citizenM ESG report 2020





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introduction

Our Environmental Social Governance (ESG) strategy focuses on operating and building healthier, greener hotels, doing the right thing for our people and communities, and engaging our guests with transparent information about our activities. Our hotels are kind to the planet – but still amazing for all mobile citizens of the world to stay at.

Our internal departments are passionately working on ESG streams and projects to meet our objectives. We like to think of them as our ESG task force, actively driving and embedding our approach business-wide. Our actions contribute to positive environmental, social and economical outputs – not only for our guests, investors and employees but the communities we operate in too.

Our objective is clear – the ESG task force standardises best practices, while monitoring, reporting and progressing our most material issues. They also embed good governance with policies and actions.

This report intends to present information related to our environmental, social and governance (ESG) performance indicators while being accessible for our stakeholders. We have aligned our report and activities to the Global Reporting Initiative (GRI) core and the United Nations Sustainable Development Goals (SDGs).

citizenM highlights 2020



21 hotels in 14 cities	3 new hotels	saving the use of 1.2 millio	n plastic bottles in European hotel
27 hotels in the pipeline	86% of waste diverted from landfill	89% of our hotels were green building certified	fitting 16 bird boxes so wildlife can nest safely in Amsterdam

donating **2000** iPads to hospitals so patients stay connected with loved ones

80% of employees participating in new employee survey

224k donated to World Bicycle Relief **1000** room giveaway to heroes of the pandemic



receiving a **BREEAM**: Outstanding certification for citizenM Amstel Amsterdam



winning a Trailblazer award from World Bicycle Relief for our support



introducing new safety guidelines and cleaning procedures for all hotels and offices

about citizenM

citizenM leads the hotel industry in the smart luxury lifestyle segment, driven by one desire: to create affordable luxury for the people. With a global portfolio of hotels in prime metropolitan locations, and at major international airports, citizenM is a fully integrated real estate developer; design and project management company; and a hotel operator. citizenM's core strategy is to own the hotels it operates.

Approximately half of all citizenM hotels are prefabricated (modular). This means we build in a shorter timeframe than traditional construction, leading to among others, scaling opportunities and high profitability. It also ensures consistency and quality of the hotel buildings and interiors. Our focus is on comfortable, efficient design. Reallocating living spaces from the rooms to the public area enables us to use just half the floor space of a traditional upscale hotel room, without compromising on luxury.

We have 21 operating hotels and 21 properties under development (10 of which were in construction) as per 31 December 2020. Changes in 2020, included the opening of citizenM Geneva, citizenM Seattle South Lake and citizenM Washington DC.

scope of report citizenM Holding B.V.

This report includes our operating hotels, leased property hotels and our development portfolio. Data in this report (unless stated) is from 1 January - 31 December 2020, excluded from this report are the 2 hotel management contracts in Asia as we do not own these hotels.



a message from our CEO

Wow, 2020 was a year like no other for the hospitality industry! As a company, we boldly navigated obstacles by revolutionising our work methods and innovating the guest experience, all while keeping employees happy, safe and connected. Despite the headwinds of COVID-19, our hotel doors stayed open (except in cities where we legally had to close).

As an owner and operator, we continued building new hotels to further our vigorous rollout plan across Europe, Asia and the USA. Our ESG strategic business plans didn't falter either – we drove them forward.

Our ESG vision is to influence positive change in a world where we are simply guests. To do so, we operate and build greener hotels worldwide. We're also transparent about our activities – doing the right thing for our people, communities and guests.

The COVID-19 pandemic magnified inequalities throughout society. In particular, the tragic murder of George Floyd forced society to reckon with ongoing racial injustice. These events have sparked powerful conversations and positive actions at citizenM, underscoring the importance of strong ESG practices within our business.

Step by step, we're aligning with internationally recognised standards to build a long-term credible ESG strategy and support the United Nations' Sustainable Development Goals (SDGs).



continued...

We are happy to introduce you to our ESG report, we hope you enjoy reading what we have been up to in more detail.

