



SUSTAINABILITY REPORT 2020

RESILIENCE * GROWTH * IMPACT

cityexpress
hoteles

Everything that matters®



ABOUT THE REPORT

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

This Sustainability Report is our eighth edition in an effort to report the results of implementing social and environmental standards, policies, programs, and strategies, for the fiscal year 2020, that is from January 1 to December 31, 2020. It also includes the performance of the company's economic, social, and environmental value creation model.

The topics were defined on a materiality analysis aimed at identifying the relevant aspects of the hotel sector and communicating them to our investors and main stakeholders. This is a starting point for sustainability management and a value creation process and a that will allow us to meet our strategic objectives and achieve optimal performance within the company, towards each of our stakeholders.

This report was prepared based on the Global Reporting Initiative (GRI) standards in its core option and in accordance with the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. We also included Sustainability Accounting Standards (SASB) that apply to the hotel and lodging sector.

In addition, the report incorporates an analysis that allows us to identify the risks and opportunities associated with climate change and our operation, in accordance with the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD).

Corporate Name: Hoteles City Express S.A.B. de C.V.

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

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

Geographical Footprint: Mexico, Colombia, Costa Rica, and Chile.

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

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A MESSAGE FROM LUIS

Dear all,

2020 was a challenging year in which we experienced difficult times, but it was also a year of opportunities in which, through strength and teamwork, we discovered the power of our product. As a result of the resilience and innovation that required our actions, we are even prouder to present our annual results and share the positive impact on the diverse communities that everyone at Hoteles City Express has fostered.

In terms of annual results, the balance is positive, as we achieved a favorable outcome despite the crisis caused by the pandemic.

- We contributed to the country's economy by **generating direct and indirect jobs** with the opening of two new hotels, bringing our total to 154 hotels in 75 cities and four countries in Latin America.

We reinforced our vocation of service, by continuously

- innovating and disrupting the way we do and see things. We reached 851,717 check outs and identified through quality

surveys that **88% of our guests are promoters of our brands** brands and recommend the services we provide.

- In addition, we provided more than **7 thousand rooms to health professionals** as support during the pandemic; we continued to expand our Labor Inclusion program for the benefit of the Deaf Community, under the internal label City Include. Our actions went from impacting 12 to 15 of the United Nations Sustainable Development Goals.

During this period, we also reinforced our commitment and passion with our three strategic pillars: environmental conservation, creation of economic value and contribution to social welfare. We achieved high-impact sustainability milestones, including the incorporation of the **Sustainability Accounting Standards Board (SASB)** methodology, becoming the first hotel chain in Latin America to report under these standards.

*We reinvented ourselves to continue offering **everything that matters**; we were the first hotel chain to be certified as **SafeHotels CovidClean™**, an independent standard for hotels that is based on World Health Organization (WHO) guidelines and evaluates key procedures for hygiene, cleanliness, social distancing, and biosafety protocols, among others.*





In addition, we worked on an analysis that helped us identify the main risks and opportunities related to climate change from the perspective of our operation, in accordance with the Task Force on **Climate-Related Financial Disclosures** (TCFD) recommendations.

Over the past 19 years, we have been aware that our operations have an impact on the environment, society, and the local economy. For this reason, during 2020 we made an in-kind social investment (room nights) equivalent to \$8.3 million pesos, an increase of 53% compared to 2019.

We are deeply proud to look back and appreciate our positive footprint on the planet through actions such as the following:

- In 2020 we reaffirmed our commitment to caring for the environment through sustainable initiatives that impact each of the communities where we operate, in addition to **measuring our carbon footprint** for the second consecutive year.
- We contributed to the protection of biodiversity through five lines of action: 1) our **environmental volunteer program**, 2) **wastewater management**, 3) incorporation of eco-technologies and processes for the **efficient use of natural resources**, 4) partnerships for the **conservation of species**, and 5) adherence to international Environmental, Social and Governance standards.
- Through our strategic partnerships, we have been a **catalyst of positive impact for more than 40 organizations**. We know that our 3,100 employees are the backbone of Hoteles City Express, and as such, during 2020 our priority was to safeguard their well-being in all areas. We upheld our inclusion and gender equity standards and continued to offer the best tools for our employees' professional and personal development.

*From our position as a major player in the industry, we promote environmental and social awareness, as well as best ethical practices among our more than **3,500 suppliers**, and our guests.*

Thank you all for being part of these results in a year of challenges and opportunities. These great achievements belong to the entire Hoteles City Express family.

Luis Barrios Sánchez

Founder, President and CEO
Hoteles City Express

HOTELES CITY EXPRESS



2021 GOALS

In an atypical and adverse year, we reaffirmed the Company's commitment by implementing sustainable projects and initiatives, allocating 100% of our in-kind donations investment to benefit the communities where we are present.



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#1

Making **carbon footprint measurement** a recurring indicator for the company.

#2

Consolidating our **environmental volunteering program** by achieving an active participation of 70% of our hotels at chain level.

#3

Implementing a **Mexican National Code of Conduct awareness** program for all our employees.

#4

Complying with **international Environmental, Social and Governance (ESG) standards.**

OUR PHILOSOPHY

GRI 102-16, 203-2

MISSION



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

VISION



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

OUR VALUES



Ingenuity and creativity

Open our minds to ideas of continuous evolution



Personal excellence

Integral development and personal balance.



Integrity and sustainability

Transparency, consistency, and values.



Sense of success and achievement

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



Focus on the customer and passion for service

Anticipate the needs of our guests.

OUR BRANDS

Discover City Express



GRI 102-2, 102-6

Through a concept of limited services, we offer the best price/value relationship with five hotel brands designed to offer business and leisure travelers what they are really looking for or need during their travels in Mexico, and now also in key places in Latin America, being present in

four countries and more than 75 cities with 154 hotels in extraordinary locations.

There is a City for everyone.



CONTEMPORARY- HISTORIC AND MODERN

City Centro | City Centro Hotels are located in buildings with architectural value in the main historical downtown areas of Mexico. This new concept harmonizes the classic with the contemporary to offer a unique lodging experience.



PRIVACY- SPACE AND FUNCTIONALITY

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



AVANT-GARDE- INNOVATIVE DESIGN

City Express Plus | Innovative and avant-garde design for those looking for specialized environments and services. It is the ideal concept for working or resting in financial centers, large cities, and tourist destinations. City Express Plus is the spearhead and benchmark within the chain in design, architecture, and service.



SMART- COMFORTABLE AND PRACTICAL

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

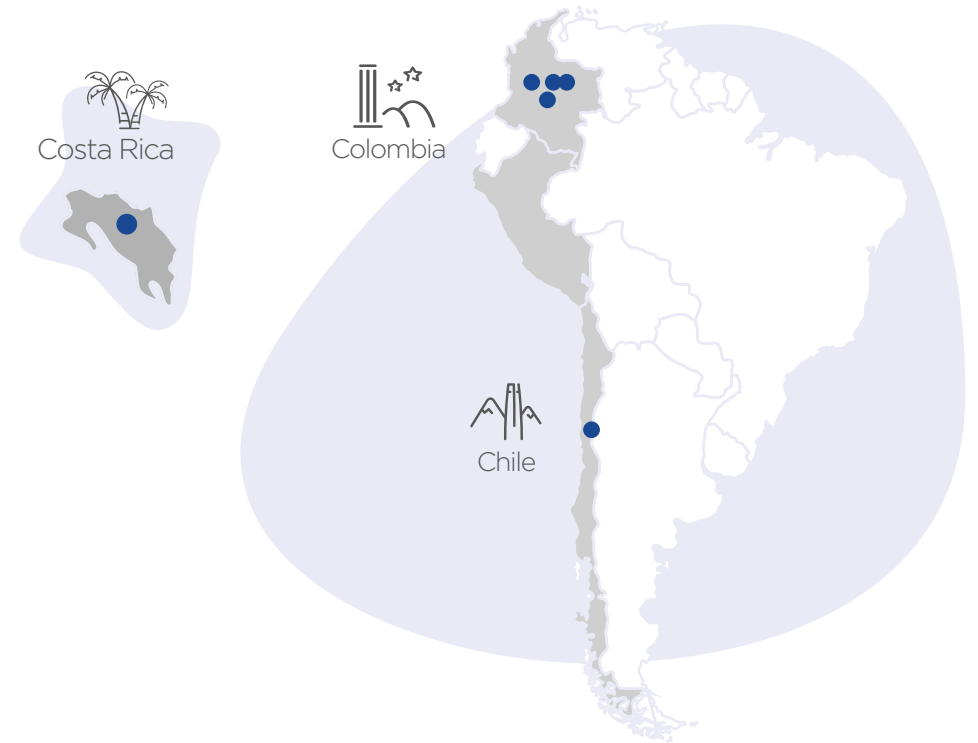
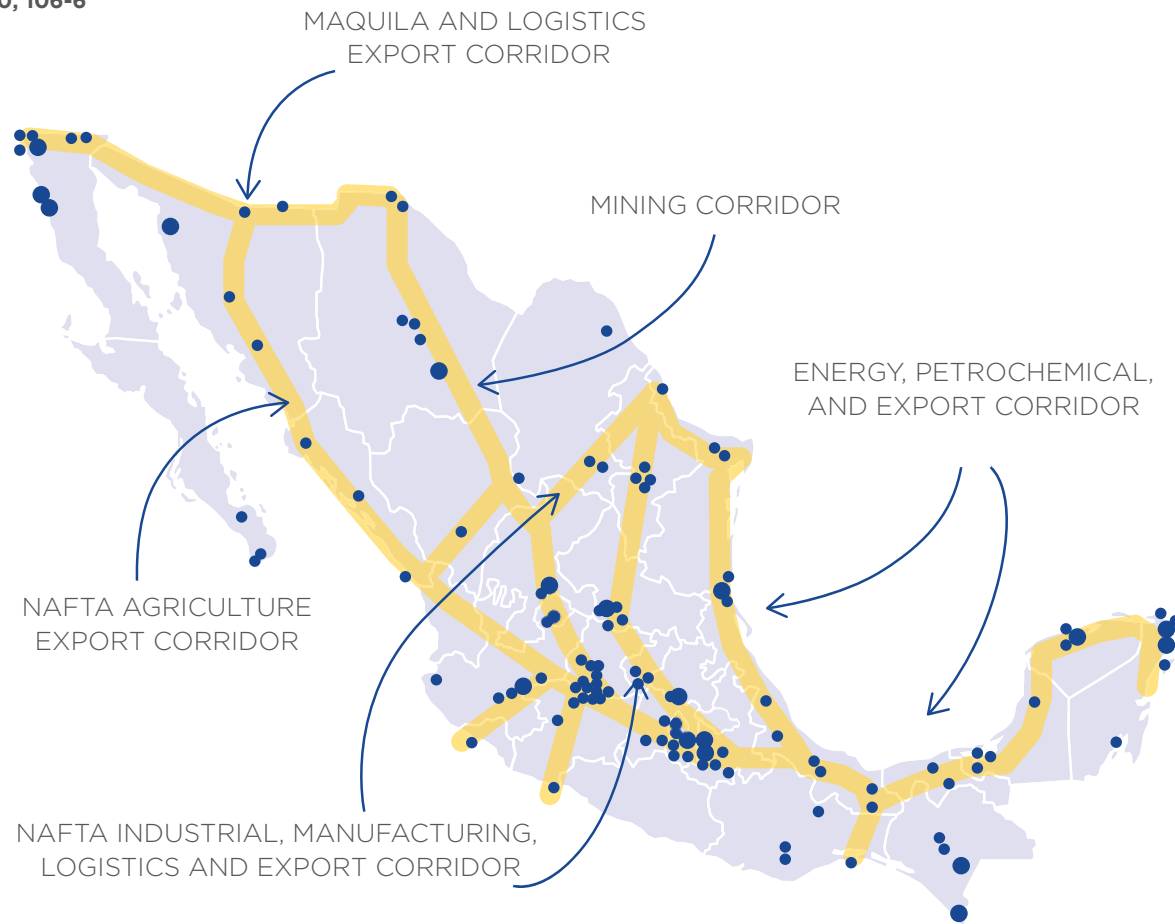


ACCESSIBLE- FUNCTIONAL AND SAFE

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

OUR LOCATIONS

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



○ Hotels in operation

2020 PRESENCE

GRI 102-7



SASB Indicators



They are defined as the set of factors that quantify the scale of a company and are used to facilitate the analysis of data and its evolution over time.

CODE	PARAMETER	2018	2019	2020
SV-HL-000.A	Installed Room Nights EoY	5,716,397	6,239,759	6,356,468
	Occupied Room Nights EoY	3,421,509	3,549,451	1,761,277
SV-HL-000.B	Average Occupancy Rate (%)	59.9%	56.9%	27.7%
SV-HL-000.C	Total area in lodging facilities (m ²)	761,417	794,426	806,258

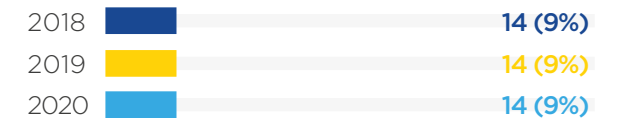
Number of lodging facilities

SV-HL-000.D

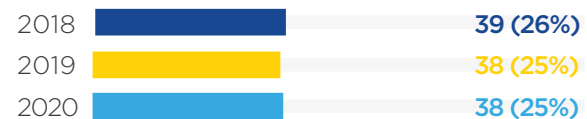
WHOLLY OWNED



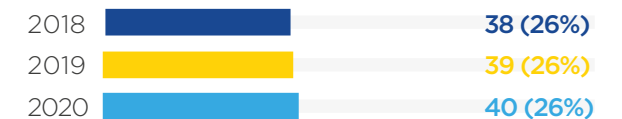
LEASED



CO-INVESTED



FRANCHISE AND MANAGEMENT



COMMITTED TO OUR GUESTS

GRI 418-1, 416-1

From 2018 to 2020 we provided hospitality and comfort to **12,919,821 guests**.

VALUE FOR OUR GUESTS



Great moments, great rewards.

We offer a loyalty program created to reward our guests for their preference and to thank them for considering us their best lodging option, in which they are awarded free nights in our hotels, gift cards in renowned stores, grocery vouchers,

dining certificates, passes and coupons for amusement parks, movies and shows, airline and bus tickets, among others.



67,513

new members during 2020.

181,549,530

City Premios Points credited, which were redeemed for **78,388 prizes**

972,053

affiliated members rewarded for their stays in our hotels

125,216

members staying in our hotels

OUR GUEST'S VOICE

We are highly committed to listening to our customers in order to continue innovating in the communication platforms and measuring the quality of the services we provide, and thus determine and track the Guest Satisfaction Index (GSI).

During 2020 we achieved:

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

851,717
check outs,

688,830
successfully sent surveys, representing
81% of the total check outs

93,135
answered surveys, representing 13.5% of
sent surveys.

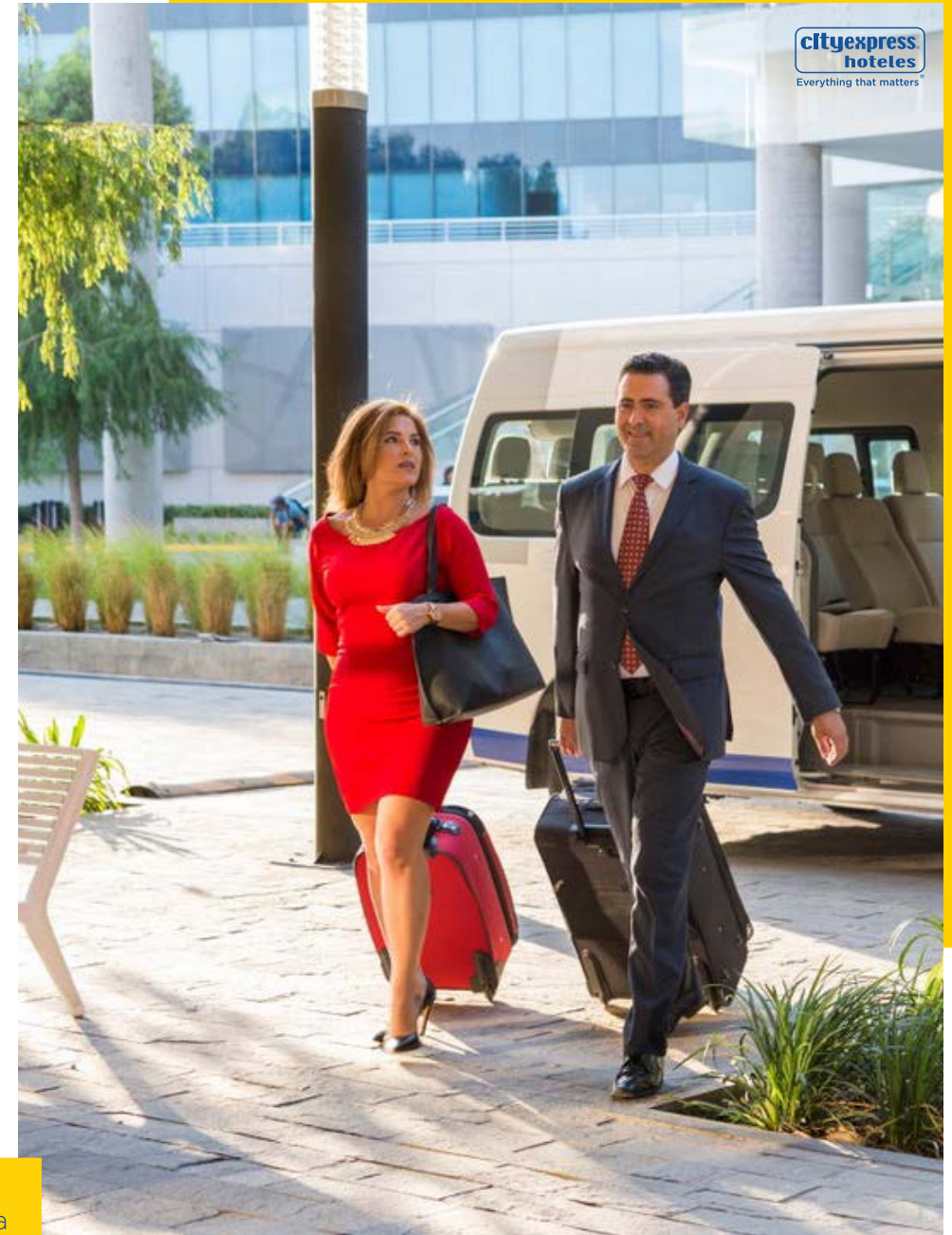
88% of our guests are promoters of our brands and recommend the services we provide.

88%



12%

12% mentioned a potential area of opportunity.



CUSTOMER SECURITY AND PRIVACY

GRI 418-1, 419-1

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

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



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

HEALTH AND BIOSAFETY FOR GUESTS

GRI 416-1

The new normality imposed by the pandemic has forced us to reevaluate our standards and adapt them to the needs and demands that guests will seek in their business and leisure travels.

For this reason, we created a Biosafety and Healthy Coexistence Protocol, with the objective of offering safe and reliable spaces that guarantee the wellbeing of our guests, employees, and communities where we operate.

Here are some of the measures implemented in each of Hoteles City Express properties:

- Biosafety manual based on the World Travel & Tourism Council (WTTC) guidelines.
- Close collaboration with local, state, and federal authorities to keep our guests and employees duly informed about everything related to COVID-19.
- Sanitary filters for guests, staff, and suppliers at their respective entrances to our properties

in order to reduce the risk of contagion, in addition to providing them with anti-bacterial gel, taking their temperature and applying questionnaires to detect possible symptoms.

- All the staff has the proper protective equipment, including face shields, face masks and latex gloves, in addition to being properly trained to deal with emergency situations.
- Cleaning and disinfection protocols are frequently applied in facilities and rooms, always keeping social distancing, and limiting the number of people in public areas.

