reducing emissions.

To calculate our carbon footprint, we use emission factors¹ obtained from authorized sources such as the Official Journal of the Federation (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. This rigor ensures accuracy in our calculations and consistency in our metrics.

Our internal records detail the consumption of electricity, LP Gas, Natural Gas², and estimations of diesel and gasoline usage based on financial documents. Our calculation considers the most important GHGs: Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O).



Measurement of our carbon footprint³ includes:

SCOPE 1

Direct emissions resulting from the emitter's operation.

- Gasoline, Diesel, LP Gas and Natural Gas consumption.
- Refrigerant leaks from refrigeration units (included for the first time this fiscal year).

SCOPE 2

Indirect emissions directly related to the company's operation.

- Electricity consumption

*We do not produce biogenic emissions⁴

¹ Factors used for the calculation are available in the Carbon Footprint report's Emission Factors Appendix 1.

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.



This framework enables us to not only meet regulatory obligations but also to set a good example in our industry by reducing our environmental impact through environmental consciousness.

TOTAL DE EMISIONES 2023

33,819.65 ton CO₂e

THESE EMISSIONS ARE EQUIVALENT TO:



Energy to supplier

75,791

average homes, supplied with energy for a year



Reforestation

563,661

adult tree species each year



54,548

trips from Tijuana to Mérida in a car, with average fuel consumption

In 2023, Hoteles City's carbon footprint increased by **1.69% over 2022**, with a **5.86% increase in** occupancy. The reporting process was improved, **including fugitive emissions from refrigerants.**

In terms of historical emissions, we managed to **reduce them by 25.78% compared to our base year (2019).** This is equivalent to a **reduction of 2.80 kg of CO₂e per Occupied Room Night.**

Electricity consumption accounted for **74.32%** of total emissions (25,134.97 tons CO₂e), led by **City Express by**

Marriott with 21,883.02 tons CO₂e. Mexico was the largest contributor, **with 33,210.21 tons CO₂e.**

City Express Junior by Marriott was the most eco-efficient brand, emitting 7.21 kg of CO₂e per occupied room night (ORN). Operations in **Colombia were the most eco-efficient,** emitting 2.90 kg CO₂e per ORN.

Carbon intensity was **0.0096 ton CO₂e per ORN,** a **5.49% rise from the previous year.** Considering only previous years' emission sources, there was a **2.58% reduction.**

TOTAL EMISSION HISTORY:

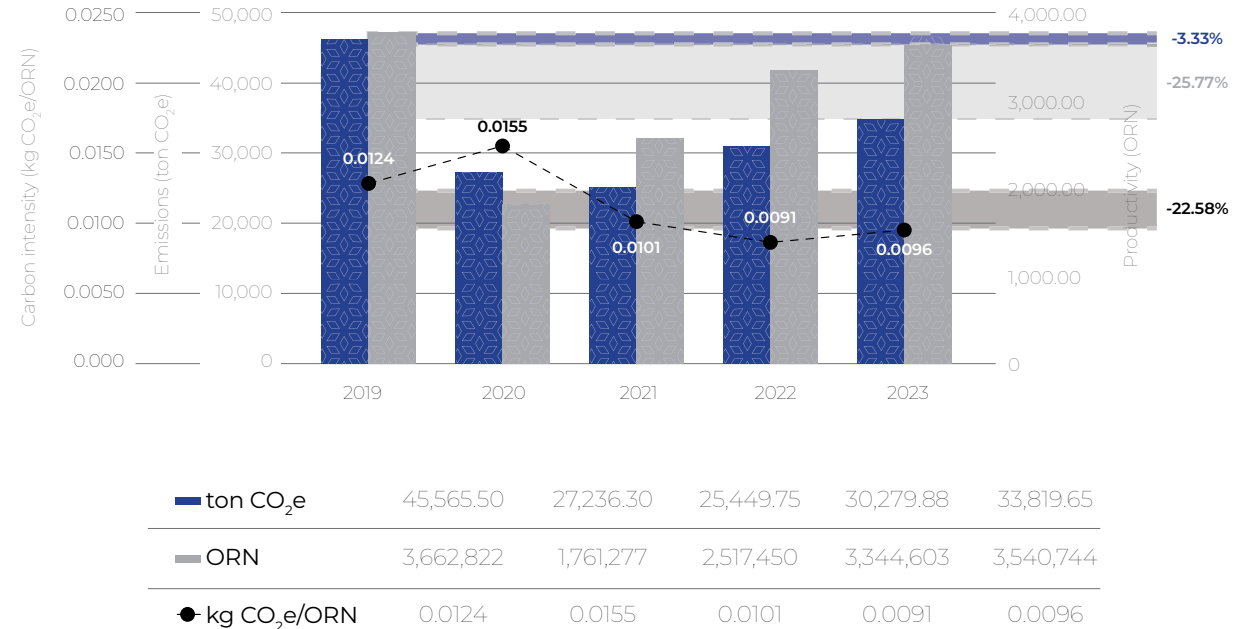
Hoteles City has achieved a significant reduction in greenhouse gas emissions since 2019, its base year, with a 25.77% decrease despite an increase of 1,309 rooms available during the same period. This decrease in previous years was partially attributable to a reduction in productivity caused by the COVID-19 pandemic. However, productivity has stabilized this year, with a minor change of 3.33% over the base year.

Despite fluctuating challenges, we have maintained a consistent track record of improving energy efficiency and sustainability. Our carbon intensity has decreased by 22.58%, reflecting a firm commitment to reducing our environmental impact and strengthening our sustainable management practices.

Since 2019, Hoteles City has managed to reduce its CO2 equivalent emissions by 2.80 kg per Occupied Room Night. This improvement in energy efficiency is attributed to three key factors:

- **Change in energy infrastructure:** We have prioritized the transition to fuels with less environmental impact, highlighting our facilities' conversion to Natural Gas.
- **Resource optimization:** We have increased productivity while maintaining the same level of resources as in previous years, resulting in a more efficient operation.
- **Reduction of electricity emission factors:** We have been able to reduce the emission factors related with electricity consumption in the countries where we operate by implementing cleaner and more efficient policies and technology.

These actions underscore our ongoing commitment to sustainability and the efficient management of natural resources, showing significant progress in our carbon footprint reduction.



CARBON FOOTPRINT CALCULATION BREAKDOWN

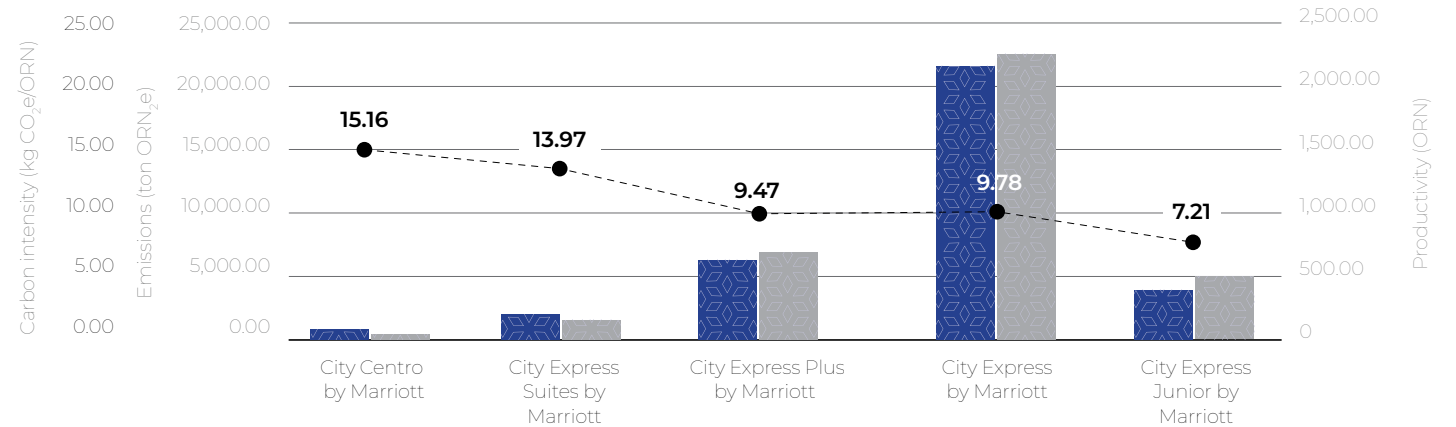
SCOPE	SOURCE	CONSUMPTION	UNIT	ENERGY (GJ)	EMISSIONS (ton CO ₂ e)	VARIATION IN QUANTITY (ton CO ₂ e)	PERCENTAGE
SCOPE 1	Diesel	15,783.21	liter	602.09	45.32	15.18	↑ 50.36%
SCOPE 1	Gasoline	416,673.61	liter	12,530.04	904.43	164.14	↑ 22.17%
SCOPE 1	Natural Gas	3,313,270.00	liter	129.49	7.71	3.54	↑ 84.89% ⁵
SCOPE 1	LP Gas	3,124,501.12	liter	81,616.92	5,295.66	-1,166.86	↓ -18.06%
SCOPE 1	R410A ⁶	1,077,820.00	g	NA	2,431.56	2,431.56	NA
SCOPE 2	Electricity ⁷	59,205,600.00	kWh	213,139.89	25,134.97	2,092.20	↑ 9.08%

⁵ An increase of 84.89% is observed with respect to emissions from Natural Gas consumption; however, this is due to the transition from LP Gas to Natural Gas, therefore, this increase is expected to be recorded from this year until the end of the transition. ⁶ It was not reported last year. ⁷ It was reported last year in TJ.

As part of the continuous improvement process, Hoteles City has implemented significant changes in the Greenhouse Gas (GHG) report for the year 2023. Following hotel industry best practices and emissions reporting guidelines, we have incorporated the evaluation of refrigeration units for the first time. Previously not considered, these units are a source of fugitive emissions due to refrigerant leaks such as R410A. This is essential to guaranteeing complete and transparent reporting of our emissions.

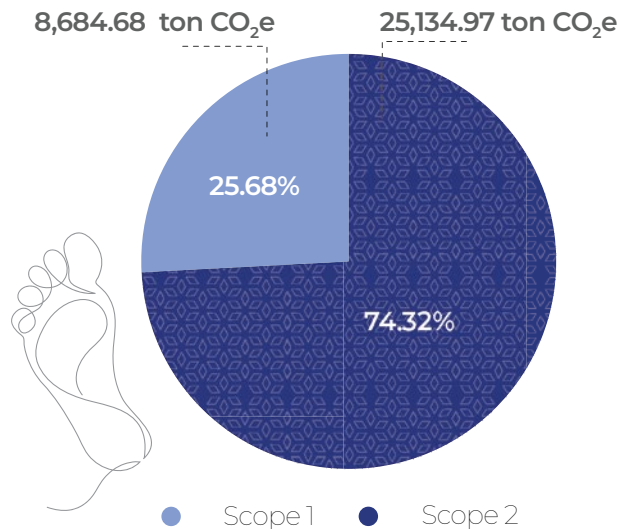
In 2023, the use of our main energy sources increased: Diesel by 48.51%, Natural Gas by 90.85%, Gasoline by 22.17%, and Electricity by 8.43%. This increase in consumption, combined with a 5.86% increase in productivity, measured as Occupied Room Night (ORN), has resulted in an overall increase in total emissions over the previous year. The most significant change was observed in Natural Gas consumption and in the inclusion of fugitive emissions from refrigeration units. It is also worth mentioning the 18.06% reduction in LP Gas we had in this period.

EMISSIONS PER BRAND PER OCCUPIED ROOM NIGHT



■ ton CO ₂ e	628.34	1,573.86	6,096.16	21,883.02	3,638.27
■ ORN	41,434	112,663	643,956	2,237,882	504,809
● kg CO ₂ e/ORN	15.16	13.97	9.47	9.78	7.21

DISTRIBUTION BY SCOPE



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

City Express Junior by Marriott was the **most eco-efficient brand**, emitting a total of **7.21 kg of CO₂e** per occupied room night (ORN).

City Express Plus by Marriott reported a **high level of eco-efficiency**, emitting **9.47 kg of CO₂e** per ORN. Despite producing the largest quantity of emissions, this brand is one of the most efficient among all brands.

City Express by Marriott had an **average eco-efficiency level**, emitting **9.78 kg CO₂e** per Occupied Room Night.

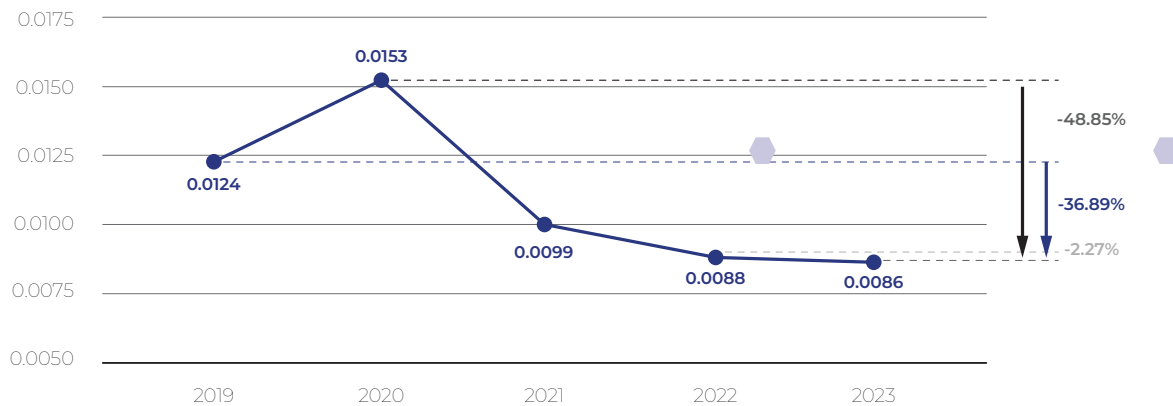
City Express Suites by Marriott had a **low average level of eco-efficiency**, emitting **13.97 kg CO₂e** per Occupied Room Night.

City Centro by Marriott had the **lowest efficiency**, emitting **15.16 kg CO₂e** per ORN. Although it had the lowest emissions, it was the least efficient in terms of eco-efficiency.

CARBON INTENSITY PER OCCUPIED ROOM NIGHT (ORN) RATIO

GRI 305-4

Below is a comparative analysis of the carbon footprint resulting from gas and electricity consumption from 2019 to date by ORN. In 2023, the carbon footprint intensity per Occupied Room Night was 0.0086 CO₂e/ORN or 8.6 kg CO₂e/ORN.



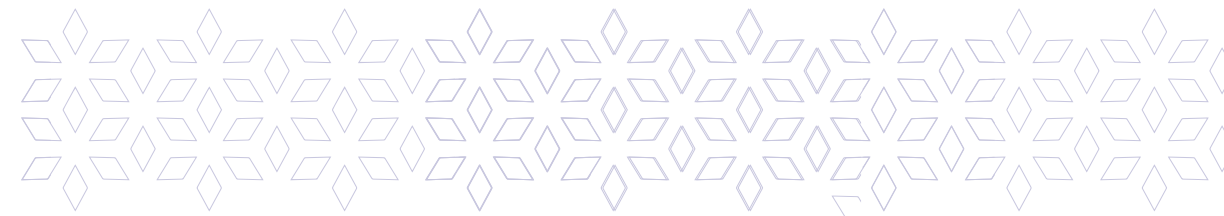
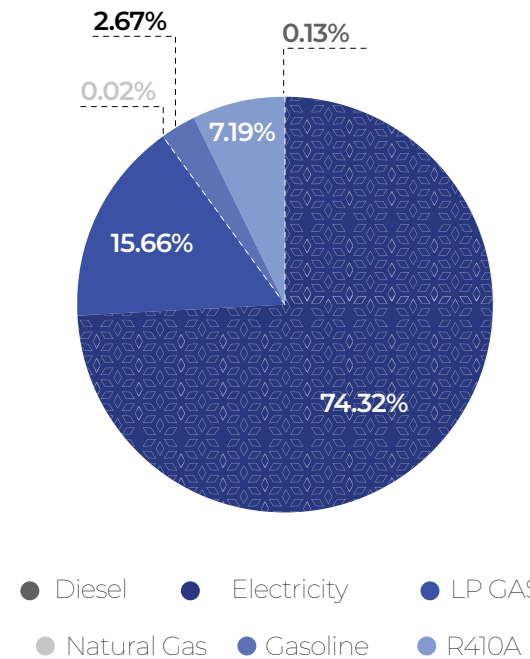
To perform a historical comparison, we analyzed the carbon intensity associated with the consumption of gaseous fuels (LPG and Natural Gas) and electricity since 2019.

In 2023, the carbon intensity related to these sources was 0.0086 ton CO₂e/ORN, a reduction of 2.27% over last year. Compared to the lowest efficiency year (2020), carbon intensity was reduced by 48.85%. Meanwhile, compared to the baseline year (2019), it was reduced by 36.89%.

For more information on the calculation of our carbon footprint, see our 2023 report by clicking [here](#) »

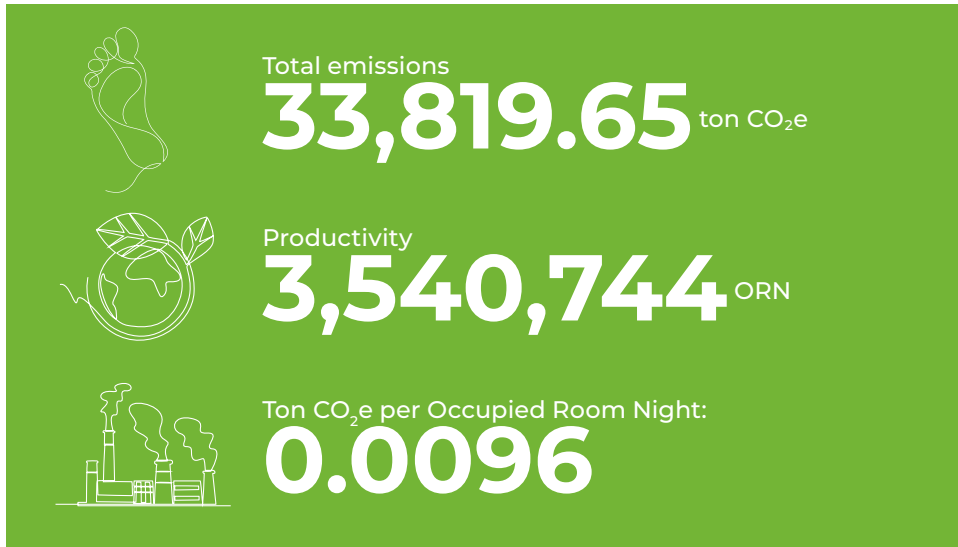
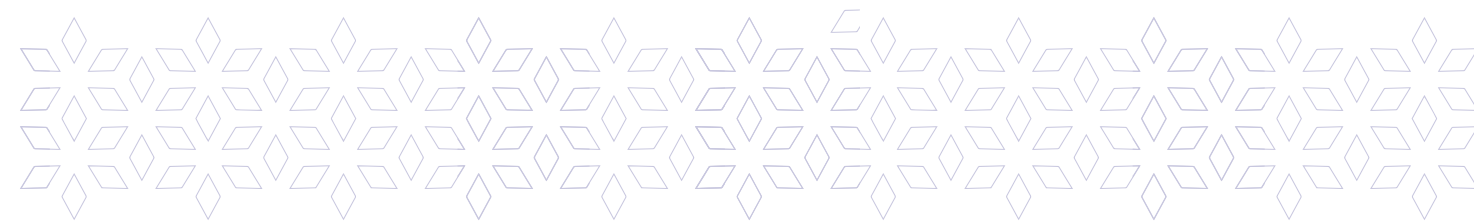
DISTRIBUTION BY ENERGY

Electricity consumption was the main source of emissions at Hoteles City in 2023, accounting for 74.32% of total emissions. This year, there was an 8.43% increase in electricity consumption compared to the previous year. The second largest source of emissions was LP Gas consumption, accounting for 15.66% of total emissions, reflecting the company's main operating activities.



TOTAL EMISSION INTENSITY

The total emission intensity resulting from the business operation is calculated based on Occupied Room Night (ORN), considering it as the denominator. This indicator includes all emissions generated by both Scope 1 and Scope 2, covering greenhouse gases previously identified in our reports.



Hoteles City's carbon intensity experienced a 5.49% increase compared to the previous year, mainly attributable to the inclusion of fugitive refrigerant emissions, which had not been considered in previous reports. However, focusing the analysis exclusively on the same traditional emission sources—Gasoline, Diesel, Natural Gas, LP Gas and Electricity—we can see a 2.20% decrease in carbon intensity compared to 2022.



City Express Plus by Marriott Tijuana

ENERGY EFFICIENCY

GRI 3-3, 302-1, 302-3 SASB SV-HL-130a.1 SASB – Energy Management SDG 7 Target: 7.3 Material Topic: Energy consumption and efficiency. COP: Principles 7, 8 and 9

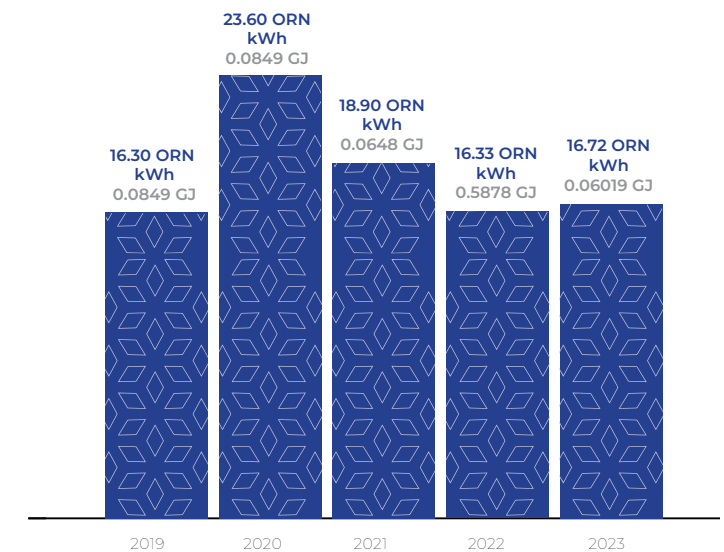


City Express Plus by Marriott Puerto Vallarta

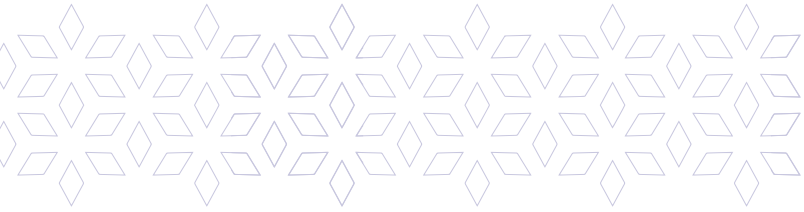
At the end of 2023, we experienced a 2.39% increase in energy consumption* per Occupied Room Night compared to the previous year**.

- We consistently monitor energy consumption in all of our properties, guaranteeing efficient and responsible management.
- We are fully compliant with local and national energy regulations, demonstrating our dedication to sustainability and industry best practices.

The data shown here is sourced from our internal records, guaranteeing that our information is accurate and transparent.



*The measurement of this energy is not broken down by heating and cooling.
 **Result obtained by the increase in hotel occupancy during 2023 with higher occupancy, the electricity consumed in rooms and public areas is distributed among a greater number of occupied rooms.



In Mexico, the Federal Electricity Commission (*Comisión Federal de Electricidad, CFE*) continues to be the exclusive supplier of the electricity consumed by Hoteles City, covering 100% of our energy needs. In Latin America, we select local energy suppliers, which vary by location, to ensure an efficient supply adapted to regional market conditions.

The following is a report of our electricity consumption by the end of 2023.



City Express Plus by Marriott Tijuana

REGION	AVERAGE KWH CONSUMPTION OCCUPIED ROOM NIGHT	ENERGY	
		KWH	GJ
METROPOLITAN	11.30	3,959.30	14,253.48
CENTRAL WEST	15.73	5,940,079	21,384.28
NORTHEAST	17.94	9,526,815	34,296.53
NORTHWEST	15.85	10,074,675	36,268.83
SOUTH	15.29	5,185,560	18,668.02
SOUTHEAST	17.77	8,776,515	31,595.45
PLUS CENTRO⁸	20.48	13,148,321	47,333.96
LATAM⁹	15.17	2,594,734	9,341.04
TOTAL	16.72	59,206,000	213,142



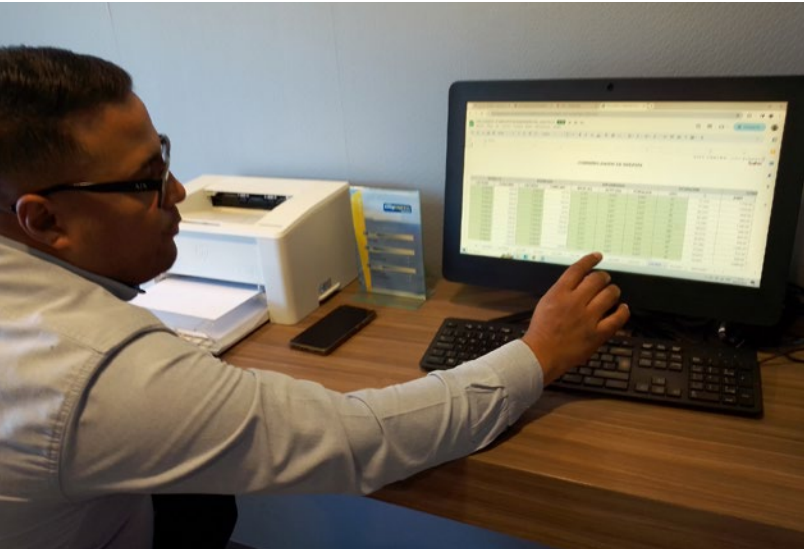
59,206,000 kWh
(213,142 GJ) annual electricity consumption

Since Hoteles City's inception, we have prioritized the incorporation of renewable energy as part of our long-term strategy. With the signing of a Power Purchase Agreement (PPA) at the end of 2019, we set out to transition to sustainable energy sources, reducing operating expenses and increasing our operations' eco-efficiency. This agreement is a key piece in our initiative to reduce our carbon footprint on at least 60% of our properties.

