

ESG report





ESG
[noun]

abbreviation for environmental, social, and governance; a way of judging a company by things other than its financial performance – for example, its policies relating to the environment and how happy its employees are.

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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.

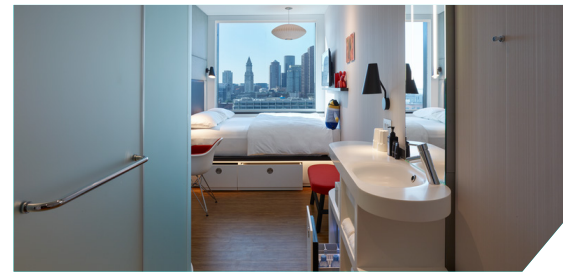
At citizenM, every internal department passionately works on the ESG strategic pillars to meet objectives. We think of them as our ESG task force, actively driving our approach business-wide. Our actions contribute to positive environmental, social and economical change – not only for our guests, investors and employees, but within the communities we operate.

Our objective is clear – the ESG task force will standardise best practices across the company. They'll also monitor, report and progress our most material issues while upholding good governance with policies and actions.

2022 highlights



11 hotels in the pipeline



6319 rooms



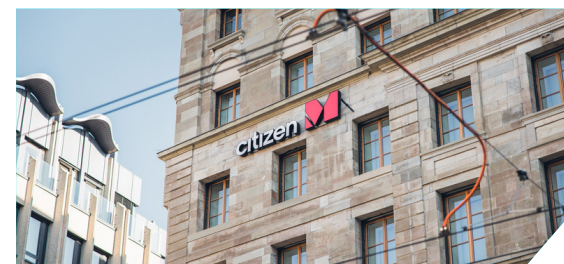
100% of hotels are running on green electricity



€1,564,143 donated to citizenMovement charity



conducted 26 unconscious bias training sessions for all employees



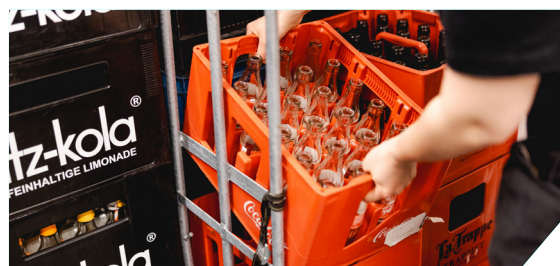
preparing to secure a sustainability-linked loan for our European portfolio of hotels



27 hotels operating in 14 cities



saved the use of 1.7 million plastic bottles



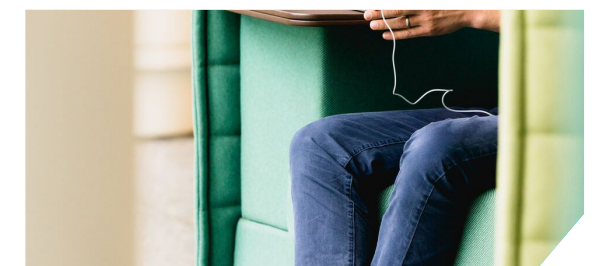
diverted 95% of waste from landfill



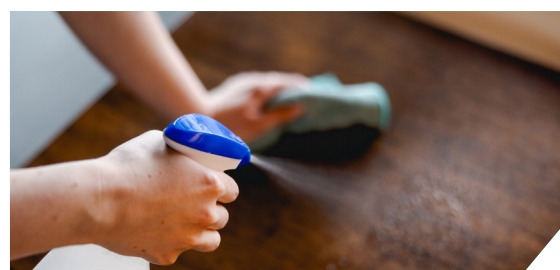
5 new hotels opened



100% of hotels LEED or BREEAM certified or undergoing the certification process



energy, water, waste and emissions data for 2019 - 2022 checked and assured by a third party



introduced Ozone water cleaning



attained 5-star star rating for GRESB real estate benchmark



1119 employees



100% hotels have had a physical climate risk scan

about citizenM

citizenM leads the hotel industry in the smart-luxury lifestyle segment creating affordable luxury for the people. Our hotel and lifestyle brand is more than just a hotel operator. We're a fully integrated real-estate developer – as well as a design and project management company – with a global portfolio of hotels in prime metropolitan locations and major airports.

Our strategy? It's simple: to own the hotels we operate.

Almost half of all our hotels are prefabricated (modular). We build in a shorter timeframe than traditional construction, opening the door to scaling opportunities, higher profitability and more. The consistency and quality of hotel interiors and architecture is also assured. Our focus is creating comfortable, efficient design. By reallocating 'living space' from guest rooms to public areas, we use just half the floor space of a traditional upscale hotel, without compromising on luxury.

By 31 December 2022, 27 citizenM hotels were in operation and 11 were under development, with 7 already in construction. citizenM Chicago Downtown, citizenM London Victoria Station, citizenM Miami Brickell, citizenM Seattle Pioneer Square and citizenM Washington DC NoMa opened in 2022.

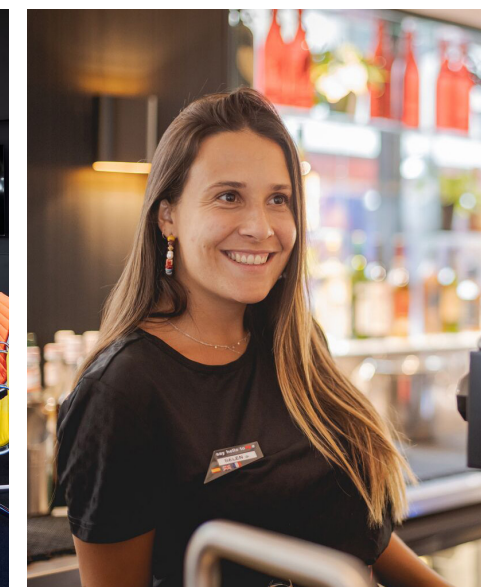
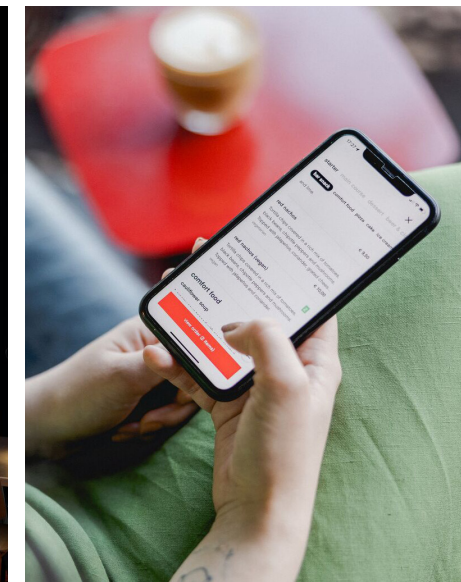
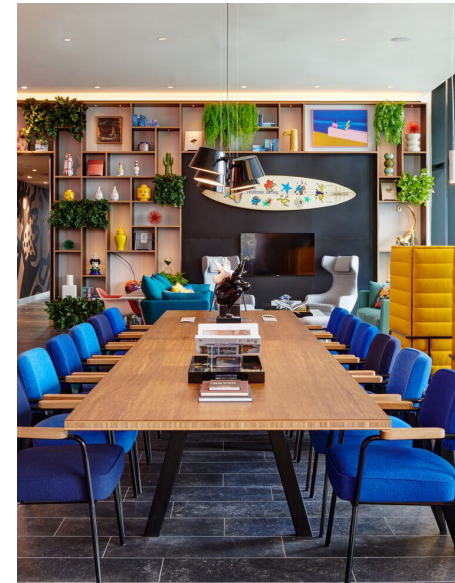
scope of ESG report citizenM Holding B.V.

This report includes consumption data from our operating hotels and leased property hotels. You'll also find our sustainable actions in our development portfolio. Data from operating hotels in this report (unless stated) is from 1 January – 31 December 2022. Two hotel management contracts in Asia are not included in this report as we don't operate these hotels.

data assurance

Using 3000A assurance standards, Deloitte performed independent limited assurance on specific data points in this report.

This covers energy, water consumption, waste generation and greenhouse emissions data (pages 40-53) and summary data (pages 96-103). Deloitte's full statement, including a summary of the work it performed, is available in the appendix section of this report.



hello from our CEO

Klaas van Lookeren Campagne



citizenM's ESG report for 2022 is here. It's our fourth already – how time flies! Despite facing extraordinary challenges due to the residual impact of the pandemic – like supply chain

disruptions, inflation, steep interest rate increases and impending regulatory changes – we steadfastly accelerated our ESG efforts. The 2022 IPCC report once again warns the world is on track for a 1.5°C temperature increase (and higher!) within the next two decades. To prevent an environmental disaster, the need for drastic carbon emission cuts could not be more obvious. As a responsible company, we continue towards positive change – the planet cannot wait.

It's important for citizenM to be on top of topics that impact the planet and the business. We conducted a thorough materiality assessment with our stakeholders to better understand their views and priorities. We also revamped our reporting infrastructure to prepare for future requirements and to adapt to evolving global reporting expectations, such as the European Commission's Corporate Sustainability Reporting Directive (CSRD).

Although we recognized that our energy, emissions, waste, and water data for 2022 were still impacted by lower occupancy rates in the first and second quarters because of the COVID pandemic, we continued to improve our processes to ensure high-quality data. We included waste limited assurance for the first time – along with energy, water, and emissions – in our reports.

For our conscious travellers, and because we value transparency, we added ESG information to the booking pages of each hotel. In this report, you will see an overview of our impacts per room night.

As both owner and operator of our hotels, citizenM recognized a unique opportunity to make a difference by building efficient and sustainable buildings. Controlling how we build enables us to meet our goals of the future.

2022 saw us achieve all this

- a GRESB 5-star rating for existing hotels and being a 'development' sector leader
- 100% of hotels have been certified or undergoing certification
- an increase in third-party limited assurance by adding waste to our energy, emissions and water data
- the start of securing a sustainability-linked loan for our European portfolio
- the mapping of climate transition risk for all our hotels using a Carbon Risk Real Estate Monitor (CRREM) tool
- onsite decarbonisation reports on our biggest emitting hotels
- the assessment of physical climate risk scenarios for all hotels
- a citizen satisfaction survey with an average employee happiness score of 80
- key diversity targets for gender diversity at senior management
- unconscious bias sessions in our onboarding process
- two new talent tracks to attract, retain and enhance top talent
- a salary transparency project
- a new speak up platform and a new Employee Assistance program
- collaborating with new artists such as Nina Chanel Abney, Lakwena Maciver and Jen Stark
- the roll-out of human trafficking training in the US
- a better donation strategy and citizenM donating over 1.5 million to citizenMovement
- ESG training for all employees so we're on the same page
- an increase in our waste diversion rate
- sustainable cleaning products in our hotels
- beehives at our Los Angeles hotel to support local, small initiatives

performance

We have made progress in our social actions and goals, and we are proud of our accomplishments. However, it is important to acknowledge that the COVID-19 pandemic had an impact on our environmental data. Reduced occupancy in the first half of the year made it challenging to compare our data against our baseline and establish meaningful progression.

Despite these challenges, we are committed to transparency and taking actions to improve our environmental performance. In 2023, we look forward to obtaining consistent and comparable data, which will allow us to accurately measure the impact of our actions and drive further improvements.

goals and priorities

Our 2023 priorities include sharing more information with conscious travellers, moving forward with decarbonising our hotels, addressing the challenge of Scope 3 emissions and embodied carbon and strengthening our reporting and disclosure practices.

At citizenM, we believe everyone plays a role in our ESG journey – that's employees, shareholders, valued suppliers and partners. There's still much work to be done, but we will play our part. Our progress so far makes us confident in achieving our objectives.

materiality

double materiality

As responsible corporate citizens, our actions have an impact on stakeholders and society. To reduce them, we prioritise many ESG elements in our business operations and decision-making.

the concept

In preparation of sustainability reporting requirements of the future, citizenM underwent a materiality assessment using the Double Materiality principle.

Double materiality highlights the link between a company's financial performance, and its broader impact on society and the environment. A double materiality approach means we thoroughly evaluate the significance of both internal and external factors that influence our business. We used both 'inside-out' and 'outside-in' perspectives to check and re-assess our ESG impacts, risks and opportunities.

our assessment

A comprehensive review of our ESG impacts and opportunities was held to identify our top material topics. First while reviewing a wide range of sources, we developed an initial list of 20 potential material topics. The list covers internal strategic documents and external sources such as industry peers' sustainability disclosures; ESG ratings and standards; EU-taxonomy frameworks; and international standards, like TCFD requirements.