At Hoteles City Express we are proud to be the first hotel chain worldwide to have received the **SafeHotels CovidClean™** certification.



SafeHotels CovidClean™ is an independent standard for hotels based on World Health Organization (WHO) guidelines that evaluates key procedures for hygiene, cleanliness, social distancing and biosafety protocols.

We have also been recognized with the **Safe Travels** certification granted by the World Travel and Tourism Council (W TTC), which seeks to guarantee the health and hygiene protocols established by the Council, recognizing governments, destinations and companies around the world that have adopted health and hygiene protocols so that tourists can enjoy safe travels.

All of the above reflect the excellence that has always been our hallmark, and reassures our commitment towards society and our guests, to provide them with the hospitality service they deserve.



HOW DO WE MAKE OUR BUSINESS SUSTAINABLE?





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

2020 SUSTAINABILITY ACHIEVEMENTS

For this reason, we remain committed to addressing each of these in a constant, precise, and systematic manner. With an identification of risks and impacts, we developed **Business Continuity Plans**, where we identified environmental, social, and economic aspects that are of great relevance for market permanence and continued growth. For the first year we conducted a climate risk analysis aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

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



Social investment equivalent to **\$8.3 millones** million pesos, an increase of 53% compared to 2019.



We continued to expand our Labor Inclusion program for the benefit of the Deaf Community, under the chain's label **City Incluye**.



Our actions went from **impacting 12 to 15 of the United Nations Sustainable Development Goals**.



We provided more than 7 thousand rooms rooms to health professionals as support during the pandemic.



We worked on identifying the main risks and opportunities related to climate change from the perspective of our operation, in accordance with the **Task Force on Climate-Related Financial Disclosures** (TCFD) recommendations.



We incorporated the **Sustainability Accounting Standards Board** (SASB) methodology, becoming the first hotel chain in Latin America to report under these standards.

OUR STAKEHOLDERS

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



Our Report has always been carried out with two main approaches: The view and participation of the internal managers from various areas throughout the Company and the optic and contribution, through dialogue, of all other stakeholders.

At Hoteles City Express our stakeholders are key to our business, and therefore, the selection and identification of these groups is carried out according to the reference framework of the European Union's Green Book, which gives recommendations, in which the Stakeholders are classified, according to the closeness, representativeness, dependence, responsibility and influence towards a certain business.

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

MATERIALITY ANALYSIS

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

In order to identify relevant issues in environmental, social, and economic terms for the business and our stakeholders, during 2018 and 2019 a materiality definition process was carried out, in accordance with the Global Reporting Initiative (GRI) Standards, together with an analysis of national and international best practices.

Every three years, we carry out a formal dialogue with the aforementioned Stakeholders. Through personal interviews or surveys to a representative population, we consult their perceptions of economic and socio-environmental issues. There have been no significant changes or restatements compared to previous reports.

We also conducted an analysis of external information, competition, media, government, investors, global and industry trends, prioritizing the most relevant sustainability topics based on a comparison of their importance level according to the perception of our stakeholders and the importance level for Hoteles City Express' Business Strategy. We considered stakeholder topics to define our materiality and the content of our sustainability reports.

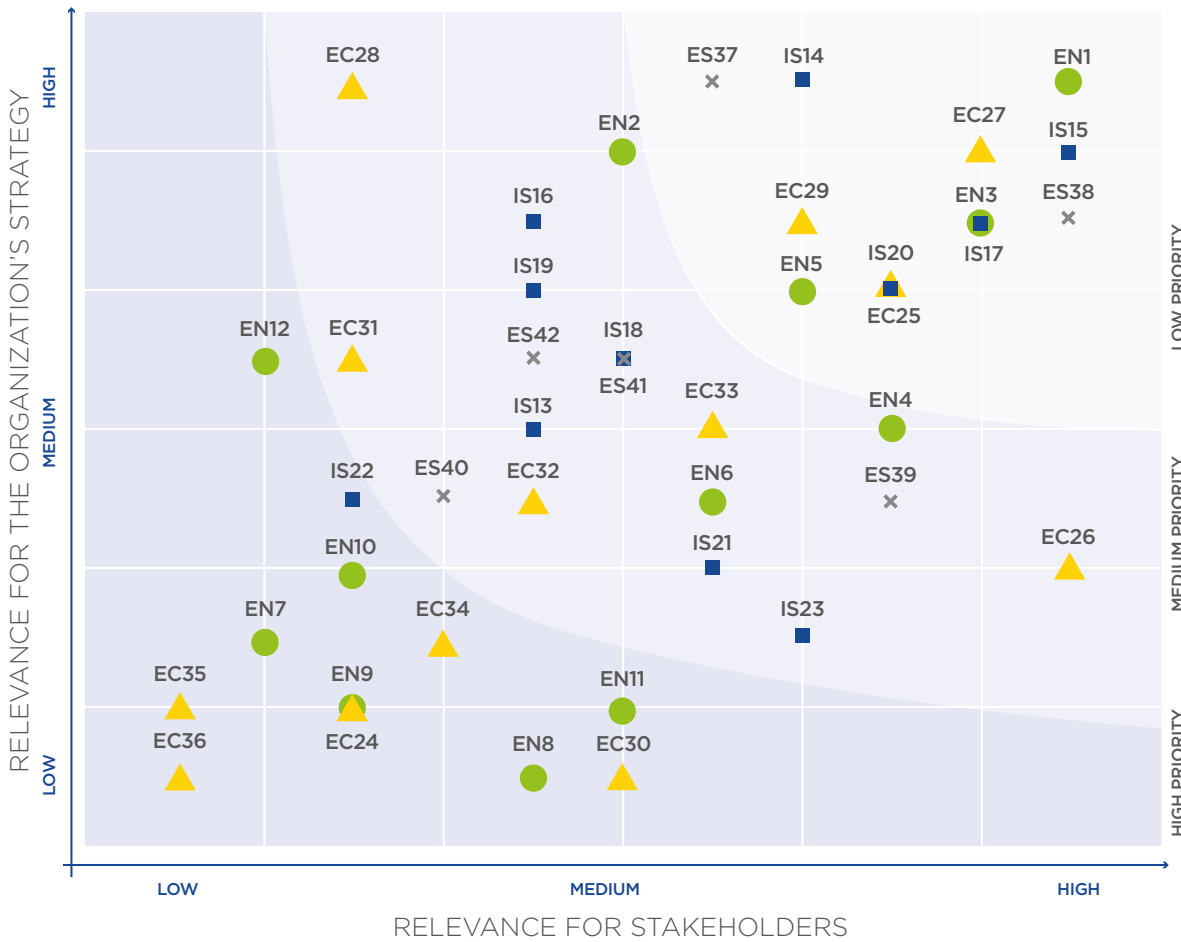
The stakeholders considered in this process include:

STAKEHOLDERS	WHY ARE THESE STAKEHOLDERS STRATEGIC?
818 hotel employees	Our employees are a stakeholder group with whom we have a broad responsibility and a close relationship, which is why they were the most representative group in the sample.
250 guests	Guests are very relevant stakeholders due to their proximity and influence. They make full use of our products and services.
107 members of communities surrounding the hotels we operate	Hotels are located in key places where there are also neighbors who, due to their representativeness and proximity to the operation, are highly related.
52 strategic suppliers	Suppliers are tactical due to their ability to influence the business; they provide us with raw materials to offer our service.
10 hospitality industry experts	Experts have representativeness and knowledge in the industry, which gives us a broader vision.
5 board members	Board members have broad representation and influence in decision-making and the company's overall strategy.
Investors representing 87% of our shareholders	Investors are a key stakeholder group given their support for the business and our operations.



MATERIALITY MATRIX

GRI 102-47, 102-44



HIGH PRIORITY

- EN1** Sustainable use of water
- EN3** Waste Management
- EN5** Energy eco-efficiency
- IS14** Training
- IS15** Occupational health and safety
- IS17** Diversity and equal opportunities
- IS20** Talent attraction and retention
- EC25** Anticorruption
- EC27** Local economic impact through the creation of direct and indirect jobs
- EC29** Compliance and ethical commitment
- ES37** Preservation of local culture and natural heritage
- ES38** Prevention of illegal sex tourism (Mexican National Code of Conduct)

MEDIUM PRIORITY

- EN2** Environmental legal compliance
- EN4** Biodiversity, ecosystems, and habitat protection
- EN6** Atmospheric emissions (gas and energy)
- IS16** Work life balance
- IS18** Compensation and recognition
- IS19** Motivation and sense of belonging
- IS21** Social dialogue with employees
- IS23** Volunteer activities
- IS13** Professional development
- EC26** Guest health and safety
- EC28** Transparency in information
- EC31** Fair competition
- EC32** Governance structure of the organization
- EC33** Innovation in operations
- ES39** Innovation and investment in local communities
- ES40** Natural disasters support
- ES41** Good relationship with communities
- ES42** Partnerships with local civil society organizations

LOW PRIORITY

- EN7** Environmentally responsible tourism
- EN8** Environmental certifications
- EN9** Construction on vulnerable sites or protected natural areas
- EN10** Type of materials used to provide the service
- EN11** Construction materials
- EN12** Sustainable food and beverages
- IS22** Migrant workers
- EC24** Quality service
- EC30** Guest privacy
- EC34** Brand strengthening
- EC35** Indoor environmental quality
- EC36** Social and environmental supplier assessment

MANAGEMENT OF OUR MAIN MATERIAL ASPECTS

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

Sustainable water use

We have developed operating policies to make efficient use of water in our daily activities, in addition to incorporating eco-technologies that allow us to save water during our guests' stay. We measure water consumption on a daily basis and to date we have 15 water treatment plants that help us improve the quality of the water we send back to the sewage system.

Waste management

Through our internal environmental policy and a permanent recycling program, we involve all personnel at chain level and guests to be part of this culture. We follow procedures for collecting, sorting, record-keeping and recycling all waste generated during our operations.

Energy eco-efficiency

Since 2019 we measure and report our carbon footprint, identifying our annual operating consumption (gas and electricity use) and developing reduction, mitigation, and compensation strategies. In 2020, we started a pilot project for the Remote Monitoring System for Critical Systems, a platform that allows us to monitor the proper functioning of our equipment and energy consumption in real time. In addition, we have developed policies and procedures for

energy efficiency during operation, as well as an area dedicated to preventive and predictive maintenance.

Training

Training our talent is a priority and a strategic axis for the Company, being a key resource to find the mechanisms that provide our employees with the knowledge, skills, and aptitudes necessary to achieve their optimum performance, the fulfillment of their personal objectives, as well as the contribution to the Company's purpose, and short and long-term objectives.

Health and safety

Due to the health crisis generated by COVID-19, protecting the physical and mental health of our employees and guests has taken on special importance in the company. We are pioneers worldwide in becoming certified with SafeHotels CovidClean™ and SafeTravels, which evaluate protocols focused on prevention, cleaning and disinfection in rooms and common areas. We also have biosafety processes within our workplaces for the well-being of our employees. We have a specialized area to manage this important matter in the Company throughout its operations.

Diversity and equal opportunities

We believe that diversity and inclusion are key to the company's performance. We have a Diversity and Inclusion Program where we integrate the Deaf Community into our workforce through the City Incluye Program, as well as human rights and non-discrimination policies and bias-free recruitment procedures. We value diversity in all its forms.

Talent attraction and retention

At Hoteles City Express we innovate our way of attracting and retaining talent. We have effective procedures and a dictionary of competencies for each of our brands, which allow us to speed up response times and improve the quality of our candidates.

Anticorruption

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

Local economic impact through the creation of direct and indirect jobs

We are an important generator of jobs, both during the development process of each hotel and in its daily operation, positively impacting the different communities where we are present, increasing their social well-being.

Compliance and ethical commitment

We seek to build solid and trusting relationships with all our stakeholders, always committed to the transparency of the information and results generated. We ensure that our suppliers and collaborators are aligned with our values and commitments, as established in our Code of Ethics.

city impact

GUESTS OF THE WORLD

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

reaffirm our sustainable commitment through Impacto City, a platform that is born from the essence, values, and philosophy of our chain.



Manifiesto

"At Hoteles City Express we believe that we are all guests of the world. All that matters is that our stay leaves a positive mark for the future."

Impacto City is the reflection of our commitment as a company to improve our environment and the communities where we operate, through actions for sustainable development throughout our operation.

Three strategic pillars converge in Impacto City:

ENVIRONMENTAL CONSERVATION







For the mitigation of climate change, biodiversity protection and resource efficiency.

CREATION OF ECONOMIC VALUE

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

CONTRIBUTION TO SOCIAL WELFARE

Develop fair and equitable practices in the workplace and improve the living conditions of local communities, by being a Socially Responsible Company.

 <p>Environmental conservation</p> <p>Environmental conservation</p> <p>Biodiversity protection</p> <p>Waste reduction and energy efficiency</p> <p>Responsible tourism</p> 	 <p>Creation of economic value</p> <p>Creation of economic value</p> <p>Innovation and entrepreneurship support</p> <p>Direct and indirect job creation</p> <p>Ethics, transparency, and governance</p> 	 <p>Contribution to social welfare</p> <p>Contribution to social welfare</p> <p>Inclusion and diversity</p> <p>Training and development</p> <p>Partnerships with high impact organizations</p> 
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For Hoteles City Express every action counts; reason why we continue to work in adherence to the Sustainable Development Goals of the United Nations, with an agenda aligned to ESG (Environmental, Social and Governance). In our Environmental Conservation pillar we include

everything related to E (Environmental), in the Economic Value Creation we include G (Governance) as part of the relevant topics and in Contribution to Social Welfare we include S (Social).

SUSTAINABILITY COMMITTEE

GRI 102-31, 102-18

TCFD GOB-A, GOB-B



Created in 2014, the Sustainability Committee is responsible for representing Impacto City's actions, with the objective of ensuring that the Company's investment, development, and operation decisions are oriented to comply with the best sustainability practices. We seek to ensure that the initiatives implemented have a high social and environmental impact on the communities where we operate.

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

The Sustainability Committee is the entity that defines, approves, and supervises the execution of the Sustainability Strategy at Hoteles City Express.

The Board of Directors meets at least quarterly but may hold extraordinary sessions whenever it deems necessary.



SUSTAINABILITY COMMITTEE'S OBJECTIVES AND RESPONSIBILITIES

- Define the profile, scope, and goals in terms of Sustainability
- Design, authorize, monitor, and evaluate the results of the Sustainable Actions Program Impacto City
- Define Impacto City's manifesto and objectives
- Participate in actions and programs developed by both public and private sectors, as well as private organizations and institutions, whose actions are related to the Sustainable Actions Program
- Evaluate results and track the social investment budget execution

IT ALSO PERFORMS THE FOLLOWING TASKS

Establish contact, define actions, and sign agreements with public and/or private institutions that have, within their work programs, actions similar to those defined in the Sustainable Actions Program.

- Present action plans or partnerships with institutions whose programs include actions related to those defined in the Sustainable Actions Program
- Communicate to all stakeholders the sustainability actions carried out by Hoteles City Express regarding sustainability through Impacto City
- Conduct certification processes (social and environmental) in the initiatives defined within the Sustainable Actions Program
- Encourage Hoteles City Express employees to join daily programs and actions that contribute to a sustainability culture

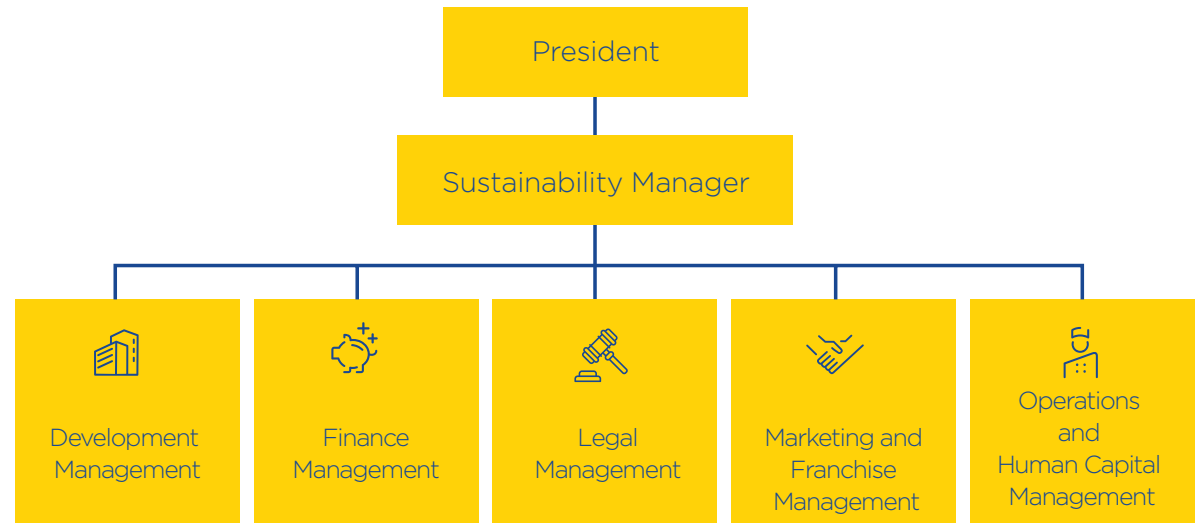
- Examine compliance to social responsibility principles in all of our investments
- Integrate Sustainability into the Company's ongoing growth and development strategy

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

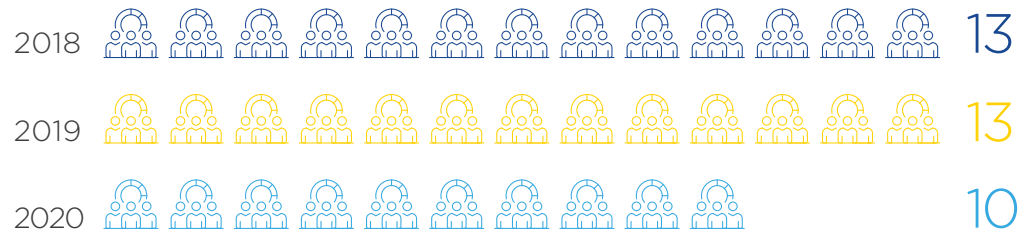
All members define, approve, and supervise the execution of the chain's Sustainability Strategy and are responsible for sharing the initiatives with their teams so that they are adopted, and the desired impact is achieved.

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

AREA REPRESENTATION IN THE SUSTAINABILITY COMMITTEE



SUSTAINABILITY COMMITTEE MEETINGS



In 2020 we held 10 sessions with the Sustainability Committee. Every year we reaffirm our commitment and consolidate specific sustainability practices for our entire operation.



Environmental conservation

Through **Impacto City**, we contribute to mitigate climate change, protect biodiversity, be more efficient in the use of resources, know and neutralize our carbon footprint and offer more sustainable products and services in each of the communities where we operate.

At **Hoteles City Express** we are committed to the efficient use of natural resources in the long term, always looking for strategies to save water, energy, and gas; this allows us to continue innovating in other mitigation and compensation initiatives in our daily operations.

OUR CARBON FOOTPRINT



For the second year in a row, we present our carbon footprint results. This allows us to know our impact and provides the opportunity to mitigate it, in addition to comply with the reporting standards established by the Global Reporting Initiative (GRI).

The carbon footprint is defined as the total amount of Greenhouse Gases (GHG) generated directly or indirectly by an organization, product, or service. A GHG inventory is measured in tons of CO₂ equivalent (CO₂eq).

Our carbon footprint calculation used emission factors obtained from several sources, including the Official Journal of the Federation (Diario Oficial de la Federación, Mexico), the National Commission for the Efficient Use of Energy (Comisión Nacional para el uso Eficiente de la Energía, Mexico), the Energy Regulatory Commission (Comisión Reguladora de Energía, Mexico), the National Meteorological Institute (Instituto Meteorológico Nacional, Costa Rica), XM (Colombia), the National Energy Commission (Comisión Nacional de Energía, Chile) and the Greenhouse Gas Protocol.