Here are just a few highlights from 2020, together we:

- increased the number of hotels with green building certifications
- avoided 1.2 million plastic water bottles by banishing our in room water bottles
- introduced a new online learning platform for employees
- launched our employee survey which occurs twice yearly
- formed our Diversity committee
- eased traveller worries by offering free cancellations during the pandemic
- launched an innovative Contactless app enabling fully contactless stays all via the guest's own smartphone
- supported our local communities with food donations, ipads for hospitals and 1000 rooms for local pandemic heroes
- donated 1181 bikes to help shorten the distance between people and opportunities through our Foundation and partnership with World Bicycle Relief. We were even awarded a trailblazer award for our actions.

performance

We recognize that whilst impressive, the reductions achieved in energy, emissions, waste and water are as a result of low occupancy in our hotels due to the pandemic and are neither representative nor sustainable. The data we have collected still helps us understand where we can improve and reduce our impacts on the planet.

priorities

We are focused on our climate risk and resilience strategies. We are creating short, medium and long term plans on how we can manage physical climate risks and carbon transition risks to a low carbon economy.

While this has not been an easy year, citizenM has made significant strides forwards, it's made us a stronger business, better prepared for a fast-changing world.

There's always more work to be done and we know the planet and our conscious travellers can't wait!

materiality

We focus on the most significant impacts of our business as they affect our stakeholders and communities. In 2016, we carried out a series of interviews from the business, identified our most material issues and made a list. In 2020, we updated this list looking at changes across the business, industry research, stakeholder requests and global trends. The shortlist of our material topics are as follows:

- green building certifications
- responsible procurement
- energy consumption
- energy efficiency
- carbon emissions
- water and waste
- climate resilience
- biodiversity
- employee engagement
- training and professional development
- health and safety
- diversity and inclusion
- our contribution to society
- guest engagement





our stakeholders

We know the importance of listening and acting – we have internal and external stakeholders that help us shape our ESG strategy. They comprise of:

- guests & corporate clients
- employees
- shareholders
- governments
- regulators
- industry associations/bodies
- NGOS
- academic institutions
- local communities

our vision

We want to influence positive change in a world where we are simply guests.



activation

We activate our vision by operating and building healthier, greener hotels, doing the right thing for our people and communities, and engaging our guests with transparent information about our activities.

Our hotels are kind to the planet – but still amazing for all mobile citizens of the world to stay at.



our areas of focus explained



intelligent & sustainable buildings

future-proofing our buildings for a healthier, greener and more resilient future

green building certifications

why it's important?

Green buildings (in terms of design, construction and operation) can significantly reduce a business' environmental impact. They are not only better for the planet, they are healthier for our employees and guests too.

what we're doing?

We want to future-proof our buildings to create a healthier, greener and more resilient future. How? By applying sustainability requirements to the conception, design and construction of all our hotels. It starts with our building standards, making our ESG requirements known by outlining them during each part of the build.

Where possible, we require our hotels to achieve BREEAM-NC or LEED-BD+C. In 2020, citizenM Seattle and Washington DC achieved gold certification, 89% of our hotels are now LEED or BREEAM certified. We also use the BREEAM in-use certification a year after our hotels are open. This year we assessed and re-assessed a further 6 hotels, our Amsterdam Amstel hotel received a BREEAM in use excellent score!



citizenM Washington DC LEED Building and Construction: GOLD certification

biodiversity

We make efforts to protect and enhance biodiversity and ecosystems during the development of new buildings and the operation of our hotels. Our project managers and general contractors maintain compliance with environmental laws and regulations.

The majority of our new construction involves the development of sites, which conserves natural areas and habitats to the maximum possible. Often the redevelopment of sites involves the remediation of soil contamination caused by the activities of others.

We support biodiversity by maintaining trees and vegetated areas. We have a number of green areas integrated in our hotels, for example our green spaces at our citizenM Paris Champs-Elysées Hotel and our green roof at citizenM Paris La Defence. At citizenM Amstel we placed 16 bird boxes to provide safe nesting opportunities for birds in the City.

We monitor environmental incidents from across all our projects and hotels. In 2020, citizenM had no environmental incidents or violations.



responsible procurement

As we build and operate we know its important that the suppliers we work with are on the same page. We created a four-step process with suppliers to improve products and services, mitigate risk and identify new opportunities.

We created <u>Responsible Procurement Principles</u> to reinforce what we expect from our suppliers. Additionally, to check our suppliers adhere to our principles we use the EcoVadis rating assessment. This scores suppliers in the areas of labour and human rights, ethics and sustainable procurement, and environmental impact.