We selected key stakeholders to speak to and they helped determine the highest priority and most impact areas for citizenM.

stakeholder engagement and research

Stakeholder engagement is crucial to the success of our ESG strategy. We actively speak with stakeholders to understand their opinions of our business operations and decisionmaking. Through in-depth interviews and workshops, we gathered input from our internal and external stakeholders. In line with the industry's double materiality principles, all topics discussed in these sessions had a clear focus: what are the societal, environmental and financial impacts?

To assess the impact and financial materiality of each topic, we held a workshop with top management and senior leaders of the company. We evaluated the potential financial effects and the likelihood of risks and opportunities from an 'outside-in' perspective. We also assessed the company's (actual or potential) positive or negative impacts on people or the environment. The assessment considered the scale, scope and irremediable character of those impacts from an 'inside-out' perspective.

Alongside speaking to our stakeholders, we researched emerging ESG trends, upcoming reporting regulations, benchmarks and best practices. This allowed us to assess, add, compare and contrast ESG topic risks, impacts and opportunities through an external lens.

Finally, we used a stakeholder weighting system – based on levels of power, legitimacy and urgency – to rank our stakeholders' influence on and knowledge of citizenM. With 2025 regulations in mind, the assessment identified the most significant ESG issues affecting our business and stakeholders. Now we prioritise these issues during our decision-making, increasing sustainability for our stakeholders and society.

The materiality assessment listed 20 significant topics, of which 18 were deemed highly relevant. Two topics, responsible food sourcing and biodiversity, were determined to be not material; however, despite not being obligatory to report on, we acknowledge their importance and have chosen to retain them within our list.

Over time, it's likely our key ESG issues will change. If so, we'll adapt our efforts – and prioritise the ones that have the most significant impact on our business and matter most to our stakeholders.

materiality matrix

This graph is a schematic representation of our priorities, their relativity to stakeholders and their impact on the company. Meet the materiality matrix.

inside-out
impact on
society and
the planet



legend

- low importance for stakeholders
- medium importance for stakeholders
- high importance for stakeholders

focus areas

- growing & operating sustainably
- intelligent & sustainable buildings
- making positive movements in society
- doing the right thing for our people
- guest satisfaction conscious travel
- governance

outside-in
impact on
company value

material topics

We focus on the most significant impacts of our business as they affect our stakeholders and society. We updated this list looking at changes across the business, industry research, stakeholder requests and global trends.

The shortlist (in no order) of our material topics is as follows:

1. guests satisfaction conscious travel
2. business ethics
3. climate resilience
4. contributions and actions in the local/global community
5. diversity, equity and inclusion
6. employee attraction, satisfaction and retention
7. employee training and development
8. carbon emissions
9. green building certificates
10. health, safety and wellbeing
11. housekeeping footprint
12. human rights
13. materials and embodied carbon
14. privacy and data security
15. responsible food sourcing
16. responsible supply chain
17. smart and efficient buildings
18. biodiversity
19. waste management
20. water management

stakeholders

We know the importance of listening and acting – that's why internal and external stakeholders help us shape our ESG strategy. Our group of stakeholders is comprised of:

guests and corporate clients
 employees
 shareholders
 governments
 regulators
 industry associations and bodies
 non-governmental organisations
 academic institutions
 local communities

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



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

conscious traveller

engaging conscious
travellers by showcasing
what we're doing and
how they can join us

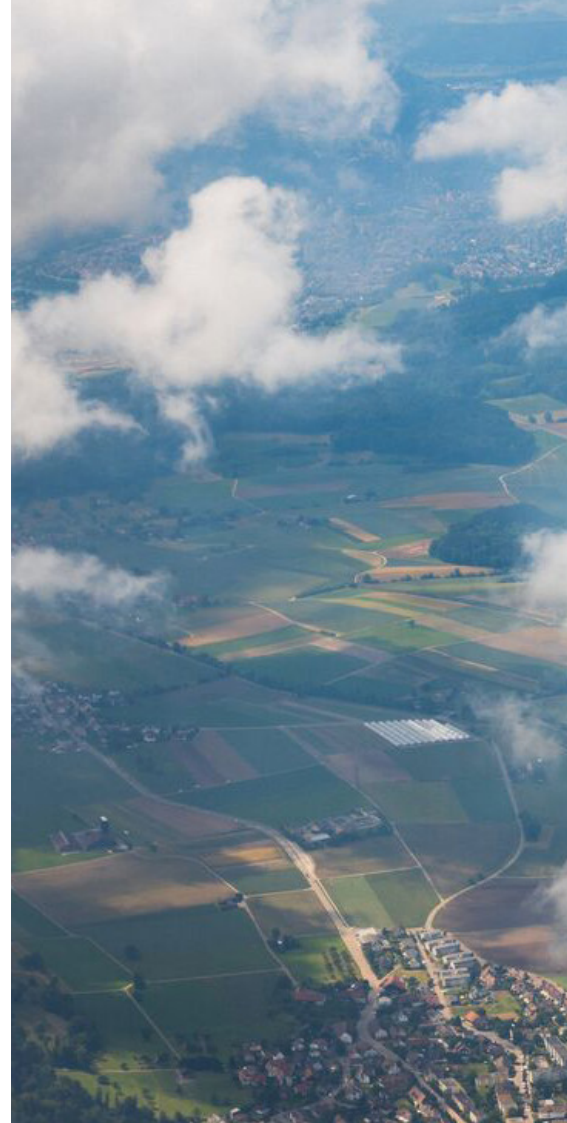


intelligent & sustainable buildings

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

growing & operating sustainably

optimising our
operations to reduce
our impact



doing the right thing for our people

doing right by our people
while empowering them
to become highly fulfilled
and self-aware

making positive movements in our society

shortening the distance
between people and
opportunities



governance

ESG oversight

By 31 December 2022, citizenM's board of directors had three executive directors and five non-executive directors (two are independent). The board meets every month with face-to-face sessions four times a year.

Our board and strategic council are the highest governance bodies in overseeing due diligence and other processes. They identify and manage the organisation's impacts on the economy, environment and people. Additionally, our investment committee is integrated with our governance approach, with a focus on all capital investment decisions.

citizenM's board of directors has collective responsibility for overseeing the management of impacts, including climate-related risks and opportunities. They're advised by the ESG Team and the Risk Management Group in line with our approach to climate-related risks and opportunities. Environmental, social governance topics are presented bi-annually at the board meetings, including climate-related risk updates.

senior leadership

Our Strategic Council (SC) meets every four weeks. The Chief of People and ESG Director frequently report to the SC on ESG topics, including climate-related issues.

Each senior member of the SC is assigned an ESG project based on our wider ESG strategy. They are responsible for implementing that project with the help of the ESG team.

Additionally, regular meetings between the CEO, CFO and the ESG Director take place to drive our most material issues. Such issues are directly linked to climate-related

actions, e.g. physical climate assessments, green building certification, energy consumption, energy efficiency, carbon emissions, waste reductions and climate resilience.

ESG team

The ESG team is responsible for driving material projects with senior leadership as well as internal and external stakeholders.

They share oversight of citizenM's ESG strategy and engagement with the Board, company leadership and external stakeholders.

The progress of goals is presented by the ESG team to our CEO, Strategic Council and Board.



“Transparency regarding climate-related risks and opportunities will be critical to maintaining the trust of stakeholders”



climate action

why does it matter?

Climate change is one of the biggest threats our world is facing. As our planet heats up, we expect to see severe weather events more frequently, which could result in damage and financial loss. The 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 recognises climate change is a global issue that may impact how we run our business today and in the future. We see climate change as both a strategic opportunity and a financial risk. In 2022, we continued to identify climate-related risks and integrated them into our risk management framework.

By mapping risks and utilising specialist tools, we identified potential physical and transition risks in the short, medium and long term. This includes using our data to map carbon reduction pathways within our buildings and determine our approach at a portfolio-level data.

We view our climate-related risks as short (0-2 years), medium (3-5 years) and long-term (6-10 years).

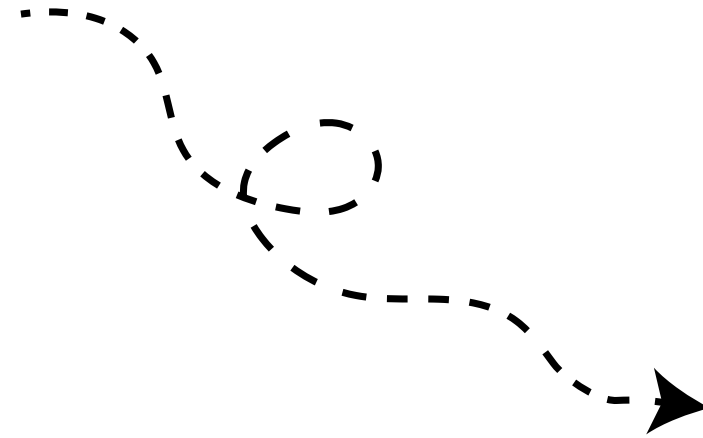
Alongside climate risk, citizenM identifies and assesses business risks and opportunities that can impact value, reputation and business continuity on a ongoing basis every year. We conduct a formal risk register review which identifies, reviews and prioritises the biggest threats to our employees, hotel and business operations.

transition risks

We used the Carbon Risk Real Estate Monitor (CRREM) tool to identify hotels that will be required to go through energy efficiency and decarbonisation. In 2022, we started on the practical actions needed to update our hotels.

We carried out decarbonisation assessments at three hotels. These clarified what technical changes we'll need to make to our mechanical equipment, e.g. integrating heat pumps and solar into our existing and new hotels. The assessments also identified energy efficiency opportunities.

our path to zero



Net zero carbon – operational energy definition: The amount of carbon emissions associated with each hotel's operational energy on an annual basis is zero or negative. A net zero-carbon building is highly energy efficient and powered from on-site / off-site renewable energy sources with any remaining carbon balance offset.

1

gather robust
consumption
and emissions
data

2

set
decarbonisation
pathways
aligned to 1.5°C

3

reduce and
optimise energy
demand

4

accelerate
and increase on-
site and off-site
renewable
electricity

5

invest
and implement
effective
low carbon
technologies

6

offset
remaining
emissions

We'll gather robust energy and emissions data for each hotel to become third party assured.

We'll map, model and test our transition pathway using the CRREM tool for every hotel.

By doing so, we'll identify which properties are at risk of stranding due to the expected increase in stringent building codes, regulations, shifting market expectations and increasing carbon prices.

We'll prioritise projects that create efficient buildings – we know real time monitoring, optimising and adapting how citizenM uses energy can reduce overall energy consumption and emissions.

BMS enhancements will better control and monitor our buildings. They'll not only reduce energy consumption, but they'll alert our teams of heating and cooling system faults – inevitably, minimising guest complaints.

We'll accelerate and increase on-site and off-site renewable electricity. If technically and economically viable, we'll implement on-site renewables too.

As standard, we also procure 100% green electricity for all hotels.

Every hotel will undergo a decarbonisation assessment.

We'll prioritise and invest in retrofitting hotels with low carbon technologies, which electrify our MEP equipment in existing buildings.

According to science, there's no substitute for cutting carbon. This is a priority for us.

Lastly, we will define an offset strategy for emissions that can't be otherwise eliminated.

We will explore offset strategies that follow environmental integrity and transparency principles.



effects of climate change

The physical effects of climate change could have a material direct and indirect adverse effect on our properties, operations and business. Climate change affects weather patterns, so our markets could experience more severe storms, extreme temperatures, and flooding from rising sealevels or drought.

direct

Over time, these conditions could result in costs associated with building remediation projects, increases in insurance and in the worst case, loss of guest revenue.

indirect

Climate change may also have indirect effects on our business including:

- increasing the cost of property

insurance on terms we find to be unacceptable

- lowering property valuations (for at-risk assets)
- increasing real estate taxes or other assessments
- increasing energy consumption and operating costs presented by higher cooling/heating prices
- increasing property maintenance

There can be no assurance that climate change will not have a material adverse effect on our hotels. Understanding our risks is important so mitigation plans can be initiated.

physical climate risk

why does it matter?

The world is already seeing physical climate impacts manifest, increasing in frequency and severity at rates in line with climate scientists' worst-case scenarios. As a business, we will face risks associated with the physical effects of climate change.