We currently face uncertainty about the long-term viability of these renewable energy sources due to the volatile nature of government policies, making consistent deployment difficult.

⁸ Plus Centro: Considers consumption of the City Express Plus by Marriott, City Express Suites by Marriott, and City Centro by Marriott brands in hotels located in Mexico.

⁹ LATAM: Considers the City Express Plus by Marriott, City Express by Marriott, City Express Junior by Marriott brands in hotels located in Costa Rica, Chile, and Colombia.



REMOTE MONITORING SYSTEM FOR CRITICAL SYSTEMS

At Hoteles City, we have implemented a predictive maintenance program supported by an advanced remote monitoring system. This system allows us to monitor the operation of essential equipment in machine rooms and air conditioning systems in real time, as well as the detailed monitoring of energy consumption. Our goal is to achieve greater operational efficiency.

Thanks to this technology, we can instantly identify energy consumption patterns and act quickly if there is any indication of overconsumption or irregularity in the operation of the equipment. This proactive response capacity is essential for resource optimization, allowing us to perform preventive or corrective maintenance at the right time, thus avoiding potential breakdowns. The system has been deployed in five of our hotels, and we are planning to expand it to the entire chain in the near future.



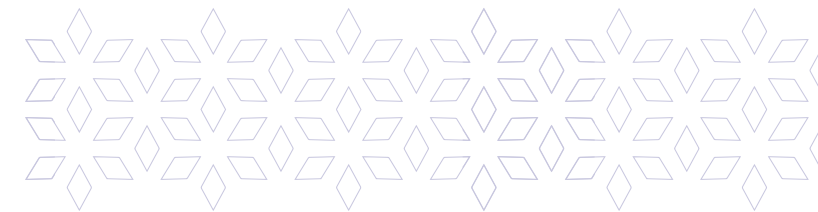
SOLAR HEATERS

SDG 7 Target: 7.2

Our use of solar heaters demonstrates our commitment to renewable energy. This technology not only reduces polluting emissions, but it also plays an important part in lowering our carbon footprint and reducing gas consumption. These actions demonstrate our commitment to sustainable and environmentally responsible practices.

In 2023, the City Express Plus by Marriott Mexicali and City Express Plus by Marriott Guadalajara Expo hotels operated with solar heaters, an eco-technology that has enabled them to save up to 30% in gas consumption, compared to other properties in the same area and with the same average occupancy rate.

The introduction of clean energy into our buildings is another step toward Hoteles City's sustainability goals. This initiative contributes to our ongoing efforts to deepen our commitment to the environment, expanding our portfolio of environmental measures.



GAS CONSUMPTION

SDG 7 Target: 7.3

At the end of 2023, we had a 9.64% increase in total gas consumption (LPG and Natural Gas) per Occupied Room Night compared to the previous year*. At the end of 2023, 43 hotels in the chain used natural gas, accounting for 28.5% of the properties.

Below is the breakdown of the total consumption by region, as well as the breakdown of the total consumption of LP Gas and Natural Gas:

In 2023, we used 3,124,501.12 liters of LP Gas (48.5%) and 3,313,270.00 liters of Natural Gas (51.4%), totaling 6,437,771.12 liters of gas.

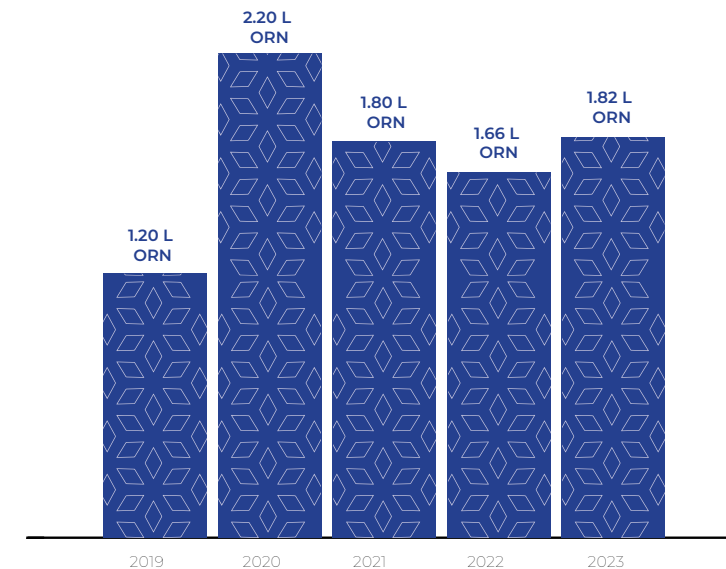
GAS CONSUMPTION BY TYPE (LITERS)					
REGION	AVERAGE CONSUMPTION OCCUPIED ROOM NIGHT	LP GAS (LITERS)		NATURAL GAS (LITERS)	
METROPOLITAN	1.92	280,334.60	42%	392,121.63	58%
CENTRAL WEST	1.39	447,541.00	85%	77,596.80	15%
NORTHEAST	2.01	439,474.08	41%	626,451.51	59%
NORTHWEST	1.70	544,381.57	50%	534,729.43	50%
SOUTH	1.23	418,205.67	100%	0.00	0%
SOUTHEAST	0.99	488,353.50	100%	0.00	0%
PLUS CENTRO ¹⁰	2.45	478,581.70	30%	1,091,710.36	70%
LATAM ¹¹	3.61	27,629.00	4%	590,660.27	96%

*The increase in consumption is due to an increase in hotel occupancy. With higher occupancy, the gas consumed in rooms and public areas is distributed among a greater number of occupied rooms

The increase in gas consumption per Occupied Room Night in 2023 over 2019, is 51.67%. This increase is associated with the rise in occupancy recorded during the year, considering that our water heating and recirculation systems operate continuously to guarantee that water provided throughout our hotel chain is immediately available and at a standard temperature.



Figures for total gas consumption per Occupied Room Night at the end of 2023 are broken down below:



- LP: Liquefied Petroleum Gas.

- Natural Gas: A mixture of simple hydrocarbons composed mainly of methane.

¹⁰ Plus Centro: Considers consumption of the City Express Plus by Marriott, City Express Suites by Marriott, and City Centro by Marriott brands in hotels located in Mexico.

¹¹ LATAM: Considers the City Express Plus by Marriott, City Express by Marriott, City Express Junior by Marriott brands in hotels located in Costa Rica, Chile, and Colombia.

WATER CONSERVATION

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

In a context where water is an increasingly valuable resource, we reaffirm our commitment to its conservation, protection and responsible use. To ensure water efficiency, the properties we manage are equipped with eco-technologies and feature innovative processes for daily activities.

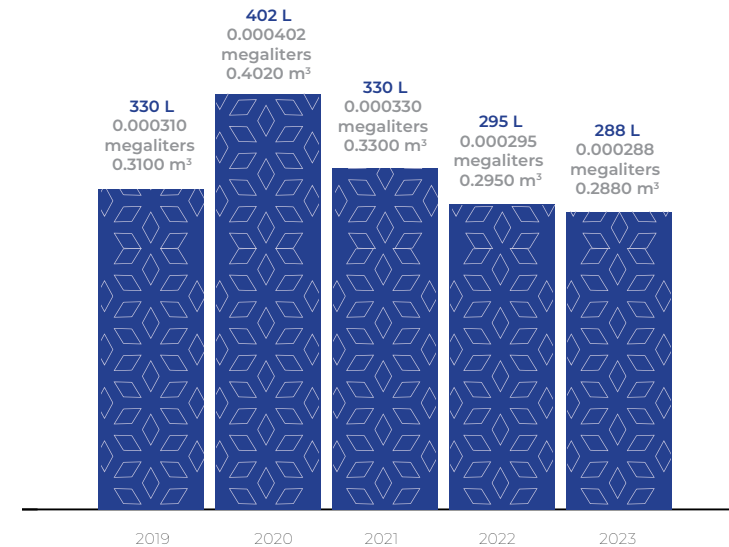


City Express Plus by Marriott Mexicali

Water use is monitored on a daily basis through accurate records, with both the main meter and supplementary meters placed in critical areas such as the machine room and the laundry. Water is supplied to our properties through the municipal network and, in some areas, through tanker trucks or our own wells.

We continued to reduce water consumption in 2023, cutting it by 2.37% compared to 2022. This downward trend is also reflected in a 28.3% reduction compared to 2020, marking significant progress in our commitment to sustainability. We will continue to work to optimize the use of this crucial resource, thereby reinforcing our environmental responsibilities and improving our conservation measures.

WATER USE (OCCUPIED ROOM NIGHT)



At the end of 2023, we achieved a 2.37% reduction in water use per Occupied Room Night compared to 2022.



City Express Plus by Marriott Mérida

In 2023, total water use was 1,019,943,000 liters, equivalent to 1,019,943 m³ and 101.9 megaliters.

WATER STRESS ANALYSIS

GRI 3-3, 303-3 SASB SV-HL-140a.1 SASB – Water Management Material topic: Climate, social, environmental and economic risk management. **COP:** Principles 7, 8 and 9

We remained committed to monitoring water stress at our hotel locations in Mexico during 2023.

We have focused on detecting areas of high water stress in order to efficiently manage the associated environmental risks and adopt advanced water management strategies. Our goal is to reduce consumption and environmental impact, optimizing operations and ensuring that our guests enjoy an eco-conscious stay, especially in critical water-scarce regions.

WATER USE BY REGION (OCCUPIED ROOM NIGHT)

REGION	CONSUMO DE AGUA		
	LITERS	MEGALITERS	M ³
METROPOLITAN	176	0.000176	0.176
CENTRAL WEST	374	0.000374	0.374
NORTHEAST	263	0.000263	0.263
NORTHWEST	291	0.000291	0.291
SOUTH	240	0.000240	0.240
SOUTHEAST	374	0.000374	0.374
PLUS CENTRO ¹²	281	0.000281	0.281
LATAM ¹³	267	0.000267	0.267

¹² Plus Centro: Considers consumption of the City Express Plus by Marriott, City Express Suites by Marriott, and City Centro by Marriott brands in hotels located in Mexico. ¹³ LATAM: Considers the City Express Plus by Marriott, City Express by Marriott, and City Express Junior by Marriott brands in hotels located in Costa Rica, Chile, and Colombia.

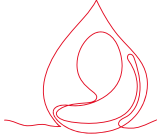




City Centro by Marriott Oaxaca

HOTELS LOCATED IN AREAS WITH WATER STRESS

According to the water stress analysis conducted in 2023, we included the percentage of hotels located in areas classified* as having absolute scarcity, water scarcity and water availability.

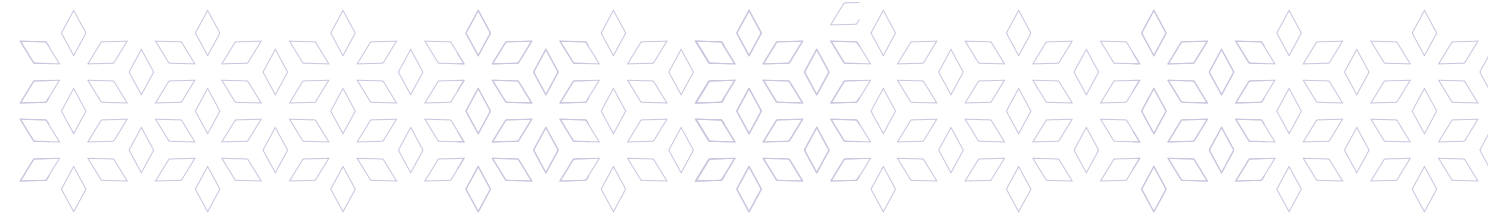


-  **78%**
Absolute scarcity
-  **10%**
Water scarcity
-  **12%**
Water availability

*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).



City Express Plus by Marriott, Ensenada



WATER WITHDRAWAL

The following data shows our chain's surface water and groundwater withdrawals in 2023, broken down by region.

REGION	% HOTELES	WATER COMING FROM THE MUNICIPAL DISTRIBUTION NETWORK AND TANKER TRUCKS (ML)	GROUNDWATER WELL (ML)	TOTAL (ML)	WATER WITHDRAWN RATIO (%)
METROPOLITAN	11%	61.63	0	6.16	6%
CENTRAL WEST	13%	141.07	0	14.11	14%
NORTHEAST	15%	13991	0	13.99	14%
NORTHWEST	16%	184.18	0.82	18.50	18%
SOUTH	11%	76.71	4.73	7.67	8%
SOUTHEAST	12%	149.48	35.32	14.95	18%
PLUS CENTRO¹⁴	19%	176.43	4.05	17.64	18%
LATAM¹⁵	4%	45.63	0	4.56	4%
TOTAL	100%	975.03	44.92	97.58	100%

ML: Megaliter

¹⁴ Plus Centro: Considers consumption of the City Express Plus by Marriott, City Express Suites by Marriott, and City Centro by Marriott brands in hotels located in Mexico.

¹⁵ LATAM: Considers the City Express Plus by Marriott, City Express by Marriott, City Express Junior by Marriott brands in hotels located in Costa Rica, Chile, and Colombia

WATER WITHDRAWAL IN WATER-STRESSED AREAS

By the end of 2023, we identified that 72% of our water supply came from regions with absolute water scarcity. In contrast, the remaining 28% was extracted from areas where there is no absolute scarcity.

Below, we break down the water extraction by region, highlighting the differences between areas of high water stress and those where there is no absolute scarcity.

REGION	TOTAL WATER EXTRACTED BY REGION FOR HOTELS LOCATED IN AS AREAS (ML)	PROPORTION OF WATER EXTRACTED FROM AS AREAS (%)	PROPORTION OF WATER EXTRACTED FROM WAS AREAS (%)
METROPOLITAN	6.16	100%	0%
CENTRAL WEST	11.74	78%	22%
NORTHEAST	12.31	88%	12%
NORTHWEST	18.50	100%	0%
SOUTH	15.95	57%	43%
SOUTHEAST	4.76	4%	96%
PLUS CENTRO¹⁶	1.09	87%	13%
TOTAL	70.52	72%	28%

ML: Megaliter / AS: Absolute Scarcity / WAS: Without Absolute Scarcity

¹⁶ Plus Centro: Considers consumption of the City Express Plus by Marriott, City Express Suites by Marriott, and City Centro by Marriott brands in hotels located in Mexico.

At Hoteles City, we demonstrate our efficiency and commitment to water sustainability through responsible practices and advanced technologies:

- We currently rely on low-water consumption devices that allow us to effectively manage water in our daily operations. In addition, we have water treatment systems that reinforce our strategy for conserving this essential resource.

- In line with our monitoring and control strategy, we have meters at key points that allow for accurate monitoring of water use, ensuring an immediate response to any deviation from optimal consumption.
- We have water-saving devices in common points of use, such as sinks, showers and toilets, which translates into significant savings during our guests' stay.
- We constantly optimize the cleaning processes of rooms and common areas, using biodegradable products that reduce our environmental impact. Furthermore, we ensure that laundry procedures are carried out as efficiently as possible, with full loads.
- To reduce waste, we operate our irrigation systems following particular schedules, and we perform monthly checks and preventive maintenance in our facilities to prevent and detect leaks.
- We have 14 wastewater treatment plants designed to promote efficient sanitation with a significant treatment capacity, reflecting our dedication not only to meet but also to exceed environmental standards.
- These efforts are fundamental to our sustainability objectives and demonstrate our ongoing commitment to saving water, a key resource, for future generations.

We have set ourselves clear objectives for 2022-2025, which include:

- Monitor drought intensity every six months in every region where we operate, which is critical to properly manage water supply risk.
- Continuously assess and adopt new technologies and methods to optimize water management within our facilities while maintaining our guests' comfort.
- To ensure water efficiency, we constantly monitor water use in each of our hotels, identifying abnormalities and implementing remedial actions.

These initiatives represent our dedication to conserving resources and protecting the environment while maintaining the highest level of service quality.

WASTE MANAGEMENT

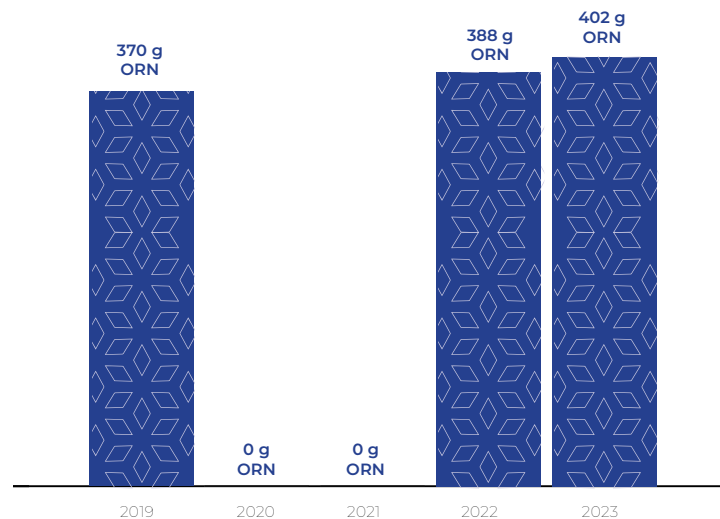
GRI 3-3, 306-4 SDG 12 Target: 12.5 COP: Principles 7 y 8

At HotelesCity, we encourage our staff and visitors to participate in environmental policies and recycling programs.

We follow uniform procedures for collecting, sorting, and documenting waste produced by our operations throughout our operations. This waste is responsibly delivered to authorized waste collectors that comply with all current environmental regulations.

We persevere in our staff's training in Integrated Waste Management (IRM), ensuring the effectiveness of our sorting and measurement procedures. We continue to explore

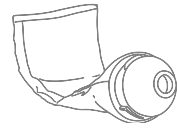
Learn about our Waste Management policy [here](#) »



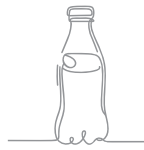
WASTE CLASSIFICATION PER OCCUPIED ROOM NIGHT



39%
organic



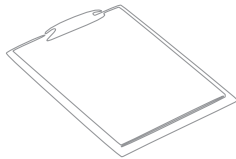
3%
aluminum



9%
pet



2%
glass



8%
paper and cardboard



39%
inorganic

AVERAGE WASTE GENERATION BY REGION

REGION	2023 (GRAMS PER OCCUPIED ROOM NIGHT)
METROPOLITAN	0.424
CENTRAL WEST	0.394
NORTHEAST	0.391
NORTHWEST	0.388
SOUTH	0.415
SOUTHEAST	0.406
PLUS CENTRO ¹⁷	0.409
LATAM ¹⁸	0.411

¹⁷ Plus Centro: Considers consumption of the City Express Plus by Marriott, City Express Suites by Marriott, and City Centro by Marriott brands in hotels located in Mexico.

¹⁸ LATAM: Considers the City Express Plus by Marriott, City Express by Marriott, and City Express Junior by Marriott brands in hotels located in Costa Rica, Chile, and Colombia.



We are committed to sustainability and community well-being and actively participate in recycling events and collect plastic caps. We also reinforced our volunteer program and donated bed linens to different charitable institutions. This initiative not only supports local communities but also contributes to extending the lifespan of these textiles.

As a result, we reduce waste in landfills while also mitigating the environmental impact of new material production.

Our actions reflect a continuous effort to operate more responsibly, as well as a strong commitment to environmental and social responsibility.

BIODIVERSITY PROTECTION

GRI 3-3, 304-1, 304-2 **SASB** SV-HL-160a.1 **SASB** - Ecological Impacts **SDG** 15 **Target:** 15.1 **Material topic:** Biodiversity management and habitat protection at the destination, and preservation of natural heritage. **COP:** Principles 7 and 8

“

At the end of 2023, we had a total of 13 hotels located near or in any of these areas, accounting for 8.5% of the total hotels

”



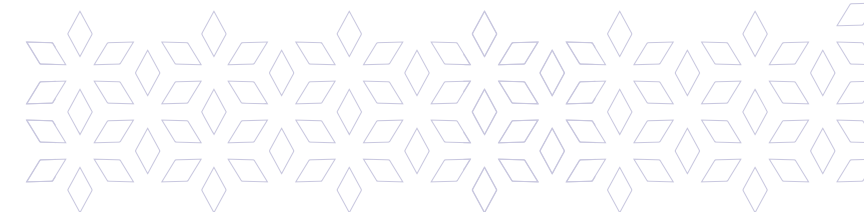
IMPACT ON OPERATIONS

Authorities have classified Hoteles City's activities as having an adverse but not significant environmental impact, indicating that our operations are in line with the local environment.

We are committed to biodiversity protection in Mexico, thus we take appropriate efforts to mitigate any negative impact of our operations on natural processes in the areas where we operate.

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*).

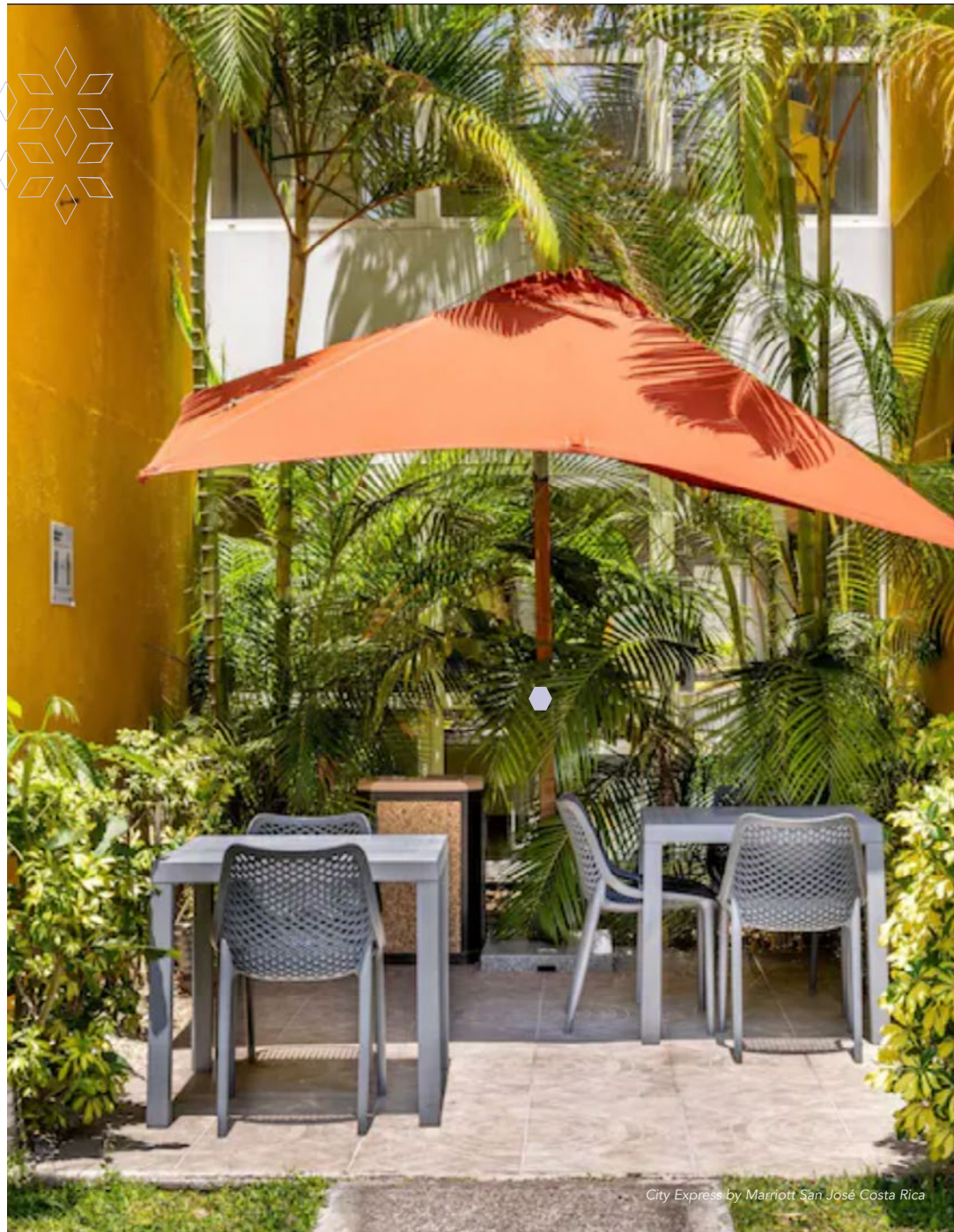


HOTELS NEAR OR IN PROTECTED RESERVE AREAS:

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



City Express by Marriott San José Costa Rica

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

LAND TYPE CLASSIFICATION OF HOTELS LOCATED IN PROTECTED RESERVES



20%
leased (3)



20%
co-invested (3)



53%
wholly owned (8)



7%
managed (1)

Notes:

The location of the hotels can be found at the following link: <https://www.cityexpress.com>
100% of the operation type is classified as hotel.