Internal electricity and gas consumption records and an estimate of diesel and gasoline from financial receipts were considered, taking into account the following greenhouse gases: Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O).

Our Carbon Footprint or emissions inventory considers scopes 1 and 2:

Direct emissions (Scope 1): GHG emissions from fixed or mobile sources that belong to or are controlled by our organization.

Indirect emissions (Scope 2): GHG emissions generated outside our facilities as a consequence of our electricity consumption.

*Scope 3 emissions were not considered for the analysis.

*We do not emit biogenic emissions¹

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

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

In 2020, the company had a 57% reduction in gasoline emissions and a 56% reduction in diesel emissions compared to 2019. These results are atypical, resulting from the COVID-19 health emergency, representing a reduction in hotel occupancy and therefore a reduction in emissions.

*Total emissions from Hoteles City Express in 2020 were 27,236.3 Tons (CO₂eq), which **represents a 40%** decrease compared to total emissions in 2019.*

Broken down as follows:

	SOURCE	TONS OF CO ₂ eq	LITERS/KWH	*2020 VS 2019 VARIATION, TONS OF CO ₂ eq	TOTAL %	GIGA JOULES	CLARIFICATIONS
SCOPE 1	Gasoline	643.2	253,711.23 Liters	↓ 57%	7,113.6 tons of CO ₂ eq 26.2%	8,926	Used for hotel vans and fleet of sales employees
	Diesel	25.7	8,946.22 Liters	↓ 56%		341	Used in firefighting system and electricity emergency plant equipment
	Gas	6,444.2	3,801,705 Liters	↓ 36%		99,311	Hot water service and food & beverage preparation
SCOPE 2	Electricity	20,122.7	40,928,947 kWh	↓ 41%	20,122.7 tons of CO ₂ eq 73.8%	147,344	Electricity consumption of hotels located in Mexico and LATAM



2020 emissions are equivalent to:

99,935,409 km

traveled in an average car²

2,975

energy supplied to average households³

345

hectares of pine forest⁴



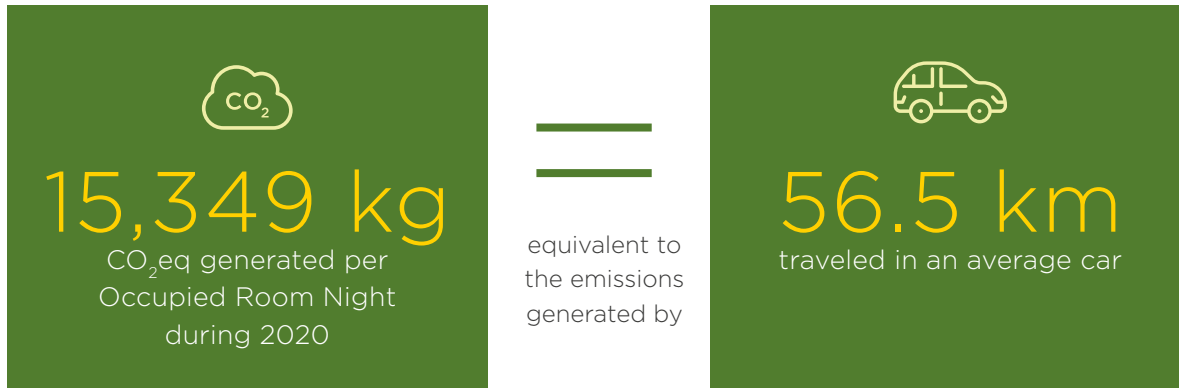
2 and 4. <https://www.epa.gov/greenpower/green-power-equivalency-calculator-calculations-and-references>

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

OUR CARBON FOOTPRINT THROUGH TIME

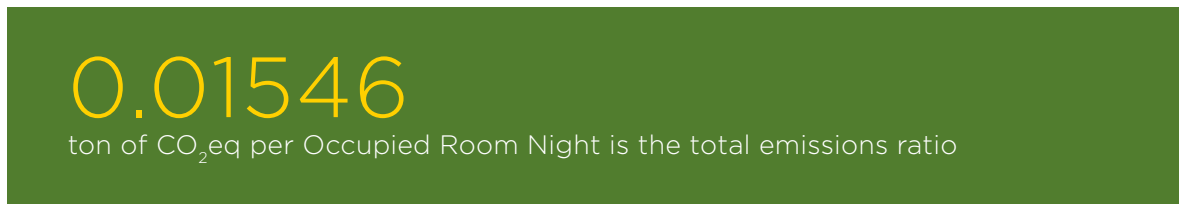
Occupied Room Night Comparative Ratio

The comparative analysis of total emissions per Occupied Room Nights (ORN) measures the chain's gas and electricity consumption.



GRI 305-4

The ratio includes the total emissions generated by Scope 1 and 2 for the gases previously identified.



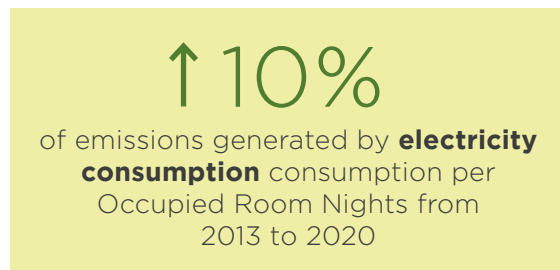
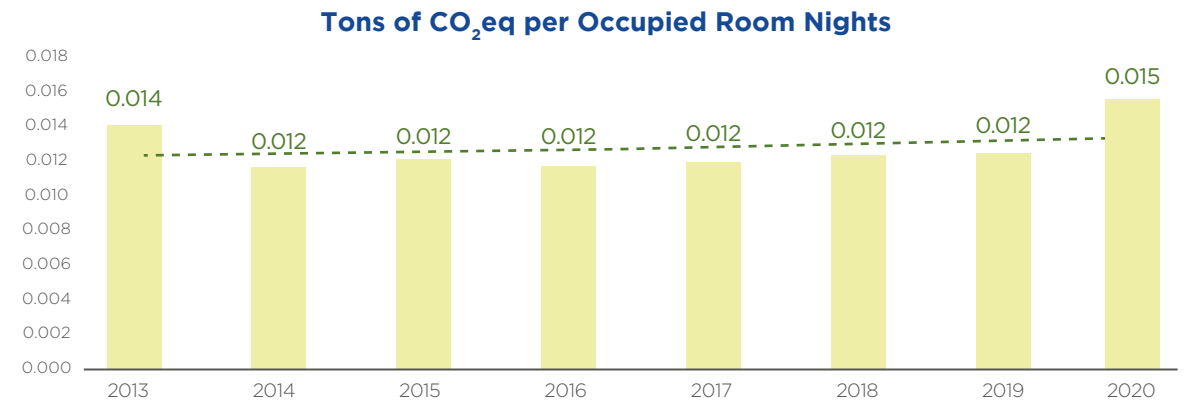
Tons of CO₂eq: **27,236.3**

ORN **1,761,277**

*The total emissions intensity with respect to the business operation is based on ORN, considering ORN as the denominator.

In 2020, the ratio of gas and electricity emissions per ORN increased by 24% compared to 2019. This is a typical result attributed to the health emergency due to COVID-19, although there

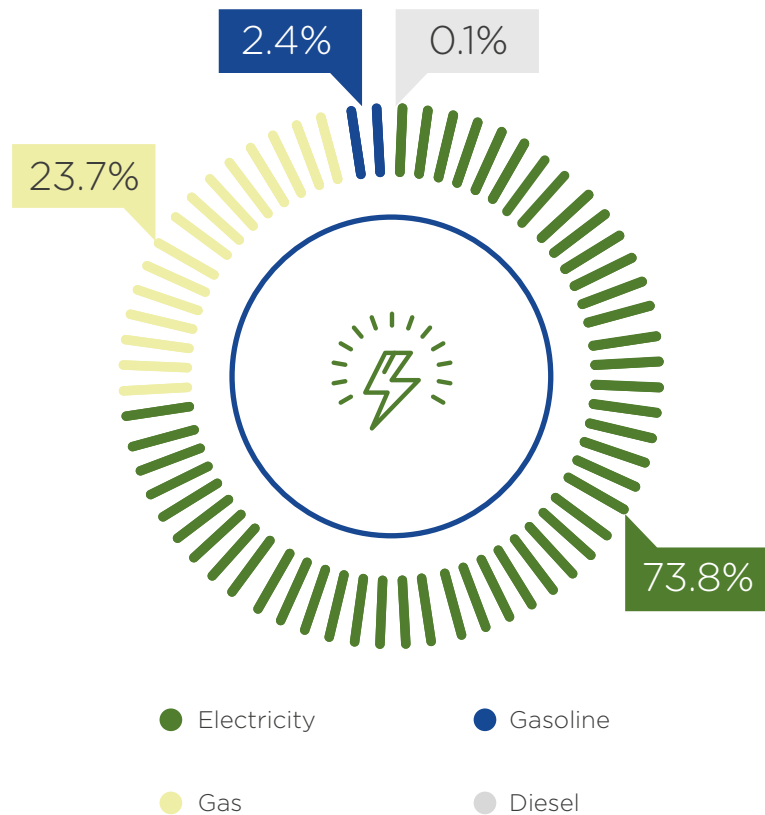
was a reduction in occupied room nights, our hotels continued to consume the energy regularly required to operate the public areas and corridors.



DISTRIBUTION BY TYPE OF ENERGY

The percentages of CO₂eq emitting sources correspond to the most significant inputs used in the daily operation of a hotel. Electricity is the

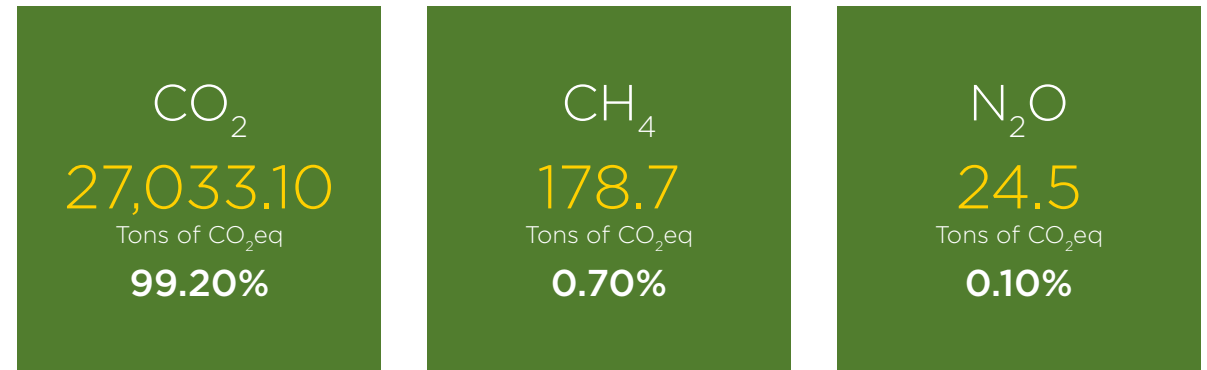
largest contributor, followed by gas and then fuel for our vans.



DISTRIBUTION BY GAS TYPE

The gases analyzed in this report consider Carbon Dioxide (CO₂), Methane (CH₄) and Nitrous Oxide (N₂O). Electricity consumption is reflected in the

number of Tons of CO₂ emitted, this being the gas with the highest emissions.



ENERGY EFFICIENCY

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

TCFD MYO-A

SASB TCFD MYO-A, SASB SV-HL-130a.1 SASB - Energy Management



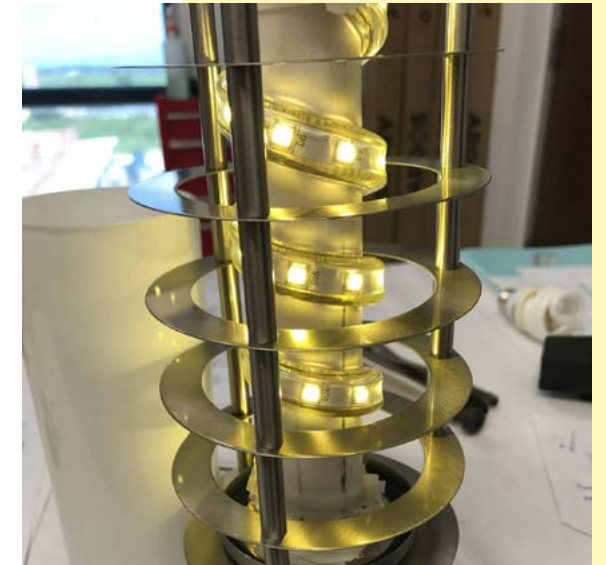
Energy is one of the main inputs for our hotel operations. We care about guaranteeing the efficient use of this resource, as well as other fuels.

All of our properties comply with energy consumption controls, as well as laws and regulations related to the environment. The data was obtained from internal consumption records.

Below, we present our electrical energy consumption per Occupied Room Night.

At the end of 2020, our energy consumption increased by 45% compared to 2019, attributed to the COVID-19 health emergency. Although there was a reduction in room occupancy, our regular energy consumption was maintained, in order to preserve the air conditioning in public areas and corridors of our hotels.

*We have the division of this energy for heating and air conditioning.



Energy consumption



*Gigajoules



The electrical energy consumed at **Hoteles City Express** is acquired through the Federal Electricity Commission (Comisión Federal de

Electricidad, CFE) for Mexico, and through independent suppliers for each location in the LATAM region.

REGION	AVERAGE KWH CONSUMPTION PER OCCUPIED ROOM NIGHT	TOTAL ANNUAL ELECTRICITY CONSUMPTION	
		KWH	GIGAJOULES [GJ]
Central West	22.9	5,675,090	20,430.32
Metropolitan	19.5	4,973,637	17,905.09
Northeast	23.1	7,792,726	28,053.81
Northwest	23.4	8,302,496	29,888.98
South	23.8	4,006,465	14,423.27
Southeast	28.6	8,313,042	29,926.95
LATAM	23.7	1,865,491	6,715.76

40,928,947

kWh (147,344.20 GJ) annual electricity consumption.

23.60

kWh (0.084 96 GJ) energy consumption per Occupied Room Night



REMOTE MONITORING SYSTEM FOR CRITICAL SYSTEMS

In 2020 we began a pilot project, which is currently operating in five hotels, and we plan to replicate it throughout the chain in the medium term.

We have a predictive maintenance program that monitors the conditions of equipment in the mechanical room as well as the air conditioning system. The equipment also monitors energy consumption in real time, which allows us to improve the efficiency of equipment operation

and the use of energy throughout our operation. With this tool it is possible to visualize energy consumption in real time and detect in a timely manner any overconsumption or atypical behavior that may occur in any equipment, thus optimizing the company's resources to perform preventive or corrective maintenance just before a failure occurs.

GAS CONSUMPTION



Below, we present our gas consumption per Occupied Room Night. At the end of 2020, we had an increase of 65% compared to 2019, attributed to the COVID-19 sanitary emergency. Although there was a reduction in room occupancy, our water heaters and recirculation systems remained in constant operation, allowing us to provide guests with this service at the standard water temperature that we offer throughout our properties.

GAS CONSUMPTION

REGION	AVERAGE CONSUMPTION PER REGION (LITERS PER OCCUPIED ROOM NIGHT)
Central West	1.8
Metropolitan	2.9
Northeast	2.7
Northwest	1.8
South	1.9
Southeast	1.3
LATAM	4.8



3,801,705
liters - total gas consumed during 2020



WATER CONSERVATION

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

TCFD MYO-A

SASB SV-HL-140a.1 SASB – Water Management

We remain committed to the environment and continue to operate under best practices that optimize the use of resources, such as water, which is why we implement highly efficient and innovative equipment in our daily processes.

Water is supplied by the municipal water network and/or tank trucks and/or our own wells. We measure daily consumption (internal records) from the main gauge and additional gauges placed in the mechanical room as well as the laundry room.

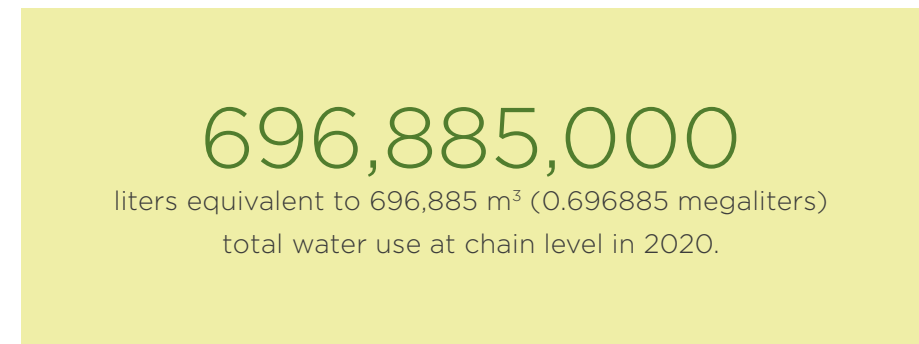
Below, we present our water usage data per Occupied Room Night. At the end of 2020, we had an increase of 30% compared to 2019, attributed to the COVID-19 sanitary emergency. Although there was a reduction in room occupancy, we reinforced the hygiene and cleaning measures in public areas and rooms, as well as in the linen washing processes, with water as a fundamental resource to carry out biosafety actions during this critical time.

Water consumption



2020 water consumption

REGION	LITERS	MEGALITERS	CUBIC METERS
Central West	496	0.000496	0.496
Metropolitan	304	0.000304	0.304
Northeast	449	0.000449	0.449
Northwest	409	0.000409	0.409
South	303	0.000303	0.303
Southeast	422	0.000422	0.422
LATAM	327	0.000327	0.327



WHERE DOES THE WATER WE USE COME FROM?



SASB SV-HL-140a.1 SASB – Water Management

Municipal drinking water network

Our hotels consume water from the drinking water supply network that allows water to be brought to the homes of the inhabitants of a certain population, extraction and maintenance are responsibility of the government.

Municipal network combined with tank trucks

We have a second scheme in which Water from the municipal system is used combined with the purchase of drinking-water tank trucks, depending on the supply needed at the moment.

Tank trucks

Some hotels are only supplied by tank trucks, which are operated and controlled by private suppliers.

Water wells

There is also the modality of direct extraction from wells, which is a vertical catchment that allows the use of the groundwater contained in the interstices or fissures of a subsoil rock, known as an aquifer.

At regional level, in 2020 the fresh water used in our units was distributed as follows:

REGION	2019				2020			
	MUNICIPAL NETWORK	MUNICIPAL NETWORK + TANK TRUCKS	TANK TRUCKS	WATER WELLS	MUNICIPAL NETWORK	MUNICIPAL NETWORK + TANK TRUCKS	TANK TRUCKS	WATER WELLS
Central West	63%	22%	15%	0%	58%	28%	15%	0%
Metropolitan	100%	0%	0%	0%	100%	0%	0%	0%
Northeast	59%	26%	15%	0%	62%	26%	12%	0%
Northwest	64%	20%	16%	0%	62%	20%	18%	0%
South	80%	12%	8%	0%	85%	7%	8%	0%
Southeast	55%	25%	15%	5%	65%	19%	15%	0%
LATAM	70%	10%	5%	15%	64%	19%	5%	12%



WATER TREATMENT PLANTS



SDG 6.3

The company currently has 15 wastewater treatment plants in properties throughout different regions that contribute to water sanitation. With an overall capacity of approximately 866.5 m³, we have been able to treat an average of **119,646.73 m³ of water.**

WASTE MANAGEMENT

Hoteles City Express promotes an internal environmental policy and a permanent recycling program, involving all staff at chain level to lead the collection, separation, registration, and recycling procedures of all the waste generated during the operation, to deliver it to authorized collectors or managers who comply with local, state, and federal laws.