Leveraging both extensive hazard databases and forward-looking climate models, Munich Re's physical risk exposure data ranges from the present to 2100, across three different climate scenarios called the Representative Concentration Pathways (RCPs) that were adopted by the IPCC.

what have we done?

We have proactively assessed our buildings against a range of climate change scenarios. We view this as an opportunity to future proof our hotels, protect asset values and guard against reduced or lost revenue. Proactively assessing climate risk enables decision-making for investment and implementation of mitigation measures, which will protect our portfolio in the short, medium and long term.

how did we carry out the assessments?

We used the GRESB Climate Risk platform, which draws on data from Munich Re – one of the world's leading providers of insurance-related risk solutions.

27

hotels assessed

3

new assessments integrated into the D&I due diligence process

climate-related risks assessed:

drought, earthquake, fire weather (wildfire), heat, flash flooding, hail, precipitation, river flooding, sea level rise, storm surge, tornado, tropical cyclone and tsunami

intelligent & sustainable buildings

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



green building certifications

why is it 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 are we 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 every citizenM. We also stay up to date with current standards by certifying our operational hotels.

how do we measure our performance?

Through quality assured green-building assessments, we measure our performance and compare our hotels.

All our new development hotels must achieve a BREEAM New Construction or LEED Building Design and Construction certification (based on location).

Our operational hotels are continuously certified through the BREEAM In Use certification scheme. In 2022, we focussed on the hotels that didn't have an 'In Use' certification yet, including our New York hotels. Both hotels achieved a BREEAM In Use 'Very Good' score.

We're proud to say that 100% of our hotels have a Green Development or 'In Use' certification – or are currently in the certification process by BREEAM or LEED.

citizenM New York Times Square achieved a BREEAM In Use certificate with a 'Very Good' score

citizenM
hotel

biodiversity

We aim to protect and enhance biodiversity and ecosystems while developing and operating hotels. Our project managers and general contractors are always compliant with environmental laws and regulations.

Most of our new construction involves developing sites that conserve natural areas and habitats as much as possible. Often, this requires remedying soil contamination caused by the activities of others.

To support biodiversity, we maintain trees and vegetated areas. We integrate many green areas in our hotels, like the courtyard at citizenM Paris Champs-Élysées and the green roof at citizenM Paris La Défense.

In 2022, we partnered with the Los Angeles County Beekeepers Association to install four beehives in the courtyard of our Los Angeles hotel.

Biodiversity assessments are integrated into our development and investment due diligence process.

We monitor environmental incidents across all our projects and hotels. In 2022, citizenM had no environmental incidents or violations.



responsible procurement

As we build and operate our hotels, it's important suppliers are on the same page as us. To check they are, we use a **four-step process**. This process identifies new opportunities, how to mitigate risk and ways to improve products and services.

Before we work together, every supplier is given our **Responsible Procurement Principles** so they know what we expect from them. Then, we check they adhere to these principles using the EcoVadis rating assessment. It scores suppliers in areas of labour and human rights, ethics, sustainable procurement and environmental impact.

In 2022, we formalised a framework to identify high-risk suppliers, helping mitigate risks in our supply chain. We also continued to assess our strategic suppliers using EcoVadis.

High-risk suppliers were assessed and, where required, corrective actions issued in line with our principles and assessment standards.

1

requirements
setting clear requirements for suppliers via our key principles

2

assessments
using EcoVadis to assess our suppliers

3

dialogue
opening possibilities for supplier improvement

4

alignment
creating internal alignment by training key citizenM employees and driving supplier adherence business-wide

growing & operating sustainably

optimising our operations to
reduce our impact



energy

why does it matter?

We want to play our part to tackle climate change on a global scale. As we continue to grow and expand worldwide, we're always looking for ways to reduce our environmental impact.

Energy is a big expense for us, accounting for 3.4% of our operational costs, and electricity is the biggest part of that expense. By using data to guide our decisions, we want to identify potential efficiencies and achieve our environmental goals.

what are we doing?

To help mitigate climate-related risk, we'll minimise our environmental footprint and emissions. In 2022, we continued focussing on data, reviewing our platforms and utility providers to capture robust data. Energy and resource consumption data for all our hotels is now collected, verified and stored on a central energy management system. Conveniently, this data links directly to utility providers and on-site smart meters. Now, we can closely monitor our consumption and minimise our environmental impact while aligning with our future goals.

energy

Our main sources of energy are electricity, gas, and district heating and cooling. Green electricity contracts are in place for our hotels, where the energy mix is partially or fully renewable sources. We have guarantees of origin or renewable energy certificates for our electricity supplies.

robust data

To improve the credibility of our data, we invested in an ESG data management platform. It collects and centralises the data, helping us prepare reports for disclosure frameworks. We reached 90% actual data coverage using the platform. The remaining percent was filled using approved methodologies, e.g. historical or comparable hotel data.

For peace of mind, we asked an assurance provider to check our overall data consumption too.

2022 also saw us start a smart meter project. The aim is to fully automate energy and water data collection from our hotels.



**citizenM London Victoria
Station hotel**

**energy Performance
Certificate (EPC) – rating A**

hotel energy consumption (kWh)

energy type	energy consumption (2022)	energy consumption (2021)	energy consumption (2020)	energy consumption (2019)
electricity	26,415,436	19,130,001	16,387,457	15,964,422
natural gas	16,026,414	15,156,462	11,338,032	10,567,163
heating	5,779,574	4,268,118	3,421,600	3,875,370
cooling	2,116,610	1,027,152	902,811	1,087,367
total hotel energy consumption	50,338,034	39,581,733	32,049,900	31,494,322
no. of hotels	27	22	19	16

energy intensity (kWh/calendar-normalised m²)

energy type	energy intensity (2022)	energy intensity (2021)	energy intensity (2020)	energy intensity (2019)
electricity	136.90	121.10	119.13	141.53
natural gas	124.41	155.98	135.23	164.16
heating	90.10	93.89	78.58	98.24
cooling	59.53	75.05	65.97	79.45
average consumption intensity	253.00	243.99	222.24	265.74

other energy consumption (kWh)

energy type	energy consumption (2022)
fuels	333,627
other electricity	45,807

Between 2019 and 2022, we opened 11 new hotels, resulting in a higher energy consumption. Restated data from 2020 and 2021 is in line with data improvement project and investment in an energy data management platform. Energy intensity calculations are based on calendar-normalised square meter data adjusted for available energy type per hotel. Average consumption intensity is weighted based on the percentage of hotels for each energy type. Other electricity includes onsite renewables and electric vehicles support office.

energy efficiency

Here are a few 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 2022, we continued our BMS pilot project to see how we can further optimise 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 to reduce the wattage of light bulbs and save on lighting energy.

energy efficiency – heating and air conditioning

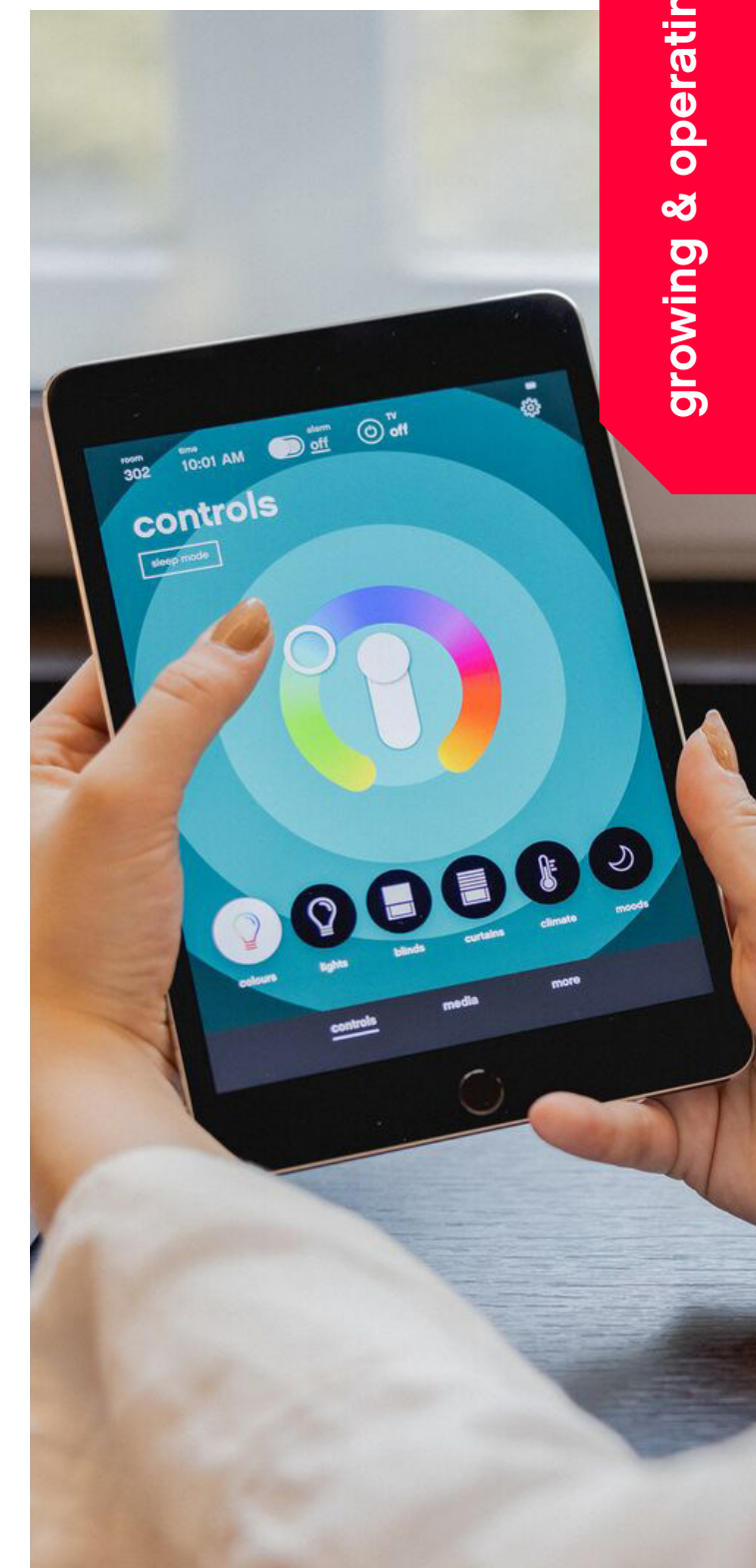
We have flexible thermostat ranges set by our property management team. This means rooms can be a few degrees warmer in the summer and cooler in the winter, rather than strictly set temperatures. This approach saves energy and reduces our environmental impact.

temperature control

Our in-room MoodPad gives our guests control of the blinds, temperature, room lighting (in the shower and bathroom), multimedia and more. Additionally, our contactless app incorporates this feature so guests can control room ambiance from their phone too.

central monitoring

We monitor room temperature through a central dashboard, adjusting where necessary to reduce energy waste in unoccupied rooms. We also use savvy technology to activate/deactivate lights on check-in and check-out.



greenhouse gas emissions

why does it matters?

Reducing emissions will slow the pace of global warming, so getting a grip on Greenhouse Gas emissions (GHG) data – our carbon footprint – requires identifying, targeting and taking meaningful action on the sources of our biggest emissions.

what are we doing?

In 2022, we continued to update our energy and emissions data and processes to improve the quality of our emissions inventory. We also continued investing in the carbon data platform and created a thorough carbon inventory of our operational emissions.

We align our approach with the greenhouse gas protocol. We updated emission factors, adjusted our location and market-based emissions, improved our data quality, and refined our reporting processes to track our reductions over time.

Now, we monitor and benchmark our main sources of greenhouse gases at the asset level in units of metric tons of carbon dioxide equivalent (MTCO2e) and greenhouse gas emissions intensity in MTCO2e per m2 every year and per room night.

expanding the scope of our emission reporting

The scope of our environmental impact extends beyond our fuel and energy emissions.

In 2022, we started including our Scope 3 Upstream Leased Assets, in addition to the previously included categories (Business Travel and Waste Generated in Operations) in our inventory while improving our data collection processes.

We are currently in the process of expanding our Scope 3 coverage to include all relevant reporting categories (from our value chain to embodied carbon within our buildings). The expanded Scope 3 inventory will be rolled out in 2024.

How to read our emissions data

Emissions data is broken down into scopes defined by the Greenhouse Gas Protocol. Here's a quick summary of what's in each scope:

Scope 1 emissions - direct (S1)

Direct emissions resulting from the combustion of fuels in buildings including; purchased natural gas, company owned vehicles and fugitive emissions from the use of refrigerants.