Biodiversity value (attributes of the protected area) is classified as: terrestrial ecosystem. None of the hotels are located in areas that appear on special biodiversity watch 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 the destination. **COP:** Principles 7 and 8.



Once again, we teamed up with **Pronatura Noroeste A.C.** to protect biodiversity and support local communities in northwestern Mexico. Our actions have been aimed at maintaining the region's natural wealth and integrating communities into the conservation process. Below are some of the initiatives we support:

SUSTAINABLE FISHING

SDG 14 Target: 14.4

We work with the Baja California Peninsula's fishing communities to evaluate and support the adoption of fishing practices that ensure the sector's long-term viability and marine environment conservation. During this period, we supported fishermen in obtaining their resources with sustainable fishing gear, allowing them to take ownership of conservation and fishery improvement projects.

WATER, AVAILABILITY AND SANITATION

SDG 6 Targets: 6.4, 6.6

We are making progress in the construction of the Guadalupe Victoria wastewater treatment plant in Mexicali, B.C. This plant, together with an artificial wetland, will allow the treatment and reuse of water for productive activities such as cactus cultivation, **directly benefiting 21,000 inhabitants** of the Guadalupe Victoria community. Additionally, we have been able to conserve and restore 400 hectares of critical wetlands in Marismas Nacionales, Nayarit, protecting the habitat of diverse species of flora and fauna and ensuring **environmental benefits for 1,400 local residents**. These projects reinforce our commitment to sustainable water management and the conservation of key ecosystems.



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

© Alejandro Castillo



300
fishermen benefited



70
cooperative members

ENVIRONMENTAL EDUCATION AND AWARENESS

SDG 13 Target: 13.3

We contribute to the creation of educational programs that raise awareness about marine conservation and the harmful effects of plastics on the ocean. Our educational campaign “Por un Mar libre de plásticos” (For a Plastic-Free Sea) has reached over **178 people**, inspiring them to become environmental leaders in their communities.

ECOSYSTEMS AND ENVIRONMENTAL SERVICES CONSERVATION

SDG 15 Target: 15.4

We safeguard and manage ecological reserves in Bahía Santa María and Laguna San Ignacio, B.C.S., and seek to certify other conservation areas in Sinaloa. Conserving these places is crucial for oxygen production and the preservation of pristine landscapes that support wildlife and ecosystem services.

ECOLOGICAL RESTORATION AND REFORESTATION

SDG 15 Targets: 15.2 and 15.5

We made progress in ecosystem restoration by planting native species and reforesting key areas. Our efforts in the Tijuana River concession and the Colorado River Delta project aim to offset CO2 emissions and restore natural habitats. Within the Tijuana River concession for environmental protection and conservation, we **planted over 1,500 native trees across 3 hectares**. This represents 30% of the final goal.

DEVELOPMENT OF THE ARROYO SAN MIGUEL INTERPRETIVE TRAIL AND MANGROVE RESTORATION IN COLIMA

SDG 15 Target: 15.5

In 2023, we made progress on the Arroyo San Miguel interpretive trail project, working with authorities and developing a technical plan that includes conservation measures. The project supports advancements in the characterization of local biodiversity, as well as actions like trail cleaning and educational sign installation. At the same time, we worked on mangrove restoration in Cuyutlán, Colima, as well as the formalization of the Cuyutlán Lagoon as a protected area, with particular emphasis on the installation of the MOTUS station for bird monitoring, reaffirming our dedication to environmental conservation and education.





espacios naturales
y desarrollo sustentable

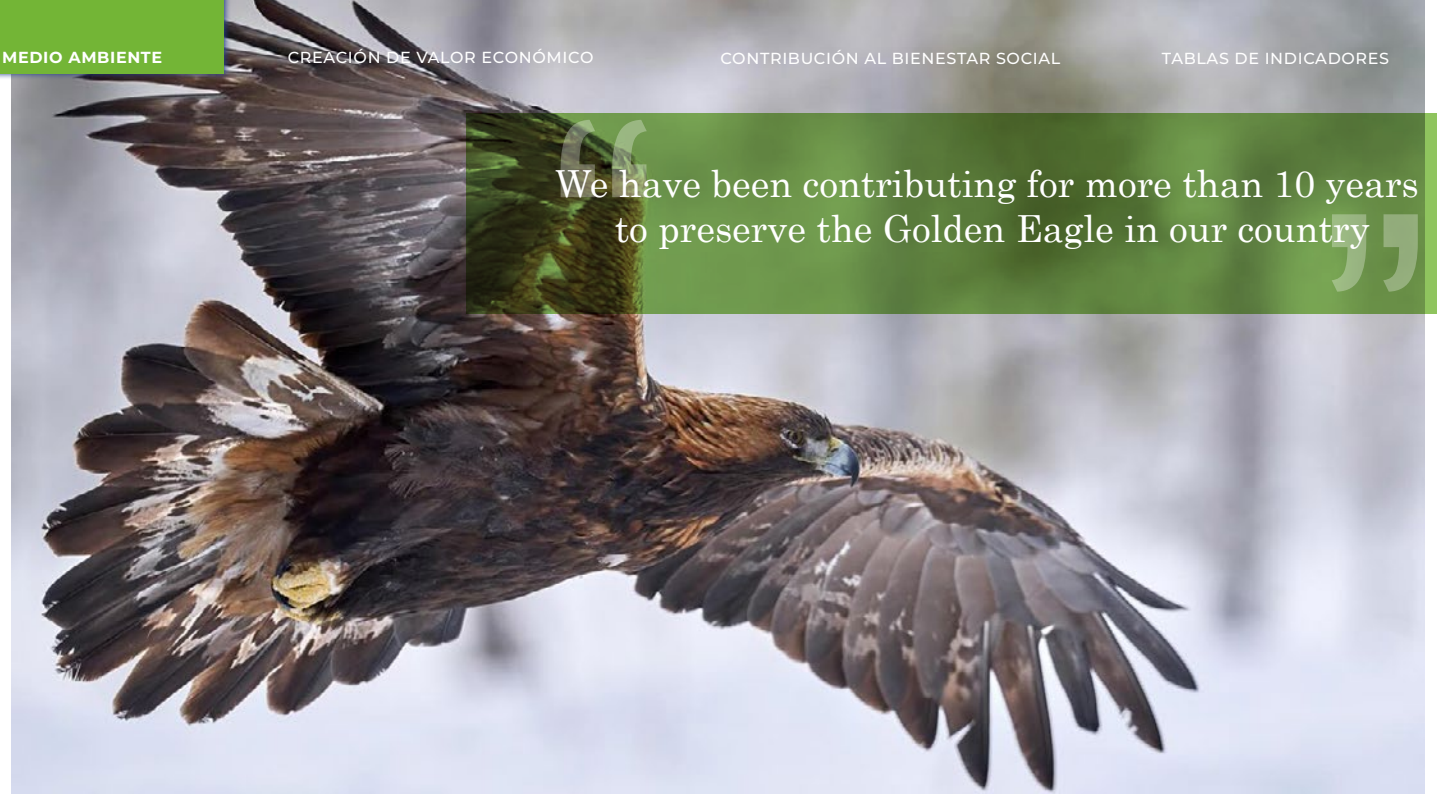
RECOVERY OF GOLDEN EAGLE POPULATIONS AND ITS HABITAT IN MEXICO

SDG 15 Target: 15.5

This program is an in-depth strategy for countering the negative consequences of human activities, such as overgrazing and erosion, that endanger the golden eagle and its natural environment. Our work with *Espacios Naturales y Desarrollo Sustentable* (ENDESU) is oriented towards the restoration of grasslands and the protection of key species. The project involves the local community in conservation efforts, with the aim of preserving biodiversity and ensuring sustainable development. Below are some key components of the program:

- Implementing community agreements to define brigade members.
- Theoretical and practical workshops on climate change topics.
- Identification and monitoring of flora and fauna species of interest.
- Documenting the presence of golden eagle pairs.
- Locating active nests.
- Measuring the surface of nesting sites.
- Systematization of data on nesting territories and hunting areas.

These activities, framed within our recovery program, reflect a holistic and community-based approach to environmental conservation, highlighting the importance of the golden eagle and the Mexican plains dog as umbrella species for the protection of the grassland ecosystem in Zacatecas.



We have been contributing for more than 10 years to preserve the Golden Eagle in our country

Our alliance with ENDESU also includes the following actions:

STRENGTHENING OF AMERICAN OYSTER AQUACULTURE IN MECOACÁN

SDG 14 Target: 14.2

In 2023, we further developed the pilot project for the American oyster (*Crassostrea virginica*) aquaculture in the Mecoacán lagoon, Paraíso, Tabasco. The project aimed to strengthen the technical capacities of local cooperative societies to promote the appreciation of intensive oyster farming and the use of innovative technology to continue its cultivation.

ECOLOGICAL RESTORATION IN VERACRUZ

SDG 15 Targets: 15.1 and 15.5

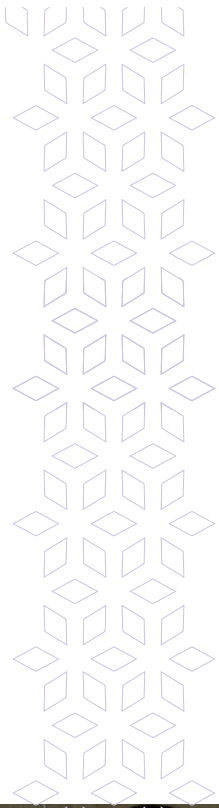
This year, we recorded progress in ecological restoration in Veracruz's Los Tuxtlas Biosphere Reserve, highlighting the transformation achieved through a sustainable silvopasture and beekeeping project that began 14 years ago.

Reforestation **with native fruit species on an 18-hectare property was documented.** It is now a flourishing ecosystem that supports shade coffee and wild grape wine, highlighting the positive impact of ecological restoration on the local economy and environmental conservation.

CALIFORNIA CONDOR RECOVERY IN MEXICO

SDG 15 Target: 15.5

Hoteles City provided accommodation for the ENDESU team to participate in the Mar de Cortés Forum in Los Cabos, where they had the opportunity to share about the recovery of the California Condor in Mexico and present the "Adopta un Cóndor" (Adopt a Condor) campaign. This initiative encourages donations to support the program, strengthening the link between the business community and the conservation of this emblematic species.



SDG 6 Targets: 6.1, 6.2

We collaborated with Fundación Tarahumara on the Water Security project, which aims to ensure water access for the Sierra Tarahumara communities in Chihuahua. A number of initiatives were taken, including basin management training, the development of water collecting and storage infrastructure, and the promotion of community management. These efforts aimed to meet basic health and development needs.

Goals achieved in 2023:



70

Liters of water provided per person per day



18

Communities benefited by 21 projects consisting of installing distribution systems with water purification filters.



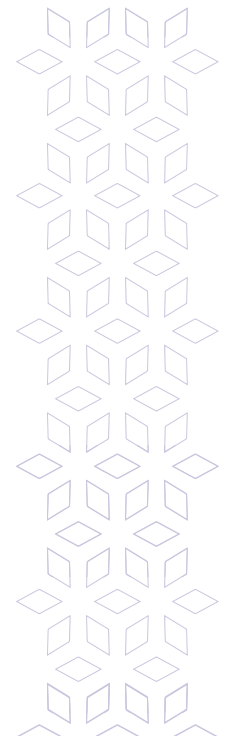
20

Community workshops with 109 participants



61

Training hours





SDG 13 Target: 13.3

Hoteles City joined Reforestamos Mexico A.C.'s "Environmental Education for Sustainable Landscape Management" project by donating room nights for its team. This sponsorship supported key activities in several states, such as Jalisco and Nuevo Leon, focused on training and strengthening community environmental management. Achievements included:

- Congress on arboriculture in Toluca, directly benefiting professionals and expanding knowledge on urban tree management.
- Participation in the System +B Meeting in Monterrey, which provided important insights into company sustainability.
- Attendance to the Mexico Carbon Forum in Querétaro, deepening on decarbonization strategies and carbon markets.
- Producing entrepreneurial capsules in Sinaloa and promoting youth sustainability projects.
- Field visits in Coahuila, delivering workshops to communities on sustainable forestry practices and resource management.

This project stood out for its focus on environmental education, resource conservation, and the promotion of sustainable development, all while benefiting communities and encouraging cross-sector collaboration.



SOCIAL AND ENVIRONMENTAL INNOVATION MEETING

SDG 13 Target: 13.3, SDG 11 Target: 11.7, SDG 15 Target: 15.1

In collaboration with **ECOPIIL, Arte Crea Conciencia A.C.**, we held the fourth National Meeting on Social Innovation and Environmental Leadership in Boca del Río, Veracruz. This initiative trained young people from six Mexican states in entrepreneurship and environmental leadership. Projects included the connection of the Motmot house with the Cerro de la Galaxia ANP in Xalapa, improvements to trails and forest spaces, and the creation of biocultural murals in Acatlán.

We also **cleaned the Arroyo Moreno mangrove swamp and conducted bird monitoring**, collecting 166 kg of waste and advancing 500 m on trails.



40

Changemakers participated



5

Environmental workdays



32

Training hours, strengthening their skills in leadership and innovation under a circular economy approach.

INITIATIVES THAT LEAVE A MARK

In 2023, 66.2% of our hotels actively participated in environmental and community initiatives, representing an 8% increase in volunteer participation over 2022. We continue to integrate our sustainability strategy into our hotels' daily operations, committing to high-impact projects in the communities and environments where we operate, in order to offset our environmental footprint.



“ Our participation increased by 8% over 2022. ”

PARTICIPATION IN EARTH HOUR

SDG 13 Target: 13.3

Once again, Hoteles City joined the global electricity shutdown, reaffirming our commitment to raising awareness about climate change and the importance of individual actions to protect our planet.

ENVIRONMENTAL IMPACT VOLUNTEERING

SDG 15 Target: 15.2

Our Environmental Volunteering initiative continues to encourage local participation in environmental conservation, focusing on reforestation, tree maintenance, waste collection, and the preservation of natural habitats and marine life.



100

participating hotels



989

volunteers



16

allied organizations



187

volunteer hours allocated



3.80

tons of waste collected



300

trees prepared for planting in the Sierra de Zapalinamé, Saltillo



Participation in beach clean-ups and park restoration in different locations

RESPONSIBLE TOURISM

SDG 8 Target: 8.9 **SDG 12 Target:** 12.b **SDG Target:** 11.4 **Material topic:** Biodiversity management and habitat protection at the destination.

We have increased our commitment to responsible tourism, which seeks to not only mitigate but also eliminate the negative effects from our activities while maximizing benefits in the communities where we operate.






We collaborate with various high-impact organizations, such as the Responsible Tourism Institute (*Instituto de Turismo Responsable, ITR*), the World Tourism Organization (UNWTO) and the United Nations Global Compact (UNGC) to advance programs that allow to:

- Educate and motivate our team on the fundamentals of Responsible Tourism.
- Encourage the active integration of employees and guests in environmental, cultural and socio-economic initiatives that enrich community life.
- Significantly reduce waste generation and consumption of energy, water and non-renewable resources.
- Promote innovation and entrepreneurship projects that drive local economic growth both directly and indirectly.
- Guarantee our stakeholders' full satisfaction through sustainable management, in strict compliance with health and safety standards.



In addition, through our Responsible Traveler Decalogue, we encourage our customers to adopt beneficial attitudes for the community and the environment during their stay, reaffirming our commitment to environmental conservation and respect for the communities that welcome us.

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 correctly sorting it in the containers
-  **4** For stays longer than two 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, without engaging in discriminatory activities.
-  **9** Promote decent and fair working conditions that respect workers' rights.
-  **10** Enjoy experiences that respect the natural habitat of wildlife and plants

SUSTAINABLE PROCUREMENT

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

We focus on consolidating a supply chain that aligns with sustainability and social responsibility standards. This is why we perform audits to ensure that all the materials used comply with the guidelines of our sustainable procurement policy, thus ensuring compliance with and the integrity of our environmental commitments.



60

proveedores son dedicados a la construcción



227

are strategic suppliers *



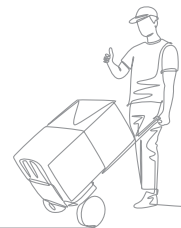
292

suppliers participated in a bidding process during 2023



10,249

total suppliers, of which 8,810 fall in the category of suppliers essential for our operation



860

new suppliers joined our catalogs as service and product providers in 2023, complying with the environmental criteria set forth in our sustainable procurement policy.



99%

are national suppliers, operating in the locations closest to our facilities. Only 1% are foreign suppliers **

*Strategic suppliers are those who provide goods, materials, and services, as well as large-volume suppliers that have a significant impact on our operations.

**National suppliers are those who are based in the countries where we operate.





SUPPLIER CLASSIFICATION BY SECTOR TYPE

- **8.3% Primary sector:** Focuses on productive activities that extract and provide raw materials, such as agriculture, livestock, fishing, forestry, and mining.
- **28.3% Secondary sector:** Focuses on the transformation of raw materials, extracted or produced by the primary sector, into consumer products or capital goods.
- **63.4% Tertiary sector:** Focuses on goods and services.

DATA BY CATEGORY	TOTAL SUPPLIERS BY CATEGORY	TOTAL STRATEGIC SUPPLIERS	EXPENDITURE %	% OF TOTAL PROCUREMENT EXPENDITURE
Food & Beverages	853	17	12%	7%
Equipment	494	12	7%	11%
Maintenance	1,266	32	10%	5%
Supplies	1,434	30	19%	9%
Services	5,593	136	52%	20%

SUPPLIER BIDDING

GRI 204-1, 308-2

Hoteles City maintains an open and transparent bidding process for the construction and reconditioning of our new facilities. This procedure evaluates key criteria to ensure the integrity and sustainability of our operations:

- **Ethical Commitment:** We select suppliers that engage in ethical business practices and conduct.
- **Environmental Protection:** We prioritize those who implement effective environmental conservation strategies.
- **Economic Competitiveness:** We value proposals that offer the best value for money, optimizing the use of resources.

- **Social and Economic Benefit:** We consider the positive impact on the communities where we operate, promoting local hiring and community development.
- **Compliance:** All our suppliers must adhere to and comply with our Sustainable Supplier and Procurement Policy.
- **Adherence to the Code of Ethics:** 100% of our suppliers know and are committed to our Code of Ethics, ensuring a reliable and responsible supply chain.

To learn about our Sustainable Supplier Policy [here](#) »

TOTAL ADHERENCE TO ENVIRONMENTAL LEGISLATION

At Hoteles City, we strictly comply with all environmental laws and regulations. By the end of 2023, we had zero fines or sanctions related to environmental non-compliance, showing our commitment to a responsible and sustainable operation.

GRI 3-3, 2-27



HOTELS LOCATED IN FLOOD ZONES

SV-HL-450a.1 **SASB** - Adaptation to Climate Change



City Express by Marriott La Paz

Three years ago, we conducted a detailed analysis to assess our hotels' vulnerability to flood risk in Mexico, integrating the municipal risk atlases provided by the National Center for Disaster Prevention (*Centro Nacional de Prevención de Desastres*, CENAPRED). It was determined that 23.6% of our operations, accounting 35 properties, were located in moderate risk areas.

In LATAM, we identified that five of our six hotels face a high risk of flooding, based on regional civil protection plans, which represents 3.9% of our hotels in Mexico. These are distributed as follows

- Baja California Sur: 3 hotels
- Oaxaca: 2 hotels
- Nayarit: 1 hotel

All of our hotels have an internal civil protection plan in place to help prevent and manage multiple risks, including floods. We remain committed to monitoring any changes in these risks.

CLIMATE CHANGE RISKS AND OPPORTUNITIES STUDY

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

In 2023, Hoteles City updated its climate change-related risk and opportunity analysis, following the structure outlined by the Task Force on Climate-Related Financial Disclosures (TCFD). This analysis began with a sample evaluation of 16 hotels with the highest commercial relevance in 2019, distributed throughout five regions of the country.

The risks identified for each hotel include physical and transitional factors. This evaluation covered several key aspects, such as:

- Hoteles City's climate management practices and trends in the hotel industry.
- Identification of physical and transitional risks affecting operations
- Analysis based on future climate scenarios.
- Establishment of risk assessment criteria.
- Recognition of opportunities arising from climate change.
- Prioritization of identified risks.

Among the main physical risks, heat waves, cold waves, intense rainfall, floods and water stress stood out.

Transition risks include the imposition of carbon taxes, stricter energy efficiency standards, changing customer perceptions of sustainability, access to low-emission energy, volatility in fossil fuel prices, the development



City Express Plus by Marriott Mérida

speed of efficient technologies, and regulatory and social changes caused by water scarcity.

The climate change-related opportunities identified include:

- Installing electric self-consumption technology.
- Implementing cold roofs to lower the energy demand for cooling.
- Using alternative heating technologies.
- Plans to replace fuels on mobile sources such as biofuels or electric cars.
- Strategic partnerships to promote low-emission mobility technology and efficiency in thermal conditioning.
- Increasing hotels' environmental certification to improve their competitive positioning.

This study underscores Hoteles City's commitment to sustainability, preparing the chain to meet the challenges and capitalize on the opportunities posed by climate change.

To learn about the development and updating of the analysis, click [here](#) »



Creating
economic value



PRINCIPLES DE COP:

- **Principle 1.** Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.
- **Principle 6.** Businesses should support the elimination of discrimination in respect of employment and occupation
- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

GROWTH

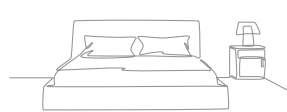
SDG 9 Target: 9.2

In 2023, thanks to our commitment to maintaining the highest quality standards in our hotels, we will exceed our guests' expectations.

We are a company with more than 22 years of experience in the hotel sector in Mexico and Latin America. We are dedicated to providing comfort, security and convenience in each of our hotels.