As a result of the COVID-19 contingency in 2020, we had to rethink our strategy in the Integrated Waste Management **Gestión Integral de Residuos (GIR)** process, due to the change in waste disposal and the risk of infection that it represented. Our commitment for 2021 is to resume training for our employees, as well as the proper implementation of our separation and measurement and final disposal processes.

BIODIVERSITY PROTECTION



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



SDG 15a

OPERATIONAL IMPACT

The operations of our properties, despite having environmental impacts, are classified as nonnegative adverse by the country's authorities, since the impact is compatible with the environment in which they operate. This is why we are allowed to establish measures that can counteract the effect or remove it. In order to reduce our impacts, we do not use resources from the area that can alter the

surroundings, thus avoiding interfering with natural processes of the areas where we operate. We have established different actions for biodiversity protection in Mexico.



NUMBER OF FACILITIES LOCATED NEAR OR IN PROTECTED AREAS

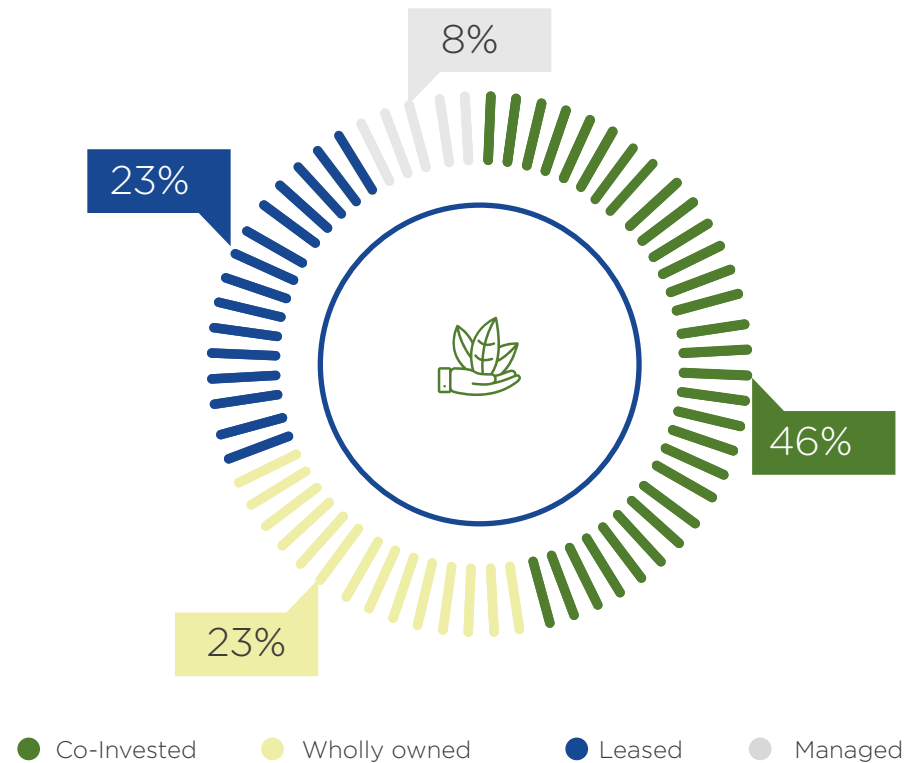


Protected natural areas are those considered by the **General Law of Ecological Balance and Environmental Protection**. Until the end of 2019, we had a total of 13 hotels located near or in one of these areas, equivalent to 8.5% of all hotels.

Hotels near or in reserves, or protected areas:

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

Classification of hotels by land type in protected areas:



Hotels that respect **native vegetation**:

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

Hotels located in these areas meet all the requirements set forth in Federal (National), state and local legislation for their construction and operation.

Notes:

*Specimens of Trina Radiata, a species included in NOM-059-SEMARNAT-2001, must be protected. Preferably native plants should be selected and introduced species should be avoided.

*The location of hotels can be consulted in the following link: <https://www.cityexpress.com/>

*100% of the operation is classified as: hotel.

*Biodiversity value (attributes of the protected area) is classified as: terrestrial ecosystem.

*None of the hotels are located in an area appearing on special lists.

RECOVERY OF GOLDEN EAGLE POPULATIONS AND ITS HABITAT IN MEXICO

GRI 413-1



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



SDG 15.5

Through the Mexican Fund for the Conservation of Nature, A.C. (Fondo Mexicano para la Conservación de la Naturaleza, A.C., FMCN), we have contributed to the conservation of the Golden Eagle through various activities including ecosystem restoration and monitoring of the species. The main results throughout our contribution are:

- 

↑80 a 170
breeding pairs of golden eagles registered in Mexico
- 

15
states in Mexico where golden eagle populations and their habitat have been rescued
- 

4
cameras installed in golden eagle nests

- 

Editing of educational materials: comics, lotteries, and videos for environmental education activities in communities
- 

Training of community monitoring brigades
- 

Monitoring of nesting territories
- 

Maintenance of the the raptor birds rehabilitation center in Monterrey, Nuevo León (El Diente)



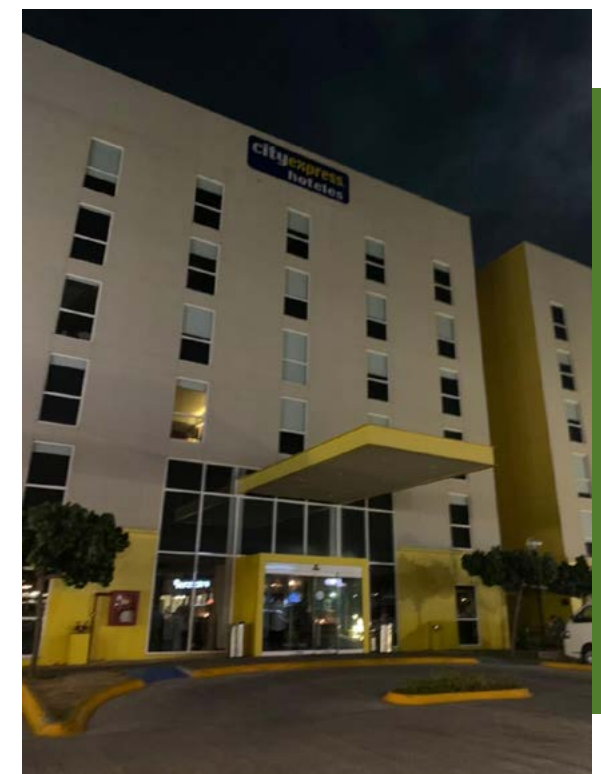
In addition, our guests contributed to the conservation of this species by donating points generated by their stays through our loyalty program City Premios. In 2020, we contributed as evaluators in the selection of projects that provide a financial sustainability strategy for the conservation of the golden eagle in Mexico and give continuity to the monitoring, research, communication, and conservation activities of the project promoted by FMCN.

INITIATIVES THAT LEAVE A MARK

We continue to strengthen our commitment to the natural ecosystem by carrying out various actions in the communities where we operate, with the firm purpose of sustaining nature and its life cycles.

PARTICIPATION IN THE EARTH HOUR

Year after year, Hoteles City Express joins the worldwide blackout in order to draw attention to the problems related to climate change and raise awareness of what each one can do for the planet.



ENVIRONMENTAL IMPACT VOLUNTEERING

With our environmental volunteer program, we seek to encourage the participation of the local population through activities that benefit the environment and the community. The main actions are focused on reforestation

and tree maintenance, waste collection, habitat maintenance, beach cleaning and sea turtle release.



- 

+ 38
organizations from various entities in partnership
- 

3,883
pieces of waste collected
- 

860
turtles rescued
- 

598
participants

- 

317
trees planted
- 

81
participating hotels
- 

31
trees undergoing maintenance

SOCIAL AND ENVIRONMENTAL INNOVATION MEETING



In coordination with ECOFIL, we held the **First Meeting of Social Innovation and Environmental Leadership** in the city of Tula, Hidalgo, in order to create a space for catalyzing positive impacts on a national level.

 **5 days** of environmental work

 **24 training hours**

31 young agents of change from different states in Mexico participated in a blended learning meeting to promote talent and innovation, in addition to contributing to four community interventions:

Forest clearing in Tula National Park.
Removal of **348 kg of ball moss** on **250 m of trail** with mesquite trees.
3 hours invested per person = **84 hours** of forest clearing.

Observation and recording of avifauna on the slopes of the Mesa Ahumada hill.
Recording of **13 species** and an average of **1.87 km traveled in 2 hours and 19 minutes.**
3 horas invested per person = **84 horas** of forest clearing.

Forestry maintenance in the eco-property of the #adoptaunagave project.
We joined the agroforestry project **#adoptaunagave**
Maintenance of **1,200 maguey trees and 500 xoconoxtles.**



RESPONSIBLE TOURISM



SDG 8.9



SDG 12.b

We have adopted a philosophy to collaborate and be part of responsible tourism; since our foundation we have generated partnerships and joined different organizations such as the Responsible Tourism Institute (Instituto de Turismo Responsable, ITR), the World Tourism Organization (UNWTO) and the United Nations Global Compact (UNGC), following a strategy aimed at preventing, reducing, and eliminating our negative impact and maximizing the positive actions in all the communities where we operate.



SUSTAINABLE PURCHASES



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



For **Hoteles City Express** suppliers are an important part of the sustainability strategy, innovation, and commitment to the community. This is why we seek to encourage a commercial relationship with them, based on our institutional values, thus ensuring a supply chain that is sustainable over time and responsible towards society and the environment.

We have an internal and external audit system to validate that all inputs pertaining to the environmentally friendly category comply with the **Sustainable Suppliers and Purchases Policy**.

+ 3,500
suppliers

2,701
suppliers fall into the category of essential suppliers for our operations

194
are strategic suppliers*

500
new suppliers were added to our catalogs as service and product providers in 2020.

99%
are national suppliers operating in the locations closest to our headquarters; only 1% are foreign suppliers*

50
suppliers participated in a bidding process in 2020

7
suppliers are dedicated to construction

Due to the particular conditions of the year 2020, there were no new suppliers evaluated in accordance with the sustainable purchasing policy.

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

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

CATEGORY	TOTAL SUPPLIERS BY CATEGORY	STRATEGIC SUPPLIERS	% OF EXPENDITURE BY CATEGORY	% OF TOTAL PROCUREMENT EXPENDITURES
Food & Beverage	189	15	57%	2%
Equipment	145	23	68%	11%
Maintenance	386	30	76%	6%
Supplies	480	27	65%	9%
Services	1,501	99	74%	43%

SUPPLIER BIDDING

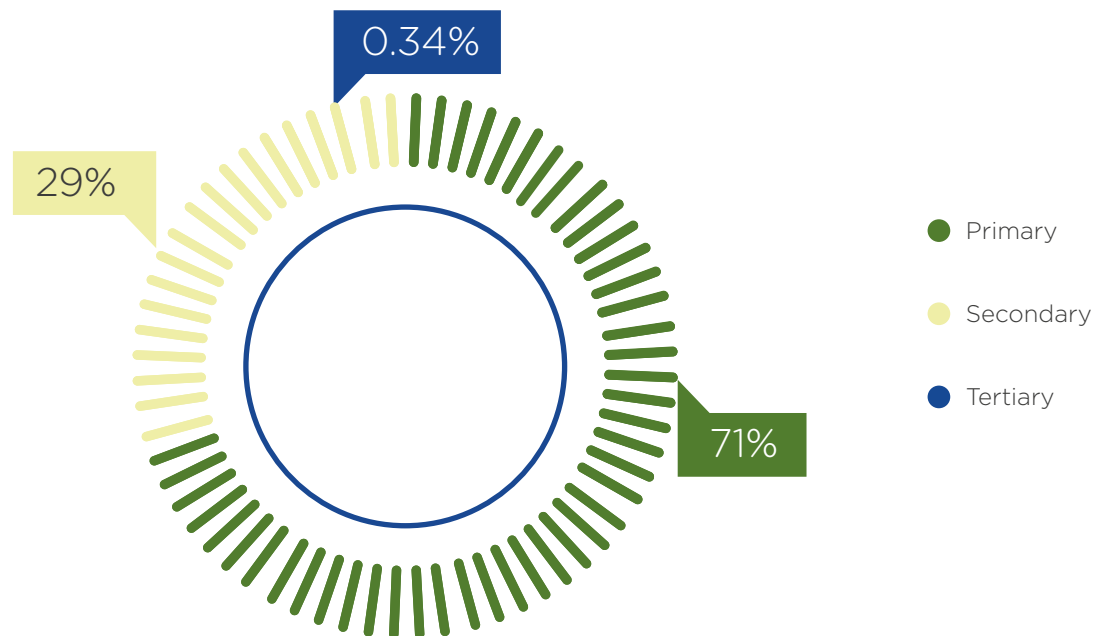
GRI 204-1, 308-2

We have a bidding mechanism for the construction and equipment of our new hotels that is 100% transparent and fair. In this bidding process, Hoteles City Express evaluates the following aspects:

- Ethical commitment
- Environmental protection
- Economic competitiveness
- Impact on social and economic well-being that the hiring would generate

Likewise, all the suppliers of Hoteles City Express have been selected based on compliance with the Sustainable Suppliers and Procurement Policy. All of the Company's suppliers know and have signed our Code of Ethics.

Supplier classification by industry type



HOTELS LOCATED IN FLOOD ZONES

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

In 2019, an analysis to identify hotels located in areas with a high risk of flooding within the Mexican territory was carried out. As a result, and according to the municipal risk atlas of the National Center for Disaster Prevention (Centro Nacional de Prevención de Desastres, CENAPRED), 35 hotels at risk were identified, representing 23.6% of our hotels in Mexico, while five out of six

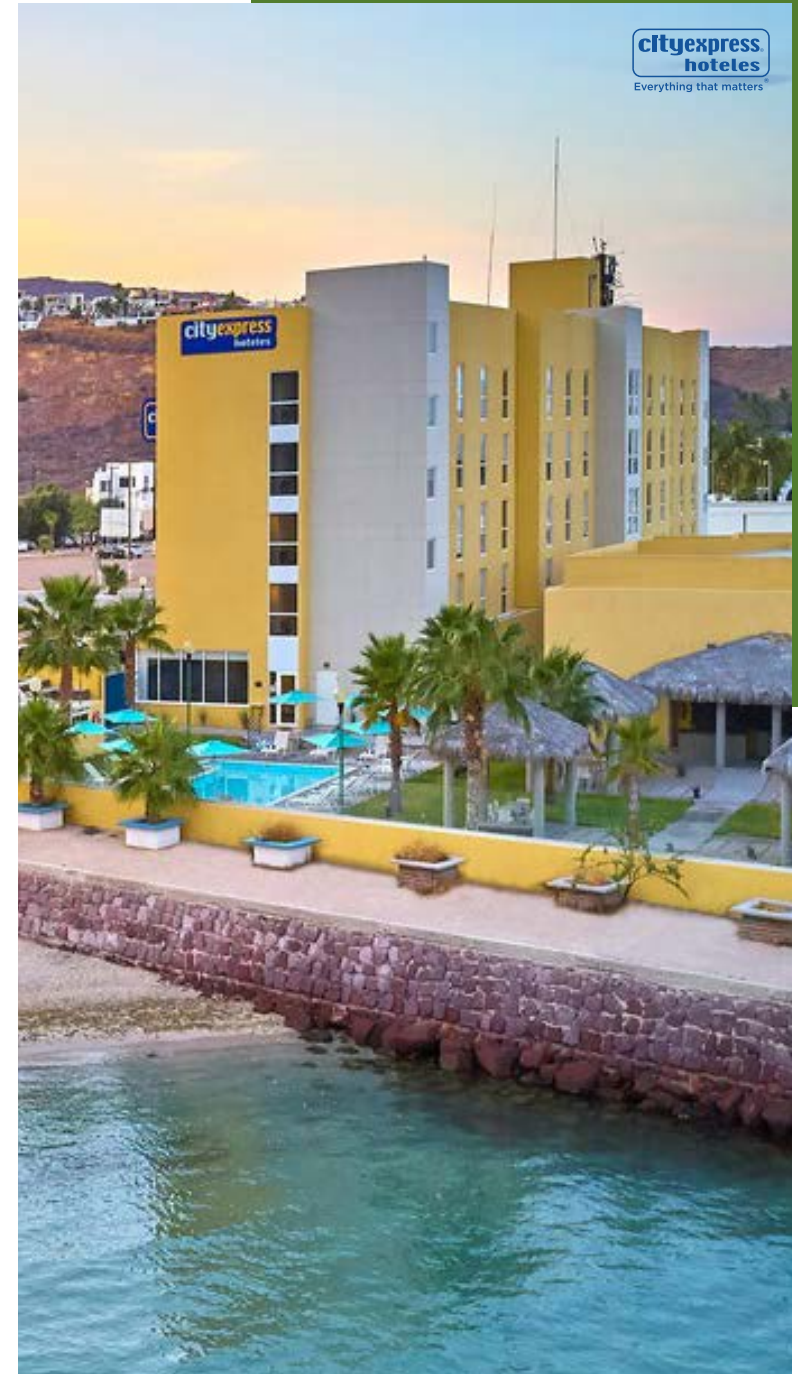
hotels in LATAM were identified as high risk according to internal regional civil protection plans.

Each hotel has an internal civil protection plan that allows it to adequately prevent and manage different risks to which it is exposed, especially the risk of flooding.

TOTAL COMPLIANCE TO ENVIRONMENTAL LEGISLATION

 **103-2, 103-3, 307-1**

At Hoteles City Express we are fully compliant with environmental legislation; **we have zero fines or non-monetary sanctions for non-compliance with environmental laws and regulations.**



RISKS AND OPPORTUNITIES MANAGEMENT RELATED TO CLIMATE CHANGE

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

Our commitment to climate change is based on the various measures outlined throughout this report: reducing emissions, incorporating eco-technologies, optimizing resources, and raising customer awareness.

Climate change poses risks and opportunities for our business, which we have comprehensively identified in 2020. We also evaluated our management from top management in the corporate governance structure, and across the different levels and areas involved, including goal setting and progress measurement.

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

Below we present our main aspects and results, in accordance with this structure of recommendations:

1.- Environmental Commitment from Corporate Governance

Our Board of Directors, the highest governance body, is updated on the main sustainability efforts and initiatives through the Audit, Risk and Corporate Practices Committee.

The Audit Committee is in turn informed by the Sustainability Committee, which is responsible for defining, approving, and supervising the execution of the Hoteles City Express sustainability strategy, and for overseeing that the company's investment, development, and operating decisions are oriented to comply with the best sustainability practices.

2.- Climate change risks and opportunities

At Hoteles City Express we are working to adapt our value proposition to the new market requirements, encouraging a proactive change in the hotel market in terms of sustainability and anticipating opportunities.

During 2020 and early 2021, we worked on identifying the risks and opportunities of climate change for the company. The analysis covered 16 high-priority sites for Hoteles City Express considering the Mexican operation, where most of our hotels are located, assets with higher revenues during 2019 and those more exposed to hydrometeorological hazards according to the company's historical reports and public information.

1 IDENTIFICATION OF POTENTIAL RISKS

We benchmarked international industry leaders who publicly responded to CDP's climate change questionnaire, as well as other relevant public information sources with their websites and sustainability reports. This risk identification was complemented by an analysis of climate regulations and market trends.

2 CLASSIFICATION AND PRIORITIZATION OF POTENTIAL RISKS

Risks were prioritized according to the perception of Hoteles City Express and to the business and country context. To this end, interviews were conducted with the heads of different corporate areas in the company. In addition, with the support of a questionnaire, a risk prioritization proposal was defined considering the probability of occurrence and possible impact.

3 ELABORATION OF RISK MATRIX

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

Below are the main risks identified, considering TCFD recommendations and categories.