In 2020, we completed assessments on 35 strategic suppliers using the EcoVadis platform. To ensure our ESG expectations are clear, we also created a new short supplier handbook to guide suppliers through our stepped sustainability risk and performance process.



climate resilience

why it matters?

Climate change is one of the biggest threats our world is facing. As our planet heats up, we can expect to see more frequent and severe weather which could result in damage and financial loss. Its effects are potentially devastating to people's lives and the economy. There is an urgency to take action to limit these events. Transparency regarding climate-related risks and opportunities will be critical to maintaining the trust of stakeholders and will enable investors to better understand the implications of climate change on businesses.

what we are doing?

citizenM recognizes that climate change risk is a global issue that may impact how we run our business both today and in the future. We see climate change risk as both a strategic opportunity and a financial risk.

In 2020, we started looking for ways to improve our understanding of our climate-related risks, specifically our physical climate risks and carbon transition risks, We identified tools to help us identify potential physical and transition risks in the short, medium and long term.

We ran provisional data tests looking at science-based carbon reduction pathways at building and portfolio level data. We will continue to build our climate resilience strategy, analysing our emissions, working on scenario analysis, enabling us to set clear climate risk related projects and goals focused on transitioning to a low-carbon economy.



growing & operating sustainably

optimizing our operations to reduce our impact



energy and GHG

why it matters?

We want to play our part in addressing the global challenges of climate change. As a growing, global organization, we're constantly seeking ways to minimize our environmental and financial costs. Energy is costly in both senses: utilities account for 3% of our operational spend, and electricity, the biggest proportion of that outlay.

what we're doing ?

To help mitigate climate-related risk, we aim to minimise our environment footprint including our emissions. In 2020, we reviewed our data platforms and utilities providers as we want to ensure we are capturing robust data, which is essential to guide our efficiency and reduction projects, so that we can align with science based goals in the future.

Energy: Our main sources of energy are electricity, gas and district heating. To reduce our impacts on the environment, we purchase green tariff electricity or certified green electricity.

GHG: We monitor and benchmark our main sources of greenhouse gas emissions at the asset level in units of metric tons of carbon dioxide equivalent (MTCO2e) and greenhouse gas emissions intensity is MTCO2e per m² per reporting year.



citizenM Amstel

- BREEAM in use Excellent certificate
- Powered by green electricity
- Energy Label Rated A
- Solar panels produced over 5,400 kwh in 2020

energy consumption 2020

energy consumption kWh/m²

total		202.6			
electric	city		103.1		
fuel		69.1			
heat	30.4				
0		50		150	200
			kWh	our total energy consumption in 2019 was 254.4 kWh/n like for like decrease from 2019 to 2020 was - 22 %	

ghg

In 2020, we had a deeper look at our emissions, we updated emission factors, updated our location based emissions and improved our reporting by investing in a reporting manager tool.

Additionally, we signed new energy contracts for our four Dutch hotels, where we purchased green electricity, leading to a decrease in our market based emissions.

We recognize that the reductions achieved as a result of reduced energy consumption during the pandemic are not representative of when our hotels are at full occupancy.

Total scope 1+2 (market based emissions intensity) from 2019 to 2020 decreased by - 43%

greenhouse gas emissions(ghg)	2020	2019
scope 1 direct emissions		
Emissions (MTCO ₂ e)	2041	2078
Emissions intensity (MTCO ₂ e/m²)	0.0139	0.0169
scope 2 indirect emissions		
Location based emissions (MTCO ₂ e)	3951	4467
Location based emissions intensity (MTCO ₂ e)	0.0269	0.0364
Market based emissions (MTCO ₂ e/m ²)	1096	2501
Market based emissions intensity (MTCO ₂ e)	0.0075	0.0204
total scope 1 + 2 emissions		
Location based emissions (MTCO ₂ e)	5992	6545
Location based emissions intensity (MTCO ₂ e/m ²)	0.0409	0.0533
Market based emissions (MTCO ₂ e/m ²)	3137	4579
Market based emissions intensity (MTCO ₂ e/m ²)	0.0214	0.0373

energy efficiency

Here are some examples of our energy efficiency activities:

energy saving technologies

Our Building Management Systems (BMS), optimise the performance of our heating, ventilation, and air-conditioning (HVAC) systems. In 2020, we piloted a new BMS project to further optimize hotels.