Scope 2 emissions (S2)

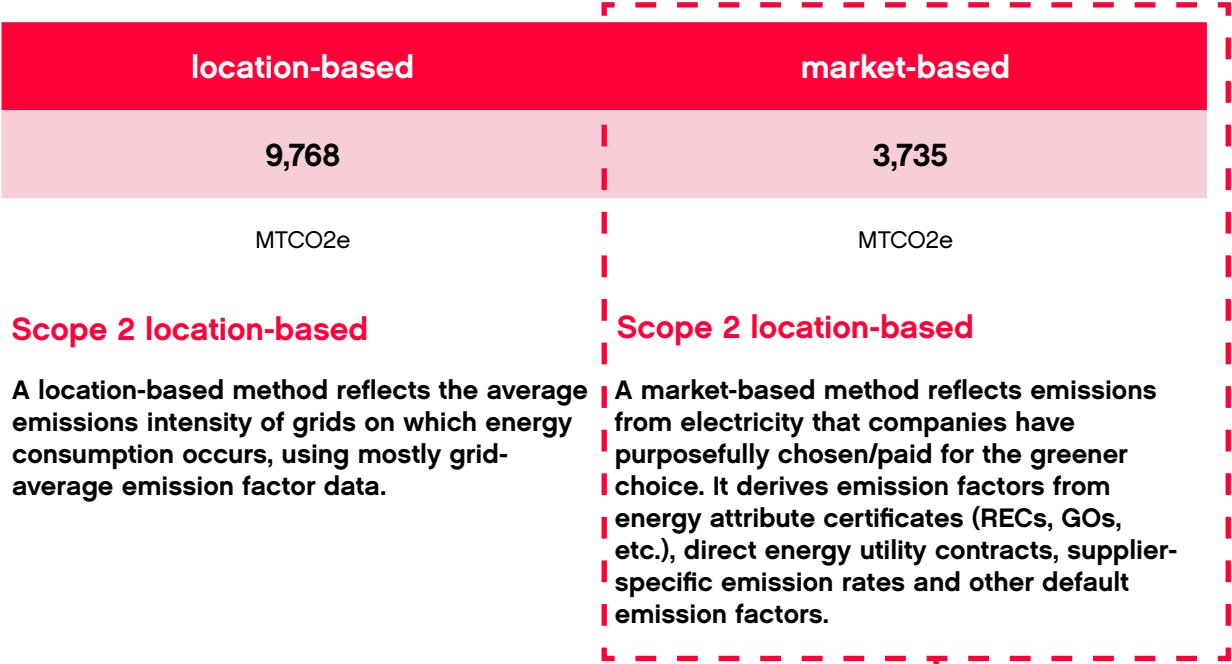
Indirect emissions from purchased electricity, steam, heating and cooling used in buildings.

Scope 3 emissions (S3)

- Category 6: Business Travel
- Category 5: Waste Generated in Operations
- Category 8: Upstream Leased Assets

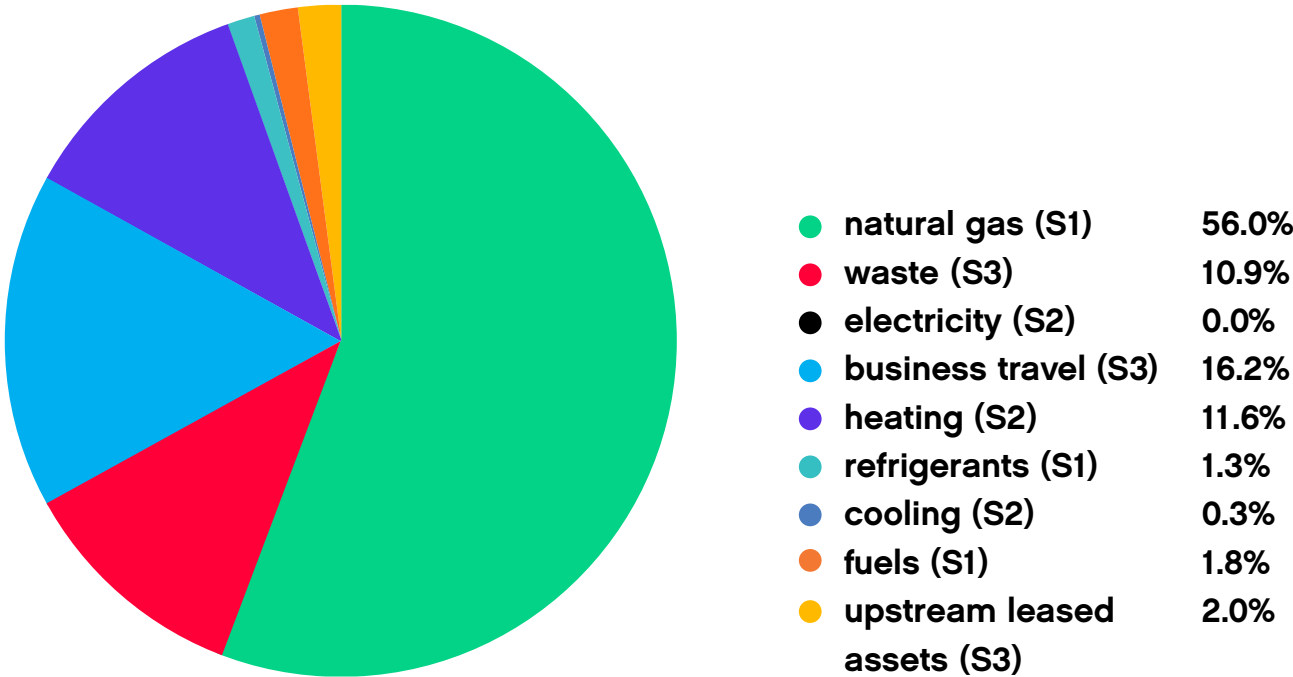
GHG broken down

emissions absolute (Scope 1 + 2)



emissions broken down by source
(Scope 1, Scope 2 market-based and Scope 3)

Total Scope 1+2 (market-based emissions intensity) decreased by 13.5% against our 2019 baseline.



*Emissions intensity calculations are based on calendar-normalized square meter data

impact per room night

performance per stay

We believe transparency is important. We know conscious guests and corporate bookers may want to understand the impact they have when staying at citizenM. This is also important for us to know. By understanding the amount of greenhouse gases emitted or water consumed for each night, we gain a better understanding of our operations' environmental impact. This measurement allows us to clearly share information with conscious travellers and, importantly, benchmark and identify areas where we can improve our energy, waste and water efficiency and reduce emissions.

Although we have taken significant steps to enhance our data, the COVID pandemic and its effect on occupancy have resulted in our data being affected. As a result, benchmarking against our baseline is currently not feasible. However, we anticipate that by 2023, we will have access to consistent data and eagerly look forward to that.

intensity per roomnight	2022	2021	2020	2019 baseline
energy (kWh)	34.70	61.30	74.65	29.65
Scopes 1+2 location-based emissions (kgCO2eq)	6.73	11.70	14.53	5.99
Scopes 1+2 market-based emissions (kgCO2eq)	2.57	5.82	6.56	2.37
water (liter)	200	270	363	203
waste (kg)	1.34	2.07	2.72	2.30

Energy and emissions intensity calculations are based on occupied room night data adjusted for available energy type per hotel.



greenhouse gas emissions (GHG)	2022	2021	2020	2019 baseline
Scope 1 direct emissions				
emissions (MT CO ₂ e)	3,111	2,780	2,150	2,013
emissions intensity (kg CO ₂ /m ²)	16.12	17.83	16.07	17.9
Scope 2 indirect emissions				
location-based emissions (MT CO ₂ e)	6,657	4,778	4,089	4,346
location-based emissions intensity (kg CO ₂ e/m ²)	34.50	30.64	30.56	38.65
market-based emissions (MT CO ₂ e)	624	979	666	506
market-based emissions intensity (kg CO ₂ e/m ²)	3.23	6.28	4.98	4.5
total Scope 1 + 2 emissions				
location-based emissions (MT CO ₂ e)	9,768	7,558	6,240	6,359
location-based emissions intensity (kg CO ₂ e/m ²)	50.62	48.46	46.62	56.55
market-based emissions (MT CO ₂ e)	3,735	3,759	2,816	2,518
market-based emissions intensity (kg CO ₂ e/m ²)	19.36	24.1	21.04	22.4
Scope 3 (3 out of 15 categories covered)				
emissions from hotel waste in operation (MT CO ₂ e)	584	376	375	738
business travel (MT CO ₂ e)	854	182	268	1,100
upstream leased assets (MT CO ₂ e)	107			

Restated data from 2019-2021 is in line with data improvement project and new and expanded GHG Inventory review. Emissions intensity calculations are based on calendar-normalised square-meter data. Emissions from business travel are limited to our air and rail travel. Upstream leased asset emissions included heating and cooling for hotels with reduced operational control Copenhagen, Geneva and Zurich). This was an improvement on our data for 2022 and therefore the historical data was not available.

water

why does it matter?

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

what are we doing?

We actively monitor water usage in each hotel through smart meters, allowing 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 – as well as installed 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.

In 2022, our total water consumption across our reported portfolio was 289,927m³.

We're always keen to understand our impact. It's why we conduct a water risk assessment across our hotels.

Using the World Resources Institute (WRI) Aqueduct tool, hotel exposure to water risk is mapped and we identify locations with baseline water stress, river line and coastal flood risk, drought, and future water-stress risks.



200
liters of water per
occupied room

waste

why does it matter?

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 – an action that's as good for the planet as it is 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 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.

In 2022, the waste group made significant improvements to our waste data collection process and enhanced our communication and alignment with the waste providers we work with. As a result of these efforts, we successfully diverted 95% of the 1,946 metric tonnes of non-hazardous waste we produced away from landfills.

We also encourage our guests to use our citizenM app to order food, as this helps us minimize food preparation and reduce unnecessary waste. Additionally, we've partnered with Too Good to Go to ensure that any leftover food from breakfast is given a second chance to be enjoyed, rather than going to waste.

When building our hotels, we also set waste diversion rates during the construction in-line with green building certification requirements.

year	metric tons total waste	metric tons of waste went to landfill	% of waste diverted from landfill	kg waste per occupied room
2019 (baseline)	2447	567	63	2.24
2020	1167	152	86	2.69
2021	1337	172	87	2.18
2022	1946	104	95	1.34

95%
of waste
diverted from
landfill



pilot waste project

why does it matter?

Waste is a big contributor to citizenM's emissions. Having efficient waste management means cutting down on CO2, improving our sustainability performance, and lowering the costs of waste disposal.

what are we doing?

In 2022, we worked with a waste expert from a local municipality to improve our overall waste separation and recycling performance at citizenM Copenhagen Rådhuspladsen. We identified and added another 8 waste streams.

Implementing new waste streams in one hotel meant we could test advanced waste management before rolling it out across other hotels. We expected to see an increase in our waste recovery rates and a higher percentage of landfill diversion.

the result

100% of waste from citizenM Copenhagen Rådhuspladsen hotel is diverted from landfill – the rest is used to convert waste to energy. Recycling rates are also up from 13% to 30%.

8

new waste streams added to five already existing streams

Ozone water

why does it matter?

Using more sustainable cleaning products can reduce the impact on the environment and human health.

what are we doing?

We're proactively minimising harmful chemicals in our cleaning procedures without compromising the quality of our cleaning. How? By using Ozone water known as Stabilized Aqueous Ozone. After careful consideration, it was the best option as Ozone water comprises two completely harmless components: water and oxygen.

Now, every housekeeping and food and beverage department has highly effective cleaner, sanitiser and deodoriser machines. They help keep our hotel safe and pristine. A key benefit of using Ozone water is its effectiveness against multiple microorganisms, including bacteria, viruses and fungi. It's particularly useful for disinfecting surfaces and equipment.

Now, nearly all citizenM hotels are cleaned using Ozone water.



doing the right thing for our people

empowering them to become highly
fulfilled and self-aware



doing the right thing for our people



why does it matter?

Our citizenM values and unique culture are worth protecting – they are the bright buzzing sparks that make us unique.

what are we doing?

We value passion, personality and a can-do attitude. We love diversity, and everyone has the opportunity to learn, develop and grow, professionally and individually. This includes learning platform and safety trainings.