CATEGORY	TYPE OF RISK	DESCRIPTION	LIKELIHOOD	HOTELES CITY EXPRESS RELATED INITIATIVES
Transitory	Regulatory	Increased reporting and transparency obligations in terms of GHG emissions, environmental indicators, climate change risks and management strategies.	Very likely	Incorporation of environmental practices of excellence, above the minimum legal requirements, such as LEED, Edge, Biosphere, Distintivo H, Hotel Hidro Sustentable
Transitory	Market	Changes in consumer behavior that increase the demand for more sustainable and less polluting energy sources.	Very likely	Promotion of unique practices for the guest, in which the value of Responsible Tourism is transmitted and promoted, as well as the creation of local partnerships to contribute to the development and conservation of the environment
Transitory	Reputational	Potential reputational impact due to inaction or delayed action towards a low GHG emissions model.	Certain	Procurement and supply of clean energy
Transitory	Reputational	Growing concern among shareholders and other stakeholders regarding the contribution to climate change and environmental impact.	Certain	Improving eco-efficiency in the company's operation
Transitory	Regulatory	Limitations on operations set by environmental criteria, such as emissions, water use, waste generation or air quality.	Very likely	Incorporation of environmental practices of excellence, above the minimum legal requirements, such as LEED, Edge, Biosphere, Distintivo H, Hotel Hidro Sustentable
Transitory	Market	Increased cost and/or price volatility of natural resources and inputs required for the operation.	Very likely	Targets for reducing energy consumption, emissions, and water consumption per occupied room night, to improve efficiency and reduce impacts on the volatility of inputs and natural resources
Transitory	Market	Increased demands from investors in terms of transparency and standards related to environmental, social, and corporate governance criteria and risks derived from climate change.	Certain	Communication of climate change efforts aligned with international recommendations such as TCFD and verification of key content by an independent third party, including CO ₂ emissions
Transitory	Technological	Capital investments in technological development or costs of adopting/deploying new practices and processes (renewable energies, technology to reduce GHG emissions).	Very likely	Launch of a remote monitoring system for critical systems and a predictive maintenance program that allows us to improve the efficiency of equipment operation and energy use
Physical	Chronic	Increased repair and maintenance costs due to recurring extreme weather conditions.	Very likely	Analysis of facilities and properties' risk of flooding and proposal of response measures. Reinforcement and preventive maintenance of hotels to improve their resilience
Physical	Acute	Damage to physical assets due to extreme weather events (e.g., hurricanes or floods).	Very likely	Broad coverage insurance policies. Assessments of weather-related risks before and during hotel operations. Development of studies with insurance specialists to identify and reduce opportunity areas

Main opportunities identified, considering TCFD recommendations and categories..

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

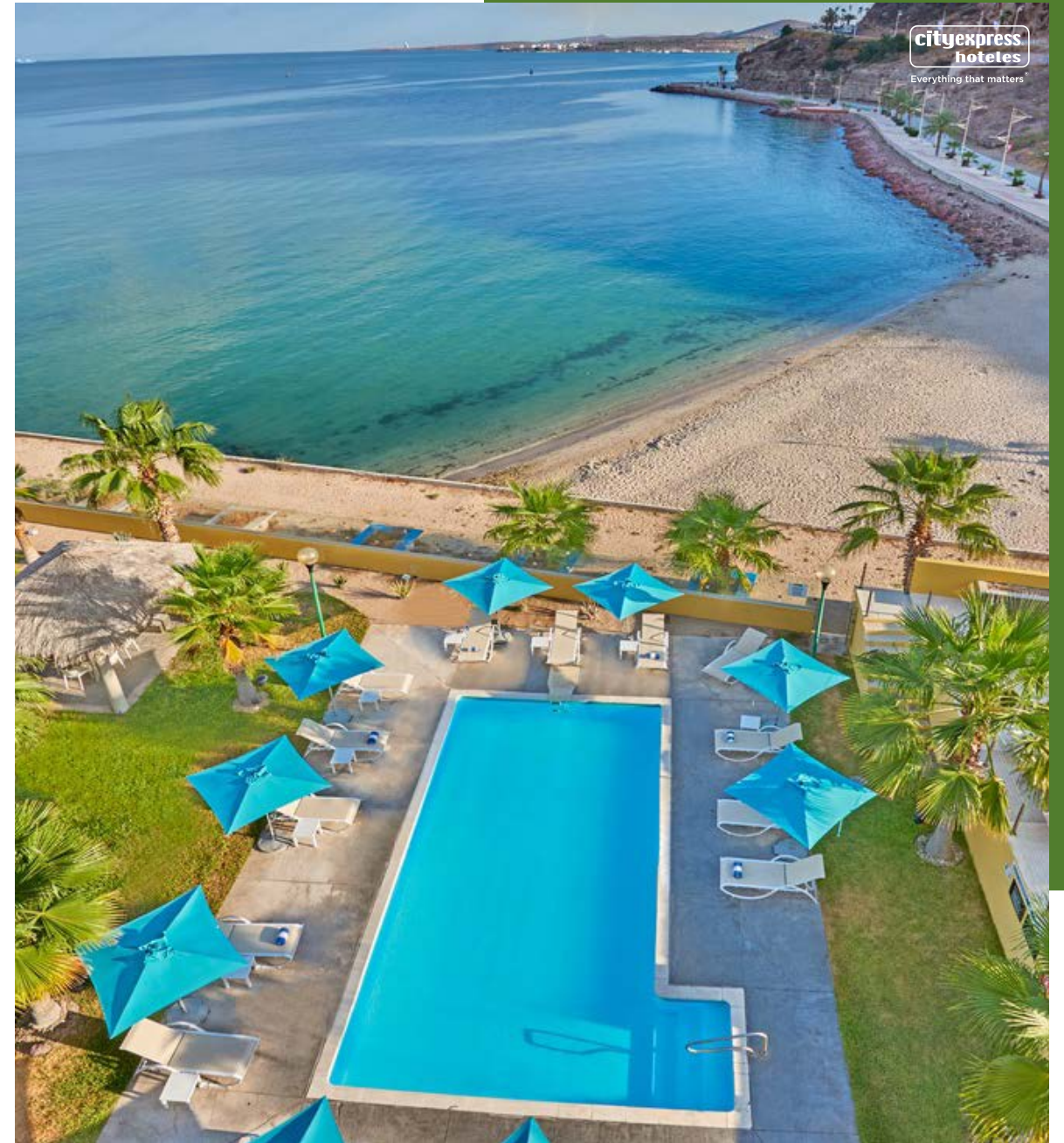
With the results of the above analysis, we will strengthen our Hoteles City Express risk management system. Furthermore, we will develop additional climate change response measures integrated into our sustainability strategy and our own investment and business development strategy.

3. Risk management

As part of our comprehensive risk management, Hoteles City Express already performs periodic environmental assessments on all our hotels at least once a year. In addition, in the event of any incident related to physical risks such as floods or hurricanes, on-site inspections are carried out by independent experts to document possible improvements with the objective of increasing the resilience of these hotels, identifying opportunity areas to be shared with the rest of our hotels where applicable. To track weather-related risks and analyze changes in weather, we use proprietary tracking and monitoring tools. We also have constant communication with all our on-site managers, and on-site and incoming guests, as well as with corporate and authorities for efficient and timely coordination.

4. Metrics and targets

The metrics and objectives we have set to measure our progress and contribute to efforts to combat climate change can be found in the environmental conservation chapter, including our carbon footprint over time, improvements in energy efficiency, water conservation, among others. We are currently defining new emission and energy reduction targets aligned with our sustainability strategy and the current reality we live in, aiming to continue contributing to the efforts to reduce our impact on the environment in each of the communities where we operate.





Creation of **economic value**

GROWTH



Throughout the history of Hoteles City Express, we have been the fastest-growing hotel chain in Latin America. During 2020 we inaugurated two new hotels, bringing our total number of hotels to 154 in 75 cities, with 287 rooms in operation.

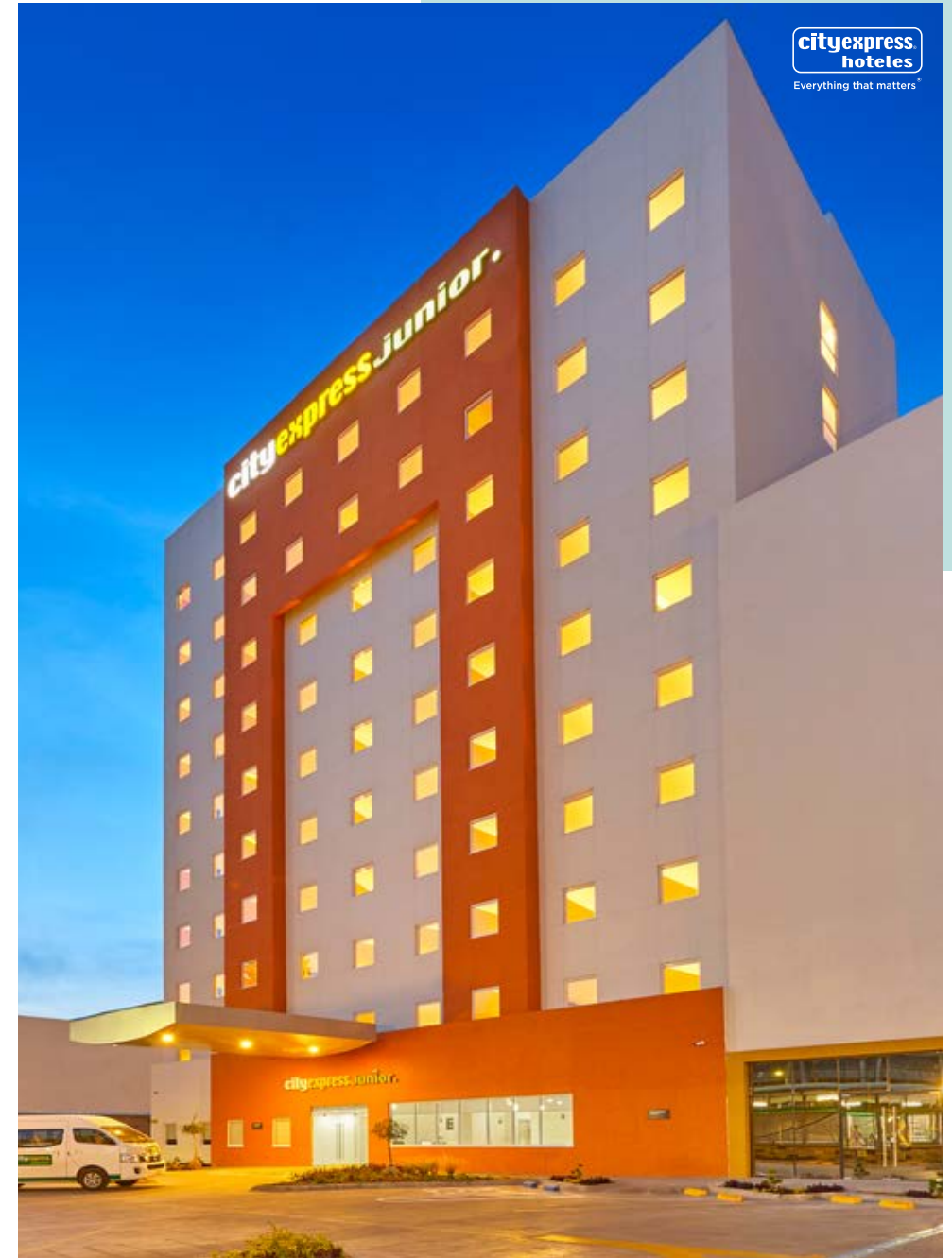
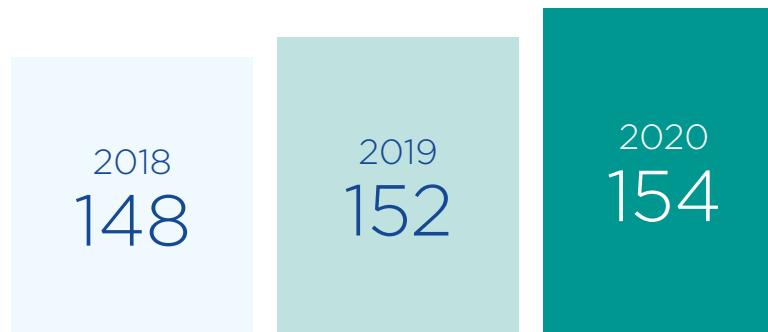
We are the fastest growing hotel chain in Mexico in terms of number of hotels.

Through this growth, we have continued to generate a positive economic impact by creating direct and indirect jobs during the development and operation stages of each hotel.

Number of rooms per year



Number of hotels per year



CORPORATE GOVERNANCE

GRI 102-17, 102-18

Hoteles City Express is a public company listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores, BMV). To comply with the Mexican Securities Market Law, our corporate governance abides by the best practices in the matter. The board of directors is made up of 11 members, 10 of which are independent. 97% of our shares are actually available to be bought and sold by the general investing public and the other 3% is under the authority of the management team.

Independent Directors comply with the criteria established in the Company's Statutes, Article 26 (twenty-six) of the Securities Market Law and by any other provision issued by the Mexican National Banking and Securities Commission.

COMMITTEES

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

Planning and Finance Committee.

Acquisition and Construction Committee.

Compensation and Nomination Committee.

ETHICS AND TRANSPARENCY

Hoteles City Express has the following mechanisms to guarantee ethical performance:

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



INTEGRITY

GRI 102-17, 205-2

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



CONFÍA

CONFÍA PROGRAM

With this program we promote the principles of the Code of Ethics, as well as the culture of integrity and transparency, based on our mission, vision and values. *Confía* is based on the Code of Ethics and an anonymous, independent, confidential, and secure communication channel, open for employees, suppliers, guests, and other stakeholders, to report irregularities and violations of our Code of Ethics, as well as any type of workplace harassment.

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

Number of complaints per year



Since 2014, through our *Confía* Program complaint line, we have received complaints on various topics and all of them have been 100% dealt with.

REPORTING CHANNELS:

Mexico: 01-800-1223-3312

Colombia: 01-800-752-2222

Costa Rica: 01-800-054-1046

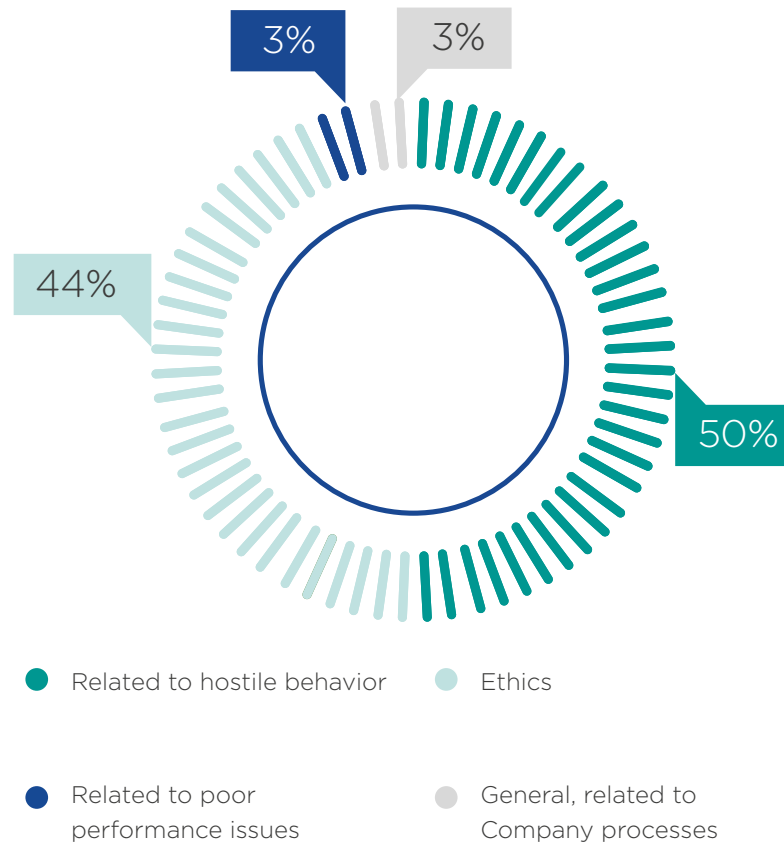
Complaints channel website

denuncias.hotelescity@resguarda.com





Classification of complaints by type



100% of the complaints received were dealt with.

	2018	2019	2020
Central West	14%	26%	31%
Metropolitan	15%	40%	18%
Northeast	11%	1%	9%
Northwest	9%	17%	16%
South	2%	5%	1%
Southeast	28%	3%	4%
LATAM	20%	3%	3%
Headquarters	11%	5%	1%
Total	100%	100%	100%

We have classified the complaints received based on a catalog of generic behaviors by subject under which the report can be placed according to its nature. Some of these cases have been investigated with the support of independent experts; there have also been cases in which corrective and disciplinary measures have been taken, such as approaching supervisors and improving processes, among others.

CODE OF ETHICS



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



SDG 16.5



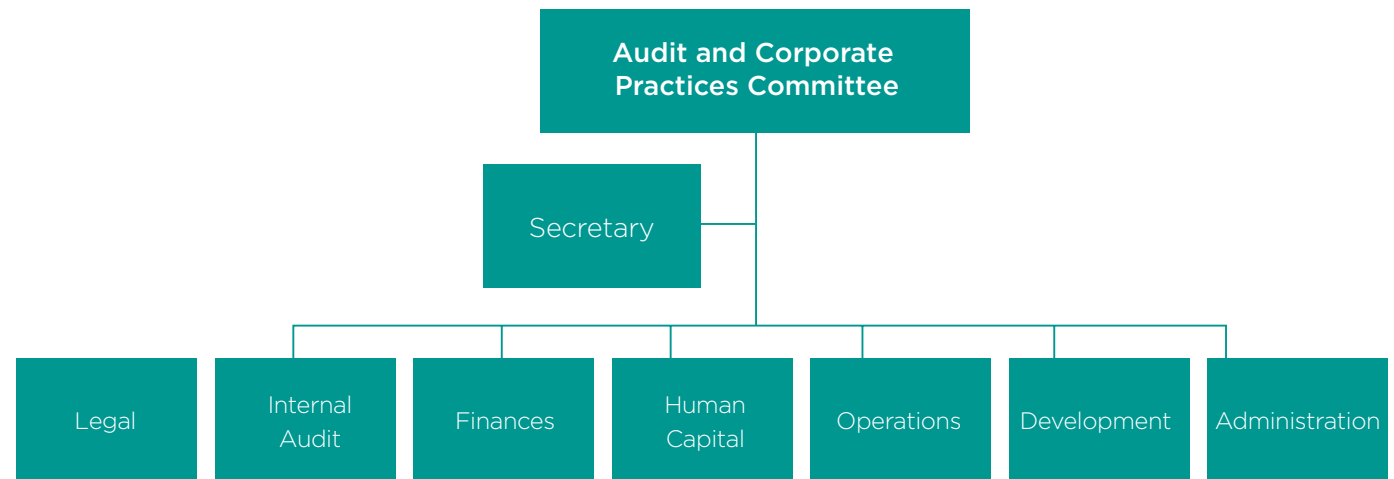
Through the Code of Ethics, we establish a framework of behavior that defines the principles that drive our company. The Code of Ethics is a mechanism to prevent corruption at any level.

Our Code of Ethics establishes that, under no circumstances, may Hoteles City Express' employees make contributions, monetary or in kind, to political campaigns or organizations or to any other group whose objective is to lobby for changes in legislation. During 2020, no such contribution was made.

The Code of Ethics is available for consultation on [our website](#), and disseminated through internal communication channels, public materials, media statements, supplier bidding, among others.

The company has an Ethics Committee to monitor adherence and compliance with the Code of Ethics.

The Ethics Committee is made up of 7 (seven) members, who are appointed by the Board of Directors of Hoteles City Express. They are preferably chosen from among officials from each of the following areas: legal, internal audit, human capital, operations, development, and administration. It has a secretary who may or may not be one of its members. It reports directly to the Audit and Corporate Practices Committee.