Throughout 2023, we continued to innovate in services and upgrade facilities to provide our visitors with an exceptional experience. Personalized attention is our hallmark, as we believe that providing a welcoming atmosphere is a guarantee of a pleasant stay

AT YEAR-END 2023, WE OPERATED WITH:



17,503
rooms



75
cities



30
Mexican states



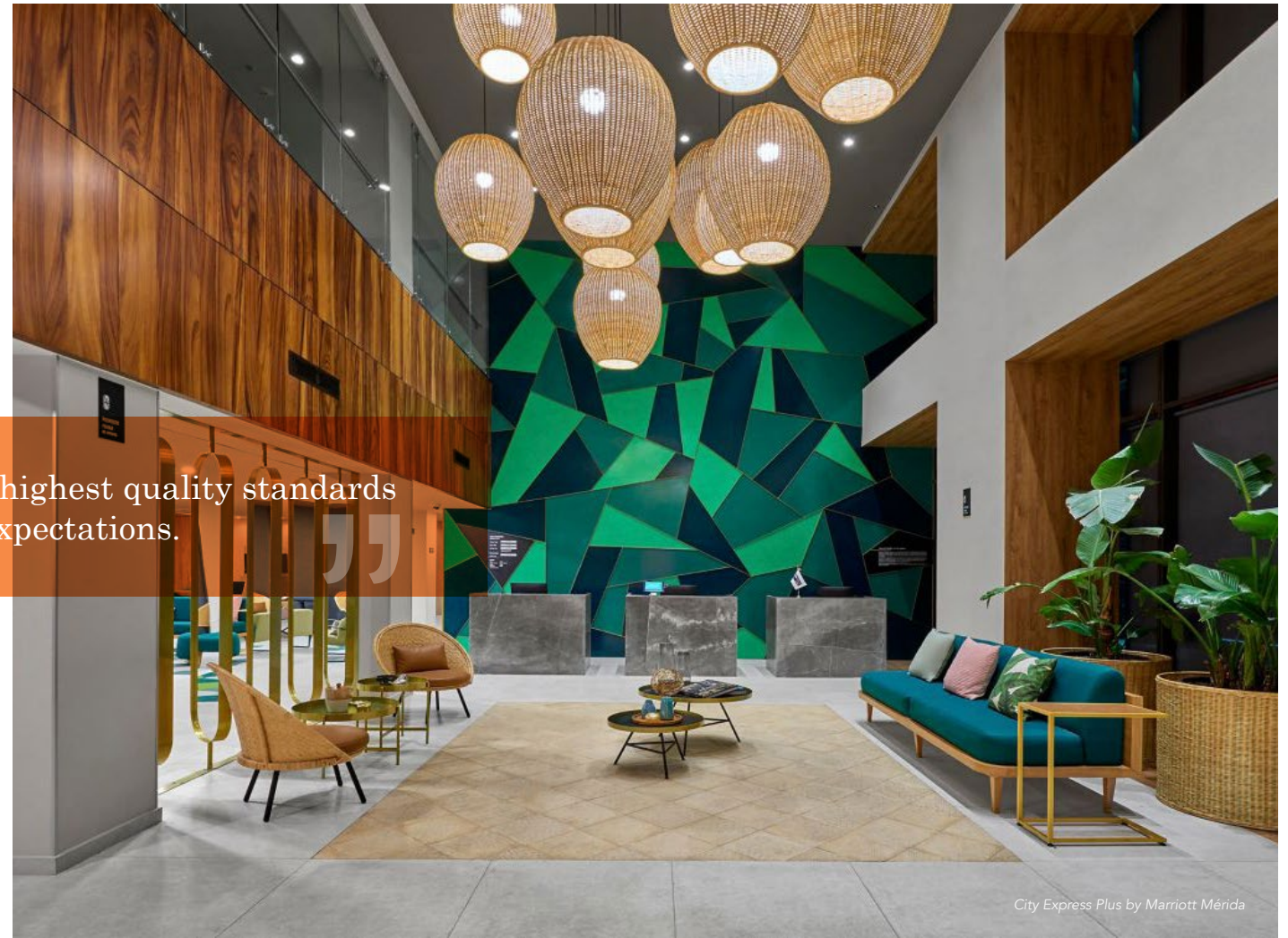
152
hotels



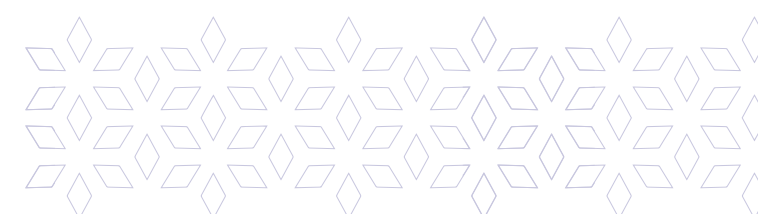
4
countries

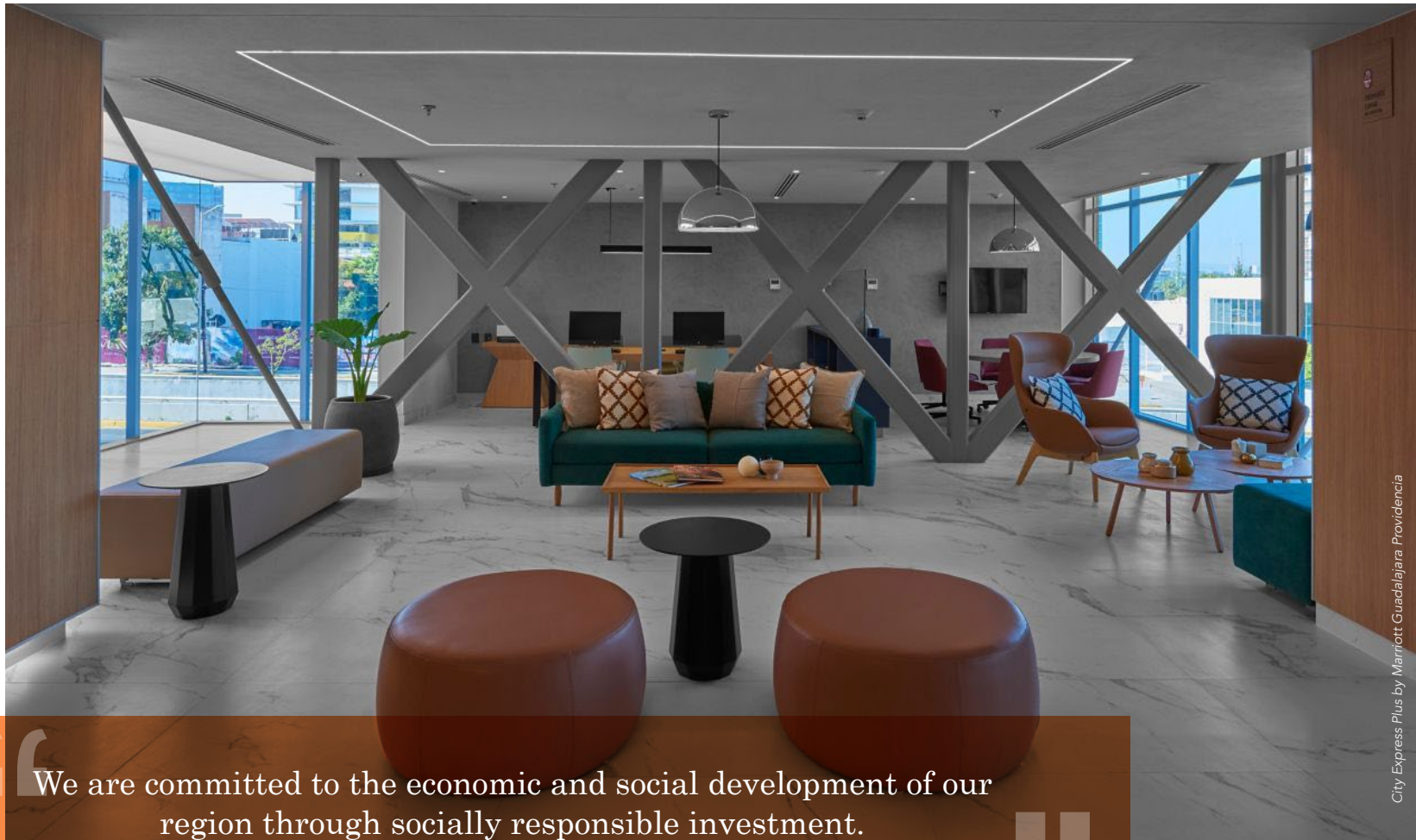


5
brands



City Express Plus by Marriott Mérida





City Express Plus by Marriott Guadajajara, Providencia

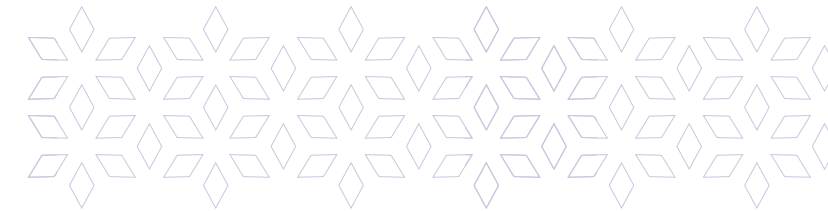
“We are committed to the economic and social development of our region through socially responsible investment.”

As leaders in the hotel industry, we have the largest coverage in Mexico, and a number of properties in Colombia, Costa Rica and Chile.

Number of rooms



Number of hotels



As part of our dedication to providing customized service, we focus on those unique aspects that set us apart in the industry. We pay special attention to **“All that matters”** to our clients when traveling:

- Strategic locations
- Modern, comfortable, safe and clean lodging
- Easy check in and check out processes.
- High-speed Wi-Fi.
- Business area, coworking spaces or meeting rooms.

PREPARING FOR PRESENT AND FUTURE GENERATIONS

Committing to the society where we operate is essential to building a sustainable future, both for present and future generations. This implies assuming public commitments and defined goals under a sustainability and responsibility approach. In doing so, we not only seek safe and solid growth for our company, but also contribute to the well-being of the communities where we operate.

One of our main objectives is to establish alliances that are aligned with our sustainability goals. In 2023, we reached a significant milestone by consolidating a strategic relationship with Marriott International, Inc. (“Marriott”). In doing so, we strengthened the company's balance sheet, preserved its corporate structure and operating contracts, and teamed up with the world's largest hotel room distribution firm.

CORPORATE GOVERNANCE

GRI 2-9, 2-26, 2-29, 405-1

“We have a strong management team that looks out for the interests of all shareholders.”

Our Board of Directors is composed of 11 experts in different fields of the industry. All of them have extensive experience in the sector and in the most relevant topics for the company.

Ten are independent members, which ensures that their interests are aligned with those of the investing public. Independent Directors are required to comply with the criteria established in the company's Bylaws, the Securities Market Law and any other provision applicable to their role.

Learn more about our Board of Directors [here](#) »

We are an open capital company, where 97% of the shares belong to the investing public and 3% is in the hands of our management team.

In addition, we are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*, BMV) and therefore, rigor for legal compliance is vital for our operation, transparency and trust as a company.

“Committed to acting with honesty and responsibility in all our operations protocols, we monitor and prevent any irregular conduct.”

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

We have multiple communication channels in place to reinforce our ethical culture based on transparency and integrity, ensuring that our operations are conducted ethically.

To learn more about the policies, managers and mechanisms in place, click on each of them.

- Code of Ethics »
- Information security policies
- Confidential means of reporting »
- Anti-corruption policy »
- Fraud prevention policies »
- Money laundering policy »
- Conflict of interest policy »
- Human rights and non-discrimination policy »
- Antitrust and anti-dumping practices policy »
- Ethics Committee »
- Civic engagement
- Objective evaluation mechanisms

“Every process and decision is guided by ethical values, guaranteeing the trust and security that our customers and employees deserve.”

INTEGRITY

GRI 2-16, 2-25, 2-26 205-2 SASB SV-HL-310a.4 SDG 16 Target: 16.5

“Confía is a key tool for promoting ethics and transparency in the company. The result is the construction of a solid company with integrity and commitment to its values.”

CONFÍA PROGRAM

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

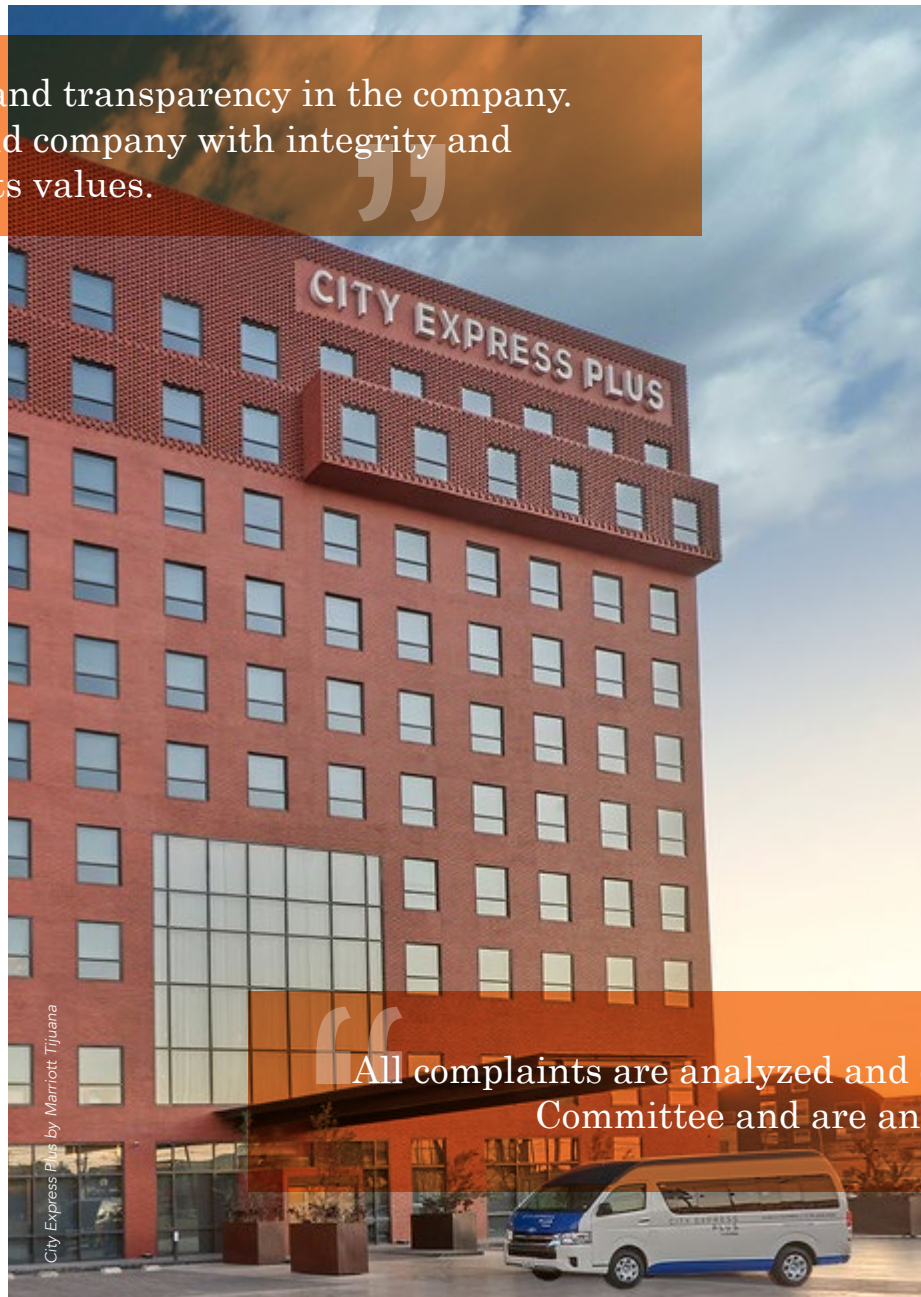
Confía is a secure communication channel, governed by the following principles:

- Confidentiality
- Objectivity
- Independence
- Efficacy

Through this program, Hoteles City seeks to create an ethical and transparent culture towards our guests, suppliers and employees.

We are committed to promote values such as respect, professionalism, commitment, inclusion and teamwork. We are guided by trust and loyalty to our main stakeholders in all our operations.

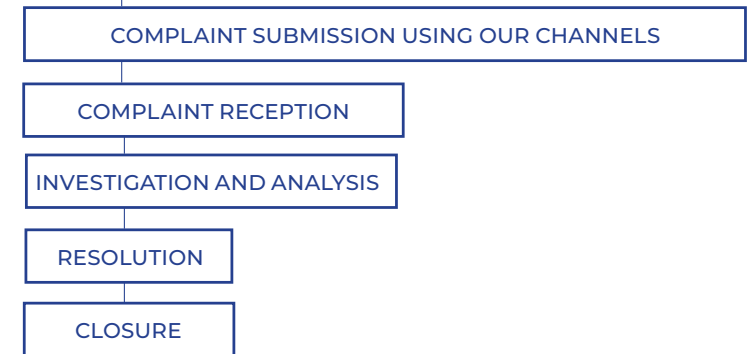
Therefore, we categorically reject any type of discriminatory or corrupt conduct within the company and, if it occurs, we act immediately in accordance with our whistle-blowing process:



City Express Plus by Marriott Tijuana

“All complaints are analyzed and dealt with in a timely manner by the Ethics Committee and are anonymous and highly confidential.”

COMPLAINT STAGES



REPORTING CHANNELS

Mexico: 01-800-1223-3312
 Colombia: 01-800-752-2222
 Costa Rica: 01-800-054-1046
 denuncias.hotelescity@resguarda.com

Consult our whistleblower channel website here »

IMPACT OF THE WHISTLEBLOWER CHANNEL PER YEAR





“ As a result of good prevention practices and our ethical culture, in 2023 we received no corruption and legal non-compliance complaints. ”

In 2023 we set out to innovate our whistleblowing platform to make it a dynamic tool, easy to understand and manage. We use different methods to help effectively identify irregular situations based on the company's Code of Ethics.

COMPLAINT CLASSIFICATION BY CATEGORY:

We regularly analyze our complaint classification, which allows us to build confidence among our stakeholders and ensure that we manage our whole value chain, with employees, suppliers, investors, guests, and society all having a voice and actively participating in our channels.

	Poor performance	Poor performance of employees, supervisors and/or managers (including misuse of authority, favoritism, threats, and misbehavior).	73
	Hostile behaviors	Harassment, discrimination and mistreatment of personnel (actions detrimental to gender, race, nationality, etc.)	37
	Business ethics	Corruption and arrangements with suppliers/customers; neglect or inappropriate use of the organization's goods and/or services; theft or misappropriation of internal company information and process improvement.	3
	Financial fraud	Money laundering, theft of merchandise, goods or valuables, unauthorized purchases and expenditures, etc.	5
	Guest	Mostly related to overdue billing issues and service-related issues	66
	Dismissed	The information received lacked sufficient evidence to proceed with the complaint activation.	4

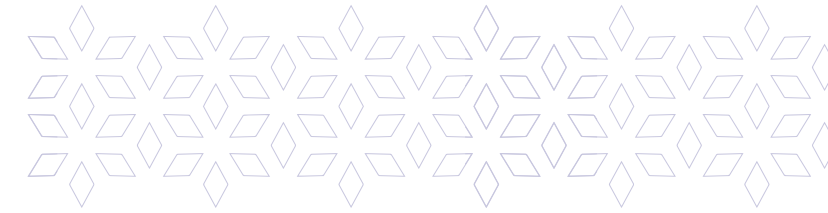
“ All complaints received were 100% addressed. ”

CODE OF ETHICS

SASB SV-HL-310a.4 **SASB** Labor Practices **SDG** 16 **Target:** 16.5 **Material topic:** Human Rights Compliance, **COP:** Principle 10

At Hoteles City, we are committed to ethical and responsible behavior throughout our operations. To this end, we have a Code of Ethics that outlines the principles to which our employees, collaborators, suppliers, directors, and any other entity that relates to our value chain, must adhere.

Our Code of Ethics also outlines the procedures that must be followed in case of conflict or violation of ethical principles. In this sense, information is provided on how to report any situation that violates the Code of Ethics, thus guaranteeing transparency and integrity in our operations.



“ At Hoteles City, we believe that compliance with our Code of Ethics is essential to ensure the long-term viability of our business. ”



Our guiding principles relate to:

Guests

We are committed to treating our guests with hospitality, honesty and respect to provide them with a comfortable experience during their stay.



Suppliers

Supplier relations are governed by the principles of transparency, competitiveness and efficiency.

Any situation involving corruption must be reported immediately. In the event of illegal actions or code violations, measures will be taken, including the termination of the business relationship.



Investors or shareholders

We are committed to working efficiently and providing investors with accurate and timely information so that they can analyze the value of their investment. All of our employees are responsible for contributing to the company's growth in order to provide better returns on assets.



Competitors

To ensure our customers' trust and maintain an impeccable reputation in the market, we are committed to maintaining transparency and honesty in our actions along with ethical and respectful behavior towards our competitors.



Society

We reaffirm our commitment to take actions to protect the environment and generate social welfare in each community where we operate. To this end, we design strategies for environmental protection and conservation and we support the communities where we operate.



Government

We focus on two main areas:

Respect for the law: With the support of the company's Legal Department, we are committed to complying with local and federal laws and regulations in all countries where we operate.

Anti-corruption: We are committed to knowing and complying with anti-corruption laws and taking responsibility in the event of non-compliance.



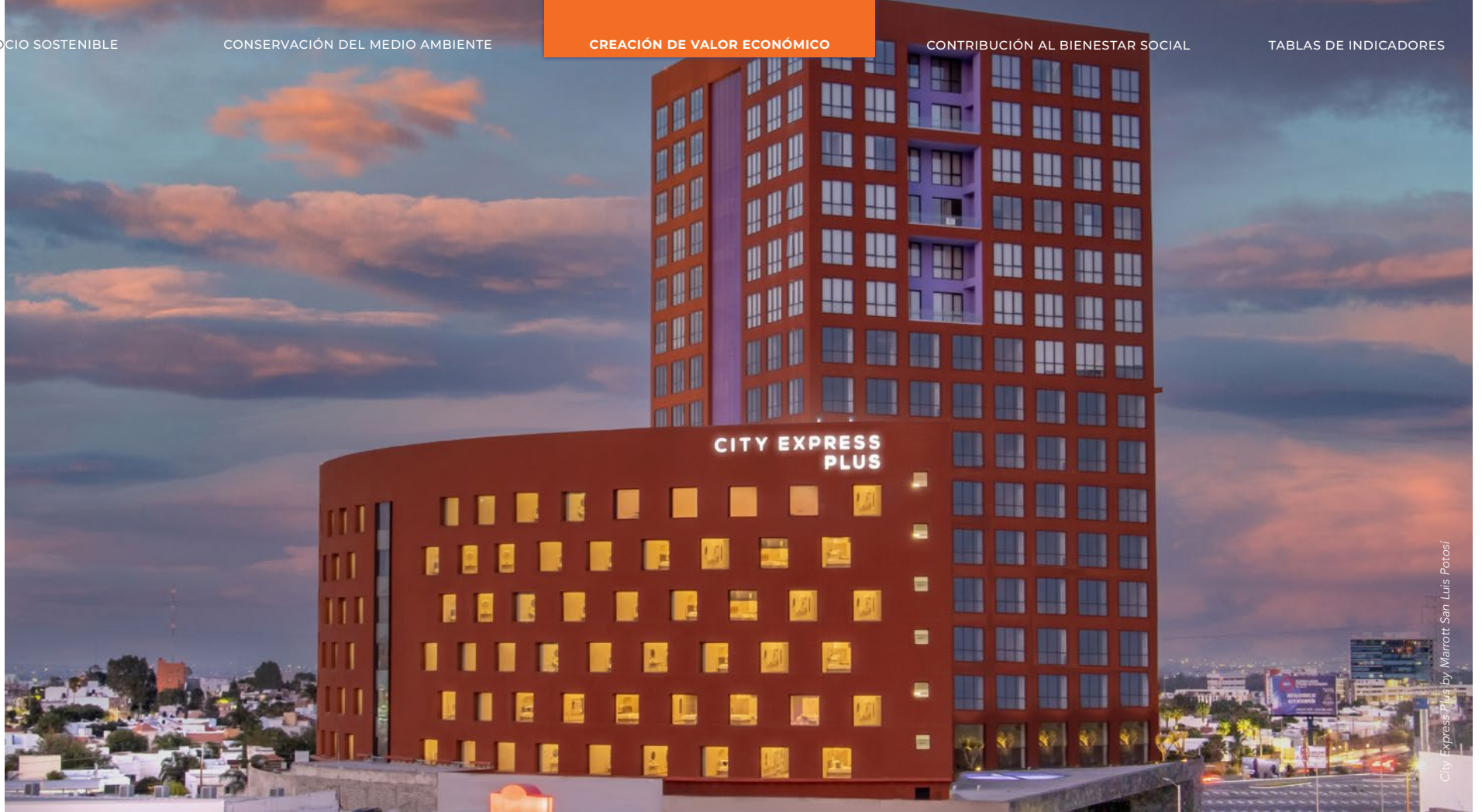
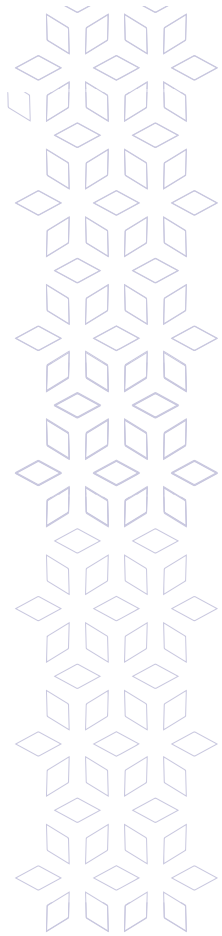
Our People

We are rigorous in our legal requirements and sensitive to our people's needs. Therefore, we prioritize the following topics:

- Respect for the individual
- Equal opportunity
- Safety
- Conflict of interest
- Respect for internal regulations
- Care of Hoteles City's assets and work equipment
- Use and management of information and technology



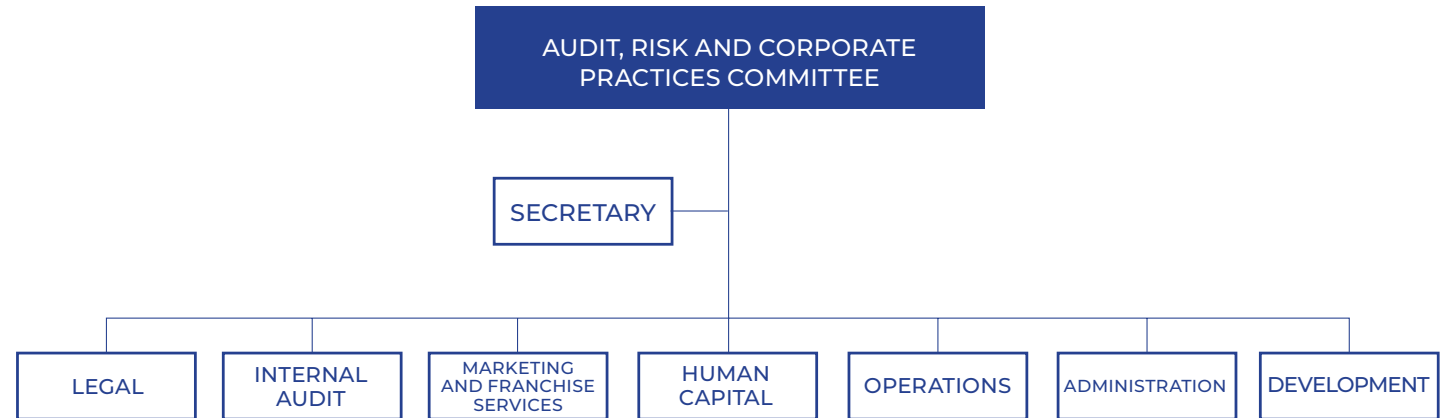
To learn about our Code of Ethics [click here](#) »



ETHICS COMMITTEE

Hoteles City's Ethics Committee oversees compliance with the Code of Ethics. It is in charge of receiving code violation reports, guaranteeing whistleblower confidentiality, taking action on non-compliance cases, and reporting anomalies and conflicts of interest to top management.