In 2022, we continued to engage our employees with blended face-to-face and learning workshops with online learning. This approach ensures a scalable, sustainable, engaging and consistent delivery of content.

We held another citizen satisfaction survey with a participation rate of 80%. On average, employees scored their happiness at 83%. We added a NPS question asking employees whether they'd recommend working at citizenM. The score was 85% – a testament to our working environment.

Once again, the focus of the year was taking action based on the feedback from the survey. We created Speeki (our new independent speak-up platform), Employee Assistance Program (EAP), and flexible public holidays.

Salary transparency was also introduced – it's only fair we openly communicate about pay. Now, support office employees can access info about their job level, our salary scales per region, and how we evaluate the impact of their roles on the business.

Our Agile transformation journey also continued with company-wide Agile planning and education events.



our

genuine touch
passionate attitude
smart thinking
real caring

values

diversity & inclusion

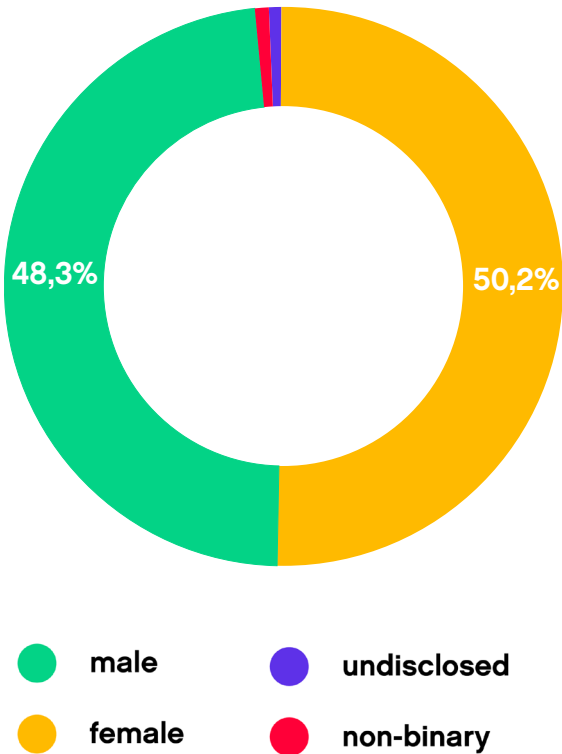
why does it matter?

We believe all citizens of the world are equal, regardless of race, nationality, gender, age, size, (dis)ability, religion or sexual orientation. It is important to create an inclusive and diverse environment where everyone feels welcome – no matter if they’re an employee or a guest. We’re all human and should always feel comfortable to be ourselves.

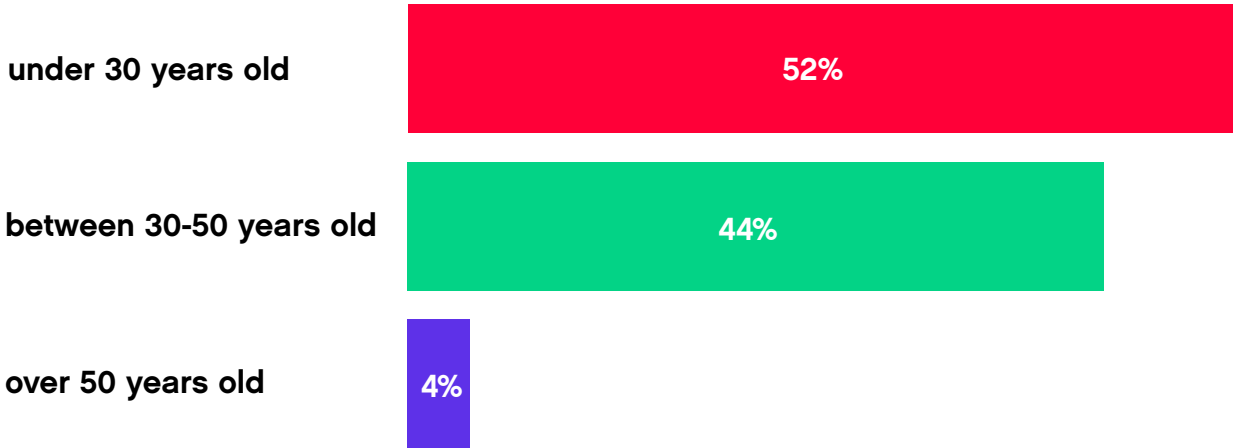
what are we doing?

We measure and monitor our key employee information and performance. In 2022, this included the gender and age ratio at all levels of the business, international backgrounds, and information on gender pay gaps. Racial diversity data was also gathered in our US operations.

gender ratio at citizenM

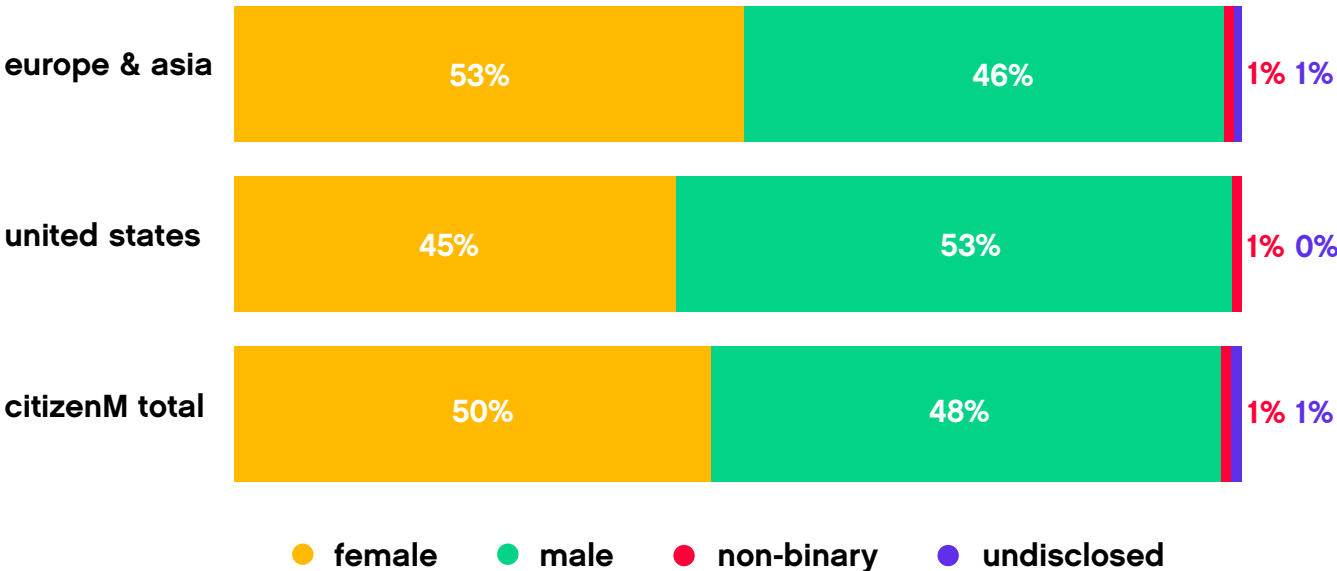


age group distribution at citizenM

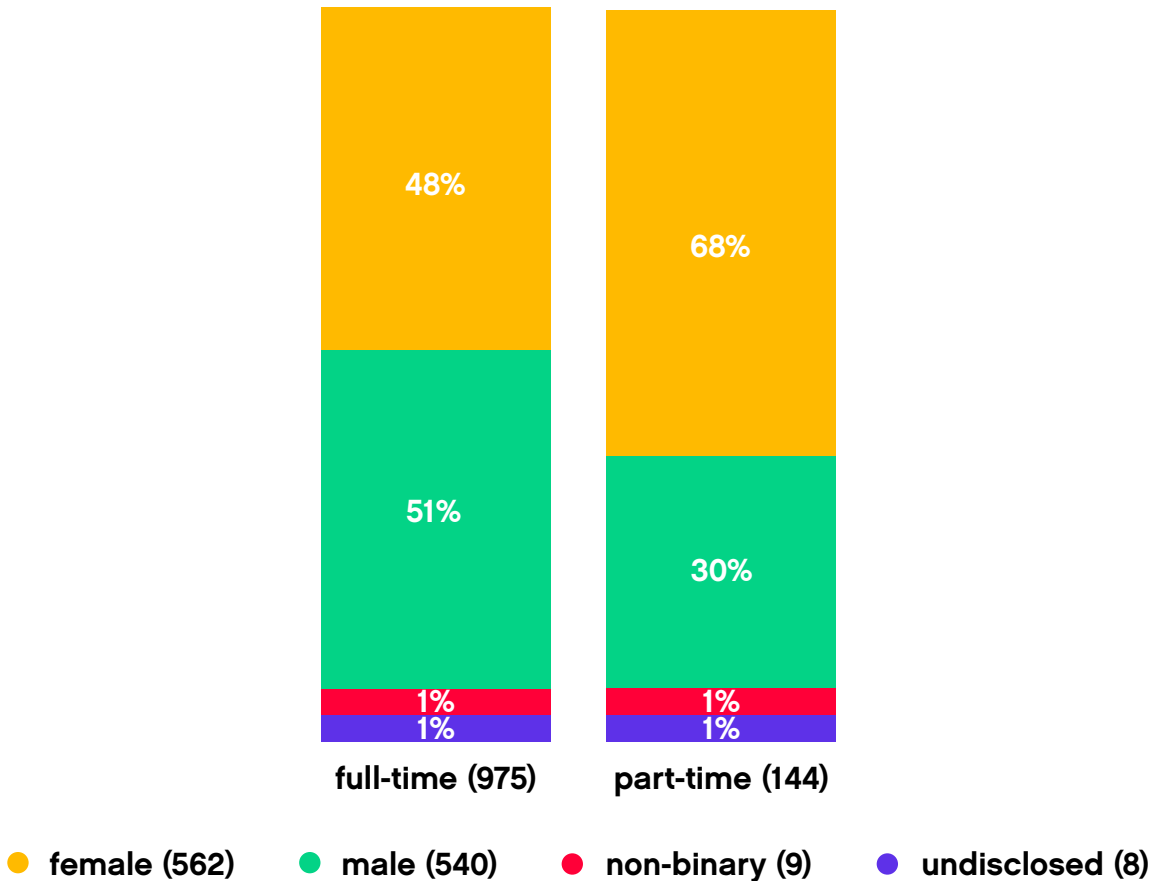


diversity metrics

citizenM employees by gender and region



citizenM employees by gender and employment type



doing the right thing for our people

diversity & inclusion

what we're doing continued

In 2022, our Diversity and Inclusion committee continued to evolve and grow.

The committee works on three pillars: citizenM inside, citizenM guests and communities, and citizenM partners and suppliers.

highlights

In 2022, we continued to update our internal activity calendar with engagement dates and events that highlight our diversity and bring our community of passionate people together.

Unconscious bias awareness is integrated in our immersion for all new employees. The diversity committee released a new set of 'real talk' sessions where employees are invited to discuss everything from spirituality / faith to LGBTQIAA+, disability

and unconscious bias. Together, these actions reached over 600 employees.

We launched a global content series to celebrate the creative and diverse communities in each of the cities where citizenM has a hotel. Citizens of the world spotlights citizens across five pillars: art, business, culture, fashion, and party. We started with our new 2022 locations – London, Miami, Chicago, Seattle and Washington DC.

In advance of opening hotels in two new cities - Austin,TX and Rome. In the spirit of always doing things better, we have launched a Culture Scout program, seeking local consultants in both cities. Our Culture Scouts will support citizenM with local storytelling, and help us get to know our new communities and neighbourhoods, understand local movements, and identify areas to support.



doing the right thing for our people

training and professional development

why does this matter?

We want citizenM to be an inspiring place to work and play. We are a personality-driven brand in the world's best neighbourhoods. 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. We tailor learning experiences in an environment that's positive, lively, rewarding and empowering. Mandatory training sessions for employees are in place to ensure our teams are up to date with the latest topics and policy requirements. We believe all employees are steward leaders, and that career journeys are developed by motivated high performers. We have implemented discovery chats and growth plans to help create this roadmap for our employees.