TRAINING ON THE CODE OF ETHICS AND ANTICORRUPTION POLICY

GRI 205-2

Annually, we reinforce compliance with the **Code of Ethics** and **Anticorruption Policy** for suppliers, directors and third parties related to the company.

99%

progress at Headquarters

Our 2020 results:

2,596

training man-hours on Code of Ethics and Anticorruption

Headquarters in Mexico City:

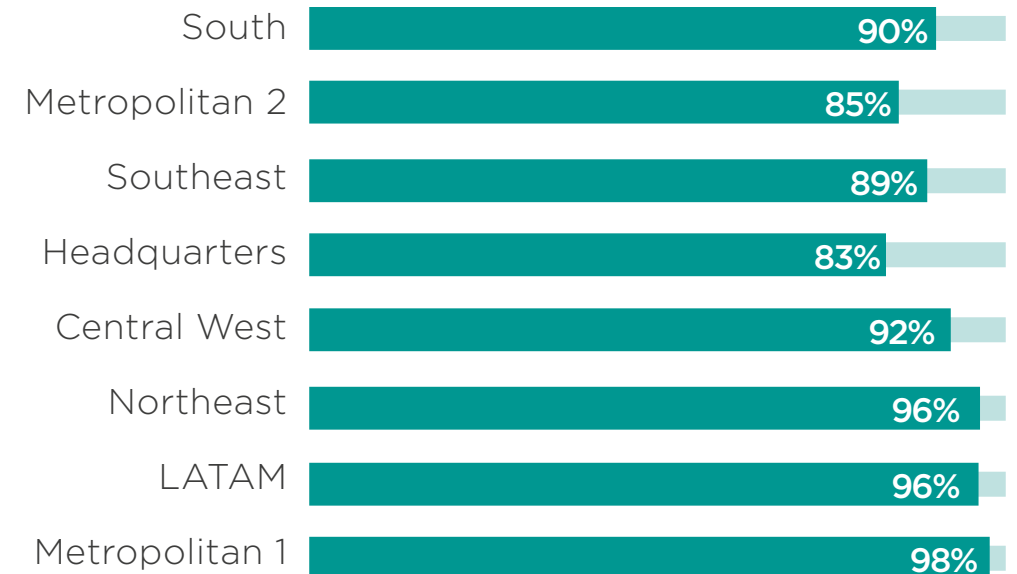
- Contact Center
- Administration
- Branding and Marketing
- Legal
- Operations and Finance
- Development
- Human Capital
- Franchise Promotion
- Information Technology*

Oficina Regional LATAM

92% of IT personnel are already trained.

During 2020, we also reinforced communication of the Code of Ethics to all our suppliers through digital media, allowing us to align them with transparency and ethical commitment topics.

Training on the Code of Ethics and Anticorruption Policy (Hotels)



Overall progress of training in hotels 90%

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

SOCIAL INVESTMENT



Due to the pandemic caused by COVID-19, the social investment strategy was different from previous years.

During 2020, our donation was given in kind, contributing more than 7,000 room nights to different civil society organizations focused on health care and protection, as well as to initiatives that impact some Sustainable Development Goals (Zero Hunger, Health and Well-Being, Clean Water and Sanitation). We are convinced that every action counts to achieve a sustainable future.

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

*The figures are shown in thousands of pesos.

	2019	2020
Total sales	\$3,150,624	\$1,482,238
Hotel Operating Costs	\$1,645,038	\$1,197,599
Salaries and Related	\$630,684	\$563,684
Investments	\$1,758,987	\$-413,180
Tax Payment	\$16,303	\$-12,612
Net Profit	\$65,213	\$-1,248,625
Social Investment	\$6,400	\$8,319 ¹
Cash Flow from Operations	\$770,740	\$107,168
Created Economic Value	\$3,150,624	\$1,482,238
Distributed Economic Value	\$712,654	\$593,967
Retained Economic Value	\$2,437,970	\$888,270

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

1. In-kind social investment.



INNOVATION AND ENTREPRENEURSHIP PROGRAMS

GRI 102-7, 102-45, 201-1, 203-1



ENTREPRENEURSHIP VALUE CHAIN

Impacto City, in its innovation and entrepreneurship section, continues to drive ideas to consolidated projects. It is one of the strongest programs in the industry due to its presence throughout the entire entrepreneurship process.



CUANTRIX

In collaboration with Cuantrix, we continue seeking to generate equal opportunities in Computer Science so that girls, boys, and young people in Mexico learn to program. As part of the new distance education scenario, we are developing a 100% digital program based on:

- Platform with 10 manuals for elementary, middle school and robotics
- 65 new capsules produced
- Content on the “Learn at Home” portals
- Broadcasting of capsules in Panama and Chile.
- YouTube programs with 58,978 views.



National Impact Results:

345,237
students registered by teachers

151,751
students enrolled in *Cuantrix*

29,000
customers registered on the platform

19,043
lessons delivered

+ 10,000
teachers trained

802
schools implementing lessons across 9 Mexican states



POSIBLE

Our commitment to entrepreneurship continues hand in hand with POSIBLE, a program of Fundación Televisa and Nacional Monte de Piedad, through which we promote innovation and entrepreneurship on a digital platform, where participants learn or reinforce key concepts to undertake and properly structure their projects, helping them to make implementation easier.

Impact Results:

2020 CALL

18,210

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

42%

female participants

Participants from all Mexican states

STATE PANELS

460

participants in 43 panels from all Mexican states

28%

female participants

CAMPS

125

projects in national and special camps* in 24 Mexican states

40%

female participants



*SPECIAL CAMPS: TecNM Camp and Edomex Camp

RETO POSIBLE

A program focused on strengthening teachers in college and high school on teaching high-impact entrepreneurship, so they can help their students to broaden their vision and generate scalable ventures of greater benefit to their regions. As a result of the pandemic, the program was launched in a fully digital format in the form of a free and open access Massive Open Online Course (MOOC) called "Emprender es un reto, hazlo POSIBLE" (Entrepreneurship is a challenge, make it possible).

RESULTS:

8,108

teachers enrolled, corresponding to **68%** of the total population.

in 32

Mexican states and **31 cities**

59%

female participants.

RETO POSIBLE

49%

correspond to the public education system, **5%** to the private education system and **45%** to other non-school modalities.

26%

identify themselves as members of indigenous groups.





Contribution to **social welfare**

With Impacto City we seek to contribute to our society through the services we offer, promoting fair and equitable operating practices for all our employees, our guests and the communities that surround us.

OUR EMPLOYEES

3,110
employees in 2020



37%
Men



63%
Women



Employees classified by generation



11.0%
Baby Boom



24.0%
Generation X



23.0%
Generation Z

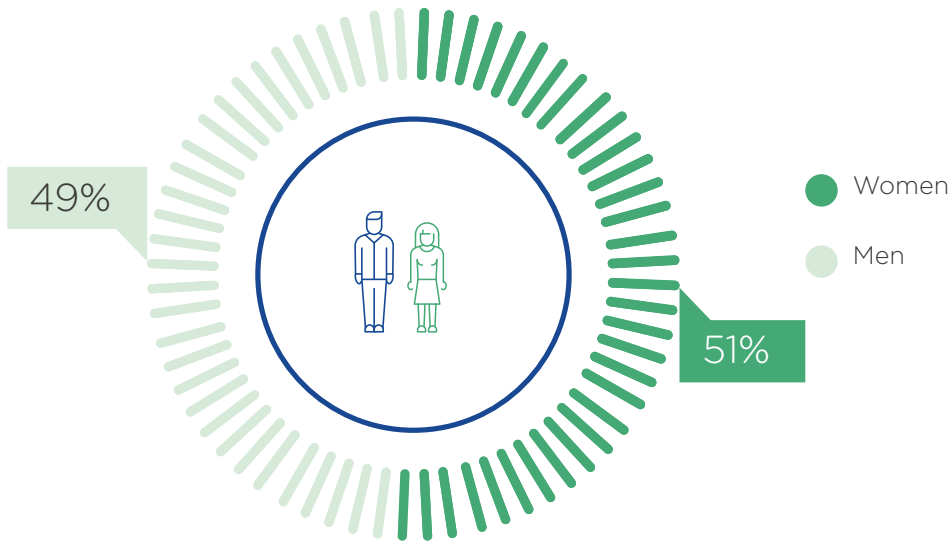


41.0%
Millennials



0.4%
Silent Generation

Chain directors and managers by gender



Employee distribution by region

REGION	2019 PERCENTAGE	2020 PERCENTAGE
Central West	16.1%	13.9%
Metropolitan	17.2%	16.4%
Northeast	16.1%	16.1%
Northwest	13.0%	15.9%
South	9.1%	8.4%
Southeast	12.0%	13.0%
LATAM	5.2%	4.8%
Headquarters	11.3%	11.4%

TURNOVER RATE



SV-HL-310a.1.- SASB - Labor practices

REGION	OVERALL TURNOVER	VOLUNTARY TURNOVER	INVOLUNTARY TURNOVER
Central West	12.4%	7.4%	5.0%
Metropolitan	11.7%	6.8%	5.0%
Northeast	10.6%	6.8%	3.8%
Northwest	13.3%	8.7%	4.7%
South	10.3%	6.5%	3.8%
Southeast	10.7%	6.4%	4.3%
Headquarters	4.3%	2.4%	1.9%

*In **LATAM**, the overall turnover rate was **10.08%** not divided into voluntary and involuntary. During 2021 we will work on building these indicators.

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

*We hire our employees for indefinite periods of time.

*The data collected corresponds to internal records at the end of 2020.

CITY EXPRESS CULTURE

At Hoteles City Express we work to make the lives of our employees a pleasant experience every day; that is why we always seek to achieve their highest satisfaction in order to obtain a total commitment to the organization's projects, through clearly defined processes and mechanisms.

All employees are an integral part of our strategy, participating and proposing initiatives for innovation and continuous improvement.



3,110

direct jobs created



37

is the average age of our employees



LEARNING, TRUST AND COMMUNICATION



CITY LEARNING

We overcome obstacles and evolve our way of learning.

41,901
training hours

2020 forced us to change the way we normally do things. Through our Organizational Learning program, we moved face-to-face sessions to **online mode, increasing the number of courses delivered at chain level by 3%** compared to the previous year. In addition, **93% of the training sessions were online** due to the implementation of technology in our learning processes. In this sense, not only did we reach more employees in less time, but

we also expanded the range of knowledge with personal and professional development courses to fulfill the brand promise we make to our guests, as well as orienting new employees to the Company's culture and work model.



11,350
attendees

+ 300
sessions

78
courses

Supported by technology, we continue to strengthen our organizational culture through the *Onboarding, Check In* and *All That Matters* programs.

Average training hours per employee - 13.47 hours¹



1. Average training hours = Total training hours / Total employees in workforce at the end of 2020.

WORK ENVIRONMENT

The **#OrgulloCity** work environment survey is a sign of Hoteles City Express' continuous effort to strengthen its Organizational Culture and Environment.

In 2020, we applied a rigorous chain-wide survey by Top Companies consultants, and are proud of the following results:

99.6%

participation

78%

employee satisfaction rate

No. 8

in the Top + America Ranking at LATAM level



*Ranked No. 24 in the Ranking Súper Empresas 2021 “The places where everyone wants to work” published in Expansión magazine, climbing **six places compared to the previous year.***

FREEDOM OF ASSOCIATION

GRI 102-41

All employees of Hoteles City Express are free to join current or new unions that may be added to the registry.



139
registered unions



63%
of the chain's total employees are
unionized.



INTERNAL COMMUNICATION MEDIA

CLICK - WORKPLACE

Is our digital communication platform that allows us to connect in a dynamic and permanent way. We gather more than 1,700 employees within this platform and generate engagement and conversations.

WORKCHAT

Is a digital messenger integrated within Click (Workplace). It enables instant messaging, to communicate immediately and in real time.

MAILING

Through this means of communication we share institutional valuable information such as openings, campaign launching, designations and more.



COMMUNICATION DASHBOARD

Directed for employees that do not have computer equipment. It allows us to keep the heart of our business informed.

COMUNIDAD CITY MAGAZINE

It is our magazine where we share the chain's stories and experiences.



PERFORMANCE EVALUATION

GRI 404-3

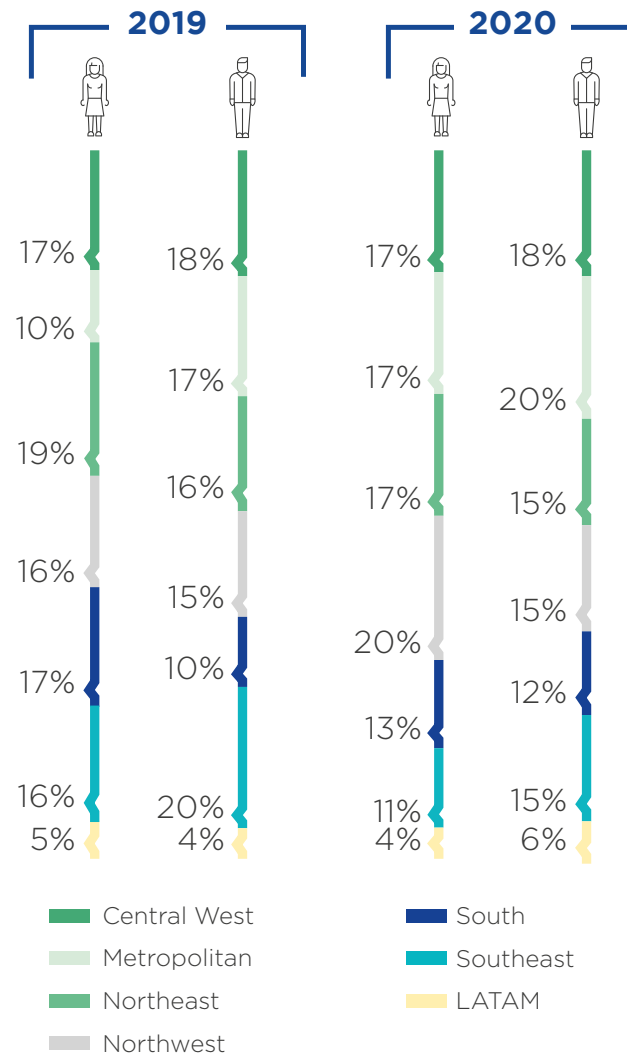
Hoteles City Express has the primary objective of valuing performance, providing growth opportunities and effective participation conditions to our employees.

During 2020, 29% of employees at chain level participated in the performance evaluation process in the following job categories and in different regions:

Hotel Performance Assessment

General Accountant	Sales Executive	Sales Manager
General Manager	Operation Manager	Chief of Service and Direct Sale

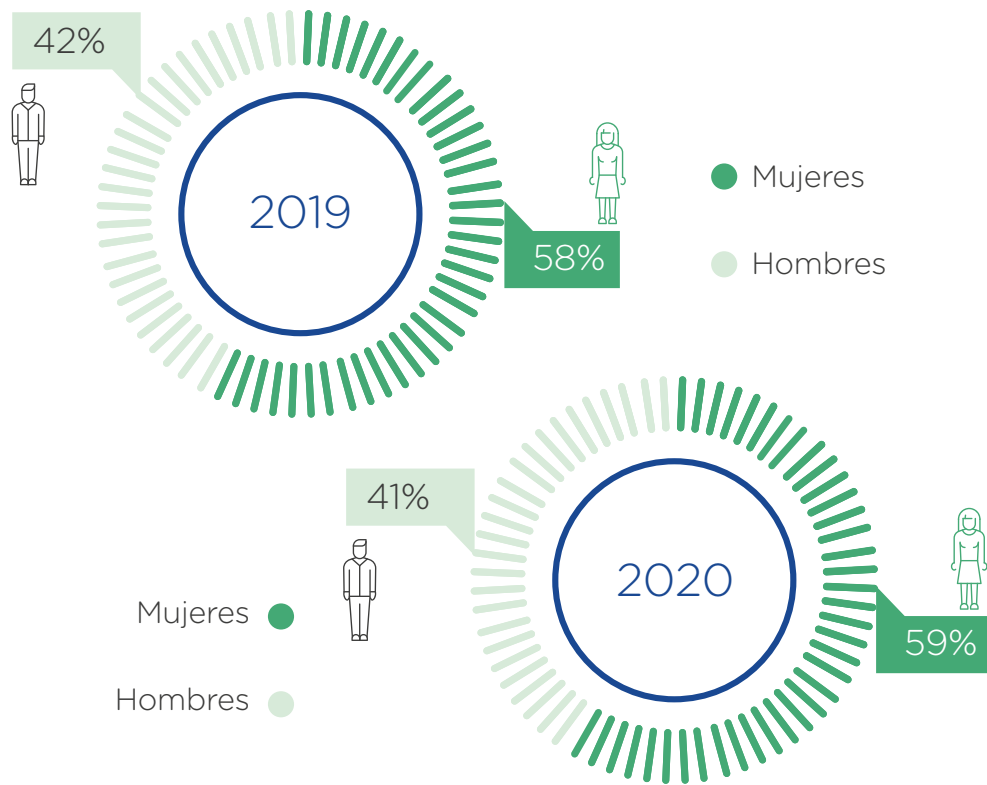
Assessments applied by region



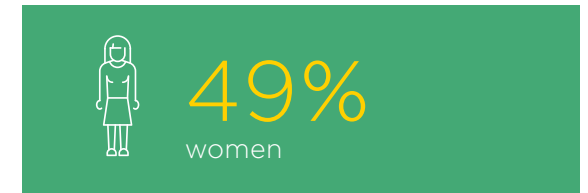
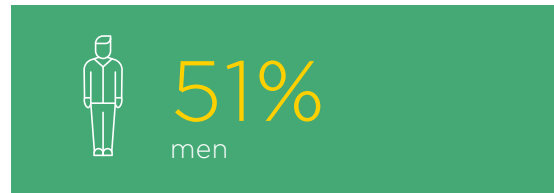
*In our hotels we **evaluated 569 employees** for positions with professional growth.*



Assessments applied by gender



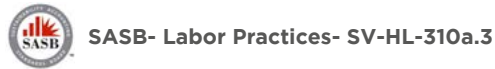
At the headquarters we **evaluated 342 employees** for positions with professional growth.



15% of our managers have been promoted internally



SALARIES AND BENEFITS



At Hoteles City Express, **100%** of our employees earn a salary higher than the Mexican national minimum, which complies with the law and enables us to surpass the law's standards.

*In hotels, the national average hourly wage is **\$38.12 MXN**, which is higher than what is established by law.*

MEAN HOURLY WAGE (Amount in \$MXN)

REGION	2019	2020
Central West	\$30.11	\$37.56
Metropolitan	\$31.00	\$39.89
Northeast	\$32.48	\$40.96
Northwest	\$29.49	\$41.37
South	\$27.02	\$34.34
Southeast	\$30.65	\$34.60



BENEFITS

GRI 401-2

At Hoteles City Express we work every day to build a work environment that fosters professional and personal development, in addition to attracting and retaining the best talent through various actions that are part of our culture:

- Development and training program
- Annual planning meetings
- Integration events
- Lodging in the chain's hotels at preferential rates.
- Agreements with different companies
- Inclusion and Non-Discrimination Policy
- *En Buena Compañía* Program

For more than five years, our **"En Buena Compañía"** program has been responsible for organizing and structuring activities that promote our well-being with 3 action axes: Physical, Financial and Emotional Health.

Physical Health: IMSS campaigns, nutritionist, food campaigns, prevention campaigns, internal and external tournaments, among others.

Financial Health: Workshops, loans, sales, and discounts for employees.

Emotional Health: Employee recognition, Corporate Games, Onboarding Kids, among others.