It is made up of seven members and one secretary appointed by the Board of Directors, preferably from different areas of the company, and may have a secretary, who may or may not be part of the committee.



“Trainings were aimed at employees in order to keep the fundamental principles in force and prevent inconsistencies.”



“In 2023, we allocated 2,643 training hours to our Code of Ethics and Anti-Corruption Policy.”

TRAINING ON THE CODE OF ETHICS AND ANTI-CORRUPTION POLICY

GRI 205-2

REGION*	% OF EMPLOYEES REACHED
Metropolitan	11%
Central West	8%
Northeast	12%
Northwest	14%
South	9%
Southeast	11%
Plus Centro	19%
LATAM	6%
Headquarters	10%

WE PROMOTE STRATEGIC PARTNERSHIPS WITH ETHICAL AND HONEST SUPPLIERS

At Hoteles City we know that our growth is the result of strengthening alliances with suppliers that share our ethical culture.

That is why we continue to develop practical and creative strategies for disseminating our Code of Ethics. Through this, we intend on working together to ensure transparency and honesty on critical topics such as anti-corruption. We ensure that there is a clear understanding of our Supplier Code of Ethics.

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

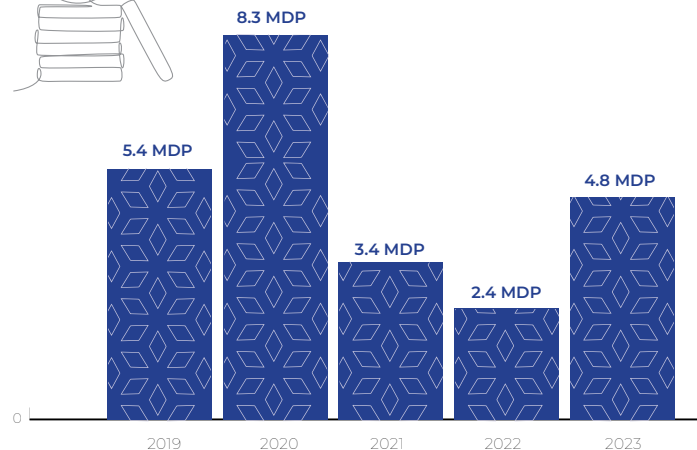
SOCIAL INVESTMENT

GRI 2-2, 2-6, 201-1, 203-1 **Material topic:** Community participation and empowerment and Local economic impact **COP:** Principle 1

At Hoteles City, we recognize the importance of social investment as a fundamental part of our sustainability strategy. Undoubtedly, our social responsibility initiatives in favor of communities are a powerful way to make a substantial contribution to the 2030 Agenda's 17 Sustainable Development Goals.



We are proud to have doubled our investment over 2022, benefitting 104,000 people from various communities



Our commitment to society is reflected in both financial and in-kind investments, which result in significant benefits for the environment and society.

- In-kind investment of **1,922 room nights**
- Economic investment focused **on offsetting emissions**
- Financial investment for implementing **diversity and inclusion initiatives**

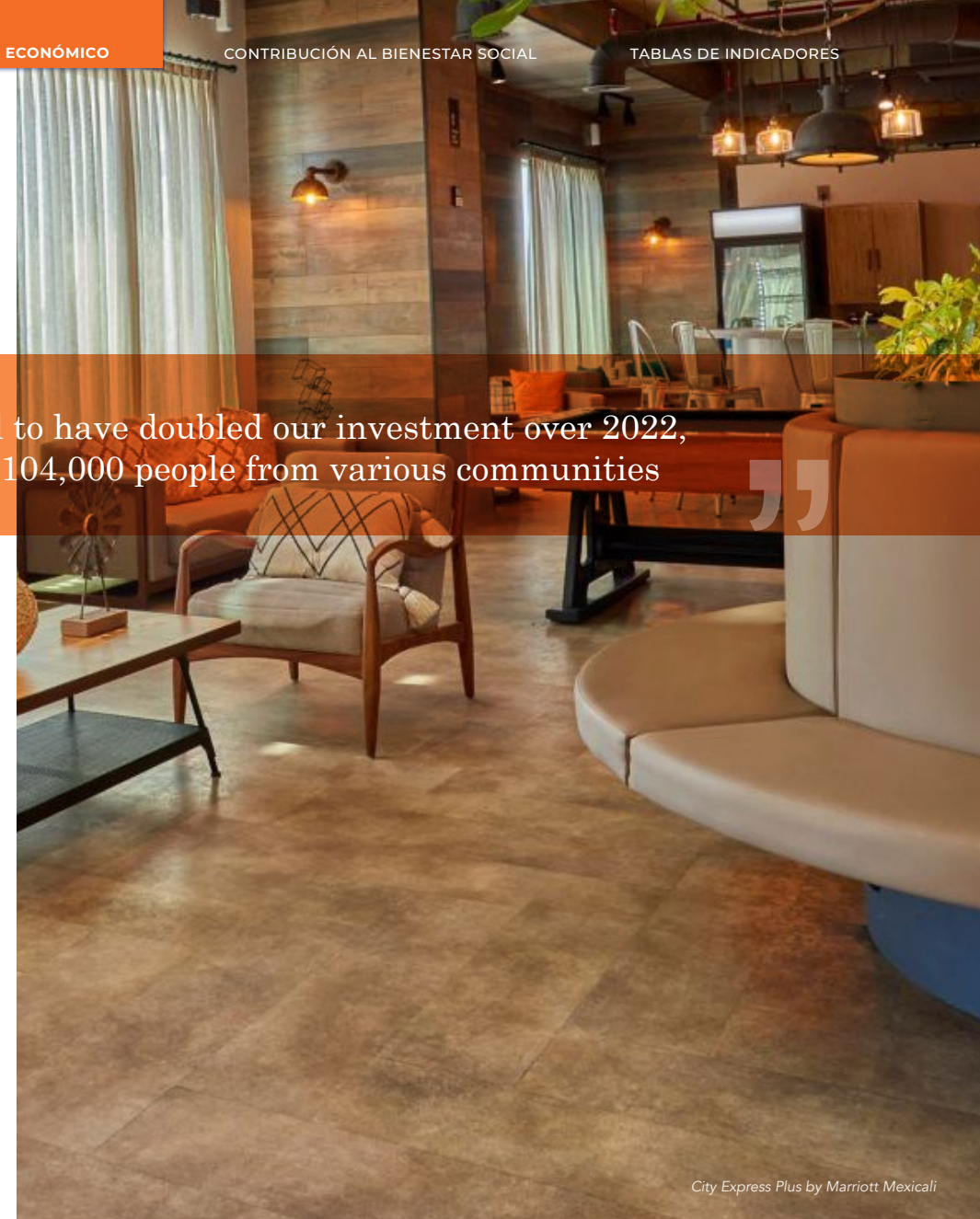
- Economic investment through **grocery donations for the #VamosxGuerrero** initiative supporting the people affected by Hurricane Otis.

SOCIAL INVESTMENT	2022
Total Costs	\$3,544,172
Hotel Operating Costs	\$2,047,097
Salaries and Related Costs	\$810,916
Investments	\$518,037
Tax Payments	\$77,596
Net Profit	\$1,105,063
Social Investment	\$4,838 ¹
Operating Cash Flow	\$869,023
Generated economic value	\$3,544,172
Distributed economic value	\$888,512
Retained economic value	\$2,655,660

The figures are shown in thousands of pesos.

¹ In-kind and economic social investment.

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



City Express Plus by Marriott Mexicali

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

Consult our 2023 Annual Financial Report by [clicking here »](#)

INNOVATION AND ENTREPRENEURSHIP PROGRAMS

ENTREPRENEURSHIP VALUE CHAIN

GRI 2-29, 203-1, 203-2 SDG: 8 Target: 8.2 Material topics: Community participation and empowerment

At Hoteles City, we provide room nights in different locations through our various programs, supporting those seeking to have a positive impact on present and future society. Through training aimed at strengthening and professionalizing business models, the program has been able to reach businesses committed to the needs of today's society.



“Strengthening our country's entrepreneurial and creative force.”

POSIBLE

SDG: 8 Target: 8.2 , SDG: 5 Target: 5.5

Fundación Televisa and Monte de Piedad's **POSIBLE** entrepreneurship program is a comprehensive platform that promotes the development of companies with a positive impact, inspiring new generations of entrepreneurs to follow the path of innovation.

The activities they carry out make it possible to support sustainable projects and consolidate businesses through:



Training



Mentoring



Access to financing



Networking

POSIBLE COOP

Possible Coop helps cooperatives and collectives become positive change agents in their communities by promoting their professionalization and strengthening in various fields that contribute to social well-being and environmental conservation, as well as inclusion activities. This program is aimed at those entrepreneurs who seek support in their business organization strategy and their understanding of venture.

Results in the State of Mexico



42

applications from different municipalities in the State of Mexico



12

cooperatives were selected to become changemakers

Participaton of:



47.8%

men



52.2%

women



Results in Oaxaca



18

applications from different municipalities in the state of Oaxaca



12

cooperatives were selected to become changemakers



41.7%

men



58.3%

women



MUJER POSiBLE Chiapas 2023

COP: Principle 6

“ 1,009 women entrepreneurs in MUJER POSiBLE Chiapas participated in conferences, camps and training, among other activities, to strengthen their businesses.”

Mujer Posible is a space that provides inspiration, training and networking for women entrepreneurs and micro-entrepreneurs from Chiapas and the South-Southeast region. At Hoteles City we continue to promote the eradication of social and gender inequality in our country.

Program objectives

- Train and promote women running small or micro enterprises
- Support beneficiaries to develop and grow their businesses
- Promote the economic growth and quality of life of the beneficiaries

Camps (State and National)

Campamentos is an initiative that seeks to empower through tools, alliances and knowledge those business projects that will have a positive impact on present and future generations.

Our camps consist of two phases:

PHASE I
STATE CAMPS



1,875

projects participated in workshops, conferences and mentorships. 33.1% of participants were women and projects came from Oaxaca and the State of Mexico.

PHASE 2
NATIONAL CAMPS



80

phase I projects competed nationwide Men 53.75%, Women 45%, Other 1.25%



Our national camp had a total of:



25

workshops and conferences



19

mentoring hours



8

group and dynamic mentoring



2

keynote lectures



LIDERAZGOS POR UN MÉXICO MEJOR

SDG 8 Target: 8.3 Target: 8.6

For the second year, we collaborated with the Mexican Business Council, Colegio de México, and Harvard University to provide leadership development training to young Mexicans devoted to addressing public challenges in Mexico.



40

leaders involved in solving public problems in Mexico



38

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



37

internships in environmental and social issues



“ 41 *Cuantrix* scholarship holders stayed in our hotels in Mexico City before leaving to Canada to strengthen their English skills. ”



CUANTRIX AND BÉCALOS PROGRAM

SDG 4 Target: 4.4 SDG 8 Target: 8.2

As part of Fundación Televisa's programs, *Cuantrix and Bécálos* have worked tirelessly to enhance education in our country. Their goal is to provide students with diverse learning opportunities that allow them to build a promising future.

Bécálos English Challenge has established itself as Latin America's largest English program, awarding 342,187 English scholarships to students and teachers over a six-year period. This is accomplished through the use of an online platform that combines monitoring systems, competition components, and incentives to engage students and teachers during their learning process.



SUSTAINABLE FUTURE ED

Cubico • RADIX EDUCATION
SUSTAINABLE INVESTMENTS

SDG 4 Target: 4.7 **SDG 13 Target:** 13.3

The SUSTAINABLE FUTURE ED Program aims to develop students' skills in designing sustainable projects with environmental impact and prepare them with a changemaker mindset, through a learning and co-creation experience that promotes collective leadership on environmental and sustainability matters.

Hoteles City donated room nights for the first edition of this program, which had:



107
 students, 46 girls and 61 boys

4

participating states (Oaxaca, Quintana Roo, San Luis Potosí and Nuevo León)



27
 project prototypes



19
 mentors



19
 special guests, authorities and specialists in sustainability matters



Contributing to
social welfare

Thanks to Impacto City, we have managed to promote social welfare by providing services with fair operating practices for our employees, our guests and the communities we serve.



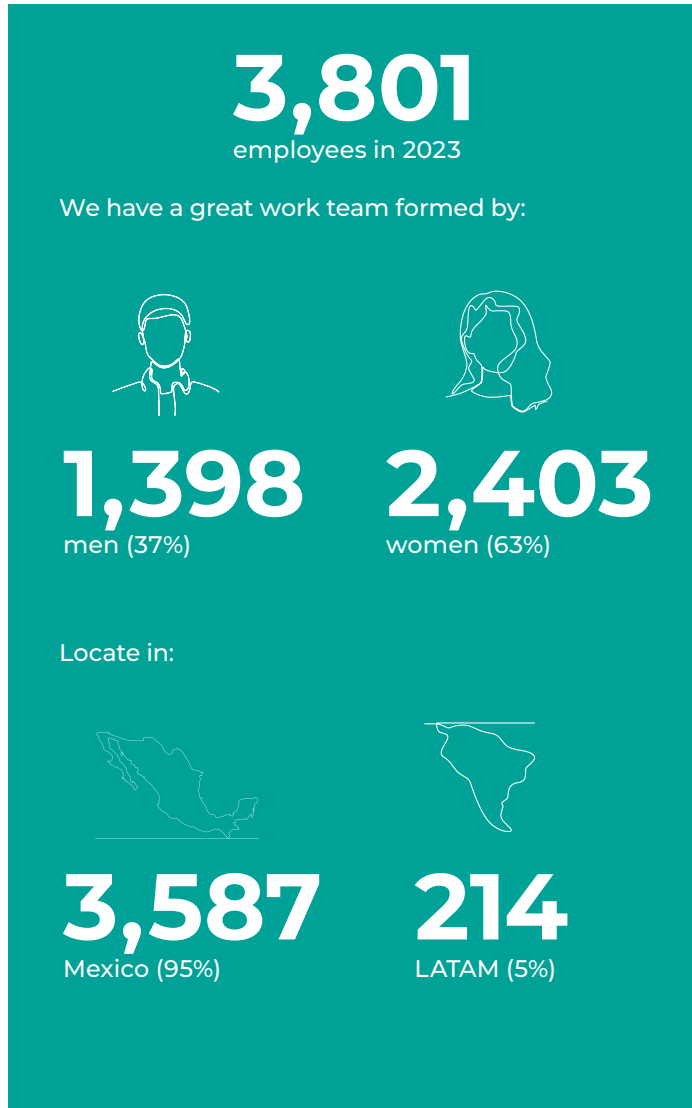
COP PRINCIPLES:

- **Principle 3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4.** The elimination of all forms of forced and compulsory labor.
- **Principle 5.** The elimination of child labor.
- **Principle 6.** The elimination of discrimination in respect of employment and occupation.



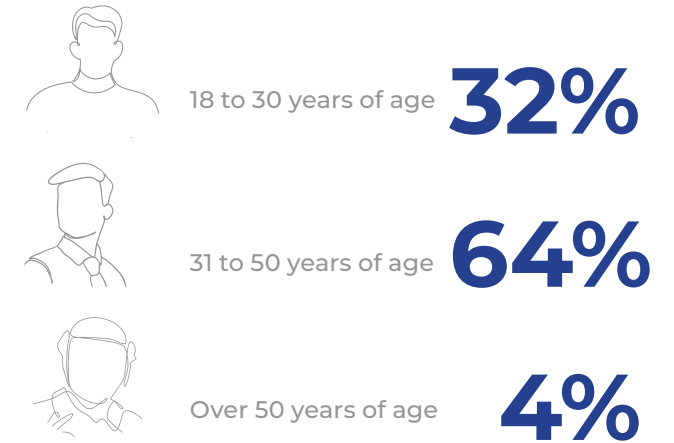
OUR EMPLOYEES

GRI 2-7, 2-8, 3-3, 405-1 SASB Labor practices SDG 8 Target: 8.2 Material topic: Local economic impact COP: Principle 6



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

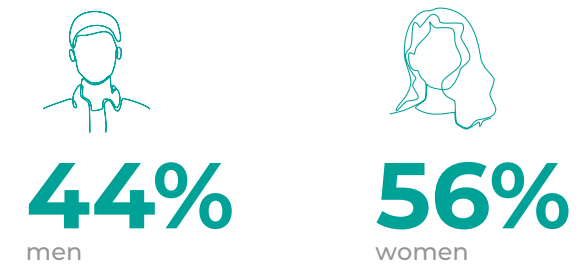
EMPLOYEES BY AGE



MANAGERS AND DIRECTORS

BY GENDER

During this year, management and executive positions were held by:



DISTRIBUTION OF EMPLOYEES BY REGION

REGION	2023		TOTAL
	MEN	WOMEN	
Metropolitan	130	226	356
Central West	137	241	378
Northeast	141	334	475
Northwest	172	373	545
South	101	193	294
Southeast	143	256	399
Plus Centro	334	481	815
LATAM	74	140	214
Headquarters	166	159	325



TURNOVER RATE

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

Below, we present our turnover rate by age:

Metropolitan 9.90%

	18 TO 30	31 TO 50	OVER 50
Female	1.98%	4.14%	0.23%
Male	1.19%	2.20%	0.16%

Central West 11.73%

	18 TO 30	31 TO 50	OVER 50
Female	2.36%	5.31%	0.34%
Male	1.39%	2.20%	0.13%

Northeast 13.14%

	18 TO 30	31 TO 50	OVER 50
Female	30	31 TO	0.34%
Male	50	OVER 50	0.19%



Northwest 17.25%

	18 TO 30	31 TO 50	OVER 50
Female	4.08%	8.50%	0.44%
Male	1.44%	2.54%	0.25%

South 5.41%

	18 TO 30	31 TO 50	OVER 50
Female	1.10%	2.72%	0.11%
Male	0.63%	0.74%	0.11%

Southeast 8.53%

	18 TO 30	31 TO 50	OVER 50
Female	1.76%	3.17%	0.26%
Male	0.97%	2.29%	0.09%

Plus and Center 26.38%

	18 TO 30	31 TO 50	OVER 50
Female	4.78%	12.09%	0.61%
Male	3.66%	4.79%	0.45%

LATAM 3.28%

	18 TO 30	31 TO 50	OVER 50
Female	0.65%	1.40%	0.07%
Male	0.40%	0.70%	0.06%

Headquarters 4.38%

	18 TO 30	31 TO 50	OVER 50
Female	0.74%	1.61%	0.14%
Male	0.66%	1.19%	0.04%

*The percentage of voluntary turnover includes terminations requested by the employee.
 *We hire our employees for indefinite periods.
 *The data collected correspond to internal records at the end of 2023.

JUMP&GROW SCOPE

Material topic: Professional development and growth

We encourage our employees' professional development through our internal promotion program. This program allows us to identify each employee's skills and areas for improvement in order to design the most appropriate career development plan. Our program is based on three key aspects:

Skills



Performance



Adherence to Hoteles City culture



CITY CULTURE

At Hoteles City we work every day so that our employees enjoy a great work experience that allows them to feel proud to be part of this team, which drives their commitment and loyalty. To this end, we invite each of them to participate in the development of our strategy and to propose initiatives for innovation and continuous improvement.



LEARNING, TRUST AND COMMUNICATION

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

“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

ORGANIZATIONAL LEARNING

In order to strengthen our organizational culture, we provide training and coaching that promote our employees' professional growth. We have onboarding and technical coaching programs, in addition to programs that facilitate the adaptation of employees to the functions of each position, to the Company's processes and to the operation. This allows us to continue to lead in our industry.



17.59

hours - average training hours per employee in 2023¹.



66,867

training hours

6,562

training hours for women

3,829

training hours for men

3,801

sessions

163

sessions

200

courses provided

¹Over the next year, we will work to have the breakdown of training hours by job category. ¹Average training hours = (Total training hours / Total employees in workforce at the end of 2023)..



Our team at Hoteles City is second to none.

In order to encourage collaboration among our team members and stimulate ideas for improvement, we continued our Technical Coaching process in 2023, which was based on the Training Within Industry (TWI) Institute's Work Instruction program.

Our Technical Coaches' **main duties** de nuestros Coaches Técnicos se incluyen:

- Training our employees.
- Sharing their experience with new team members.
- Abiding by Hoteles City's processes, standards, brand identity and organizational culture.



98

certified technical coaches with the TWI Job Instruction methodology



900

employees benefited from Technical Coaches trainings



19,000

training hours given by our Technical Coaches

WORK ENVIRONMENT

Material topic: Fair working conditions

We are continually seeking to create a work environment and organizational culture in which employees feel valued and understand their worth for the company. Therefore, we continued with the implementation of the **#OrgulloCity-Super-Empresas survey**, conducted by the firm **Top Companies**.

This survey has allowed us to:

- Evaluate the relationships between employees and other members of the company.
- Collect employee feedback and identify areas for improvement.
- Implement policies that promote work/life balance.



92%

participation chainwide

In 2023:

- We remain part of the **Top+America Ranking**
- For the third year we are recognized as Súper Empresas in the **Súper Empresas para Mujeres Ranking**.
- We continue to score major successes in the **Súper Empresas Ranking**.

92% of our employees' engagement reflects a deep sense of connection to the organization's values, driving productivity and strengthening the work community. This

testimony of an inclusive and motivating environment is an invaluable asset for our future success.



The work environment in each team is fundamental to achieving positive results, as well as to fostering innovation and constant improvement in our operations.




FREEDOM OF ASSOCIATION

GRI 2-30 SDG 16 Target: 16.7 COP: Principle 1, 2 and 3

In accordance with the guidelines established by the International Labor Organization (ILO) and in full respect for Human Rights, our employees are free to join existing unions or form new ones.

147
registered trade unions



28%
of the chain's total employees
are registered with a union




COMMUNICATION CHANNELS

We use various digital communication tools in our company:

Click-Workplace: Through this platform, we maintain active, continuous and effective communication, which allows us to disseminate information on relevant topics from senior management to hotels' operational areas.

Workchat: Within the Click-Workplace platform, we have an instant digital messaging function that facilitates real-time communication.

Communication Dashboard: This tool allows us to share crucial information with those employees who do not have a computer or institutional mail due to the specific nature of their functions in the company.

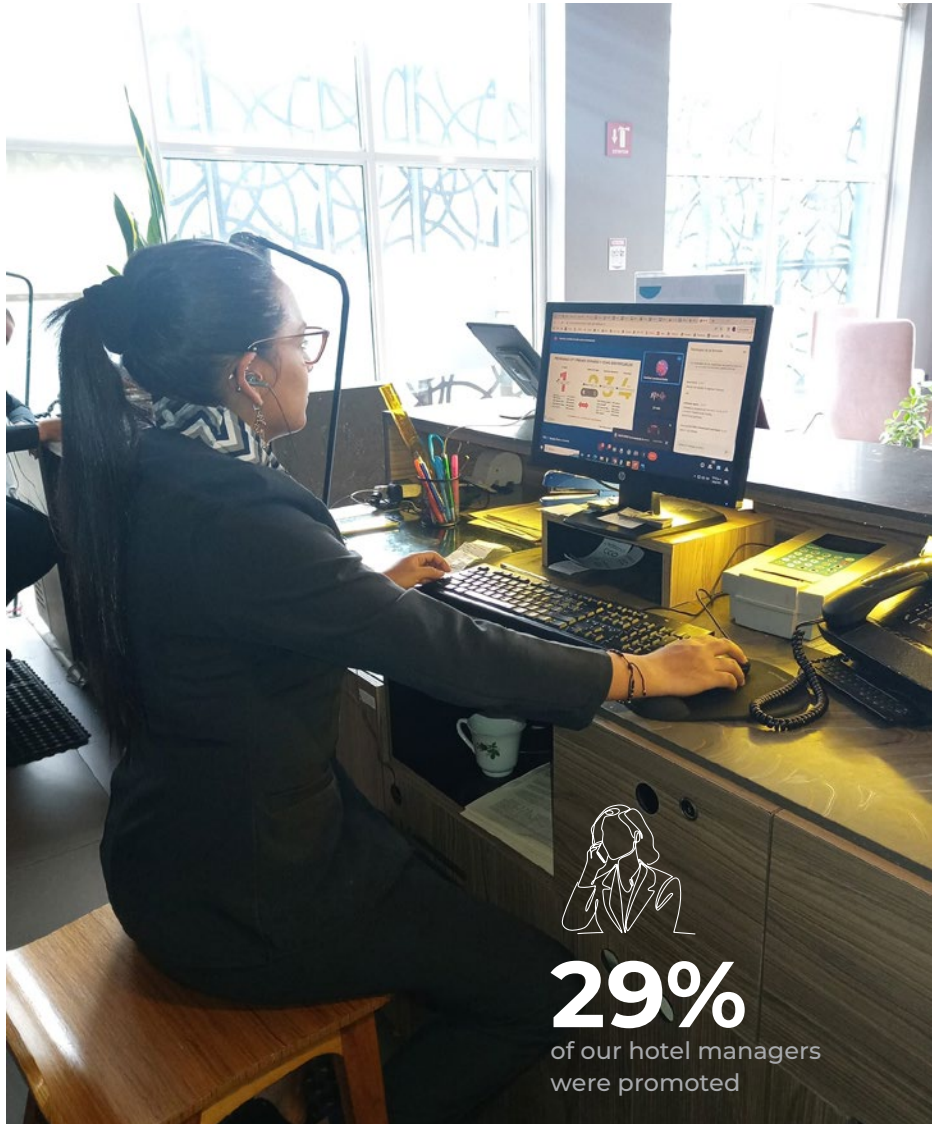
Mailing: We share valuable information directly with our employees (except hotel staff) through their emails. This allows us to communicate events such as openings, campaign launches and appointments, among other activities.