In 2022, 100% of our employees received professional training. This includes training related to day-to-day operations, health and safety, and specialised career development courses.

wellbeing and citizenM's culture

Personal wellbeing and having a safe company culture are priorities. All employees have access to workshops focussing on topics such as: the power of speech, 'citizenM Rules' and our speak-up policy, how to provide feedback, and unconscious bias workshops. Our employees rated these workshops with a 4.7 rating (out of 5).

learning playlists

Learning playlists are a feature of our Mpower learning tool that provides employees in our hotels and support offices with a clear and consistent learning experience. With this feature, all learning opportunities are organized into step-by-step playlists that correspond to each stage in the employee journey.

steward leadership development

citizenM believes leaders build a great place to work, where talented people want to be. That a healthy environment is safe, empowering and driven by purpose. In 2022, all 20 EU and Asia hotel managers joined a 3-day hotel manager summit to focus on purpose and wellbeing.

leadership bench

We contributed to the vertical growth and development of 43 Future Stewards worldwide, with 23 of them entering a new leadership role. All participants learned how to build autonomy within their hotel teams through effective feedback and communication skills while promoting team togetherness.

talent tracks

In 2022, we launched 2 new talent track groups for 'climbers' and 'explorers', with the purpose of retaining and boosting top talent by growing their careers. The aim of these tracks is growing skills essential to achieving our strategic goals – we had 41 talent track participants.

keeping our employees safe

why does it matter?

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

what are we doing?

We take the health, wellbeing and safety of our employees and guests seriously. That's why we ensure safe and healthy working conditions to help prevent harm. Health and safety rules and regulations apply at all our locations. We monitor incidents and have clear expectations for on-site safety when building our hotels with general contractors.

In 2022, we launched our Employee Assistance Program (EAP). An EAP is a confidential employee benefit designed to help employees deal with personal and professional problems that could be affecting their home life, work life, health and/or general wellbeing.

We also launched a new speak-up platform called Speeki. Employees and stakeholders are empowered to raise concerns if they believe an issue violates the law, citizenM's values or citizenM rules. We have frameworks in place for such reporting outlined in our speak-up procedure and on the third-party speeki platform.



human rights

why does this matter?

At citizenM, we influence positive change in a world where we are simply guests. We support and respect human rights, and have mechanisms in place to prevent violating them.

As a company, citizenM promotes economic and social justice for all employees. We use the UN Guiding Principles on business and human rights, the Universal Declaration of Human Rights, the International Bill of Rights, as well as the International Labor Organization's declaration on fundamental principles and rights at work.

what are we doing?

We have our [human rights policy](#), covering diversity and non-discrimination; harassment; prevention of human trafficking, forced labour and child labour; working hours and wage standards; freedom of association; workplace safety; privacy, data protection and security; and reporting concerns.

In 2022, we continued to roll out human trafficking training in the US. We have set a goal for all hotel employees to take the training.

Our suppliers must be on the same page. We ensure this with clear responsible procurement principles and identify potentially high-risk suppliers for further assessments using the EcoVadis tool.

citizenM expects our key suppliers and business partners to meet or exceed the ethical practices outlined in EcoVadis' [Responsible Procurement Principles](#).

stop human trafficking

If you or someone you know is being forced to engage in any activity and can't leave – whether it's commercial, sex, housework, farm work, construction, factory, retail, restaurant work, or any other activity.

Call 1-888-373-7888 or text 233733 for the National Human Trafficking Resource Centre Hotline. The toll-free hotline is answered live 24 hours a day, 7 days a week, 365 days a year.

Victims of slavery and human trafficking are protected under International, US and State law.



happy & healthy guests

why does it matter?

We want our guests to be healthy and happy, starting with their environment. That doesn't just mean the hygiene of our hotels – it means looking at our buildings and the food we serve while motivating our guests to exercise even while in their rooms.

what are we doing?

We design healthier green hotels and provide hassle-free experiences for our guests – like the use of our contactless app. We also recommend local healthy dinner hotspots while offering healthy food options on our menu, including vegan and vegetarian choices.

In 2022, we continued to promote Gymbox workouts. Our guests and employees can enjoy these free workouts anytime they sleep over. They're pre-loaded on the TV in every citizenM room worldwide with yoga, dance, combat and more.

Guests travelling in the US have the option to visit our hotel gyms – open 24/7 for early birds and night owls.

making positive movements in our society

shortening the distance between
people and opportunities



citizenMovement foundation

why does it matter?

As a global company, we have the ability to be a force for good, using our platform to give back to society. Real caring is a core value at citizenM, and it doesn't stop at our doors. In 2022, we continued to make positive change through our citizenMovement Foundation.

what are we doing?

The citizenMovement Foundation shortens the distance between people and opportunities by giving them the gift of mobility.

In 2022, citizenMovement continued to support World Bicycle Relief (WBR), donating €707,204 and funding 2152 bikes. The bikes were distributed in the Kasungu and Zomba districts of Malawi. Since partnering with WBR in 2018, citizenMovement has funded 5510 bikes.

We also supported another WBR impact project called Mobilised Communities. It's a holistic programme, an integrated mobilisation approach that supports connectivity in a community. Mobilised Communities will supply Buffalo Bicycles to relieve mobility constraints in all sectors – education, healthcare, economy – in one geographic location.

Bicycles shorten the distance to economic independence, making it easier to go to school or work, reach medical care, collect food and water, improve safety, and build closer communities. In fact, over equal units of time, an individual can ride a bicycle four times the distance as someone walking.

We also engaged guests and employees with citizenMovement via social media and our global fundraising campaign.



more on citizenMovement

what are we doing?

Our global fundraising campaign is purposely easy to participate in. In fact, guests don't have to do a thing! Each time they say 'no' to unnecessary room cleaning, we donate 3 euros on their behalf to citizenMovement. From there, the money will go to our chosen charity partner WBR, shortening the distance between people and opportunities.

humanitarian crises: how do we help?

When the Ukraine crisis broke out, citizenM donated €50 on behalf of each employee – a total of €45,000 – to the International Committee of the Red Cross (ICRC). citizenMovement also supported the cause by donating an additional €112,392.

**In 2022,
citizenM donated
over 1.5 million euros
to citizenMovement
in support of
their mission.**





local positive movements

why does it matter?

At citizenM, one of our core values is real caring. We want to be a good neighbour – that means making positive movements from the moment we start constructing our new home to the day we open.

what are we doing?

We believe in supporting community activities that resonate with our values and culture. In 2022, citizenM launched a global content series to further celebrate diverse communities in the cities where we are located, spotlighting citizens across five pillars: art, business, culture, fashion and party. Twenty-five local movers and shakers were recruited to represent each of the five pillars, including artists, fashion designers, entrepreneurs, drag artists, business owners, stylists, DJs, mixologists and more.

The program rolled out in cities where we opened new hotels for 2022: London, Miami, Chicago, Seattle and Washington, D.C. – with plans to expand to all citizenM locations. The series includes cover-story features, mini documentaries, podcast episodes, blog posts and more, with the brand introducing a new citizen on a weekly basis throughout 2022.

We also unveiled a mural at citizenM Seattle Pioneer Square by RYAN! Elizabeth Feddersen, called Schema, which captures the diversity, energy and story of the square. In a collaboration with photographer Amber Pinkerton, we put on a dreamy window exhibition for the launch of six new hotels across the US and in London.

conscious travellers

engaging conscious travellers by
sharing what we're doing and how they
can join us



conscious travellers

why does it matter?

Conscious travellers think about how their travel choices impact the world and the communities they visit – but this responsibility shouldn't only be on their shoulders. It's important to engage our guests and make conscious travelling easy.

what are we doing?

We want to make lasting, meaningful change, and that means collecting data. Lots of it. Our team closely monitors all our projects and initiatives – from emissions through waste and water reductions – to help us better understand our impact.

We also make it easy for our guests to make conscious choices. Our app and in-room MoodPad allow them to control their room lighting, heating, cooling and cleaning – and have their pick of planet-friendly vegetarian and vegan food options through our canteenM. We also encourage guests to get to know their city like a local – for example, by using the free bikes at our Dutch hotels. When in Rome...

We asked and our guests answered – helping us identify when and how to tell them about how citizenM is working to be kinder to the planet, people and communities.

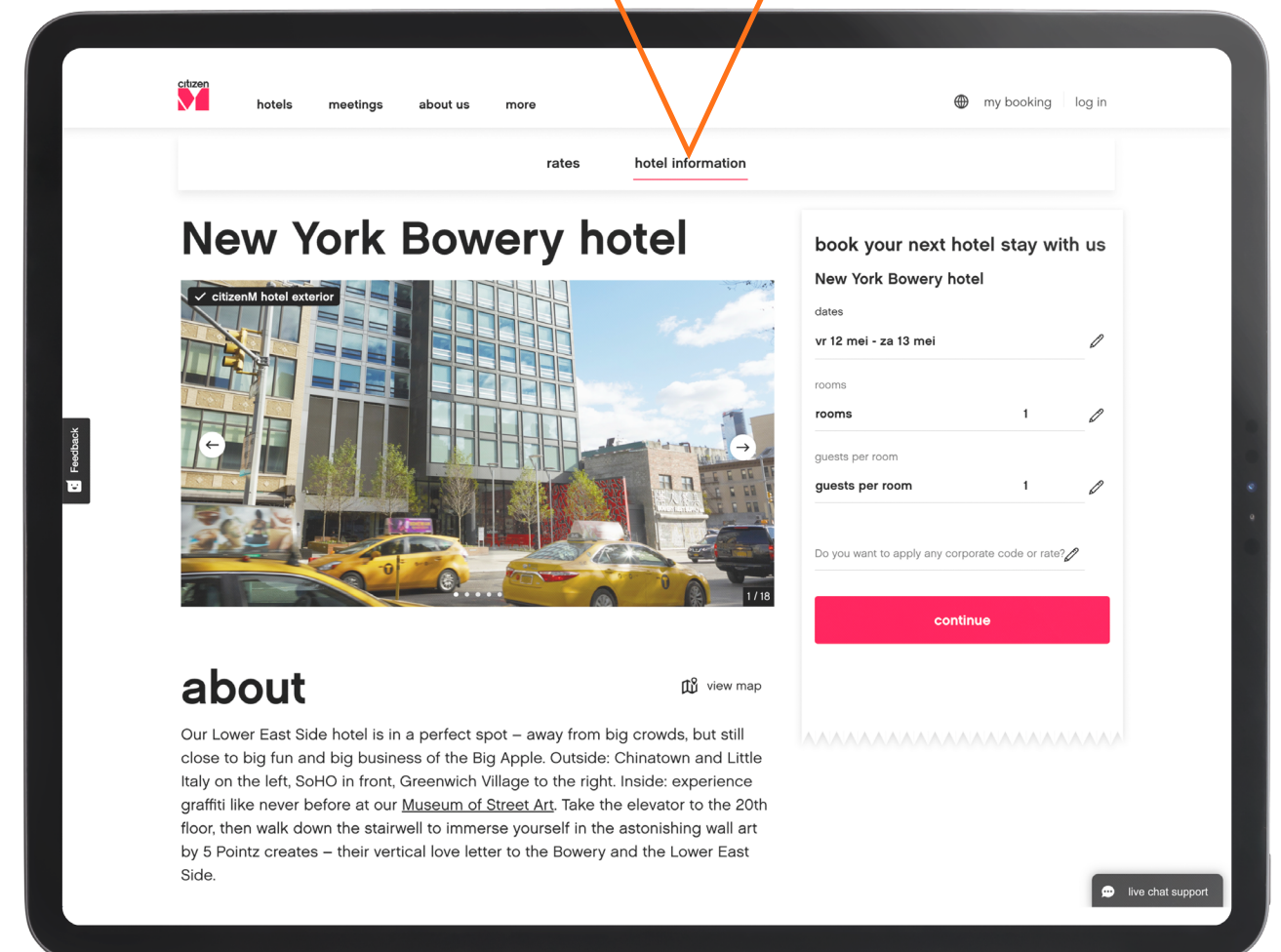
Our focus for 2022 was simple transparency. We took action and highlighted our key ESG initiatives throughout the booking journey so guests are informed before they book with us.

In 2023, we'll continue to add more ESG information throughout the guest journey, showing guests how we are making change and helping them make conscious choices during their stay.

kind to the planet – the citizenM way

Our ESG strategy focuses on operating and building healthier, greener hotels; doing the right thing for our people and communities; and sharing transparent information about our activities with the world. The highlights:

- hotels powered by green electricity
- third-party green building certifications
- 'no single-use' plastics policy
- water conservation & refill stations
- on-site recycling
- choice-based housekeeping
- local community and charity activities
- employee survey & career development
- active company diversity committee
- human rights policy and training
- transparent reporting on our ESG actions



sustainable room of the future

why does it matter?