efficiency - lighting

We use natural light and task-lighting to reduce the need for overhead lighting. We install occupancy sensors in our corridors, conference rooms, break rooms, restrooms, and other frequently unoccupied spaces. We only prescribe LED lighting and thus reduce the wattage of light bulbs to save lighting energy usage.

energy efficiency - heating and air conditioning

We have flexible thermostat ranges that can be set by our property management team. This means rooms can be a few degrees warmer in the summer and cooler in the winter, rather than strictly set temperatures. This approach saves energy and reduces our environmental impact.

temperature control

Our in-room mood pad encourages guests to take control. The mood pad allows travelers to control blinds, temperature, light color (in the shower and bathroom), multimedia and more. In 2020, the contactless app also incorporated this feature so guests can control their room from their phone.

central monitoring

We monitor room temperature in each room through a central dashboard which adjusts temperatures when there is no one there. Also, we use savvy technology to activate/deactivate lights on check-in and check-out.



water

why it matters?

Water is a limited and valuable resource. Better water management is not only good for the planet and people, but for business too!

what we're doing?

We actively monitor the water we use in each hotel through smart meters, which allows us to measure the changes we make through our conservation features.

Our brand standards require water fixtures to meet local requirements for water efficiency and conservation. We have actively implemented water conservation features in our restrooms, bathrooms and kitchens/pantries, we install low-flow aerators on faucets. Low-flow fixtures are installed in restrooms and where possible we look for the EPA WaterSense label when purchasing fixtures and appliances.

Our total water consumption across the reported portfolio in 2020 was 159,787m3. Due to low occupancies, we saw a 40% drop in like for like water consumption from 2019.

0.38 water consumption m³ per occupied room

waste

why it matters?

Sending waste to landfill not only takes up valuable land space on the planet but causes air, water and soil pollution, discharging carbon dioxide (CO2) and methane into the atmosphere. Furthermore, waste often travels long distances to landfill sites, consuming fuel and contributing to greenhouse gas emissions. By reducing the amount of waste we produce, our waste disposal costs fall which is good for the planet and good for business.

what are we doing?

We want to reduce the amount of waste generated at all our hotels. We have significantly reduced our waste from evening and lunch offerings by working with our partners on portioning and packaging. We have always refilled our bathroom containers (shower gel, etc) to eliminate the need for little plastic bottles but in other areas, we still have work to do. This year we again stepped up waste data recording and management. In 2020, we had a total of 1167 metric tonnes of non-hazardous waste. We will continue to audit and improve our waste data to make improvements.

Additionally, we set waste diversion rates during the construction of our hotels in-line with green-building certification requirements. For example, at our Washington DC hotel 86% of the on-site generated construction waste was diverted from landfill.



waste

year	metric tons total waste	metric tons of waste went to landfill	% of waste diverted from landfill	kg waste per occupied room
2019	2447	567	63	2.2
2020*	1167	152	86	2.7

*Waste is closely linked to occupancy, and the amount of waste produced by our hotels decreased significantly in 2020 due to the impacts of the pandemic. Guest waste increased due to Covid-19 restrictions - more takeaways and meals in rooms as guests were not able to eat out.

hello, smart refills!

why it matters?

Across the world, 80% of plastic water bottles end up going to landfill. Plastic pollution is something we take seriously. And although plastic water bottles are convenient for our guests, they're not for our planet – so we decided they have to go!

what are we doing?

In 2020, we stopped putting plastic water bottles in the guest rooms of our European hotels. This saved the use of 1.2 million bottles! Instead, we have free water stations to refill glasses/bottles at canteenM – and we have incentive schemes for customers bringing reusable cups to our coffee shops (in line with each city's COVID-19 restrictions).

To reduce our waste further, we have logged unnecessary single-use items in our hotels and are working on a plan to phase out them out.

1.2 million plastic water bottles avoided

Searching for bottled water?

We are trying something new to help the planet invisible water bottles

We serve tap water or filtered water on the ground floor.

doing the right thing for our people

whilst empowering them to become the best version of themselves



doing the right thing for our people

why it matters?

Our citizenM values and unique culture are worth protecting, it's the bright buzzing spark that makes us unique.

what we're doing?