1,412
employees interact on
Click-Workplace

PERFORMANCE EVALUATION

GRI: 404-3



We value our employees' performance and are committed to providing them with opportunities for growth. We recognize the importance of conducting performance evaluations to identify their strengths, areas for improvement, and professional growth.

This year, 30% of our employees participated in performance evaluations, covering various job categories including:

- General Accountant
- Sales Executive
- Sales Manager
- Food & Beverage Manager
- General Manager
- Operations Manager
- Service & Direct Sales Manager



766

hotel employees evaluated to be promoted internally



381

employees evaluated at Headquarters

EVALUATIONS APPLIED BY GENDER

2019



58% women



42% men

2020



59% women



41% men

2021



65% women



35% men

2022



62% women



38% men

2023



63% women



37% men

SALARIES AND BENEFITS

SASB Labor practices SV-HL-310a.3 **Material topic:** Fair working conditions

“We remain committed to attracting and retaining the best talent and providing an excellent work environment that promotes our employees' personal and professional development.”

ZONA	2019	2020	2021	2022	2023
Metropolitan	\$31.00	\$39.89	\$38.01	\$42.00	\$46.67
Central West	\$30.11	\$37.56	\$39.99	\$43.96	\$47.89
Northeast	\$32.48	\$40.96	\$39.95	\$44.81	\$50.28
Northwest	\$29.49	\$41.37	\$43.24	\$46.31	\$53.68
South	\$27.02	\$34.34	\$34.32	\$36.30	\$42.91
Southeast	\$30.65	\$34.60	\$37.29	\$40.48	\$45.95
Plus Centro	-	-	\$42.24	\$46.21	\$50.61

\$48.28MXN is the average hourly wage nationwide in our hotels



“All our employees earn more than the minimum wage established by law.”

BENEFITS AND PERKS

GRI 401-2 SDG 3 Target: 3.4

To achieve this goal, we have implemented various actions, including:

- Development and training programs for our team.
- Annual planning meetings to set goals and strategies.
- Integration events to strengthen the sense of belonging and teamwork.
- Offering accommodation in our hotels with preferential rates for our staff.
- Establishing agreements with different companies for the benefit of our employees.
- Implementing a human rights and non-discrimination policy to guarantee an inclusive and respectful environment.
- Executing the In Good Company Program, which promotes our team's well-being and health.

WELLNESS PROGRAM

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

In line with our dedication to the health, safety, and well-being of our team, we are introducing the **“In Good Company” program**. This program enables the development, implementation, and supervision of a wide range of actions aimed at preventing and mitigating potential threats to our employees' health and safety. In addition, it promotes health care and well-being in three key areas of action.

PHYSICAL HEALTH

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

FINANCIAL HEALTH

- Workshops given by Scotiabank
- Discounts for employees at educational and recreational establishments.

EMOTIONAL HEALTH

- Employees performance recognition.
- Development of digital and face-to-face materials and events related to work-home balance, in compliance with NOM-035.
- Reinforcement of the whistleblower channel through CONFIA.
- Conducting workshops focused on our team's emotional well-being.
- Jump&Grow and University Program



We implement NOM-035 to detect and manage psychosocial risk factors and foster a positive work environment. In this line, we have carried out actions in the Central Offices and in our hotels with the participation of the entire team:

- Conducting follow-up sessions for all employees who have experienced severe traumatic events.
- Development of new communication strategies between teams and referral to medical or psychological support centers.
- Adherence to biosecurity protocols established by the Mexican government and those in the LATAM region.
- Gearing our communication towards a closer relationship with our employees.
- Organizing workshops aimed at improving our performance.

BENEFITS FOR HEADQUARTERS EMPLOYEES INCLUDE:

- Bonuses higher than those established by law.
- Performance bonuses.
- Vacation in excess of the law.
- Retirement plan according to IMSS provisions.
- Vacation bonus above the established rate.
- Savings fund.
- Life Insurance.
- Food vouchers.
- Major Medical Expenses Insurance.
- Parental leave - paternity and maternity leave.



BENEFITS FOR HOTEL EMPLOYEES INCLUDE:

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

* These benefits are not available to all employees.

We hire our employees on a full-time basis. Benefits are granted regardless of whether employees are on probationary contracts.

The information was collected from our internal records at the end of 2023.

OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3 Material topic: Guest and employee health, safety and security

ADHERENCE TO LEGISLATION

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

Our performance complies with current regulations and labor laws, allowing us to avoid financial damages due to legal noncompliance in 2023.

In keeping with our commitment to protecting our employees' health and safety, we have an occupational health and safety (OHS) management system that is consistent with our Health and Safety Policy and covers all of our employees. This system is coordinated through the Health and Safety Committee and adheres to the Federal Occupational Health and Safety Regulations. In addition, we have an internal Safety Manual outlining our management system's main guidelines and actions.

Learn more about our Health and Safety Policy [here](#) »

“ 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



RISK MANAGEMENT IN OUR WORKPLACES

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



In order to protect our employees' health and well-being, we have implemented health and safety protocols that allow us to identify and eliminate risks and minimize hazards during operations. These measures contribute to improving our team's quality of life. Some of the steps we take to ensure good risk management are:

- Conducting analyses to identify and mitigate specific risks based on each employee's function.
- Providing adequate Personal Protective Equipment (PPE) for each type of task.

- Providing training and participating in awareness campaigns to prevent occupational accidents.
- We also have a Safety and Hygiene Committee that adheres to NOM 019 STPS regulations. This committee is in charge of planning, aligning, implementing steps to improve, and regularly assessing the actions taken.

It meets quarterly and its functions include:

- Ensuring compliance with the Occupational Health and Safety (OHS) Policy.
- Planning and developing execution of the OHS system.
- Ensuring competence and training in OHS issues.
- Encouraging employees participation in the OHS System.
- Implementing preventive, corrective and continuous improvement measures.
- Controlling and measuring identified risks.
- Facilitating internal communication to prevent occupational risks.

With these actions we obtained the following results:

¹ Lost Time Injury Rate = (Number of accidents occurring in a period / # Person-Hours Worked) *200,000 without considering the mortality rate *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 2023, the estimated result of the occupational injury rate is calculated based on the 3,801 hotel employees, working in a period of 52 weeks, 6 days and 8 hours (not considering vacation days, days of absence or medical leave, leaves of absence, etc.). In the following years, we will work to ensure that the calculation is made according to the latter criteria.



12,304
Lost person-hours



1,538
Lost workdays



2
Occupational diseases



90
Non-fatal accidents



0
Fatalities



91
Employees have had accidents or occupational diseases



2.06
Employee lost-time injury frequency rate (LTIFR)

CIVIL PROTECTION

GRI 403-5

We promote training focused on preparation and improvement in civil protection matters for our employees. As a result of these efforts, we have achieved the following results:

500

brigade members chainwide



24

courses taught



106

drills



1,181

employees trained in Health and Safety



1,181

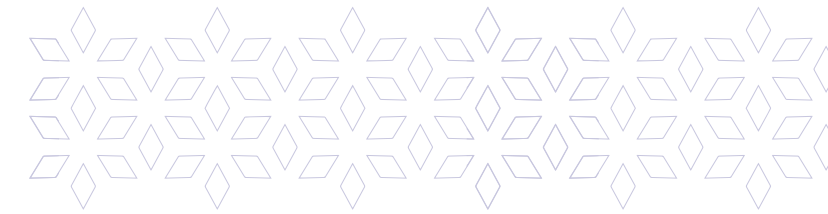
Health and Safety training hours



We increased in 43.15% the employees trained in Health and Safety matters compared to 2022.

LABOR DIVERSITY AND INCLUSION PROGRAM

GRI 3-3, 405-1 **SDG 4 Target:** 4.5 **SDG 10 Target:** 10.2 **Material topic:** Fair working conditions **COP:** Principle 1, 2 and 6



We remain committed in our efforts to recognize and welcome a wide range of social groups, in keeping with the motto that we are all guests of the world. Our approach is to promote equality and equity, while firmly opposing any form of discrimination based on gender, age, sexual orientation, beliefs, ethnicity, disability, among others.

To ensure this commitment, we have established formal processes that focus on respect for diversity, including:

- Implementation of the Human Rights and Non-Discrimination Policy.
- Support provided by the Diversity and Inclusion Committee.
- Adoption of the Diversity and Inclusion Model across the company.
- Recruitment processes that are conducted without prejudice.

“Inclusion and diversity are part of our values and we practice them in our daily lives.”



Our **City Incluye** internal program is designed to promote equal opportunities and eliminate any form of discrimination. We work closely with foundations and associations committed to this objective, which support us in the implementation of initiatives and inclusion strategies within our sustainable model.

FIVE PERSPECTIVES THAT PROMOTE LABOR DIVERSITY AND INCLUSION



Gender Equality



LGBT+ Community



Origins



Generations



Hearing Impairment

At the end of 2023, we undertook the task of conducting our **City Incluye Census**, to identify the best opportunities and strengthen labor inclusion strategies for the following years..



“We promote inclusive tourism in Mexico under the motto *“Tourism for inclusive growth”*”

HEARING IMPAIRED PEOPLE

SDG 10 Target: 10.2 **COP:** Principle 1, 2 and 6

We promote the inclusion of hearing impaired people into our operations and maintain our internal **City Incluye** certification as part of this ongoing commitment.

Our **tourism glossary in Mexican Sign Language** includes the essential vocabulary related to tourism activities, with the aim of facilitating effective communication between people with hearing disabilities, as well as with other individuals



70

hotels certified by City Incluye



48

employees on average with hearing impairment chainwide

GENDER EQUALITY

GRI 405-1 SDG 5 Target: 5.5 COP: Principle 1, 2 and 6

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.



63%

of our workforce are women



56%

of management and executive positions are held by women.

For three consecutive years we have been a **Súper Empresa para Mujeres**.

We continue to work together with our teams to ensure diversity and equity.



LGBTQ+ COMMUNITY

SDG 10 Target: 10.2 **COP:** Principle 1, 2 and 6

QUEER DESTINATIONS

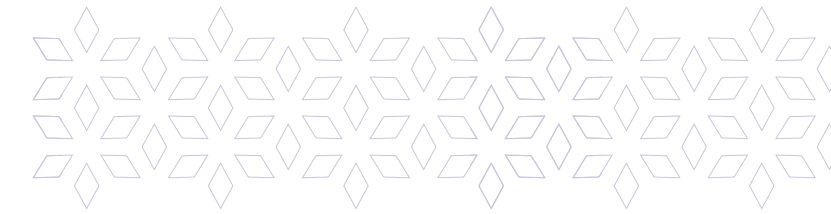
During 2023, we moved forward with the Queer Destinations seal, which is awarded to service providers whose employees have been trained to cater to LGBTQ+ travelers. This guarantees that we have the best conditions to receive them in an inclusive and respectful manner.

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

CityIncluye, in collaboration with Hoteles City's Commercial and Franchise Services area, is committed to providing supportive spaces for the LGBTQ+ community, both for employees and guests. As a result, our hotels:

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

We also received the **Equidad MX accreditation from the Human Rights Campaign Foundation**, which acknowledges organizations that practice zero discrimination and promote safe spaces for LGBTQ+ people and allies.



ORIGINS ETHNIC COMMUNITIES

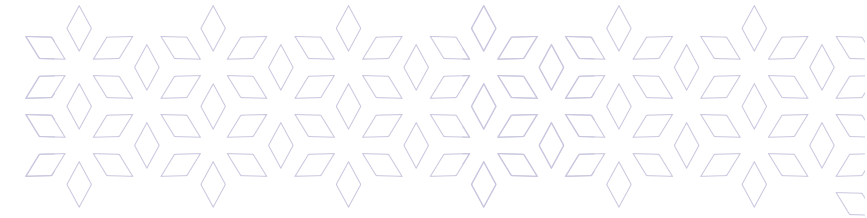
SDG 11 Target: 11.4 **COP:** Principle 1, 2 and 6

This pillar allows us to know the roots and the link with the communities among our employees. As a result of this effort and the data obtained in our Census, we have dedicated ourselves to strengthening inclusive communication with our employees. This approach reaffirms the significance of cultural diversity in the areas where we operate.

Recognize our roots as
part of our identity



MEXICAN NATIONAL CODE OF CONDUCT



GRI 3-3, 408-1, 413-1 **SDG 5 Target:** 5.1 **SDG 16 Target:** 16.1 **COP:** Principle 1, 2, 4, 5 and 6

The Mexican National Code of Conduct initiative, promoted by the Ministry of Tourism (Secretaría de Turismo, SECTUR), aims to safeguard the rights of children and adolescents in order to prevent sexual and/or labor exploitation. In addition, it seeks to promote Corporate Social Responsibility policies. By adhering to this protocol, we can help the tourism industry comply with these measures. The goal is to improve the quality of life in the communities we serve while also firmly combating human trafficking, particularly in cases involving child labor and/or sexual exploitation.

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

- Training throughout the region and the hotel chain, backed by a specialized agency certified by the Ministry of Tourism.
- Developing an institutional action protocol specific for Hoteles City.
- Implementing the Protocol for Adherence to the Mexican National Code of Conduct.
- Obtaining proof of certification for each property







“ 125 of our hotels adhere to the Mexican National Code of Conduct ”

SOCIAL INVESTMENT AND STRATEGIC PARTNERSHIPS

SDG 17 Target: 17.16

With the purpose of contributing to the progress and well-being of non-profits in our community, and backed by our Donation and Volunteering Policy, we perform local in-kind donation activities, which are summarized below:

-  **53**
associations benefited
-  **53**
participating hotels
-  **300**
volunteers
-  **166**
allocated hours
-  **16,603**
donated linens

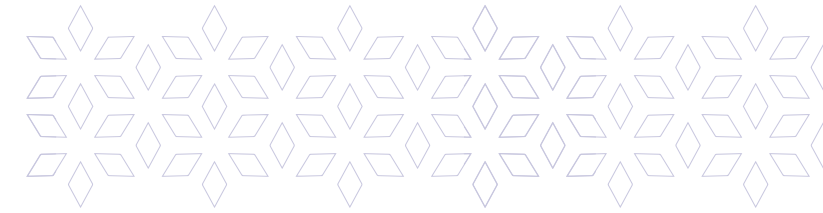
We also donate plastic caps and other materials to support cancer treatment for children.



SOLIDARITY WITH GUERRERO

Following the devastation caused by Hurricane Otis, Hoteles City stood in solidarity to support the most affected communities in Guerrero. We allocated a financial budget to donate basic food basket items, cleaning products, and linens.

“All of us who are part of this great family stand in solidarity to help Guerrero rise up and get back on its feet”



FOOD SECURITY ALIMENTARIA



SDG1 Target: 1.3 SDG 2 Targets: 2.1, 2.2

We collaborate with **Comedor Santa María A.C.**, to support children in vulnerable communities through two programs: the Nutrition Program, which aims to eliminate food insecurity and the Education Program, which aims to reduce violence and promote school retention and resilience. We donated room nights for the directors and supervisors to follow up on the projects in Puebla, Oaxaca, Saltillo, Nuevo Laredo and Monterrey, in order to efficiently carry out the activities in the six soup kitchens visited.



56

volunteers



6.8

tons of groceries delivered



+1,000

linens donated



1,100

families benefited



35

communities



2,826

people served at CSM



39,955

meals prepared

COMMUNITY HEALTH AND INTERVENTION



SDG 3 Target: 3.c

We were part of the **Mamas APACsionadas2023** event, providing room nights for mothers, grandmothers or primary family caregivers with one or more children with cerebral palsy or disabilities, with limited financial resources and significant physical and social-emotional wear. The goal of the event was to provide participants with integration and awareness activities on how to respond to families' co-responsibility within the **APAC** care model, as well as experiences and knowledge in a new field.



50

direct beneficiaries



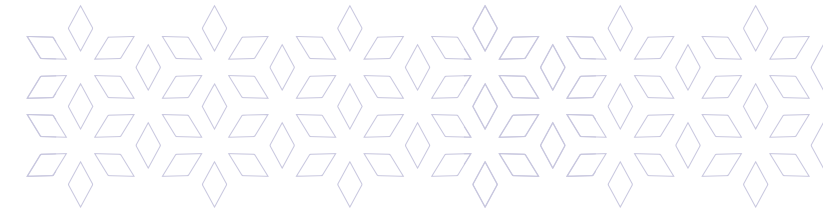
200

indirect beneficiaries



3

days 2 nights was the project duration



Fundación de
Cáncer de Mama

SDG 3 Target: 3.4

At Hoteles City, we support all actions that help in the fight against breast cancer, including raising awareness and follow-up. We collaborate with **FUCAM** to deploy mobile units in underserved communities, providing care in and information on early detection. By donating room nights, we supported the FUCAM team reach underprivileged communities in need of medical care in multiple Mexican states, allowing for early detection of breast cancer.



10,792

beneficiaries



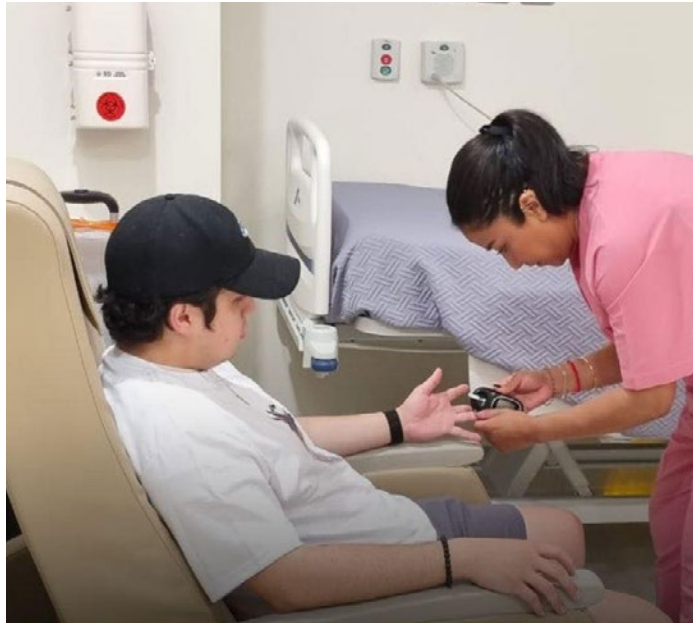
3,198

direct beneficiaries



7,594

indirect beneficiaries



SDG 3 Target: 3.4 SDG 10 Target: 10.2

Fundación Teletón offers comprehensive care to people with disabilities, cancer and autism, promoting their inclusion. We collaborate by providing room nights for the foundation's team that carries out activities at Centros Teletón and fundraising events. For example, we support the National Board of Medical Directors and Voluntary Action, as well as the fundraising campaigns in CRITs (Centros de Rehabilitación e Inclusión Infantil Teletón). We also donated room nights for the Subasta Morada Teletón 2023, helping to raise funds for the children who are part of the CRITs.



SDG 3 Target: 3.d

With **Salvando Latidos A.C.**, we focused on the cardiovascular health of the Mexican people. Through the campaigns conducted during *LatidosFest*, an event held in Tijuana, B.C., we raised awareness and educate the general population on the subject. Through our alliance, we contributed to the association's donation of room nights, which are used to provide care and medical assessments to patients at risk of cardiovascular disease, to hold social awareness talks, and to train health personnel by cardiologists.



SDG 3 Target: 3.4

Asociación Galher supports families who have a child affected by chronic degenerative diseases such as cancer, renal insufficiency, mega cephalalgia, hydrocephalus, among others. In order to improve their quality of life, we implement comprehensive programs that include nutritional, psychological and emotional support. Our main focus was on providing room nights for the association's team, so they could form new alliances in different locations and thus expand the scope to benefit more children.



71 patients undergo cardiology assessments



270 children benefited

FUNDACIÓN HOGARES

SDG 11 Target: 11.3 and 11.7

Fundación Hogares I.A.P. focuses on improving the well-being of residents of social housing communities. Its programs aim to encourage neighbor engagement and accountability in these housing developments. Our room nights donation aided in the implementation and evaluation of the Hogares® Social Organization Program (*Programa de Organización Social Hogares®, POSH*), which enhances the competencies and skills for economic development in the states of Puebla and Baja California. Furthermore, it fosters a dedication to the creation of art and the upkeep of public places, resulting in relationships between community members shaped by individual attitudes and values such as trust, personal support networks, and a sense of belonging.



SDG 8 Target: 8.3 SDG 10 Target: 10.2

Partnering with **Juntos, una Experiencia compartida A.C.**, we broadened the scope of labor inclusion in different Mexican states. We provided room nights for the association's team, which serves as a bridge in the communities to empower, train, link, and employ more people with disabilities, thereby improving their quality of life.

5 EMPODERA training courses in the states of Querétaro, Guanajuato and Chihuahua.

50 companies attended workshops on sensitization, awareness and accessibility diagnostics.



4,234

neighbors participating



15,192

social participation hours



39,200

inhabitants benefited



18

community meetings



278

people with disabilities benefited



186

families benefited



56

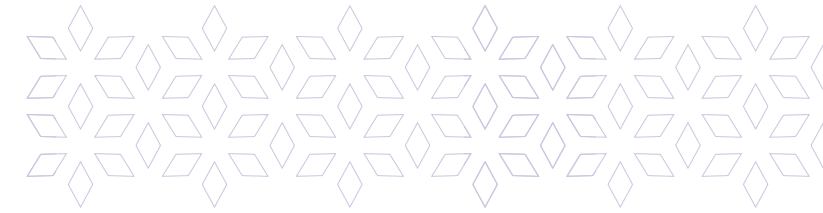
people with disabilities employed

EDUCACIÓN EN COMUNIDADES



SDG 11 Target: 11.4 **SDG 13 Target: 13.3**

The purpose of our collaboration with **Fundación Sabías Que...?** was to provide residents of marginalized communities with the opportunity to explore cultural, recreational and educational destinations, in order to broaden their horizons and consolidate strategic alliances. Over the course of 2023, we granted room nights for the Foundation to strengthen links with its donors, in addition to providing training and environmental awareness activities in the localities, as well as promoting responsible tourism.



SDG 3 Target: 3.4 **SDG 4 Target: 4.2**

Hoteles City provided room nights to **Casa Hogar Alegría I.A.P.**, to support their activities for vulnerable women and girls in need of parental care. The main goal of this collaboration was to improve the living conditions of these people in the State of Jalisco, providing them with access to essential services and opportunities for comprehensive development.

- Implementing educational and recreational programs.
- Psychological and emotional support sessions.
- Workshops focused on personal development and social skills for both our girls and Casa Hogar employees



13

strategic partnerships



127

people benefited in training and environmental awareness



22

people trained in responsible tourism



110

women and girls benefited



SDG 4 Target: 4.1, 4.2

With the aim of cultivating a stronger global citizenship through game-focused educational innovation, we joined forces with **Educación para Compartir (EPC)** through the "Juegos, Valores, ¡Acción!" (Games, Values, Action) program. This work takes place in various settings, whether in mountain or coastal areas, in underserved communities or in large cities, and even in public places and offices. They provide meaningful experiences for individuals of all ages through their activities, employing their unique philosophy centered on the power of play, reflection, and the human capacity to transform reality.



2,066

children benefited



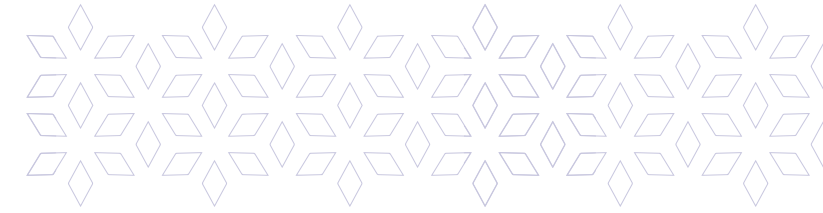
107

teenagers participating



9

public elementary schools in Puebla and Oaxaca



Provoquemos la transformación

SDG 4 Target: 4.2

We collaborate with **Mayama A.C.** on an innovative educational approach that strives to improve the lives of children and families living in contexts of high marginalization and violence by ensuring full access to children's rights and enhancing their quality of life.

Our room nights donation enabled the project management team to attend information system training sessions, allowing them to enhance their processes and continue to support the communities



243

children benefited from the program



240

"Mi desarrollo en formación" program sessions

INCLUSIVE SPORT



SDG 3 Target: 3.4

Our partnership with **Hoop Camp** allows us to promote inclusion, equal opportunities and social, mental and physical health for people with disabilities through the "Basketball in Paradise" Inclusive Basketball Camp and the execution of a series of inclusive basketball clinics held in Merida, Yucatan. We were able to provide room nights for 10 highly qualified trainers who traveled from the United States and other regions to organize a number of activities during the camp.