As a tech-forward hotel, engaging with the next generation of changemakers is important to us. They know their choices will affect their future world, and they aspire to safeguard the planet for themselves and generations to come.

what are we doing?

We challenged a group of 16 students from TU Delft to use artificial Intelligence to influence our guests to make positive sustainable decisions during their hotel stay. The ultimate goal: to make conscious travel easy by influencing change.

During the spring 2022 semester, students came up with concept designs focussed on 'the hotel of the future'. At the end of the course, they delivered 'experiential prototypes' in an exhibition. These prototypes communicated the students' ideas and let exhibition visitors be immersed into the experiences.

If each guest takes
even a small action
towards a more positive
tomorrow, these add up
and can significantly
reduce environmental
impacts over time.
It's a win-win:
happy guests and
a happier planet.



**progress and
goals**



progress towards our goals

Last year we were feeling ambitious and created a list of goals that we were determined to achieve. We even broke them down into short, medium, and long- term goals. We did this to hold ourselves accountable and make sure we were making progress towards our goals. Having these goals means that all of our stakeholders are clear on our ambitions. If you're curious like us, you can check out our progress in the next few pages. We're all about transparency, so we want to be upfront and honest with you.

Although we have taken significant steps to enhance our data, the COVID pandemic and its effect on occupancy have influenced our data (2020-2022). As a result, benchmarking against our baseline does not currently reflect the impact of our actions. We anticipate that by 2023, we will have consistent data and eagerly look forward to that.

	baseline 2019	2021	2022	2024	2027	2030
intelligent and sustainable buildings						
100% of hotels will be green building certified by 2024*	77%	90%	100%	100%	100%	100%
100% of new hotels built to net-zero operation standards from 2030	-	new goal	on track	-	-	100%
100% of hotels receive physical climate risk assessments	-	new goal	100%	100%	100%	100%
growing and operating sustainably						
energy						
reduce energy use intensity by 35% (kWh/calendar-normalised m²)	-	new goal	4.8%	10%	20%	35%
emissions						
net-zero in operations (Scope 1 and 2 absolute GHG emissions) by 2040	-	new goal	on track	20%	35%	55%
Scope 3 emissions identified and reduction target set by 2024	-	new goal	on track	●	-	-

A coloured dot indicates the goal will be completed by the year shown in that column.

progress towards our goals

	baseline 2019	2021	2022	2024	2027	2030
growing and operating sustainably (continued)						
water						
reduce water use intensity per m² by 20%	-	new goal	on track	5%	10%	20%
waste						
increase the percentage of waste diverted from landfill	79.6	87.1	95	90	93	95
remove all single-use plastic items from the guest experience by the end of 2023	-	new goal	on track	●	●	●
supply chain						
100% of very high and high-risk suppliers identified in the ESG risk procurement framework complete an EcoVadis assessment and relevant corrective actions	-	new goal	95%	100%	100%	100%
doing the right thing for our people						
achieve a score of 80 or above for our employee satisfaction happiness score	-	80	83	80	-	-
increase the % of board executive (e) and non-executive (ne) positions held by women 2025	-	new goal	on track	e - 40% ne- 25%	-	-
increase the % of senior leadership positions held by women (strategic council)	-	12.9%	28.9%	40%	40%	40%
human trafficking training for hotel employees complete (within 2 months of joining citizenM)	-	new goal	on track	100%	100%	100%
implement a new global health and wellness program	-	on track	on track	●	-	-
100% of employees trained on the basics of ESG (within 6 months of joining citizenM)	-	new goal	training launched	100%	-	-

A coloured dot indicates the goal will be completed by the year shown in that column.

progress towards our goals

	baseline 2019	2021	2022	2024	2027	2030
making positive movements in our society						
donate 2 million euros to projects that shorten the distance between people and opportunities	445,395	n/a	819,596	2 million	-	-
increase the % of employees engaged in local and skills-based volunteering opportunities	-	on hold	on hold	20%	30%	40%
conscious traveller						
ESG survey for guests and corporate bookers every 2 years	-	complete	●	●	●	●
governance benchmarking and targets						
maintain 5-star GRESB rating – operational scorecard	1 star	5 star	5 star	5 star	5 star	5 star
achieve and maintain 5-star GRESB rating – development scorecard	n/a	3 star	3 star	4 star	5 star	5 star

A coloured dot indicates the goal will be completed by the year shown in that column.

thanks for reading our report

This report is an overview of citizenM's economic, environmental and social impacts in 2022. Unless noted, the information in this report highlights our ESG initiatives from 1 January – 31 December 2022.

Official date of report: 12 May, 2023

citizenM cites this report in line with GRI Standards. Locations of GRI disclosures are noted at the bottom of each page, if necessary. For more information, visit our [GRI Index](#).

This report and future updates are at citizenM.com/esg

Have a question? Email esg@citizenM.com

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performance tables

intelligent and sustainable buildings – green building certifications

overview of the hotel certifications

BREEAM In Use (hotels >1 year in operation)	Amstel Amsterdam	Excellent	London Tower of London	Good
	Amsterdam Schiphol	Good	New York Bowery	Very Good
	Amsterdam Zuid	Very Good	New York Times Square	Very Good
	Copenhagen Radhuspladsen	Very Good	Paris Charles de Gaulle	Pass
	Geneva*	Good	Paris Gare de Lyon	Good
	Glasgow	Pass	Paris La Defense	Good
	London Bankside	Good	Rotterdam	Very Good
	London Shoreditch	Good	Zurich	Good
new construction (hotels < 1 year in operation and US hotels)				
	Boston North Station	LEED GOLD	San Francisco Union Square	LEED GOLD
	Chicago Downtown	n/a	Seattle Pioneer Square	LEED GOLD
	London Victoria	BREEAM Excellent*	Seattle South Lake	LEED GOLD*
	Los Angeles Downtown	LEED GOLD*	Washington Capitol	LEED GOLD
	Miami Brickell	LEED GOLD*	Washington NoMa	LEED GOLD*
*in progress/submitted	Paris Champs-Elysees	BREEAM Very Good		

growing and operating sustainably

energy consumption (GRI 302-1)	measure	2022	2021	2020	2019
electricity	kWh	26,427,733 	19,130,001 	16,387,457 	15,964,422 
of which are on-site renewables	kWh	12,297 	11,309 	11,146 	Data not collected 
natural gas	kWh	16,026,414 	15,156,462 	11,338,032 	10,567,163 
heating	kWh	5,779,574 	4,268,118 	3,421,600 	3,875,370 
cooling	kWh	2,116,610 	1,027,152 	902,811 	1,087,367 
total hotel energy consumption	kWh	50,350,331 	39,581,733 	32,049,900 	31,494,322 
water consumption (GRI 303-5)	measure	2022	2021	2020	2019
water	Megalitres	289.9 	174.1 	155.7 	215.5 
water in areas with water stress	Megalitres	59.62 	28.05 	26.88 	45.97 
water	Cubic meters	289,927 	174,078 	155,689 	215,542 
water intensity	Cubic meters/per occupied room	0.200 	0.438 	2.154 	0.199 

AS

Restated energy and water from 2019 and 2020 are in line with our 2021 data improvement project. The scope of assured data is marked with the 'assured' symbol in this table- see assurance statement, pages 118-121. Variances in 2020 data compared to prior reporting years reflect the impacts from COVID on performance metrics.

growing and operating sustainably

energy intensity (GRI 302-3)	measure	2022	2021	2020	2019
electricity	kWh/m2	136.90 AS	121.1 AS	119.13 AS	141.53 AS
natural gas	kWh/m2	124.41 AS	155.98 AS	135.23 AS	164.16 AS
heating	kWh/m2	90.10 AS	93.89 AS	78.58 AS	98.24 AS
cooling	kWh/m2	59.53 AS	75.05 AS	65.97 AS	79.45 AS
average consumption intensity	kWh/m2	253.00 AS	243.99 AS	222.24 AS	265.74 AS



The scope of assured data is marked with the 'assured' symbol in this table – see assurance statement pages 118-121.

growing and operating sustainably

carbon emissions (GRI 305-1, 305-2, 305-3, 305-4)	measure	2022	2021	2020	2019
Scope 1 direct emissions					
emissions	MT CO ₂ e	3,111 AS	2,780 AS	2,150 AS	2,013 AS
emissions intensity	kg CO ₂ e/m ²	16.12 AS	17.83 AS	16.07 AS	17.9 AS
Scope 2 indirect emissions					
location-based emissions	MT CO ₂ e	6,657 AS	4,778 AS	4,089 AS	4,346 AS
location-based emissions intensity	kg CO ₂ e/m ²	34.50 AS	30.64 AS	30.56 AS	38.65 AS
market-based emissions	MT CO ₂ e	624 AS	979 AS	666 AS	506 AS
market-based emissions intensity	kg CO ₂ e/m ²	3.23 AS	6.28 AS	4.98 AS	4.5 AS
total Scope 1 + 2 emissions					
location-based emissions	MT CO ₂ e	9,768 AS	7,558 AS	6,240 AS	6,359 AS
location-based emissions intensity	kg CO ₂ e/m ²	50.62 AS	48.46 AS	46.62 AS	56.55 AS
market-based emissions	MT CO ₂ e	3,735 AS	3,759 AS	2,816 AS	2,518 AS
market-based emissions intensity	kg CO ₂ e/m ²	19.36 AS	24.1 AS	21.04 AS	22.4 AS



The scope of assured data is marked with the 'assured' symbol in this table – see assurance statement pages 118-121.

growing and operating sustainably

carbon emissions (GRI 305-1, 305-2, 305-3, 305-4)	measure	2022	2021	2020	2019
Scope 3 emissions					
waste	MT CO2e	584 AS	376	375	738
business travel	MT CO2e	854 AS	182	268	1100
upstream leased assets	MT CO2e	107 AS	-	-	-

growing and operating sustainably

waste by type and disposal method (GRI 306-2)	measure	2022	2021	2020	2019
total waste generated - reuse	%	0 AS	2.97	0.39	0
total waste generated – recycling	%	45.48 AS	33.99	47.94	40.09
total waste generated – incineration with energy recovery	%	47.13 AS	24.32	13.53	22.80
total waste generated – incineration without energy recovery	%	2.04 AS	22.0	25.15	13.77
total waste generated – landfill	%	5.35 AS	12.85	13.02	23.37
total waste generated – other	%	0 AS	3.87	0	0
total waste generated	metric tons	1,945.71 AS	1,337.90	1,167.03	2,447.44

AS

The scope of assured data is marked with the 'assured' symbol in this table – see assurance statement pages 118-121.

doing the right thing for our people

total workforce and breakdown by employee category (GRI 405-1)	measure	2022			2021			2020			2019	
workforce (headcount, year end)												
employees (fte)	number	1119			812			646			647	
total	number	1119			812			646			647	
employees by gender (headcount, year end)	%	male	female	non-binary/ undisclosed	male	female	non-binary/ undisclosed	male	female	non-binary/ undisclosed	male	female
		48.3	50.2	1.5	45.25	48.45	6.3	53.6	46.1	0.3	52.5	47.5
employees by age group (headcount, year end)												
employees under 30 years old	%	52			34			36			37	
employees 30 - 50 years old	%	44			60			58			56	
employees over 50 years old	%	4			6			6			7	
women in management		28.9			12.9							
employee training (GRI 404-1)												
professional training received	%	100			100			100			97	
ESG-specific training	%	80			45			33			6	

doing the right thing for our people

	measure	2022	2021	2020	2019
occupational health and safety (GRI 403-2)					
absentee rate	%	0.53	2.6	0.7	1.9
work-related fatalities	number	0	0	0	0
employee performance reviews GRI 404-3					
employees reviewed	%	100	100	100	100

making positive movements in our society

	measure	2022	2021*	2020	2019	2018
charitable giving (cash, in-kind, time and leverage)	number (€)	819,596	17,611	224,137	445,395	167,379
beneficiaries	bikes	2152	103	1181	2737	1000

*In 2021, we focussed on resetting our charity partnership and activating a new donation campaign.

appendix

sustainable development goals

The UN's Sustainable Development Goals (SDGs) are helping people and organisations of all kinds (us too!) to create positive action that aligns with shared long-term global sustainability ambitions.