We value passion, personality and a can-do attitude. We love diversity, and everyone has the opportunity to learn, develop and grow as professionals and individuals. When the pandemic hit, we worked hard to keep our teams safe, connected and engaged. As well as a new learning platform and safety trainings, we also launched an internal series called Tuesday Talks - each month, we as a company we came even closer together (online) to hear about the various exciting projects that teams were working on within citizenM.

We launched our new citizen satisfaction survey with a goal of 80% response rate – and after a nail-biting wait, we were thrilled to have reached exactly 80%. This amazing response shows how much our employees care and are open to giving feedback. This feedback was used to create an action plan of activities.

646 full time employees 100% of employees received performance reviews 100% completed our citizenM rules training

keeping our employees safe

why it matters?

Protecting our employees and our guests is always our first priority.

what we're doing?

We take the health, wellbeing and safety of our employees and guests seriously. Ensuring safe and healthy working conditions, in order to prevent harm. Health and safety rules and regulations apply at all our locations, we monitor incidents and we also have clear expectations with regards to on site safety when we are building our hotels with general contractors.

during the pandemic - hotels

Hotel employees were frequently trained on Covid-19 cleaning measures and team schedules were amended to keep teams safe. We created a dedicated team to monitor all new developments and this team actively shared guidelines with all employees, aligned to the World Health Organization (WHO) and the local authorities. Office employees were updated about all new guidelines and given a working from home budget to set up their home office.



keeping our guests safe

why it matters?

When the pandemic hit, our first response was to protect our employees and our guests.

what we're doing?

Here's what we did to keep our guests safe in 2020.

- launch of our contactless hotel experience powered via free app
- new hygiene standards
- offer opt-in housekeeping (no one will enter a guest's room unless requested)
- guest rooms independently ventilated with 100% fresh air (instead of being recirculated)
- guest rooms have minimal surfaces to clean, zero carpets or bedspreads, innovative materials like Corian®
- every hotel has strategically placed disinfectant stations
- social distancing signs and safety routes
- electrostatic sprayers ready to sanitise luggage, public areas and guest rooms



Breakfast was sealed, bagged and available for room delivery or taking away.

The contactless experience isn't all our app can do. Users can discover city hotspots, unlock local perks and learn the best running routes. There's a 'walking distance' search filter to flag attractions near any citizenM hotel. And to alleviate the uncertainty around travel at the time, every booking came with free cancellation.

training and professional development

why does this matter?

We want citizenM to be an inspiring place to work, rest and play. We are a personality-driven brand. In the world's best neighbourhoods and as we grow we want our employees to grow too.

what are we doing?

Through learning and development opportunities, we take our employees on a learning journey, to become a super-charged, jet-fuelled version of themselves, through tailored learning experiences, in an environment that's positive, lively, rewarding and empowering. We have a set of mandatory training sessions for employees and regular communications and follow ups to ensure they are up to date with the latest topics and policy requirements.

In 2020, we added **goodhabitz**, a new online training platform to our suite of courses available for all employees, our Learning and Development team ran 25 interactive online roadshow and over 2493 courses were taken. The extensive platform with over 90 courses, enables employees to tailor their learning journey, selecting courses that are right for them. Courses range from spreadsheet essentials to business intelligence, time management and social intelligence.

In 2020, 100% of our employees received professional training. This includes training related to day-to-day operations, health and safety, specialized career development courses and participation in our learning platform courses.





genuine touch passionate attitude smart thinking contemporary style real caring

diversity & inclusion

why it matters?

We believe that all citizens of the world are equal, regardless of race, nationality, gender, age, size, disability, religion or sexual orientation. We are all human beings and should feel comfortable to be ourselves at all times.

Our mobile citizens are diverse and so are our employees. We are committed to fostering an inclusive and diverse environment, whether you are an employee at work or staying in our hotels.

what we're doing?

We measure and monitor our key employee information and performance, in 2020 we measured our gender and age ratio at all levels of the business, international background, gender pay gap and racial diversity data in the US.

Through our <u>Speak up procedure</u> employees and stakeholders are encouraged to raise concerns if they believe an issue is violation of the law or not in line with citizenM's values or the <u>citizenM rules</u>.



diversity & inclusion

what we're doing continued ...