300
adults and children with special needs participated



200
children from low-income families participated



60
CRIT youth participated in two additional events at the venue



SDG 3 Target: 3.4 SDG 10 Target: 10.2

With **Surfeando Sonrisas**, we work to improve the quality of life of children and young people with disabilities by encouraging them to participate in water sports. We provided room nights for the organizing team and for the participants of the different programs, including the Free Sports Clinics, *Escuelas Amigas* and Road Trip, which had an impact in Puerto Vallarta and Guadalajara.

This great work is reflected in the following results:



250
children and young people with disabilities had the opportunity to surf in Bahía Banderas



25
surf instructors attended the camp



3
dreams fulfilled for people with disabilities in Guadalajara who were able to surf



12
sports clinics



PRO CYCLING TEAM

SDG 3 Target: 3.4

The **A.R. Monex Pro Cycling Team** aims to position Mexico in the elite of international cycling in the World Tour category, thus ensuring that Mexico participates in the three most important laps internationally *Tour de France*, *Giro d'Italia* and *Vuelta a España*.

Within our goal of promoting health and sport, by the end of 2023 we joined efforts to provide room nights to cyclists from different categories competing in the third division in Europe. This alliance seeks to highlight the only Mexican road cycling team based in Europe since 2015.

Mexico made history in August 2023 with Isaac del Toro (former member of A.R. Monex) winning the Tour de France U23, as well as all of the award jerseys.

After this victory, the following teams were created in addition to the U23 Men's team, from which Isaac del Toro emerged:

1. Men's U19 Team (Europe)
2. Women's U23 Team (Europe)
3. Women's U19 Team (Europe)
4. Men's and Women's Talent Pool (Mexico)
5. Tour Venados: National Cycling Series (Mexico)

The A.R. Monex project is focused on developing talented, high performing Mexican cyclists between the ages of 13 and 23 dedicated to the sport.



People benefited:



20

people from the high-performance multidisciplinary team



72

cyclists from representative teams

- 12 U23 Men's Team
- 8 Women's U23 Team
- 2 Women's U19 Team
- 8 Men's U19 Team
- 44 male and female talent pool in development

Hoteles City is one of the companies that are transforming Mexico into an international cycling powerhouse

FINANCIAL EDUCATION



SDG 1 Target: 1.4 SDG 8 Target: 8.9

Savings Groups are the cornerstone of **Fundación León XIII** work for people living in highly marginalized indigenous communities in Chiapas, Oaxaca and Guerrero. These groups address the lack of financial services and are the first step toward financial inclusion. They provide safe places for people to save and develop leadership skills, discover and exercise abilities, become more aware of their dignity and generate new opportunities for their community.

In 2023 we provided room nights for community promoters who attended the Encounter in Oaxaca, a space created to share and highlight the benefits of savings banks and financial education for all families.



22

promoters participated



ART AND CULTURE



SDG 17 Target: 17.17

For nine consecutive years, we have strengthened our collaboration with the **Museo Universitario de Arte Contemporáneo** (MUAC), supporting the cultural dissemination of content through digital media. We have also provided room nights for leading exponents of international contemporary art during the mounting of their exhibitions.

SUPPORTING REFUGEES AND VICTIMS OF VIOLENCE



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

The main purpose of the partnership is to strengthen the attention model of organizations that provide support to people undergoing an asylum process. The objective is to ensure that the processes are applied in a sustainable manner while also raising awareness about the protocols for action in the event of violence. We donated room nights for the **Ayuda en Acción A.C.** team to deliver sessions and training plans in each location. These actions have resulted in:



2 training plans implemented



6 workshops and protocol establishment on Gender Based Violence, migrant women.



4 organizations benefited



13,000 people from different locations



SDG 10 Target: 10.7 SDG 16 Target: 16.1

Through the Hospitality Route, we collaborate with **Asylum Access Mexico** to provide safe accommodation to asylum seekers during the refugee status determination process and the exercise of their rights. Most of the people assisted by Asylum Access Mexico come from Honduras, El Salvador, Guatemala and Nicaragua, as well as from other countries in Central and South America. The organization has also offered legal representation to people from Asia and Africa.



16 families received naturalization support and counseling



Iniciativa Spotlight

SDG 5 Target: 5.1 **SDG 16 Target: 16.1**

An initiative supported globally by the United Nations to eradicate violence against women and their children. Together with UNICEF, the United Nations Population Fund, and other government entities, we developed a protocol to provide free housing and food to victims of violence while identifying safe shelters or support networks. Our support in 2023.



13
Women



24
Children



104,000
people in various communities

ASSOCIATIONS AND ORGANIZATIONS

SDG 2-28 **SDG 17 Target: 17.16** **COP: Principles 1, 2, 3, 6 and 7**

Also, with the support of the Mexican Center for Philanthropy (Centro Mexicano para la Filantropía, CEMEFI), for the fourth year we launched the “Hoteles City – Huéspedes del Mundo” (Guests of the World) initiative, which aims to add civil society organizations to our Impacto City strategy. As a result, in 2023, we provided benefits to:



+15

entities joined forces to collaborate with us in line with the 2030 Agenda's Sustainable Development Goals.

- 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)



We created partnerships with both public and private institutions to promote sustainability strategies

CERTIFICATION PORTFOLIO

Our chain's hotels have been carefully designed and built to comply with rigorous national and international accreditation criteria. Below are some of the most outstanding certifications and recognitions obtained by Hoteles City:



LEED-EB-O&M CERTIFICATION

This certification is granted by the United States Green Building Council (USGBC). The LEED certification system is widely recognized internationally for its focus on leadership in environmental and energy design in buildings. To date, several hotels in our portfolio have obtained this distinction: LEED Gold for City Express Reynosa, City Express Saltillo and City Express León. LEED Silver for 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 Ciudad Juárez. LEED certification for City Express Guadalajara, City Express Irapuato and City Express Querétaro.

EXCELLENCE IN DESIGN FOR GREATER EFFICIENCIES (EDGE)

Considered the first chain in the world to receive this recognition, our hotels have been certified by the World Bank's International Finance Corporation's (IFC) Sustainable Building Certification System. This certification has been granted to City Express Villahermosa, City Express Plus Santa Fe, City Express Durango, City Express Querétaro Jurica, City Express Costa Rica, City Suites Santa Fe, City Express Junior Ciudad del Carmen, City Express Irapuato Norte and City Express Junior Puebla Autopista. These hotels have achieved estimated savings of 50% in energy, 45% in water use, and 36% in building material efficiency compared to similar properties.



DISTINTIVO HOTEL HIDRO SUSTENTABLE

The recognition, awarded by members of the Alianza por la Sustentabilidad Hídrica en el Turismo (Alliance for Water Sustainability in Tourism), celebrates best environmental practices related to water use and conservation, as well as compliance with Mexican regulations. Hoteles City has received this distinction for four facilities: City Express Plus EBC Reforma, City Express Mérida, City Express Villahermosa, and City Express Paraíso Tabasco.



DISTINTIVO "S" - SUSTAINABILITY GUARANTEE

The Ministry of Tourism, in collaboration with EarthCheck and the Rainforest Alliance, has recognized Hoteles City for its sustainable practices, following the criteria established by the World Tourism Organization (UNWTO). Eight of our hotels have been awarded 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 GIRLS, BOYS AND ADOLESCENTS IN THE TRAVEL AND TOURISM SECTOR

At Hoteles City, 125 of our hotels have signed and implemented a code of conduct. This commitment implies developing measures aimed at preventing the sexual and labor exploitation of girls, boys and adolescents within the tourism sector.

HOTEL CLASSIFICATION SYSTEM

This is a methodological tool supported by a self-evaluation mechanism, supervised by the Mexican Ministry of Tourism, that allows lodging establishments to evaluate their facilities and services offered and identify areas for improvement. Hoteles City has obtained this certificate for 121 of the chain's hotels, which comply with the standards corresponding to the 3- and 4-star classifications, respectively.

TURISMO

SECRETARÍA DE TURISMO



CITY INCLUYE CERTIFICATION

This is an internal certification that defines diversity and inclusion criteria, thus creating environments that promote equal opportunities and reject discrimination. This certification focuses on five fundamental pillars: gender equity, LGBT+ inclusion, respect for different backgrounds, fostering interaction between generations, and attention to the hearing impaired. Currently, 70 of our company's hotels have been awarded this certification.



QUEER DESTINATIONS

In collaboration with the Mexican Federal Ministry of Tourism, Queer Destinations, an internationally leading company in the LGBTQ+ tourism segment, awards this distinction to 20 of our company's hotels. This recognition is given to service providers whose staff have been trained to understand and meet the needs of LGBTQ+ travelers, thus ensuring the optimal conditions for an inclusive and respectful stay.





DISTINTIVO EMPRESA SOCIALMENTE RESPONSABLE

For ten consecutive years, Hoteles City has been awarded the Distintivo ESR® by the Mexican Center for Philanthropy (Centro Mexicano para la Filantropía, CEMEFI) and the Alliance for Corporate Social Responsibility (Alianza por la Responsabilidad Social Empresarial, AliaRSE). This award highlights our chain's commitment to continuous improvement in environmental, social, governance and global contexts.



ADHERENCE TO THE UNITED NATIONS GLOBAL COMPACT

By adhering to these principles, our company joined a global initiative that embraces ten universally recognized principles on human rights, labor standards, environmental conservation and anti-corruption.



SAFEHOTELS – COVIDCLEAN

Hoteles City has stood out as a pioneer in the implementation of an independent standard for hotels based on World Health Organization (WHO) guidelines, which evaluate key aspects such as hygiene, cleanliness, social distancing and biosecurity protocols, among others. In addition, it has obtained the Safe Travels certification from the World Travel and Tourism Council, which guarantees compliance with the rigorous health and hygiene protocols established by the council. This recognition is awarded to governments, destinations and companies worldwide that have adopted measures to ensure safe and pleasant trips for tourists.



SÚPER EMPRESAS RANKING

Our Company has been included in the "Places where everyone wants to work" 2023 Súper Empresas Ranking, supported by Expansión Magazine's TOP Companies methodology. This methodology, developed by the leading firm in measurement and consulting on organizational culture and climate, recognizes companies with more than 3,000 employees.





SÚPER EMPRESAS PARA MUJERES RANKING

Our Company has been highlighted as one of the top employers for women in the "Súper Empresas para Mujeres 2023" **Ranking**. This recognition, granted by Expansión Magazine and TOP Companies, highlights human resources practices, policies and programs designed specifically to strengthen the female workforce.



TOP AMERICA RANKING

Hoteles City has been included in the TOP+America 2023 LATAM **Ranking**, a distinction awarded by TOP Companies in collaboration with the regional business magazine El Economista. This **ranking** evaluates 12 factors of organizational culture and work environment, as well as the actions implemented by the Company, from the perspective of its employees.



HRC EQUIDAD MX

The **Human Rights Campaign** Foundation recognizes Hoteles City with the HRC Equidad MX certification for its commitment to the implementation of anti-discrimination measures. This includes forming a diversity council/LGBT+ employee group, adopting LGBTQ+ training and coaching strategies, and creating a more inclusive work environment for all employees.



Each year, we compile a report based on **Environmental, Social, and Governance** (ESG) principles, using the **Global Reporting Initiative** (GRI) standards and the **Sustainability Accounting Standards Board's** (SASB) approach. In addition, we continued to strengthen our analysis of climate change-related risks and opportunities in our operations, following the **Task Force on Climate-related Financial Disclosures'** (TCFD) principles. It is worth noting that we engaged in the **Carbon Disclosure Project's** (CDP) global disclosure system for the third year in a row, raising our understanding of the importance of collaborative climate action management.

HOTELES CITY IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS (SDG)



SDG	TARGET	INITIATIVE / PROGRAM	INITIATIVE / PROGRAM	TARGET	SDG
 <p>1 NO POVERTY</p> <p>End poverty in all its forms everywhere</p>	<p>1.3 Implement nationally appropriate social protection systems and measures for all and, by 2030, achieve substantial coverage of the poor and most vulnerable</p> <p>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.</p>	<p>In collaboration with Comedor Santa María A.C., we support nutrition and education programs for children in vulnerable communities. We donate room nights to oversee projects and ensure the effectiveness of activities in the soup kitchens visited.</p> <p>Fundación León XIII promotes financial inclusion in marginalized indigenous communities in Chiapas, Oaxaca and Guerrero through Savings Groups. In 2023, we provided room nights for the 22 Promoters of the Encounter in Oaxaca, highlighting the benefits of savings banks and financial education.</p>	<p>In alliance with Comedor Santa María A.C., 2,826 people were served 39,955 meals.</p>	<p>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.</p> <p>2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.</p>	 <p>2 ZERO HUNGER</p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>

SDG

TARGET

INITIATIVE / PROGRAM

INITIATIVE / PROGRAM

TARGET

SDG



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.

To promote the health, safety, and well-being of our team, we have the **“In Good Company” program**. This program allows us to implement and monitor activities to prevent risks and promote well-being in **physical health, financial health, and emotional health**.

We support **the fight against breast cancer together with FUCAM**, deploying mobile units to offer care and raise awareness in marginalized communities. We reached **10,792 beneficiaries**.

We provided room nights to staff from **Casa Hogar Alegría I.A.P. to support 110 vulnerable women and girls** in Jalisco. The collaboration improved their living conditions, offering essential services such as educational programs and psychological and emotional support.

The **A.R. Monex Pro Cycling Team** seeks to position Mexico in the elite of international cycling. Our collaboration includes providing room nights for cyclists, **benefiting 20 people from the high-performance multidisciplinary team and 72 cyclists from representative teams**.

We provided room nights for **Asociación Galher's team**, enabling **more than 270 children** with chronic degenerative diseases to receive their medical treatments.

In partnership with **Hoop Camp**, we promoted inclusion and equal opportunities at the **“Basketball in Paradise” Inclusive Basketball Camp**. The event was attended by **300 adults and children with special needs and 60 young people from a CRIT**.

We collaborate with **Surfeando Sonrisas** to improve the quality of life of children and young people with disabilities through water sports. This year, **250 children and young people with disabilities managed to swim in Bahía Banderas**.

We supported **Fundación Teletón** to provide comprehensive care to people with disabilities, cancer and autism, promoting their inclusion. We donated room nights for the foundation's team that participates in activities and fundraising events at Centros Teletón.

We participated in Vacaciones Mamás APACsionadas2023, providing room nights to **50 female caregivers of family members with disabilities**, in order to offer them integration and awareness activities on the **APAC care model**.

With **Salvando Latidos A.C.**, we supported the LatidosFest health campaign in Tijuana, B.C., to **raise awareness about cardiovascular health**. We donated room nights to provide medical care to patients at risk of cardiovascular disease and train health personnel.

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.

3.c Substantially increase health financing and recruitment, development, training and retention of health workforce in developing countries, especially in least developed countries and small island developing States.

3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.



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

SDG

TARGET

INITIATIVE / PROGRAM

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Together with **Educación para Compartir (EpC)**, we worked on the “**Juegos, Valores, ¡Acción!**” (Games, Values, Action!) program, a methodology that offers innovative education experiences for all ages. This allowed us to benefit 2,066 children and 107 adolescents.

We support **Casa Hogar Alegría I.A.P. with room nights**, benefiting vulnerable women and girls. This collaboration improved their access to essential services, educational programs, psychological support and personal development workshops.

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.

Working together with **Educación para Compartir (EpC)**, we launched the “Juegos, Valores, ¡Acción!” (Games, Values, Action!) program, which was deployed in different communities, including mountainous, coastal, urban and rural areas, promoting reflection and learning through meaningful experiences.

We worked with **Mayama A.C.** to improve the living conditions of **243 children** experiencing marginalization and violence, guaranteeing their rights.

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

To promote our organizational culture and learning, we offered **66,867 hours of training** through **163 sessions** and **200 courses**, reaching **3,801 employees**.

INITIATIVE / PROGRAM

TARGET

Through **Cuantrix** and **Bécalos**, we strengthened education in Mexico by offering diverse learning opportunities. **Bécalos** English Challenge has **awarded 342,187 English scholarships to young people and teachers** in six years. In addition, **41 Cuantrix scholarship holders stayed** in our hotels in Mexico City before leaving for Canada to reinforce their English skills.

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.

Based on five pillars—gender equity, the LGBT+ community, background diversity, cross-generational interaction and the hearing impaired—our in-house **City Incluye** program has created discrimination-free, equal-opportunity spaces.

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

We collaborated with the **SUSTAINABLE FUTURE ED** program in its first edition, which prepares students as changemakers in terms of sustainability. We provided room nights for **107 students from four Mexican states** who presented 27 project prototypes with a vision in the sustainable field..

4.7 By 2030 ensure all learners acquire knowledge and skills needed to promote sustainable development, including among others through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.

SDG


4
QUALITY
EDUCATION


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

4
QUALITY
EDUCATION

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

SDG	TARGET	INITIATIVE / PROGRAM	INITIATIVE / PROGRAM	TARGET	SDG
<div data-bbox="130 568 351 803" style="text-align: center;"> <p>5 GENDER EQUALITY</p>  </div> <p data-bbox="130 925 351 1031">Achieve gender equality and empower all women and girls.</p>	<p>5.1 End all forms of discrimination against all women and girls everywhere.</p>	<p>We follow the Mexican Ministry of Tourism's National Code of Conduct to prevent the sexual and labor exploitation of children and adolescents in the tourism sector, with 125 hotels adhering to the protocol by year-end.</p> <hr/> <p>In collaboration with UNICEF, the United Nations Population Fund, and other entities, we formed a partnership with Spotlight to eliminate all types of violence against women and their children; through it, we supported 13 women and 24 children.</p>	<p>We collaborated with Fundación Tarahumara on the Water Security project to ensure water access for the Sierra Tarahumara communities in Chihuahua. In addition, 20 community workshops were held with 109 participants on topics such as watershed management, and 18 communities benefited from 21 projects to install distribution systems with water purification filters.</p>	<p>6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.</p> <hr/> <p>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.</p>	<div data-bbox="2226 568 2460 803" style="text-align: center;"> <p>6 CLEAN WATER AND SANITATION</p>  </div> <p data-bbox="2226 925 2460 1088">Ensure the availability and sustainable management of water and sanitation for all.</p>
	<p>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.</p>	<p>We collaborate with Ayuda en Acción A.C. to strengthen the attention model for refugees, guarantee its sustainable application and create knowledge around protocols for action in the face of violence. Six workshops were held along with a protocol establishment on Gender Based Violence in migrant women.</p>	<p>We support Pronatura Noroeste A.C. in monitoring the construction of the Guadalupe Victoria water treatment plant to reuse water in cactus cultivation, benefiting 21,000 inhabitants.</p>	<p>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.</p>	
	<p>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.</p>	<p>63% of our work team is made up of women. 56% of management and executive positions are held by women.</p> <hr/> <p>Through POSiBLE Coop program, cooperatives are strengthened and turned into changemakers in the State of Mexico and Oaxaca. In the MUJER POSiBLE Chiapas 2023 event, 1,009 female entrepreneurs participated, promoting gender equality and economic growth.</p>	<p>We continued to reduce water consumption in 2023, cutting it by 2.37% over 2022 and 28.3% over 2020.</p> <hr/> <p>Along with Pronatura Noroeste A.C., 400 hectares of wetlands were restored in Nayarit's Marismas Nacionales, protecting the habitat of diverse species and benefiting 1,400 residents.</p>	<p>6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.</p>	


SDG	TARGET	INITIATIVE / PROGRAM
<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>	<p>The City Express Plus by Marriott Mexicali and City Express Plus by Marriott Guadalajara Expo hotels operate with solar heaters, achieving savings of up to 30% in gas consumption compared to other similar properties in the chain.</p>
	<p>7.3 By 2030, double the global rate of improvement in energy efficiency.</p>	<p>We constantly monitor energy consumption in all our properties and comply 100% with local and national energy regulations.</p> <p>At the end of 2023, 28.5% of our properties used Natural Gas, which allows us to reduce our carbon footprint and move towards the energy transition.</p>

SDG	TARGET	INITIATIVE / PROGRAM
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>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.</p>	<p>We created 3,801 direct jobs.</p> <p>We promote innovation and entrepreneurship projects that generate a significant impact on society. These initiatives seek to create value and contribute to the social and economic well-being of communities.</p> <p>We support Fundación Televisa and Monte de Piedad's POSiBLE program, which promotes business development with a positive impact. The program provides training, mentoring, financing and networking to support sustainable projects and consolidate businesses</p> <p>Bécalos English Challenge has established itself as Latin America's largest English program, awarding 342,187 English scholarships to young people and teachers in six years.</p>

INITIATIVE / PROGRAM	TARGET
<p>In collaboration with Juntos, una Experiencia Compartida A.C., we conducted 5 EMPODERA training courses in Querétaro, Guanajuato and Chihuahua, and raised awareness among 50 companies through accessibility workshops to employ 56 people with disabilities.</p> <p>We collaborated with the Mexican Business Council, Colegio de México, and Harvard University to train young Mexicans committed to addressing public challenges. 40 leaders benefited and received training in social leadership and social-emotional skills.</p>	<p>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.</p>
<p>We worked with the Mexican Business Council, Colegio de México, and Harvard University to train young Mexicans in social leadership. We involved 40 leaders in solving public problems, trained 38 in leadership and social-emotional skills, and supported 37 internships in environmental and social topics.</p> <p>Employee lost-time injury frequency rate (LTIFR) was 2.06.</p>	<p>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.</p> <p>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.</p>

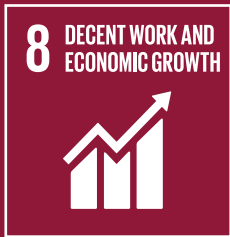
SDG

8 DECENT WORK AND ECONOMIC GROWTH



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

SDG



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

TARGET

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

INITIATIVE / PROGRAM

Responsible tourism

We promote local consumption, the preservation of the natural landscape, and respect for the habitat of flora and fauna, among other recommendations, through our **Responsible Traveler Decalogue**.

With the aim of promoting economic development in indigenous communities, we collaborate with **Fundación León XIII**, which has support programs for microenterprises. In 2023, we provided room nights for participants in a meeting in Oaxaca, where the benefits of entrepreneurship for local economic growth were highlighted.

INITIATIVE / PROGRAM

We implement **human rights and non-discrimination policies**, supported by the Diversity and Inclusion Committee. We adopted a Diversity and Inclusion Model throughout the company and perform unbiased recruitment processes.

In 2023, **70 hotels obtained the internal City Incluye** certification, which is granted through our **Diversity and Labor Inclusion Program**.

Our team includes **48 employees** who are **hearing impaired**.

In order to provide a safe and welcoming environment for LGBTQ+ travelers, at the end of 2023, **20 properties in 10 destinations were certified as Queer Destinations**.

In collaboration with **Fundación Teletón**, we donated room nights to support CRIT operations, as well as for fundraising campaigns and annual events aimed at promoting the inclusion of people with disabilities, cancer and autism.

TARGET

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.

SDG



Reduce inequality in and between countries.

SDG



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

TARGET

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.

INITIATIVE / PROGRAM

We have a network of **152 hotels** distributed in **75 cities**, offering a total of **17,503 rooms** and maintaining a high hotel occupancy rate.

SDG

TARGET

INITIATIVE / PROGRAM

INITIATIVE / PROGRAM

TARGET

SDG

10
REDUCED
INEQUALITIES

Reduce inequality
in and between
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.

With **Juntos, una Experiencia Compartida A.C.**, we support job inclusion in several Mexican states by providing room nights for their team. This team acts as a liaison in the communities, training and linking people with disabilities to jobs, improving their quality of life. In this way, we were able to **benefit 278 people with disabilities**.

We promote inclusion in sport; **we provided room nights for Surfeando Sonrisas, helping 250 children and young people with disabilities** have the opportunity to surf in Bahía Banderas.

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 continue to collaborate with **Ayuda en Acción de México, A.C.**, providing **support to migrants** seeking refugee status.

In collaboration with **Asylum Access Mexico**, we offer **safe housing to asylum seekers** during their refugee determination process, advocating for their rights. This year, **16 families received naturalization support and counseling**.

By donating room nights, we support **Fundación Hogares I.A.P.**, which focuses on improving the quality of life in social housing communities and promoting resident participation and accountability. Through this alliance, we were able to support **4,234 involved neighbors with 15,192 hours of social participation, benefiting a total of 39,200 residents**.

We continued with **Encuesta Orígenes** (Origins Survey) to identify the roots and contact of our employees with indigenous communities, thus promoting inclusive communication that highlights the importance of cultural diversity.

Our **Responsible Traveler Decalogue** encourages our guests to adopt positive behaviors during their stay, contributing to the well-being of the community and the environment.

We collaborate with **Fundación ¿Sabías Que...?** to offer **127 residents** of marginalized communities access to cultural, recreational and educational destinations, expanding their horizons in environmental matters and promoting responsible tourism.