The 17 SDGs call for businesses, governments and wider society to act against poverty, injustice and environmental damage so everyone enjoys global peace and prosperity. They guide companies like ours in tackling the world's most pressing issues – plus, they foster a greater level of corporate transparency and accountability.

the goals we influence
Through careful examination, we have identified the goals we influence as a business, plus through our ESG streams and actions.

Here are the 11 SDGs that align with citizenM values and operations.

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

5

GENDER EQUALITY

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

11

SUSTAINABLE CITIES AND COMMUNITIES

13

CLIMATE ACTION

17

PARTNERSHIPS FOR THE GOALS

12

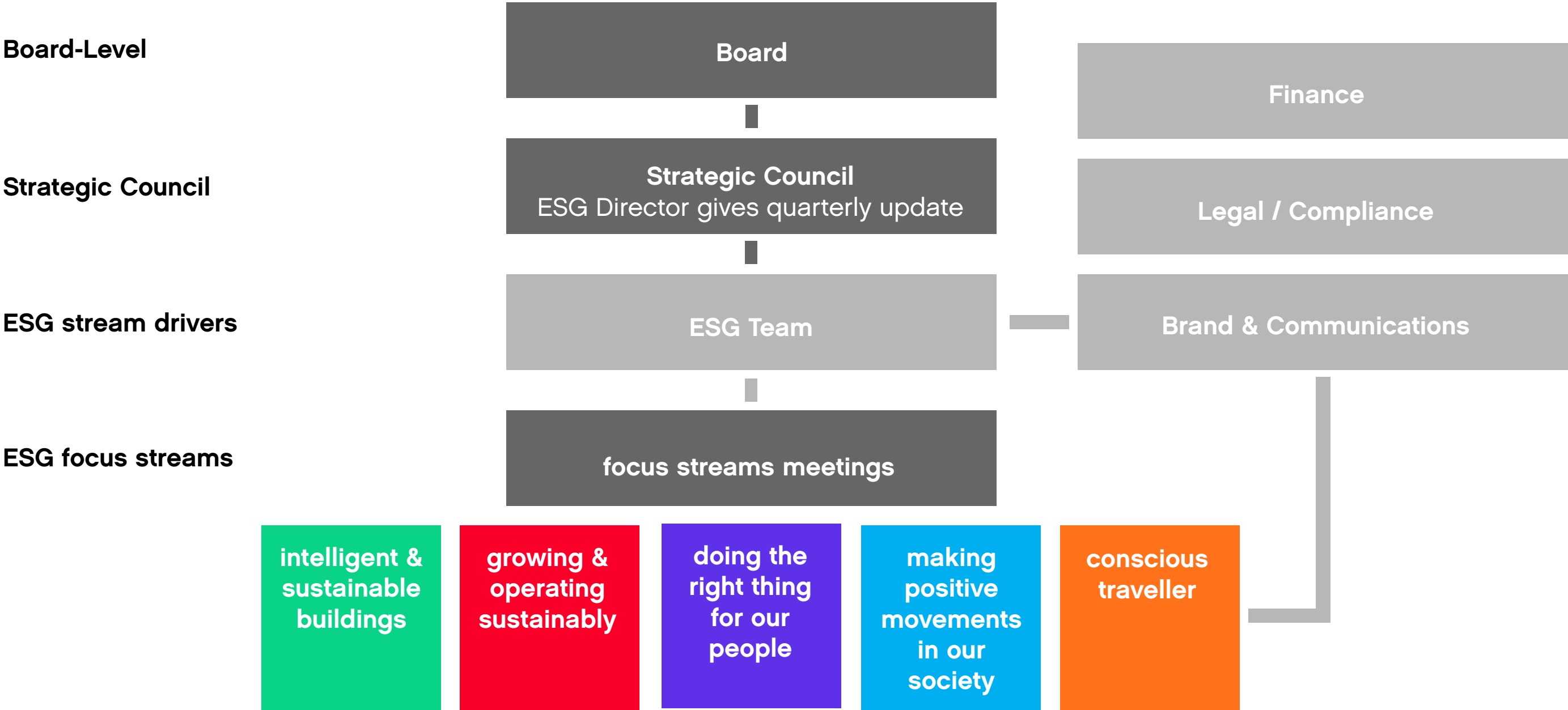
RESPONSIBLE CONSUMPTION AND PRODUCTION



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-statement
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 policy	https://www.citizenm.com/company/ethics
environment	environmental policy	https://www.citizenm.com/citizenm-environmental-policy
human rights	human rights policy	https://www.citizenm.com/legal/human-rights-policy
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 act statement	https://www.citizenm.com/modern-slavery-statement
waste management	single-use plastic policy	https://www.citizenm.com/esg

ESG governance structure



methodology

definitions

- **Calendar-normalised Square Meters:** a standardized measurement of a hotel's area that prorates the total size (in square meters) of a hotel that was only open for a part of the reporting year.
- **Employee Diversity and Inclusion:** the representation and inclusivity of diverse groups within the company's workforce. It is calculated by collecting data on the workforce, such as the gender, race, and ethnicity of employees.
- **Energy Intensity:** the amount of energy consumed per square meter of hotel area or roomnight. It is calculated by dividing the total energy consumption (in kilowatt-hours) by the gross floor area or annual number of occupied roomnights of citizenM's hotel portfolio.
- **Greenhouse Gas (GHG) Emissions:** the amount of greenhouse gases (such as carbon dioxide, methane, and nitrous oxide) emitted directly and indirectly by citizenM's operations. It is calculated by multiplying the amount of energy used by the carbon intensity of the energy source (emission factor). It includes Scope 1, 2, and 3 emissions.
- **GHG Emissions Intensity:** the amount of greenhouse gases (such as carbon dioxide, methane, and nitrous oxide) per square meter of hotel area or roomnight. It can be calculated by dividing Scope 1, 2, and 3 emissions by the gross floor area or annual number of occupied roomnights of citizenM's hotel portfolio.
- **Gross Floor Area:** the total building size, which includes all guest areas, back of house and technical rooms (in square meters). It is extracted from building floor plans to ensure consistency in intensity calculations.
- **Occupied roomnights:** the number of rooms in a hotel that are occupied by guests for one night. Complementary rooms are included in our calculation.
- **Renewable Electricity Ratio:** the percentage of electricity that is generated from renewable sources. It is calculated by dividing the total amount of renewable electricity consumed by the total amount of energy consumed.
- **Waste Diversion Rate:** the percentage of waste diverted from landfill through recycling, waste-to-energy, or other sustainable disposal methods. It is calculated by dividing the total amount of waste diverted by the total amount of waste generated.
- **Waste Intensity:** the amount of waste generated by citizenM's hotel operations per square meter of hotel area or roomnight. It is calculated by dividing the total waste generated (in metric tons) by the gross floor area or annual number of occupied roomnights of citizenM's hotel portfolio.
- **Water Intensity:** the amount of water consumed per square meter of hotel area or roomnight. It is calculated by dividing the total water consumption (in liters) by the gross floor area or annual number of occupied roomnights of citizenM's hotel portfolio.

estimations

Utility invoices are the preferred source for energy, water and waste data. These invoices are provided on a monthly or quarterly basis by utility providers with clearly stated actual consumptions. Direct meter readings are used as a backup when invoices are not available, which could happen in newly opened hotels or where citizenM does not have full operations control over utilities (shared buildings).

Invoices and meter readings account for the vast majority of our data, resulting in 90% coverage based on actual consumption data. The remaining 10% is estimated using the most applicable methodology at hotel level. Below are the methodologies that we can use to estimate 2022 data:

- **Adjacent Month:** If consumption tends to be similar month on month, then the average of adjacent months method can be used:
$$X = \text{Gap month}$$
$$Y, Z = \text{Adjacent months}$$
$$X = (Y + Z)/2$$
- **Historical:** If consumption tends to be more cyclical in nature (e.g. the data displays peaks and troughs that are not fixed) then it may be appropriate to apply the relative consumption from that period in the previous year:
$$X = \text{Gap month (e.g. December)}$$
$$Y = \text{December consumption previous year}$$
$$X = Y$$
- **Comparable Hotel:** If data is not available for a certain hotel, intensity data (by roomnight) from the most comparable hotel (e.g. same city and similar number of rooms) is used and multiplied by total annual room nights of the hotel with missing data.
$$X = \text{comparable hotel intensity}$$
$$Y = \text{total annual room nights of the hotel with missing data}$$
$$\text{Annual estimate} = X * Y$$

green electricity evidence

In 2022, we carried out a thorough assessment of contracts REC's and Guarantees of Origin to ensure our Scope 2 market-based emissions calculations are evidence-based. Here is a list of evidence requirements for market-based emissions, in order of preference:

1. Renewable energy guarantee of origin (REGO) for Europe-based hotels or Renewable energy certificate (REC) retired on citizenM's behalf for each US-based hotel and reporting period.
2. Attestation from the electric utility supplier stating renewable energy source(s) and electric energy source composition delivered to citizenM for each hotel and reporting period.
3. Electricity contract from the electric utility supplier stating renewable energy source(s) and electric energy source composition delivered to citizenM for each hotel and reporting period.

assurance statement



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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON SUSTAINABILTY INFORMATION

To the members of the Board of CitizenM Holding B.V.

Our conclusion

We have reviewed the selected KPIs per Appendix A included in the ESG report 2022 of CitizenM Holding B.V. (hereafter “CitizenM” or “the Company”). A review is aimed at obtaining a limited level of assurance.

Based on the review nothing has come to our attention that causes us to believe that the non-financial information on sustainability reported in the ESG report for year 2022 has not been prepared, in all material respects, in accordance with the reporting criteria as specified by management included in the methodology note pages 116 -117.

Basis for our conclusion

We have performed our review of the sustainability information in accordance with Dutch law, including the Dutch Standard 3000A ‘Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)’ (Assurance engagements other than audits or review engagements of financial statements (attestation engagements)). Our responsibilities under this standard are further described in the section ‘Our responsibilities for the review of the sustainability information’ of our report.

We are independent of CitizenM Holding B.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch code of Ethics).

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

Reporting criteria

The reporting criteria used for the preparation of the indicators listed in Appendix A are the reporting criteria as developed by CitizenM specified by management in the methodology note pages 116 -117 of the ESG Report 2022.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the sustainability information needs to be read and understood together with the reporting criteria used.

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited.



Limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates.

The references to external sources or websites in the Sustainability Information are not part of the Sustainability Information as reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the management Board for the sustainability information

The Management is responsible for the preparation of reliable and adequate Sustainability Information in accordance with these reporting criteria as included in the section ‘reporting criteria’, including the identification of stakeholders and the definition of material matters. The Management is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account applicable law and regulations related to reporting. The choices made by Management regarding the scope of the sustainability information and the reporting policy are summarised in the pages 40-53 and 96 - 103 of the ESG report.

Furthermore, the Management is responsible for such internal control as the Management determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to error or fraud.

Management is responsible for overseeing the sustainability reporting process of CitizenM Holding B.V.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review is therefore substantially less than the assurance obtained in an audit.

We apply the ‘Nadere voorschriften kwaliteitssystemen’ (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our review included among others:

- Identifying areas where a material misstatement of the subject matter information is likely to arise, designing and performing procedures to address the areas identified and to obtain limited assurance to support our conclusion.
- Considering internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

assurance statement



- Evaluating working papers underlying to the non-financial information on sustainability reported in the ESG report 2022 prepared by CitizenM in accordance with the Prepared by Client list supplied by Deloitte.
- Determining that the applied reporting guidelines are suitable.
- Performing an analysis on publicly available information related to the company.
- Determining if the contents of the Report are in accordance with the set criteria.
- Inquiry with Corporate staff and relevant management.
- Evaluating the processes and systems for data gathering, including the aggregation of the data of the sustainability KPIs as included in the Report.
- Evaluating internal and external documentation.
- Evaluating Risk Management, including Risk paragraph, in relation to non-financial information on sustainability.
- Evaluating Corporate Governance documentation in relation to non-financial information on sustainability.

We communicate with the Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amsterdam, 12 May 2023

Deloitte Accountants B.V.

Signed on the original: M. Heerschop



Appendix A – Overview of the selected KPIs in the sustainability report 2022

Company	KPI	Scope of work	Page nos.
CitizenM	Energy consumption	2022	40 – 43, 46 & 96 - 99
CitizenM	CO2 emissions	2022	44 – 49 & 100 - 103
CitizenM	Water consumption	2022	46, 50 – 51 & 96 - 97
CitizenM	Waste management	2022	46, 52 – 53 & 102 - 103