"En buena compañía"



Benefits for headquarter employees:

- Christmas bonus exceeding the amount established by Law
- Vacations exceeding those established by Law
- Vacation bonus exceeding the amount established by Law
- Life insurance
- Major Medical Insurance
- Performance bonuses
- Retirement in compliance with IMSS
- Savings fund
- Food vouchers
- Parental, paternity, and maternity leaves

Benefits for hotel employees:

- Christmas bonus in compliance with the Law
- Vacations in compliance with the Law
- Vacation bonus in compliance with the Law
- Retirement in compliance with IMSS
- Parental, paternity, and maternity leaves
- *Life insurance
- *Major Medical Insurance
- *Performance bonuses

*These benefits are not available for 100% of the jobs. We hire our employees for indefinite periods; benefits are not different for employees with trial contracts. Data were compiled according to our internal records at the end of 2020.

COMPLIANCE WITH LEGISLATION

GRI 419-1

SASB - Labor practices SV-HL-310a.2

Our operations comply with the labor law; therefore, **no monetary losses have been incurred as a result of violations of the law and we are 100% compliant with the regulatory framework.**



OCCUPATIONAL HEALTH AND SAFETY

GRI 403-9, 403-10

SDG 8.8

We are interested in taking care of the well-being and health of our employees, so we establish health and safety protocols that contribute to improving their quality of life. Below we present the internal indicators that help us improve managing this important issue.



2. Major occupational accident injury rate = (Number of major occupational accident injuries (excluding fatalities) / Number of hours worked) * 200,000



We conduct studies to identify and mitigate the hazards and risks employees are exposed to, and we provide adequate Personal Protective Equipment (PPE) for each type of work, in addition to conducting training sessions and internal awareness campaigns on the prevention of accidents at work.

*We have zero fatalities due to occupational accidents or illnesses.
 *The main types of injuries are cervical and lumbar sprain derived from the general cleaning procedure in rooms and public areas.
 *The rate was calculated for every 200,000 hours worked.
 *During 2020, the estimated result of the occupational injury rate is calculated based on the 2,768 hotel employees, working in a period of 53 weeks, 6 days, and 8 hours (not considering vacation days, absence days or medical leave, etc.).
 In the following years, the calculation will be made considering the latter criteria.

We conduct studies to identify and mitigate the hazards and risks employees are exposed to, and we provide adequate Personal Protective Equipment (PPE) for each type of work, in addition to conducting training sessions and internal awareness campaigns on the prevention of accidents at work.

CIVIL PROTECTION

To improve our internal Health and Security indicators, several Civil Protection courses and activities have been implemented for our employees.



	5,183		2,192
	training hours in Health and Safety		brigade members
	3,839		562
	employees trained in Health and Safety		courses
			301
			drills

DIVERSITY AND LABOR INCLUSION PROGRAM

GRI 405-1, 413-1

4 QUALITY EDUCATION SDG 4.5

8 DECENT WORK AND ECONOMIC GROWTH 8.5

10 REDUCED INEQUALITIES

We continue to strive to recognize and integrate diverse and differently abled groups into society. We promote gender equality and equity, as well as non-discrimination based on sexual preference, age, ideology, ethnic origin or disability, valuing diversity in all its forms.

- **Human Rights and Non-discrimination Policy** established and in complete validity.
- Diversity and Inclusion Model implemented and in the process of being deployed throughout the company.
- Bias-Free Recruitment Processes.



With our in-house *City Incluye* certification, we regulate the incorporation of hearing-impaired employees in our hotels, thus recognizing their best work practices.

62

hotels certified for the hiring of people with disabilities

31

employees with hearing impairment at chain level



Premio a la Innovación y Calidad Turística de Puebla: Turismo Incluyente (Puebla Tourism Innovation and Quality Award: Inclusive Tourism)

Recognized in the list of the **50 most inclusive** companies of Alianza Éntrale.

Element with the highest satisfaction index in the work culture and environment assessment - *Súper Empresas.*

In addition, we promote integration and awareness in key positions of our team, with the objective of sharing the culture of the deaf community and the institutional guidelines of Hoteles City Express has allowed us to develop various support and learning materials on our City Campus platform:

- Launching of the Mexican Sign Language Course
- Hiring Guidelines
- Induction Processes
- Security
- Biosafety guidelines support folders



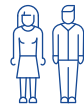
GENDER EQUITY

GRI 405-1



SDG 5.5

We promote equality and equity regardless of gender. Our goal is to respect the capabilities of each individual, as well as their condition, age, gender, race, etc.



DIVERSITY

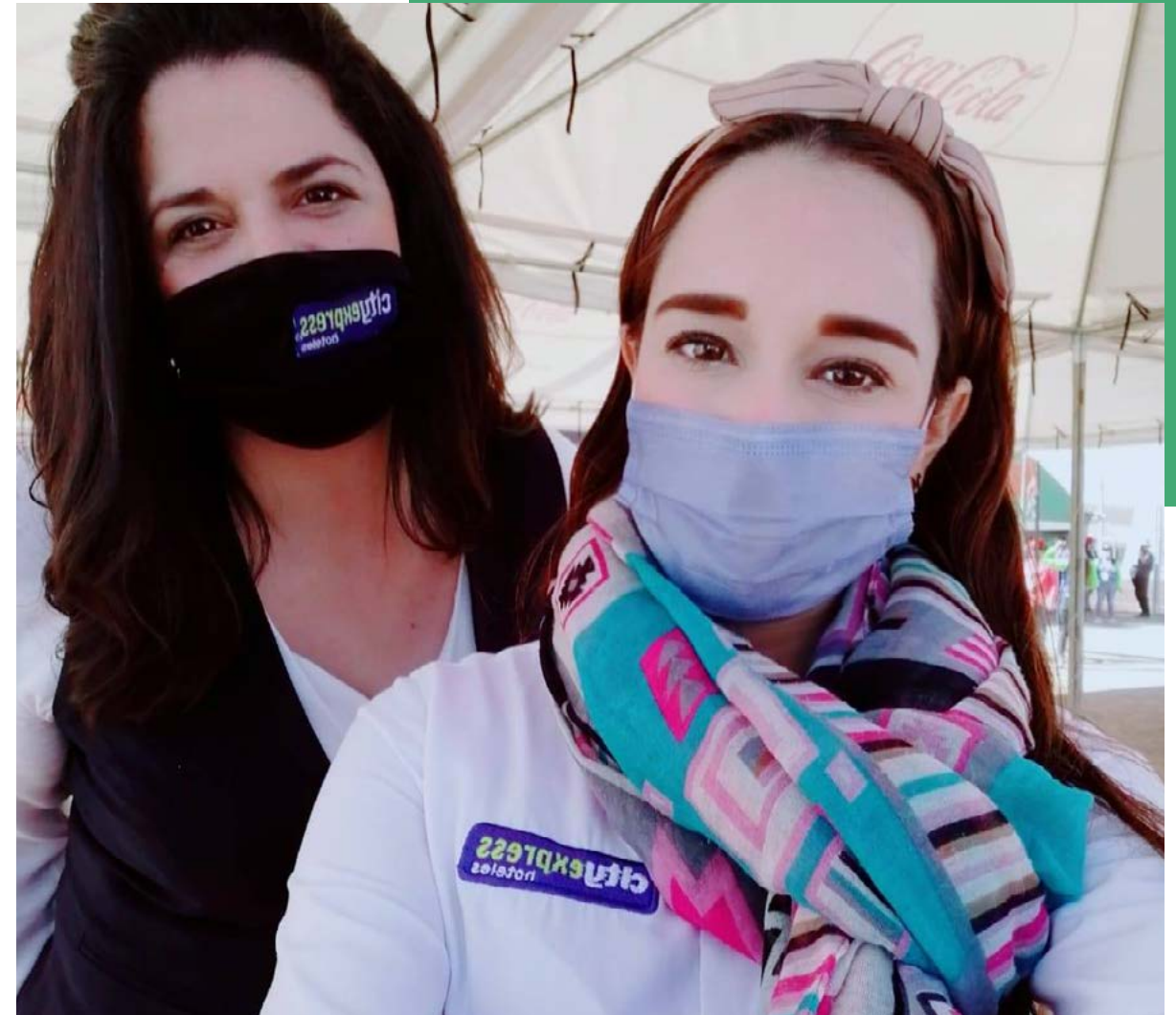
We know that diversity is a factor that increases creativity and talent, which in turn generates value for our company. We embrace and promote diversity in all its forms by placing the value of each of our employees on their knowledge, skills, and aptitudes.

63%

of the employees at Hoteles City Express are women.

51%

of managerial and executive positions are held by women



MEXICAN NATIONAL CODE OF CONDUCT

GRI 412-1, 413-1



At Hoteles City Express we implement actions within our facilities to protect the rights of children and adolescents in the tourism sector, by participating in a major awareness campaign for managers, employees, as well as for our suppliers to prevent any type of illegal action. We reject any form of human trafficking, especially sexual and/or labor exploitation of girls, boys, and adolescents.

*The company currently has **127 hotels aligned** to the Mexican National Code of Conduct to protect girls, boys, and adolescents in the travel and tourism sector*



Código de Conducta Nacional
para la Protección de las Niñas, Niños y Adolescentes en el Sector de los Viajes y el Turismo

Developed actions:

Trainings per region and at chain level, conducted by an agency specialized and certified by the Tourism Ministry

Institutional Action Protocol for Hoteles City Express

Application of the Protocol to comply with the Mexican National Code of Conduct

Proof of certification per property



SOCIAL INVESTMENT AND STRATEGIC PARTNERSHIPS



SDG 17.16

At Hoteles City Express we contribute to the improvement of the communities where we operate, through local actions that allow us to positively impact non-profit institutions and improve their integral development and well-being. This is how we reflect our coordinated and regulated efforts through the **Donation and Volunteering Policy** implemented at chain level.



During the pandemic, we provided more than 7 thousand room nights to health care professionals



“We showed our solidarity with the community to face the health crisis, supporting with what we do best, which is to provide comfortable and safe accommodation for those who are on the front line of the battle against COVID-19.”

10,000
linen pieces and supplies donated on average

+ 40
organizations benefited

Delivery of recyclable materials (PET and plastic caps) to support the treatment of children with cancer.

SALUD DIGNA



We joined *Salud Digna* and “*Juntos por los Héroes*”, aiming to cut the possible chains of infection among doctors, nurses, stretcher bearers and all the personnel that cares for COVID-19 patients on a daily basis.

With this campaign we are able to continue allowing more Mexicans, regardless of their economic level, to access the PCR diagnostic test for COVID-19 at a low cost, thus contributing to reduce the mortality rate in Mexico. At the same time, we benefited health professionals who directly attend suspected COVID-19 patients with a free PCR test, in order to cut the chain of infection among the front line in the fight against the pandemic.

This partnership reflects the following impact results:

15,000
health professionals benefited from free PCR diagnostic tests for detecting COVID-19 at no cost.

116
people trained to attend suspected COVID-19 patients.

12
new COVID-19 sampling facilities in 10 Mexican states.

cityexpress hoteles
Todo lo que importa®

GRACIAS
CON SU APOYO YA LOGRAMOS OTORGAR 15 MIL PRUEBAS COVID-19 A PROFESIONALES DE LA SALUD DE TODO MÉXICO

SaludDigna. La salud es para todos. Laboratorio clínico + Imagenología + Lentes

JUNTOS POR LOS HÉROES. UNA INICIATIVA DE SALUD DIGNA A.C.

salud-digna.org/juntosporlosheroes



SaludDigna®
La salud es para todos

Laboratorio clínico + Imagenología + Lentes

cityexpress hoteles
Todo lo que importa®

se suma a la campaña **JUNTOS POR LOS HÉROES** para apoyar nuestra labor.

¡GRACIAS!

JUNTOS POR LOS HÉROES. UNA INICIATIVA DE SALUD DIGNA A.C.

SaludDigna. La salud es para todos. Laboratorio clínico + Imagenología + Lentes

AYUDA EN ACCIÓN



With the support of *Ayuda en Acción de México A.C.*, we seek to address the need for protection of the migrant population in transit, refugees and their hosts in Mexico, prioritizing their integration into society through a single specific objective, consisting in three components: **To improve humanitarian protection of the migrant population exposed to and affected by generalized violence, to reduce their vulnerabilities and to strengthen the humanitarian capacities of local actors.** in addition to joining empowerment efforts that foster the early generation of income and insertion into the labor market.



+ 6,500
people directly impacted

22,000
people indirectly impacted

3
shelters located in Tabasco, Tlaxcala, and Nuevo León.



IPODERAC



Together with IPODERAC, we seek to guarantee the admission of girls, boys, and adolescents **into a program to strengthen their values and philosophy of life through an educational model.** With this partnership, we impacted **64 boys and 32 girls** who have broken parental ties, to give them the opportunity to transform their lives, guaranteeing their attention and integral development to ensure a better future. In addition, we were able to promote their sales strategy focused on a self-sustainable productive project (cheese sales) in Mexico City, Querétaro, Cancun, Monterrey, Guadalajara, and Chiapas.



ALIMENTO PARA TODOS I.A.P.



In partnership with *Alimento Para Todos* I.A.P. (APT), we carried out the **Programa de Atención Alimentaria**, with the objective of **improving the well-being of people living in poverty** in Mexico City and its suburbs, through the delivery of food packages and basic goods.

With this program we are able to reach:



28,440
people



15
groups located in
indigenous communities



FUNDACIÓN ASISTENCIAL PARA PERSONAS CON SÍNDROME DE DOWN A.C.



In coordination with *Fundación Asistencial Para Personas Con Síndrome de Down A.C.*, we provided in-kind support to two families that belong to the Down community, enabling them to receive specialized medical treatment in other cities.

“With this type of actions, they prove the value of the company and the quality of all the people who conform it. We are pleased to have committed citizens who look for ways to help society. You are a living example of how we can make a difference, and we thank Hoteles City Express for their contribution.”

A work that leaves a mark ...



ASSOCIATIONS AND ORGANIZATIONS



At Hoteles City Express we know the importance of creating collaborative relationships with public and private institutions for the implementation of strategies in favor of sustainability, so during this year we continued our work with high-impact organizations, among which the following stand out.

- *Asociación Mexicana de Hoteles y Moteles (AMHM)*
- *Asociación de Hoteles de la Ciudad de México*
- *Asociación Mexicana de Cadenas Hoteleras (ANCH)*
- *Asociación Femenil de Ejecutivas de Empresas Turísticas de la República Mexicana, A.C.,*
- *Alianza por la Sustentabilidad Hídrica en el Turismo - Fundación Helvex*
- *American Chamber*
- *Centro para la Inclusión Social del Sordo A.C. (IncluSor)*
- *Consejo de Diplomacia Turística (CDT)*
- *Consejo de la Comunicación*
- *Consejo Nacional Empresarial Turístico A.C.*

- *Centro Mexicano para la Filantropía (CEMEFI)*
- *Éntrale - Alianza por la Inclusión laboral de personas con discapacidad*
- *Fondo Mexicano de Conservación de la Naturaleza, A.C.*
- *Fundación MVS Radio*
- *Instituto de Turismo Responsable (ITR)- Biosphere*
- *Pacto Mundial, A.C.*
- *Price Connection - El éxito está en la diversidad*
- *Secretaría de Turismo (SECTUR)*
- *Unión Nacional de Sordos de México (UNSM)*
- *World Travel & Tourism Council (WTTC)*



CERTIFICATION PORTFOLIO

All of the chain's hotels have been designed and built to comply with national and international certification standards. Some of the most important certifications and recognitions of Hoteles City Express include the following:



LEED-EB-O&M CERTIFICATION

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

To date, the portfolio of City Express hotels with this certification are LEED Gold for City Express Reynosa, City Express Saltillo and City Express Leon, LEED Silver for City Express San Luis Potosí, City Express Puebla Centro, City Express Monterrey Santa Catarina, City Express Playa del Carmen, City Express Puebla Angelopolis, City Express Los Mochis and City Express Ciudad Juárez. LEED certification for City Express Guadalajara, City Express Irapuato, and City Express Querétaro.



EXCELLENCE IN DESIGN FOR GREATER EFFICIENCIES (EDGE)

A certification system created by the World Bank's International Finance Corporation (IFC). We are the first chain worldwide to be awarded this certificate. City Express Villahermosa, City Express Santa Fe, City Express Durango, City Express Querétaro Jurica, City Express Costa Rica, City Suites Santa Fe, City Express Junior Ciudad del Carmen, City Express Irapuato Norte, and City Express Junior Puebla Autopista have received this certification, achieving estimated savings compared to similar properties of 50% in energy, 45% in water use and 36% in efficiency of construction materials.



BIOSPHERE RESPONSIBLE TOURISM CERTIFICATION.

Developed by the Responsible Tourism Institute (RTI), it establishes criteria for sustainable behavior in the international tourism business. Hoteles City Express has become the first company in the world to obtain the certification in 80 of the chain's properties.



DISTINTIVO HOTEL HIDRO SUSTENTABLE.

Recognition granted by the members of Alianza por la Sustentabilidad Hídrica en el Turismo (Alliance for Water Sustainability in Tourism) that encourages best environmental practices in water use and management, as well as the application of Mexican regulations. Hoteles City Express has received the award for the renovation of five hotels: City Express Plus EBC Reforma, City Express Buenavista, City Express Mérida, City Express Villahermosa, and City Express Paraíso Tabasco.



DISTINTIVO "S" GUARANTEE OF SUSTAINABILITY

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



DISTINTIVO EMPRESA SOCIALMENTE RESPONSABLE

For the seventh consecutive year, Hoteles City Express has been awarded the Distintivo ESR® by Centro Mexicano para la Filantropía (Cemefi) and Alianza por la Responsabilidad Social Empresarial (AliaRSE). This award recognizes the chain's commitment to continuous improvement in CSR management, quality of life in the company, business ethics, community involvement, as well as environmental preservation.



SAFEHOTELS - COVIDCLEAN

We are pioneers in implementing the independent standard for hotels, which is based on World Health Organization (WHO) guidelines and evaluates key hygiene procedures, cleanliness, social distancing, biosafety protocols, among other things. In addition, the company is awarded Safe Travels, a certification granted by the World Travel and Tourism Council, which seeks to guarantee the health and hygiene protocols established by the Council and recognizes governments, destinations and companies around the world that have adopted health and hygiene protocols to ensure that tourists enjoy safe travels.



ADHERENCE TO THE UNITED NATIONS GLOBAL COMPACT

Through this adherence, the Company joins a global effort to commit to ten universally accepted principles in the areas of human rights, labor standards, environmental protection, and anti-corruption.

ADHERENCE TO THE MEXICAN NATIONAL CODE OF CONDUCT

to protect girls, boys and adolescents in the travel and tourism sector. To date, 127 Hoteles City Express properties have signed and implemented the code of conduct, committing to develop actions to prevent the sexual and labor exploitation of girls, boys and adolescents in the travel and tourism sector.



Every year we prepare a report under Environmental, Social and Governance (ESG) guidelines and based on the Global Reporting Initiative (GRI) standards. In 2019 we incorporated the Sustainability Accounting Standards Board (SASB) methodology, being recognized by SASB as the first hotel chain in Latin America to report under these standards.

In addition, this year we developed an analysis to identify the risks and opportunities related to climate change with respect to our operation, based on the Task Force on Climate Force on Climate-related Financial Disclosures (TCFD).