ECOPIIL held the National Meeting of Social Innovation and Environmental Leadership in Boca del Río, Veracruz. **Projects presented included connecting the Motmot house to the Cerro de la Galaxia Protected Natural Area in Xalapa, improving trails and forest spaces, and creating biocultural murals in Acatlán.**

Fundación Hogares I.A.P. program (**Programa de Organización Social Hogares® - POSH**) performed maintenance activities and promoted the creation of art in public spaces.

11.3 By 2030 enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management in all countries.

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

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities.

11
SUSTAINABLE CITIES
AND COMMUNITIES

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

SDG	TARGET	INITIATIVE / PROGRAM	SDG	TARGET	INITIATIVE / PROGRAM
<p>12 PRODUCCIÓN Y CONSUMO RESPONSABLES</p>  <p>Ensure sustainable consumption and production patterns.</p>	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.</p>	<p>We have a recycling program, we deliver waste to authorized managers, and we train our staff in Integrated Waste Management (IRM). We continue to adopt new initiatives to reduce our waste footprint. In 2023, our chain generated an average of 1,424 tons of waste.</p> <p>Our Sustainable Procurement Policy includes a specific category for the purchase of environmentally friendly inputs.</p> <p>We work in collaboration with high-impact organizations such as the Responsible Tourism Institute (ITR), the World Tourism Organization (UNWTO), and the United Nations Global Compact (UNGC) to promote responsible tourism practices and programs.</p>	<p>This year, we granted room nights to Fundación ¿Sabías Que...? to carry out training and environmental awareness activities while promoting responsible tourism. We achieved 13 alliances, benefiting 127 people in training and environmental awareness and 22 people in responsible tourism.</p> <p>Hoteles City's total carbon emissions in 2023, calculated by Our Carbon Footprint, were 33,819.65 tons CO₂e.</p> <p>With Pronatura Noroeste A.C., we contribute to the creation of educational programs about marine conservation and the impact of plastics on the ocean. Our campaign "<i>Por un Mar libre de plásticos</i>" (For a Plastic-Free Sea) has reached over 178 people, inspiring environmental leaders in their communities.</p> <p>We supported Reforestamos Mexico A.C.'s "Educación Ambiental para el manejo sostenible de paisajes" (Environmental Education for Sustainable Landscape Management) project. This support facilitated activities in Jalisco and Nuevo León, focused on training and community environmental management. The project promoted environmental education, resource conservation, and sustainable development, benefiting 594 people.</p> <p>In conjunction with ECOPIIL Arte Crea Conciencia A.C., we held the Fourth Meeting on Social Innovation and Environmental Leadership. During five days of environmental work, we strengthened the skills of 40 innovation and leadership agents with a circular economy approach.</p>	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>13.2 Integrate climate change measures into national policies, strategies and planning.</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>	<p>13 CLIMATE ACTION</p>  <p>Adopt urgent measures to combat climate change and its effects.</p>

SDG



Adopt urgent measures to combat climate change and its effects.

TARGET

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

INITIATIVE / PROGRAM

Hoteles City participated again in **“Earth Hour”**, reaffirming our commitment to raising awareness about climate change and the importance of individual actions to protect the planet.

The **SUSTAINABLE FUTURE ED** Program seeks to develop skills in students to design environmental projects. Hoteles City donated room nights for its first edition, which included **107 students** (46 girls and 61 boys) from four Mexican states.

INITIATIVE / PROGRAM

At the end of 2023, we had **13 hotels located in or near protected areas**, accounting for 8.5% of our total hotels. These facilities **comply with all requirements established by federal, state and municipal legislation** regarding their construction and operation.

With ENDESU, **reforestation with native fruit species was carried out on an 18-hectare site** in *Reserva de la Biosfera Los Tuxtlas, Veracruz*.

During the National Meeting of Social Innovation and Environmental Leadership in Boca del Río, Veracruz, organized by **ECOPIL Arte y Conciencia A.C.**, volunteers **cleaned the Arroyo Moreno mangrove swamp and monitored birds, collecting 166 kg of waste and advancing 500 m on trails**.

TARGET

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.

SDG



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

SDG



Conserve and sustainably use the oceans, seas and marine resources.

TARGET

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.

14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing, and destructive fishing practices and implement science-based management plans in order to restore fish stocks in the shortest time feasible, at least to levels that can produce the maximum sustainable yield as determined by their biological characteristics.

INITIATIVE / PROGRAM

In 2023, with ENDESU, **we continued the American oyster aquaculture pilot project in the Mecoacán lagoon, Paraíso, Tabasco**. We strengthened the technical capacities of local cooperatives to promote intensive oyster farming and adopt innovative technology.

With **Pronatura Noroeste A.C.**, we collaborate with Baja California's fishing communities to **promote sustainable practices and conserve marine ecosystems**. We helped fishermen adopt sustainable methods and participate in conservation projects, benefiting **300 fishermen and 70 cooperative members**.

In 2023, our **Environmental Volunteering** program involved **100 hotels and 989 participants**, totaling 187 volunteer hours. In addition, **16 partner organizations participated** in beach cleanups and park restoration in different locations. As a result, **we collected 3.80 tons of waste**.

With **Pronatura Noroeste A.C.**, we contributed **to the reforestation of 3 hectares with more than 1,500 native trees**, achieving 30% progress of our final goal for the protection and conservation of the Tijuana River and the Colorado River Delta project

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.

SDG

TARGET

INITIATIVE / PROGRAM

15.4 By 2030 ensure the conservation of mountain ecosystems, including their biodiversity, to enhance their capacity to provide benefits which are essential for sustainable development.

Together with **Pronatura Noroeste A.C., we safeguard ecological reserves in Bahía Santa María and Laguna San Ignacio, B.C.S.,** and seek to certify other areas in Sinaloa. These actions are crucial for oxygen production, the preservation of pristine landscapes and the preservation of wildlife.

With Pronatura Noroeste A.C., ecosystems were restored by planting native species and reforesting key areas. Our projects in the Tijuana River and the Colorado River Delta seek to offset CO2 emissions and restore natural habitats. We also made progress on the Arroyo San Miguel interpretive trail and restored mangroves in Cuyutlán, Colima. Furthermore, we formalized the Cuyutlán Lagoon as a protected area, reinforcing our environmental and educational commitment.

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 collaborated with **Espacios Naturales y Desarrollo Sustentable (ENDESU)** on a **program to recover golden eagle populations and their habitat in Mexico** as part of a comprehensive strategy to counteract the negative effects of human-caused overgrazing and erosion. In addition, at the Mar de Cortés Forum in Los Cabos, the **“Adopt a Condor” campaign** was presented, seeking donations to fund the program and strengthen the link between the business community and the conservation of this species.



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

INITIATIVE / PROGRAM

TARGET

SDG

We follow the **Mexican Ministry of Tourism's National Code of Conduct** to prevent sexual and labor exploitation of children and adolescents in the tourism industry; in doing so, we protect minors and contribute to **the reduction of violence** by establishing ethical standards in the tourism industry.

Working together with **Ayuda en Acción México, A.C.,** we provided safe spaces to protect vulnerable populations in their migratory journey.

In collaboration with **Asylum Access Mexico,** we provide housing to **16 families seeking protection and safe living conditions.**

Together with **Spotlight,** UNICEF, the United Nations Population Fund, and other government entities, we created a protocol to provide **housing and food to women and their children who are victims of violence.**

We promote an **ethical and transparent culture,** rejecting discrimination and corruption. Upon any event, **we enforce our whistleblower process, which includes immediate investigation and attention by the Ethics Committee,** ensuring the whistleblower's confidentiality and anonymity.

Our **Code of Ethics** outlines principles for employees, directors and suppliers. It details procedures for addressing ethical conflicts, fostering transparency. We believe that compliance is essential for the sustainability of our company.

There are **147 registered trade unions,** and **28%** of our employees have **joined** one.

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

16.5 Substantially reduce corruption and bribery in all their forms.

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



Promote peaceful and inclusive societies

SDG

TARGET

INITIATIVE / PROGRAM

17 PARTNERSHIPS FOR THE GOALS



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, in particular developing countries.

With the support of the **Mexican Center for Philanthropy** (*Centro Mexicano para la Filantropía, CEMEFI*), we launched for the fourth consecutive year the **"Hoteles City – Huéspedes del Mundo"** initiative to integrate civil society organizations into our Impacto City strategy. On this occasion, **more than 15 entities** joined forces to collaborate with us in accordance with the 2030 Agenda of the SDGs, benefiting **104,000 people from various communities. We also donated bed linens to 53 organizations in different locations.**

For nine years, we have collaborated with the **Museo Universitario de Arte Contemporáneo (MUAC)**, promoting online cultural dissemination and providing accommodation to prominent international artists during the installation of their exhibitions.

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

We contribute with room nights for **team's training sessions**. Our collaboration **seeks to strengthen the attention model for refugees**, guarantee its sustainable application, and create knowledge around protocols for action in the face of violence.



To learn more about the Sustainable Development Goals, [click here](#)

GRI TABLE OF CONTENTS

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, 2023, to December 31, 2023.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
THE ORGANIZATION AND ITS REPORTING PRACTICES					
GRI 2: General disclosures 2021	2-1	Organizational details	About the report / location of operations	2 / 11	
	2-2	Entities included in the organization's sustainability reporting	Social investment	75	
	2-3	Reporting period, frequency and point of contact	About the report	2	
	2-4	Restatements of information	Materiality analysis	20	
	2-5	External assurance	Verification letter	2	
ACTIVITIES AND WORKERS					
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	About the report / Our operations / Presence in 2023 / Social investment / Sustainable procurement	2 / 10 / 12 / 75 / 59	
	2-7	Employees	Our employees	83	
	2-8	Workers who are not employees	Our employees	83	100% of our employees are part of our workforce.
GOVERNANCE					
GRI 2: General disclosures 2021	2-9	Governance structure and composition	Sustainability Committee / Corporate Governance	28 / 68	
	2-10	Nomination and selection of the highest governance body			Information about our governing body is publicly available on our website and on pages 129 to 131 and 136 of our 2023 Annual Report
	2-11	Chair of the highest governance body			Information about our governing body is publicly available on our website and on pages 129 to 131 and 136 of our 2023 Annual Report

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
GOVERNANCE					
GRI 2: General disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	Materiality analysis	20	Information about our governing body is publicly available on our website and on pages 129 to 131 and 136 of our 2023 Annual Report
	2-13	Delegation of responsibility for managing impacts			Information about our governing body is publicly available on our website and on pages 129 to 131 and 136 of our 2023 Annual Report
	2-14	Role of the highest governance body in sustainability reporting	About the report	2	
	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	69	
	2-17	Collective knowledge of the highest governance body			Information about our governing body is publicly available on our website and on pages 129 to 131 and 136 of our 2023 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 129 to 131 and 136 of our 2023 Annual Report
	2-19	Remuneration policies			Information about our compensation guidelines is publicly available on pages 253, 324 and 395 of our 2023 Annual Report
	2-20	Process to determine remuneration			Information about our compensation guidelines is publicly available on pages 253, 324 and 395 of our 2023 Annual Report
2-21	Annual total compensation ratio			Information about our compensation guidelines is publicly available on pages 253, 324 and 395 of our 2023 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 / 68	
	2-24	Embedding policy commitments	Ethics and transparency	68	

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
STRATEGY, POLICIES AND PRACTICES					
GRI 2: General disclosures 2021	2-25	Processes to remediate negative impacts	Integrity	69	
	2-26	Mechanisms for seeking advice and raising concerns	Corporate governance and integrity	68	
	2-27	Compliance with laws and regulations	Total Compliance with Environmental Legislation	61	
	2-28	Membership associations	Associations and organizations	114	
STAKEHOLDER ENGAGEMENT					
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	Stakeholders / Corporate governance / Innovation and entrepreneurship programs	19 / 68 / 76	
	2-30	Collective bargaining agreements	Freedom of association	90	
MATERIAL TOPICS					
GRI 3: General disclosures 2021	3-1	Process to determine material topics	Materiality Analysis / Management of our key material and urgent topics	20 / 23	
	3-2	List of material topics	Materiality Analysis / Materiality Matrix	20 / 22	
ECONOMIC STANDARDS					
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Social investment	75	
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Innovation and entrepreneurship programs / Social Investment	76 / 75	
	203-2	Significant indirect economic impacts	Entrepreneurship value chain	76	
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 on anti-corruption policies and procedures	Training on the Code of Ethics and Anti-corruption Policy	69 / 74	

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
ENVIRONMENTAL DISCLOSURES					
Energy consumption and efficiency					
GRI 3: Material topics 2021	3-3	Management of material topics	Energy efficiency	39	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy efficiency	39	
	302-3	Energy intensity	Energy efficiency	39	
Water					
GRI 3: Material topics 2021	3-3	Management of material topics	Water conservation / Water stress analysis	43 / 44	
GRI 303: Agua y efluentes 2018	303-1	Interactions with water as a shared resource			Water is essential in our daily operations and is mainly used for cleaning, laundry, cleaning of public areas, and services such as swimming pools. Its management is included in our Environmental Impact Policy. We promote programs and objectives aimed at protecting and caring for it among our employees and our guests through the Responsible Traveler's Decalogue.
	303-2	Management of water discharge-related impacts			We guarantee that all our hotels comply with the regulations established in NOM-002-ECOL-1996 for the discharge of wastewater into the sewage system. We also ensure that the quality of drinking water is maintained by conducting periodic analyses at certified laboratories at all of our sites..
	303-3	Water withdrawal	Water conservation / Water stress analysis	43 / 44	
Biodiversity management					
GRI 3: Material topics 2021	3-3	Management of material topics	Biodiversity protection	50	
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	50	
	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity protection	50	

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
Atmospheric emissions (gas and energy)					
GRI 3: Material topics 2021	3-3	Management of material topics	Our Carbon Footprint	33	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our Carbon Footprint	33	
	305-2	Energy indirect (Scope 2) GHG emissions	Our Carbon Footprint	33	
	305-4	GHG emissions intensity	Our Carbon Footprint / Occupied room night (ORN) comparative ratio	33 / 37	
GRI 306: Waste 2020	306-4	Waste diverted from disposal	Waste management	48	
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable procurement	59	
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier bidding	60	
SOCIAL STANDARDS					
Fair working conditions					
GRI 3: Material topics 2021	3-3	Management of material topics	Our employees	83	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Our employees / Turnover rate	83 / 84	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Salaries and benefits	92	
Employee and guest health & safety and protection					
GRI 3: Material topics 2021	3-3	Management of material topics	Occupational health and safety	95	

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
Comprehensive wellbeing of employees					
GRI 3: Material topics 2021	3-3	Management of material topics	Salaries and Benefits / Wellness Program	92 / 93	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Occupational health and safety / Compliance with the law	95	
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety	95	
	403-3	Occupational health services	Occupational Health and Safety / Risk Management in our workplaces	95 / 96	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety / Risk Management in our workplaces	95 / 96	
	403-5	Worker training on occupational health and safety	Occupational health and safety / Civil protection	95 / 97	
	403-6	Promotion of worker health	Salaries and Benefits / Wellness Program	92 / 93	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Salaries and Benefits / Wellness Program	92 / 93	
	403-8	Workers covered by an occupational health and safety management system	Occupational health and safety / Compliance with the law	95	
	403-9	Work-related injuries	Occupational Health and Safety / Risk Management in our workplaces	95 / 96	
	403-10	Work-related injuries	Occupational Health and Safety / Risk Management in our workplaces	95 / 96	
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 hours of training per year per employee	Learning, trust and communication	87	
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance evaluation	91	
Human rights compliance					
GRI 3: Material topics 2021	3-3	Management of material topics	Labor Diversity and Inclusion Program / Mexican National Code of Conduct	98 / 102	

GRI STANDARD	GRI	CONTENT	SECTION	PAGE	COMMENTS / DIRECT RESPONSE
Promoting responsible tourism					
GRI 3: Material topics 2021	3-3	Management of material topics	Mexican national code of conduct	102	
GRI 405: Diversity and equal opportunities	405-1	Diversity in governing bodies and employees	Our Employees / Labor Diversity and Inclusion Program	83 / 98	Information about our governing body is publicly available on our website.
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Mexican national code of conduct	102	
Preservation of local culture and natural heritage					
GRI 3: Material topics 2021	3-3	Management of material topics	Labor Diversity and Inclusion Program / Mexican National Code of Conduct	98 / 102	
Community engagement and empowerment					
GRI 3: Material topics 2021	3-3	Management of material topics	Labor Diversity and Inclusion Program / Mexican National Code of Conduct	98 / 102	
Local economic impact through the generation of direct and indirect jobs					
GRI 3: Temas materiales 2021	3-3	Management of material topics	Labor Diversity and Inclusion Program	98	
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Labor Diversity and Inclusion Program / Biodiversity Protection	98 / 50	
Employee and guest health & safety and protection					
GRI 3: Material topics 2021	3-3	Management of material topics	Committed to our guests / Health and biosafety	13 / 15	
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Committed to our guests / Health and biosafety	13 / 15	
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Committed to our guests / Customer security and privacy	13 / 14	

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SUSTAINABILITY ACCOUNTING

STANDARDS BOARD (SASB)

INDUSTRY STANDARD | VERSION 2018-10



SASB CODE	METRIC	2021	2022	2023	REPORT SECTION	PAGE
SV-HL-130a.1	(1) Total energy consumed, Gigajoules (GJ)	171,230.29	196,567.32	213,141.6	Energy efficiency	39
SV-HL-130a.1	(2) Percentage of electricity from the grid, Gigajoules (GJ)	100%	100%	100%	Energy efficiency	39
SV-HL-130a.1	(3) Percentage of renewable Gigajoules (GJ), percentage (%)	Not Applicable			Energy efficiency	39
SV-HL-140a.1	(1) Total water extracted, Thousand cubic meters (m3)	830.428	987.353	1,019,943	Water conservation	43
SV-HL-140a.1	(2) Total water used, percentage of each in regions with a high or extremely high initial water stress, thousand cubic meters (m3), percentage (%)	69%	71%	72%	Water withdrawal in water-stressed areas	44
SV-HL-160a.1	Number of accommodation 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	45
SV-HL-160a.2	Description of environmental management policies and practices to preserve ecosystem services	Environmental Impact Policy » · <i>Espacios Naturales y Desarrollo Sustentable, A.C.</i> (Golden Eagle) · <i>Pronatura Noroeste, A.C.</i> · Environmental Impact Volunteering · ECOPIIL – Social and Environmental Innovation Meeting			Impact on operations	52
SV-HL-310a.1	(1) Voluntary and (2) involuntary turnover rate for lodging facility employees	Voluntary 8.51% Involuntary 2.60%	Voluntary 7.99% Involuntary 3.12%	Voluntary 7.86% Involuntary 3.24%	Staff turnover	84
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Zero			Occupational health and safety	95

SASB CODE	METRIC	2021	2022	2023	REPORT SECTION	PAGE
SV-HL-310a.3	1) Average hourly wage MXN	39.29	42.31	48.28	Salaries and benefits	92
	and 2) Percentage of lodging facility employees earning the minimum wage, by region		100%		Salaries and benefits	92
SV-HL-310a.4	Description of workplace harassment prevention policies and programs		Code of Ethics Confía Program		Code of Ethics / Confía Program	71 / 96
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	6,338,175	6,320,004	6,346,602		
SV-HL-000.B	Average occupancy rate	40.30%	53.70%	55.60%		
SV-HL-000.C	Total area of lodging facilities / Square meters (m2)	759,137	766,492	786,950		
SV-HL-000.D	Number of lodging facilities and the percentage that are:	38 (25%)	34 (23%)	29 (19%)	SASB activity parameters	12
	Co-invested	62 (41%)	63 (42%)	70 (46%)		
	(2) owned	14 (9%)	14 (9%)	14 (9%)		
	leased,	38 (25%)	40 (26%)	39 (26%)		
	(3) franchised and managed					

APPENDIX 1

EMISSION FACTORS

FUEL EMISSION FACTORS			
FUEL	CO ₂ VALUE (ton/MJ)	CH ₄ VALUE (kg/MJ)	N ₂ O VALUE (kg/MJ)
Diesel	0.0000741	0.0000039	0.0000039
Gasoline	0.0000693	0.000025	0.000008
Natural Gas	0.0000561	0.000092	0.000003
LP Gas	0.0000631	0.000062	0.0000002

HEATING VALUE FOR FUELS			
FUEL	VALUE	UNIT	YEAR
Diesel	6065	MJ/bl	2023
Gasoline	4781	MJ/bl	2023
Natural Gas	39083	KJ/m ³	2023
LP Gas	4153	MJ/bl	2023

GLOBAL WARMING POTENTIAL

GAS	GWP	UNIDAD
Carbon Dioxide	1	ton CO ₂ / ton CO ₂
Methane	27.9	ton CO ₂ / ton CH ₄
Nitrous Oxide	273	ton CO ₂ / ton N ₂ O
R410A	2256	ton CO ₂ / ton R410A

MEXICAN NATIONAL ELECTRONIC SYSTEM EMISSION FACTOR

FACTOR	AMOUNT	UNIT
Electricity Mexico 2023	0.438	tCO ₂ e / MWh
Colombia Electricity 2023	0.112	tCO ₂ e / MWh
Costa Rica Electricity 2023	0.0534	kgCO ₂ e/kWh
Chile Electricity 2023	0.2384	tCO ₂ e / MWh

CONVERSION FACTORS

VALUE A	UNIT A	VALUE B	UNIT B
1	GJ	277.78	kWh
1000	kWh	1	MWh
1	bl	158.987295	litros
1	ton	1000	kg
1	ton	1000000	g

VERIFICATION LETTER



2023 Sustainability Report Verification Report "A hotel for everyone"

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

We inform you that Redes Sociales en Línea Timberlan was hired to conduct a limited, independent verification of a sample of GRI content contained in the Hoteles City Express "A Hotel for Everyone" 2023 Sustainability Report.

The scope of our verification covered the results from January 1 to December 31, 2023, and the five brands that comprise Hoteles City Express: City Express By Marriott, City Express Plus By Marriott, City Express Suites By Marriott, City Express Junior By Marriott and City Centro By Marriott.

Hoteles City Express Corporate Sustainability Management is in charge of preparing and publishing the information contained in the "2023 Sustainability Report" as well as that submitted in the verification process, which includes, but is not limited to, identifying the material topics, selecting and publishing the GRI Content, and providing true and sufficient documentary and/or visual evidence to conduct the limited verification of the selected sample of GRI Content.

Our commitment is to express impartial and objective opinions about the quality, certainty, traceability and reliability of the sample. The work performed is based on the activities of the **International Standard on Assurance Engagements (ISAE) 3000**, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the methodological requirements **in accordance with the GRI Standards**.

Among the **activities** performed during the verification process are:

- Interviews with management to learn about the information collection, management and control processes for the preparation of the 2023 Sustainability Report.
- Understanding of internal management systems (policies, processes, tools, source documents, etc.)
- Analysis of qualitative and quantitative information through visual, documentary and public evidence of the sample to be verified.
- Comparison of data from the previous year to validate reasonableness.

Conclusions: Based on our work and a review of the 2023 Sustainability Report "A Hotel for Everyone," we found no inconsistencies that led us to believe that the evidence in the selected sample did not meet the principles of certainty, reasonableness, and reliability, and no significant or material errors were found in the data in the verified sample.

Recommendations: An internal report exclusive to the client is delivered separately, which contains suggestions for improvement for a future report

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Declaration of independence and competence of Redes Sociales en Línea Timberlan. Redes Sociales en Línea Timberlan's employees have the necessary level of competence to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, 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 and therefore 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 May 31, 2024 and is valid as long as no subsequent and substantial modifications are made to the Hoteles City Express S.A.B. de C.V. "A Hotel for Everyone" 2023 Sustainability Report.

Redes Sociales en Línea Timberlan S.A. de C.V. | Pico Sorata 180, Jardines en la Montaña, Tlalpan, C.P. 14210, CDMX.

VERIFICATION LETTER



Sample of content to be verified

GRI Content	
2-1	Organizational details
2-28	Membership associations
2-29	Approach to stakeholder engagement
3-1	Process to determine material topics
3-2	List of material topics
Environmental	
302-1	Energy consumption within the organization
302-3	Energy intensity
303-3	Water withdrawal
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-4	GHG emissions intensity
308-1	New suppliers that were screened using environmental criteria
Social	
2-6	Activities, value chain and other business relationships
2-7	Employees

GRI Content	
Social	
2-8	Workers who are not employees
205-2	Communication and training on anti-corruption policies and procedures
401-1	New employee hires and employee turnover
401-2	Full-time employee benefits that are not provided to part-time or temporary employees
403-9	Work-related injuries
403-10	Work-related ill health
404-1	Average hours of training per year per employee
404-3	Percentage of employees receiving regular performance and career development reviews
413-1	Operations with local community engagement, impact assessments, and development programs
Governance	
2-26	Mechanisms for seeking advice and raising concerns
2-30	Collective bargaining agreements
201-1	Direct economic value generated and distributed
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

Redes Sociales en Línea Timberlan S.A. de C.V. | Pico Sorata 180, Jardines en la Montaña, Tlalpan, C.P. 14210, CDMX.



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