In 2020, the shocking murder of George Floyd became a wake up call for the world shining a huge spotlight on the injustices, racism, bias, discrimination and hate that cripple our communities, companies, and institutions. Millions of people around the world took to the streets. Around this rallying cry, we also stood up to meet the challenge of being better by forming citizenM's first ever Diversity Committee with a simple manifesto:

We believe that all citizens of the world are equal.

Regardless of race, gender, age, size, disability, religion or sexual orientation. We must continuously educate ourselves and actively listen to our employees, colleagues and partners on matters of diversity.

A committee whose door is always open, and where all are welcome. An independent body with a strong purpose.

The Diversity Committee promises to be a positive forum through which everyone in citizenM can share their perspective on matters of diversity and inclusion.

The committee set to work on 3 pillars: citizenM inside, citizenM guests & communities and citizenM partners & suppliers.



our new citizenM wallpaper

making positive movements in our society

shortening the distance between people and opportunities



local positive movements

why it matters?

At citizenM, one of our core values is real caring. We want to be a good neighbour wherever our new home, so we make positive movements in society from the moment we start construction, to opening and operating our hotels. During the pandemic we knew we could actively use our business for good.

what we're doing?

We donated over 2,000 unused hotel iPads to those affected by COVID – patients, children, the elderly, the sick and healthcare employees. The initiative helped loved ones stay connected and allowed children without computers to attend online classes during the lockdowns.

To thank the amazing behind-the-scenes heroes during the pandemic, citizenM also held a worldwide 1,000-room giveaway on social media. The heroes could be anyone from delivery drivers to flatmates who made the lockdowns a little bit easier. The lucky winners received two free nights in a citizenM hotel.


local positive movements

what else we've been doing...

In 2020, we opened a new hotel in Seattle. To celebrate the City of Innovation, we spotlighted culture-defining wonders Seattle has given the world.

Working with local artist Leila Fakouri, we photographed 18 Seattleites who each invented a culture-defining wonder. Their stories and achievements were shared on social media – as well as exhibited on the facade of citizenM Seattle South Lake Union hotel for the surrounding community.

Read about the campaign here.



Shane Chen, Hoverboard inventor

citizenMovement foundation

why it matters?

As a global company, we know we have the ability to be a force for good by using our platforms to give back to society. Real caring is a core value at citizenM, and it doesn't just stop at our doors. During the pandemic we didn't stop making positive change though our citizenMovement Foundation.

what we're doing?

The citizenMovement Foundation is focussed on shortening the distance between people and opportunities by giving them the gift of mobility. For guests engagement, we have a special citizenMovement door hanger that gives guests the option to skip a room clean during their stay – housekeeping costs are donated to citizenMovement.

In 2020, we continued to raise funds for World Bicycle Relief (WBR), through housekeeping savings until March, we donated €224,137, funding 500 bikes for Bicycle Response Against Covid Emergency in Malawi and mobilizing a further 4 schools in rural Kenya with 681 bikes. In total, over 4,900 bikes have been donated to WBR to date.

A bicycle means a 28% increase in school attendance, improved academic performance and a higher chance of staying in school. What took hours on foot can now be completed in minutes, thanks to WBR.

In 2020, we won a trailblazer award from World Bicycle Relief for our work.



conscious travelers

engaging conscious travelers, showing what we are doing and how they can join us

conscious travelers

why it matters?

Conscious travellers think holistically how their travel choices impact the world and the communities they visit – but this responsibility shouldn't be shouldered by the traveller alone.

what we're going?

We want to engage our guests and make conscious traveling easy. Here are a few examples:

in control - Lowering the room temperature reduces the energy we use in our hotels and the overall carbon footprint. This is easy at citizenM, thanks to clever tech. We put the simple controls on our room iPads and on the free citizenM app – cooling a room is as easy as a touch or a swipe. No complicated wall units and buttons here!

eating for the planet - We serve vegetarian and vegan food at all our hotels. The menus are regularly updated throughout the year to optimise the use of in-season products. Best of all, in the free citizenM app, guests can see all food and beverage menus before and during their stay – knowing in advance makes conscious travel easier.

free bikes - Our four Dutch hotels have free bike fleets for easy, eco-friendly city commute. Guests in Amsterdam and Rotterdam can ask for a bike on first-come-first-served basis. In case all bikes are already in use, we will recommend a great local rental place.

unlocking community experiences - A booking via our app unlocks a whole world of local experiences, places to visit, and perks from hand-picked partners in all our cities. We gather our recommendations into great lists like 'best green spaces in town', 'running routes' and 'late-night cocktails' to help conscious travellers experience the community like a local.