GLOBAL REPORTING INITIATIVE - GRI 2016 CONTENTS INDEX



CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
GRI 102 2016 GENERAL CONTENTS						
ORGANIZATION PROFILE						
GRI 102	General contents	102-1	Name of the organization	About the report	2	
		102-2	Activities, brands, products, and services	About the report / Our brands	2, 9	
		102-3	Location of headquarters	About the report	2	
		102-4	Location of operations	About the report / Operations location	2, 10	
		102-5	Ownership and legal form	About the report	2	
		102-6	Markets served	Our brands / Operations location	9	
		102-7	Scale of the organization	2020 Presence / Contribution to Social Welfare	11	
		102-8	Information on employees and other workers	Contribution to Social Welfare	61	
		102-9	Supply chain	Sustainable Purchases	41	
		102-10	Significant changes to the organization and its supply chain	Operations location	10	
		102-11	Precautionary principle or approach	How do we make our business sustainable?	17	
		102-13	Membership of associations	Social Investment and Strategic partnerships	77, 83	
		ETHICS AND INTEGRITY				
GRI 102	General contents	102-16	Values, principles, standards, and norms of behavior	Our Philosophy	8	
		102-17	Mechanisms for advice and concerns about ethics	Creation of economic value / Growth/ Integrity	50, 51	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
GOVERNANCE						
GRI 102	General contents	102-18	Governance structure	Sustainability Committee / Corporate Governance	23, 50	
		102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Analysis	19	
		102-31	Review of economic, environmental, and social topics	Sustainability Committee	23	
STAKEHOLDERS' PARTICIPATION						
GRI 102	General contents	102-40	List of stakeholder groups	Stakeholders	18	
		102-41	Collective bargaining agreements	Freedom of Association	66	
		102-42	Identifying and selecting stakeholders	Stakeholders	18	
		102-43	Approach to stakeholder engagement	Stakeholders	18	
		102-44	Key topics and concerns raised	Materiality Analysis / Materiality Matrix	19 y 20	
		102-45	Entities included in the consolidated financial statements	Social Investment	55	
		102-46	Defining report content and topic Boundaries	Materiality Analysis	19, 21	
		102-47	List of material topics	Materiality Matrix	20	
		102-48	Restatements of information	Materiality Analysis	19	
		102-49	Changes in reporting	Materiality Analysis	19	
		102-50	Reporting period	About the report	2	
		102-53	Contact point for questions regarding the report	About the report	2	
		102-54	Claims of reporting in accordance with the GRI Standards	About the report	2	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
MATERIAL TOPICS						
ENVIRONMENTAL						
WATER						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects/ Water Conservation	21, 33	
		103-2	The management approach and its components	Management of our Main Material Aspects/ Water Conservation	21, 33	
		103-3	Evaluation of the management approach	Management of our Main Material Aspects/ Water Conservation	21, 33	
GRI 303	Water and effluents	303-3	Water extraction	Water Conservation	33	
ENERGY						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects / Energy Efficiency	21, 30	
		103-2	The management approach and its components	Management of our Main Material Aspects / Energy Efficiency	21, 30	
		103-3	Evaluation of the management approach	Management of our Main Material Aspects / Energy Efficiency	21, 30	
GRI 302	Energy	302-1	Energy consumption within the organization	Energy Efficiency	30	
		302-3	Energy intensity within the organization	Energy Efficiency	31	The specific parameters (denominator) selected to calculate the ratio: total hotel consumption divided by the number of occupied room nights.
EMISSIONS TO THE ATMOSPHERE (GAS AND ENERGY)						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects / Our Carbon Footprint	21, 26	
		103-2	The management approach and its components	Management of our Main Material Aspects / Our Carbon Footprint	21, 26, 28	
		103-3	Evaluation of the management approach	Management of our Main Material Aspects / Our Carbon Footprint	21, 26-28	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
GRI 305	Emissions	305-1	Direct GHG emissions (scope 1)	Our Carbon Footprint	26-28	
		305-2	Indirect GHG emissions when generating energy (scope 2)	Our Carbon Footprint	26-28	
		305-4	Intensity of GHG emissions	Our Carbon Footprint	26-28	Per occupied room night
ENVIRONMENTAL LEGAL COMPLIANCE						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects / Total Compliance to Environmental Legislation	21, 43	
		103-2	The management approach and its components	Management of our Main Material Aspects / Total Compliance to Environmental Legislation	21, 43	
		103-3	Evaluation of the management approach	Management of our Main Material Aspects / Total Compliance to Environmental Legislation	21, 43	
GRI 307	Environmental compliance	307-1	Non-compliance with environmental laws and regulations	Total Compliance to Environmental Legislation	43	
SUPPLIERS' ENVIRONMENTAL ASSESSMENT						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects / Sustainable Purchases	21, 41-42	
		103-2	The management approach and its components	Management of our Main Material Aspects / Sustainable Purchases	21, 41-42	
		103-3	Evaluation of the management approach	Management of our Main Material Aspects / Sustainable Purchases	21, 41-42	
GRI 308	Suppliers' environmental assessment	308-1	Suppliers' environmental assessment	Sustainable Purchases	41-42	
		308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Bidding	42	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
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LOCAL ECONOMIC IMPACT THROUGH THE GENERATION OF DIRECT AND INDIRECT JOBS.						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2		Management of our Main Material Aspects	21	
GRI 201	Economic performance	201-1	The management approach and its components	Social Investment	55, 56	
GRI 203	Indirect economic impacts	203-1	Direct economic value generated and distributed	Innovation and Entrepreneurship Program	56	
		203-2	Infrastructure investments and services supported	Our Philosophy	8	
GRI 204	Procurement Practices	204-1	Significant indirect economic impacts	Supplier Bidding	42	
COMPLIANCE AND ETHICAL COMMITMENT						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	
See General Information GRI 102-16 and 102-17						
PRESERVATION OF LOCAL CULTURE AND NATURAL HERITAGE						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	
GRI 304	Biodiversity	304-1	Operations centers owned, leased, or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas	Biodiversity Protection	36	
		304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Protection	36	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
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GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	
GRI 413	Local Communities	413-1	Operations with local community participation, impact assessments and development programs	Recovery of Golden Eagle Populations and Their Habitat in Mexico, Volunteering / Ecopil / Down Syndrome / Labor Inclusion / Mexican National Code of Conduct	37, 74, 76, 82	
GRI 412	Human rights assessment	412-1	Operations subject to revisions or impact assessments on human rights	Mexican National Code of Conduct	76	
GUEST HEALTH AND SAFETY						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	
GRI 416	Customers' Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Health and Biosafety for Customers	12, 14	
GRI 418	Customer privacy	418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data	Committed to Our Guests / Health, Biosafety and Customer Privacy	12, 14	
GRI 419	Socioeconomic compliance	419-1	Failure to comply with laws and regulations in the social and economic fields	Committed to Our Guests	14, 72	
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TRAINING						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects / Learning, Trust and Communication / Performance Assessment	21, 64, 68	
		103-2	The management approach and its components	Management of our Main Material Aspects / Learning, Trust and Communication / Performance Assessment	21, 64, 68	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
GRI 103	Management approach	103-3	Evaluation of the management approach	Management of our Main Material Aspects / Learning, Trust and Communication / Performance Assessment	21, 64, 68	
GRI 404	Training	404-1	Average number of training hours per year per employee	Management of our Main Material Aspects / Learning, Trust and Communication / Performance Assessment	64	
		404-3	Percentage of employees receiving regular performance and professional development assessments	Management of our Main Material Aspects/ Learning, Trust and Communication / Performance Assessment	68	
HEALTH AND SAFETY						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects / Occupational Health and Safety	21, 72	
		103-2	The management approach and its components	Management of our Main Material Aspects / Occupational Health and Safety	21, 72	
GRI 413	Local communities	403-9	Work-related injuries	Occupational Health and Safety	72	
GRI 412	Human rights assessment	403-10	Occupational diseases and illnesses	Occupational Health and Safety	72	
DIVERSITY AND EQUAL OPPORTUNITIES						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	
GRI 405	Diversity and equal opportunities	405-1	Diversity in governing bodies and collaborators	Contribution to Social Welfare / Diversity and Labor Inclusion Program / Gender Equity	61, 74, 75	
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GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	

CODE	TOPIC	GRI	CONTENT	SECTION	PAGE	COMMENTS
GRI 401	Employment	401-1	New collaborator hiring and staff turnover	Turnover rate	62	
		401-2	Benefits for full-time collaborators not given to part-time or temporary collaborators	Benefits	71	
ANTICORRUPTION						
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	Management of our Main Material Aspects	21	
		103-2	The management approach and its components	Management of our Main Material Aspects	21	
GRI 205	Anticorruption	205-2	Communication and training on anticorruption policies and procedures	Integrity / Training on the Code of Ethics and Anticorruption Policy	51, 54	



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) / INDUSTRY STANDARD I 2018-10 VERSION CONTENTS INDEX

SASB CODE	METRIC	2019	2020	REPORT SECTION	CHANGE	PAGE
SV-HL-130a.1	(1) Total energy consumed, Gigajoules (GJ)	209,771.31	147,344.20	Energy Efficiency	-29.8%	30
SV-HL-130a.1	(2) Grid electricity percentage, Gigajoules (GJ)	100%	100%	Energy Efficiency		30
SV-HL-130a.1	(3) Renewables percentage, Gigajoules (GJ), percentage (%)	Not Applicable		Energy Efficiency		30
SV-HL-140a.1	(1) Total extracted water, thousand cubic meters (m ³)	1,106,121	696,885	Water Conservation	-37.0%	30
SV-HL-140a.1	(2) Total used water, percentage of each in regions with high or extremely high initial water stress, thousand cubic meters (m ³), percentage (%)	ND	ND	-	-	-

SASB CODE	METRIC	2019	2020	REPORT SECTION	CHANGE	PAGE
SV-HL-160a.1	Number of Lodging Facilities Located in or Near Areas of Protected Conservation Status or Endangered Species Habitat	13	13	Number of facilities located near or in protected areas	0.0%	36
SV-HL-160a.2	Description of Environmental Management Policies and Practices to Preserve Ecosystem Services	https://imagenes-cityexpress.scdn6.secure.raxcdn.com/sites/default/files/2020-07/Politica_Impacto_Medio_Ambiental_HCE.pdf	Fondo Mexicano para la Conservación de la Naturaleza, A.C. (águila Real) Environmental Impact Volunteering ECOPIIL -Meeting of Social Innovation and Environmental Leadership	Impact on operations		35
SV-HL-310a.1	(1) Voluntary and (2) Involuntary Turnover Rate for All Employees	Voluntary 10.01% Involuntary 0.18%	Voluntary 6.42% Involuntary 4.06%	Staff turnover		62
SV-HL-310a.2	Total amount of monetary losses as a result of legal proceedings related to labor law violations (2)		Zero			72
SV-HL-310a.3	1) Average Hourly Wage, by Region 2) Percentage of Hotel Employees Earning Minimum Wage, by Region	30.34	38.12 100%	Salaries and benefits	25.6%	70
SV-HL-310a.4	Description of Policies and Programs to Prevent Worker Harassment		Code of Ethics Confía Program	Code of Ethics / <i>Confía</i> Program		51, 53
SV-HL-450a.1	Number of Lodging Facilities Located in 100-year Flood Zones	35	40	Hotels Located in Flood Zones	14.3%	43

SASB CODE	METRIC	2019	2020	REPORT SECTION	CHANGE	PAGE
SV-HL-000.A	Number of accommodation places available	6,239,759	6,356,468		1.9%	11
SV-HL-000.B	Average occupancy rate (3)	56.90%	27.70%		-51.3%	11
SV-HL-000.C	Total area of accommodation facilities (4) / Square meters (m ²)	794,426	806,258		1.5%	11
	Number of accommodation facilities and the percentage that are: Co-invested	28 (25%)	38-25%	SASB activity parameters		11
SV-HL-000.D	(2) Wholly owned	61 (40%)	62-40%			11
	Leased	14 (9%)	14-9%			11
	(3) Franchise and Management	39 (26%)	40-26%			11



ÍNDICE CONTENIDOS TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) V2020

RECOMMENDATIONS	RECOMMENDED REPORT	CODE	PAGE/S	SUPPLEMENTARY INFORMATION
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	GOB-A	23	<p>Sustainability Strategy Monitoring</p> <p>Hoteles City Express has a Sustainability Committee at management team level, complementary to the Board of Directors Committee and the Audit, Risk and Corporate Practices Committee. Currently, the chairman of the Sustainability Committee is our Corporate Finance Director, who drives investments in sustainability and communicates the main results of the sessions to the Audit, Risk and Corporate Practices Committee, which in turn reports in a timely manner to the Board of Directors.</p>



RECOMENDACIONES	RECOMMENDED REPORT	CODE	PAGE/S	SUPPLEMENTARY INFORMATION
				<p>Sustainability Strategy Monitoring (including climate change initiatives) Sustainability Committee and Sustainability Management.</p> <p>Risk management integration Corporate Security Management and Corporate Sustainability Management.</p> <p>Implementation of risk response initiatives, including those arising from identified climate change risks. Corporate directors that make up the Sustainability Committee, including Development Management, Finance Management, Legal Management, Marketing and Franchise Management Operations and Human Capital Management, and Corporate Sustainability Manager, as well as local managers designated according to the process and/or activity, in each of the chain's hotels.</p> <p>Indicator monitoring Sustainability Committee through the Corporate Sustainability Management. We have a specific operating indicators dashboard that include electricity, water, and natural gas consumption, updated monthly, which allows us to calculate our progress against climate change as well as our goals (e.g., in GHG emissions).</p>
Governance	b) Describe management's role in assessing and managing climate-related risks and opportunities.	GOB-B	23	
Strategy	a) Describe climate-related risks and opportunities identified by the organization in the short, medium, and long term.	EST-A	44	With the support of external specialists, we have carried out an initial identification of risks and opportunities, the results of which are presented in the corresponding sub-chapter. Additionally, our Corporate Security Department is continuously working on a comprehensive analysis of the risks to which each of the properties is exposed, in order for them to be analyzed and managed.
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	EST-B	44	Based on the analysis of climate change risks, we will work to integrate them into our Sustainability Strategy. It is worth noting that there are already initiatives within the Sustainability Strategy and strategic business planning that contribute to prevent and/or mitigate these risks.
	c) Describe the resilience of the organization's strategy, considering different climate-related scenarios, such as a scenario with 2°C or less.	EST-C	---	Our objective is to carry out a scenario analysis, which we will be developing in the following steps using the climate change risk analysis already carried out.
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	GDR-A	44	We developed a climate change risk analysis. The study included a benchmark with peers in the international hotel sector, internal collaborative identification with the management areas in charge of critical business processes and an internal qualitative prioritization based on probability of occurrence and impact.

RECOMENDACIONES	RECOMMENDED REPORT	CODE	PAGE/S	SUPPLEMENTARY INFORMATION
Risk Management	b) Describe the organization's processes for managing climate-related risks.	GDR-B	44	<p>Existing initiatives</p> <p>Sustainability Committee meetings, having held 10 meetings during 2020.</p> <ul style="list-style-type: none"> » Pilot Remote Monitoring System for Critical Systems: monitoring energy consumption in real time as well as a predictive maintenance program which monitors the conditions of the machine room and air conditioning equipment. » Reforestation initiatives that contribute to carbon sequestration. » Hotels that comply with national and international standards in optimizing the use of energy, water, waste, environmental protection, among other aspects, achieving certifications such as LEED, EDGE, BIOSPHERE, Distintivo S. » Strategic plan for energy savings that allows us to control expenses and optimize consumption in each business unit. » Practices that optimize the use of resources, such as water, which is why we implement highly efficient and innovative equipment in our daily processes. » Participation in the Earth Hour. » Initiatives that leave a mark. » Environmental Volunteering.
		GDR -C	44	The main indicators are reported throughout the report using an existing list. They include intensity metrics, such as tons of CO2 eq per Occupied Room Night, kWh per Occupied Room Night, Liters of Gas per Occupied Room Night, Liters of Water per Occupied Room Night.
Metrics and goals	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process.	MYO-A	26, 30, 33	Now available. For the second consecutive year in Hoteles City Express, we present our carbon footprint results, which allows us to know our impact and provides the opportunity to mitigate it. On the other hand, we will seek to increase the coverage of our emissions with respect to Scope 3 in future reports.
	b) Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and related risks.	MYO-B	26	They have not been updated. During 2020 and 2021 we have had atypical operations in terms of occupancy and energy consumption attributed to the COVID-19 health emergency, it is not possible to consider this as a base year. We will wait to return to normal occupancy levels prior to the COVID-19 health emergency in order to establish proper emission reduction targets and other related aspects.
	c) Describe the objectives used by the organization to manage risks and opportunities related to climate and performance against goals.	MYO-C	---	They have not been updated. During 2020 and 2021 we have had atypical operations in terms of occupancy and energy consumption attributed to the COVID-19 health emergency, it is not possible to consider this as a base year. We will wait to return to normal occupancy levels prior to the COVID-19 health emergency in order to establish proper emission reduction targets and other related aspects.

ANNEX 1 EMISSION FACTORS

Data	Factor	Unit
Electricity Mexico	0.505	t CO ₂ e/MWh
Electricity Costa Rica	0.0365	t CO ₂ e/MWh
Electricity Colombia	0.16438	t CO ₂ e/MWh
Electricity Chile	0.3834	t CO ₂ e/MWh
Gasoline (CO ₂)	0.0000693	t CO ₂ /MJ
Gasoline (CH ₄)	0.000025	kg CH ₄ /MJ
Gasoline (N ₂ O)	0.000008	kg N ₂ O/MJ
Diesel (CO ₂)	0.0000741	t CO ₂ /MJ
Diesel (CH ₄)	0.0000039	kg CH ₄ /MJ

Data	Factor	Unit
Diesel (N ₂ O)	0.0000039	kg N ₂ O/MJ
Gas (CO ₂)	0.0000631	t CO ₂ /MJ
Gas (CH ₄)	0.000062	kg CH ₄ /MJ
Gas (N ₂ O)	0.0000002	kg N ₂ O/MJ
Gasoline PC	5,593	MJ/bl
Diesel PC	6,060	MJ/bl
Gas PC	4,153	MJ/bl
GWP CH ₄	28	kg CO ₂ /kg CH ₄
GWP N ₂ O	265	kg CO ₂ /kg N ₂ O

VERIFICATION LETTER



MADRID - A CORUÑA - AMSTERDAM
BARCELONA - LONDRES - PARIS
ISTANBUL - CIUDAD DE MÉXICO - QUITO

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

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

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

As per your request, we were required to provide a limited level of assurance about the information content on the 2020 Sustainability Report (hereinafter the "Report") of Hoteles City Express, for the period January 1st to December 31st, 2020.

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

Hoteles City Express responsibilities

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

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

Our responsibility

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

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

Scope

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

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

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

Conclusion

Based on our review and the evidence obtained by Hoteles City Express nothing caught our attention that causes us to believe that their information contained in the 2020 Sustainability Report has not been obtained with reliability, was not presented properly, or that there were significant discrepancies or omissions, or that has not been prepared in accordance with the requirements established in the GRI Standards and the SASB Standards.



Luis Miguel Vilatela Riba
Valora México Director
Valora Sostenibilidad e Innovación S.A. de C.V.
Mexico City, 31, May, 2021



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Annex 1.

Detail of the GRI Standards and SASB Standards revised:

GRI Standards	
General Disclosures	
Disclosure	Description
102-2	Activities, brands, products, and services
102-4	Location of operations
102-8	Information on employees and other workers
102-9	Supply chain
102-11	Precautionary Principle or approach
102-13	Membership of associations
102-17	Mechanisms for advice and concerns about ethics
102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-46	Defining report content and topic boundaries
102-47	List of material topics
102-54	Claims of reporting in accordance with the GRI Standards
Economic	
201-1	Direct economic value generated and distributed
205-2	Communication and training about anti-corruption policies and procedures
Environment	
302-1	Energy consumption within the organization
302-3	Energy intensity
303-3	Water withdrawal
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-4	GHG emissions intensity
307-1	Non-compliance with environmental laws and regulations
308-1	New suppliers that were screened using environmental criteria
Social	
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
403-9	Work-related injuries
403-10	Work-related ill health
404-1	Average hours of training per year per employee
404-3	Percentage of employees receiving regular performance and career development reviews
413-1	Operations with local community engagement, impact assessments, and development programs

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

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Suites.

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hoteles

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Junior



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