In 2021, we will continue to expand our conscious traveller stream of work.

our targets

In 2020, we focused on improving our data and in 2021 we will look to set longer term targets.

0 0	intelligent & sustainable buildings	increase our green building certified hotels by 15% by 2022 on 2019 baseline set our climate resilience plan by 2021	key to our progress 2020 goal or milestone achieve
-`œ <u></u> ́-	growing and operating sustainably	 reduce our total like for like energy consumption by 5% by 2022 reduce our total like for like scope 2 emissions by 5% by 2022 reduce our total like for like water consumption by 4% by 2022 increase waste recycling by 5% by 2022 	on track
	doing the right for our people	 80% employee participation in our 2020 quarterly survey achieve an 80 point employee satisfaction score in our bi yearly survey by 2024 - new target 100% access to learning & development for all employees year on year increase the scope of our diversity and inclusion data launch new health and wellness program 2022 	
	making positive movements in our society	 reach our fundraising goal of 200k in 2020 introduce local employee community engagement program by 2021 	
	benchmarking and targets	 increase our GRESB score on a yearly basis embed longer term ESG targets in 5 year business plan by 2021 - new target 	

thanks for reading our report

This report provides an overview of the economic, environmental and social impacts of citizenM in 2020 Except where noted, the information covered in this report highlights our ESG initiatives in calendar year (January 1, 2020, through December 31, 2020).

This report has been prepared in accordance with the GRI Standards: Core option. Locations of GRI disclosures are included throughout the report using the notation GRI | at the bottom of each page and further information can be found in our <u>GRI Index</u>.

This report and future updates can be accessed at: www.citizenm.com/esg

For questions regarding the report or its contents, please contact: <u>esg@citizenm.com</u>.

Postal address: citizenM Leidseweg 219, 2253 AE Voorschoten, The Netherlands



appendix

sustainable development goals

The <u>UN's Sustainable Development Goals</u> (SDGs) are helping people and organizations of all kinds, ours included, to structure positive action in response to shared, long-term, global sustainability ambitions.

The 17 SDGs, also known as Global Goals, call for businesses, governments and wider society to act against poverty, injustice and environmental damage so that everyone in the world can enjoy peace and prosperity. They guide companies like ours in tackling the world's most pressing issues and foster a greater level of corporate transparency and accountability.

the goals we influence

We have carefully identified the goals which we feel we influence with our ESG streams, actions and as a business.



performance tables

telligent & sustainable buil	LEED Certificate rating levels			
location	new construction certification level LEED	new construction certification level BREEAM	in use level certification level BREEAM	Certified
		BREEAM		Silver
Amstel Amsterdam	-	-	Excellent	Gold
Amsterdam Schiphol	-	-	Good	
Amsterdam Zuid	-	-	Very Good	Platinum
Rotterdam	-	n/a	Very Good	
Glasgow	-	-	Pass	
London Bankside	-	Very good	Good	BREEAM rating levels
London Tower	-	Excellent	Good	
London Shoreditch	-	Outstanding	Good	Acceptable
Paris Charles de Gaulle	-	-	Pass	Pass
Paris La Defense	-	Very good	Good	
Paris Gare de Lyon	-	-	Good	Good
Geneva	n/a	n/a	n.y.r	Very Good
Zurich	n/a	n/a	Good	
Copenhagen	n/a	n/a	Very good	Excellent
New York Times Square	-	-	-	Outstanding
New York Bowery	-	-	-	
Boston North Station	LEED Gold	-	-	n/a - lease building
Seattle	LEED Gold	-	n.y.r	n.y.r -not yet required one year a
Washington DC	LEED Gold	-	n.y.r	opening

growing and operating sustainably

energy consumption (GRI 302-1)	measure	2020	2019	2018
natural gas	kWh/m ²	69.1	103.4	108.7
electricity, heating & cooling				
electricity	kWh/m ²	103.1	143.0	153.8
heating & cooling	kWh/m ²	30.4	53.6	52.8
total energy consumption	kWh/m ²	202.6	303	315.3

growing and operating sustainably

*In 2020, we reviewed and updated our emission factors from 2019 and update our location based emissions for both 2019 and 2020

carbon emissions (GRI 305-1, 305-2, 305-3, 305-4)	Measure	2020*	2019*	2018
scope 1 direct emissions				
Emissions	MTCO2e	2041	2078	2175
Emissions intensity	MTCO2e/m2	0.0139	0.0169	-
scope 2 indirect emissions				
Location based emissions	MTCO2e	3591	4467	-
Location based emissions intensity	MTCO2e/m2	0.0269	0.0364	-
Market based emissions	MTCO2e	1096	2501	315.3
Market based emissions intensity	MTCO2e/m2	0.0075	0.0204	-
total scope 1 + 2 emissions				
Location based emissions	MTCO2e	5592	6545	-
Location based emissions intensity	MTCO2e/m2	0.0409	0.0533	-
Market based emissions	MTCO2e	3127	4579	-
Market based emissions intensity	MTCO2e/m2	0.0214	0.0337	-

growing and operating sustainably

energy intensity (GRI 302-1)	measure	2020	2019	2018	
energy intensity	kWh of electricity/m ²				
electricity generated from onsite kWh renewables		11146 Data not collected		Data not collected	
waste by type and disposal method (GR	I 306-2)				
total waste generated - reuse	%	1	0	0	
total waste generated – recycling	%	47.1	37	33	
total waste generated – incineration	%	25.1	31	22	
total waste generated – landfill	%	13.2	33	22	
total waste generated – other	%	13.6	26	23	
total waste generated metric tons		1167	2447	1196	

doing the right thing for our people

total workforce and breakdown by employee category (GRI 405-1)	measure	2020		2019		2018		
workforce (headcount, year end)								
Employees (fte)	number		646		647		487	
total	number		646		647		4	87
		male	female	other	male	female	male	female
employees by gender (headcount, year end)	%	53.6	46.1	0.3	52.5	47.5	Data not coll	ected in 2018
employees by age group (headcount, y	rear end)							
employees under 30 years old	%		36		37		Data not collected in 2018	
employees 30 - 50 years old	%		58		56		Data not collected in 2018	
employees over 50 years old	%	6		7		Data not collected in 2018		
woman in management								
percentage of executive management positions % filled by women (strategic council)		24		24		18		
employee training (GRI 404-1)								
professional training received	%	100		97		20 (*limi	ted data)	
ESG specific training	%		33		6		0	

doing the right thing for our people

	measure	2020	2019	2018		
occupational health & safety (GRI 403-2)						
absentee rate	number	0.7	1.9	1.2		
work-related fatalities	number	0	0	0		
employee performance reviews GRI 404-3						
employees reviewed	%	100	100	Data not available in 2018		

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	measure	2020	2019	2018
charitable giving (cash,in-kind,time and leverage)	number (€)	224,137	445,395	167,379
beneficiaries	bikes	1181	2737	1000

policies and statements

governance area	policy / statement name	link
bribery and corruption	citizenM rules	https://www.citizenm.com/legal/citizenm-rules/citizenm-rules
cyber security	citizenM rules	https://www.citizenm.com/legal/citizenm-rules/citizenm-rules
data protection and privacy	citizenM privacy policy	https://www.citizenm.com/privacy
fraud	citizenM rules	https://www.citizenm.com/legal/citizenm-rules/citizenm-rules
political contributions	citizenM rules	https://www.citizenm.com/legal/citizenm-rules/citizenm-rules
shareholder rights	citizenM rules	https://www.citizenm.com/legal/citizenm-rules/citizenm-rules
speak up procedure	speak up procedure	https://www.citizenm.com/company/legal
environment	environmental policy	https://www.citizenm.com/legal/our-environmental-policy/our-environmental-policy
human rights	human rights policy	https://www.citizenm.com/company/legal
accessibility	accessibility statement	https://www.citizenm.com/accessibility-statement
responsible procurement	responsible procurement principles	https://www.citizenm.com/responsible-procurement-principles
modern slavery	modern slavery statement 2020	https://www.citizenm.com/modern-slavery-statement

ESG governance structure



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