

ESG report

2024



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strategic report

introduction

This shares citizenM's ESG Annual Report for the period of 1 January 2024 to 31 December 2024.

our approach

The aim of this report is to give a clear faithful representation non-financial practices and performance.

These standards provide a structured framework for disclosing both financial information and sustainability-related risks and opportunities, thus fostering a more integrated, transparent and consistent reporting.

By voluntarily taking steps to adhere to the sustainability disclosure standards in addition to our adherence to the IFRS financial standards in one IAR, we aim to provide clear, insightful and comparable information that will be crucial for informed decision making by our key stakeholders. This approach reflects our commitment to fostering a sustainable and responsible business.

standards & framework

This IAR is aligned with the IFRS accounting standards, the new IFRS S1 and S2 disclosure standards along with reference to Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB) and the Integrated Reporting (IR) Framework issued by the International Integrated Reporting Council (IIRC).

Our financial statements are prepared in accordance with the IFRS accounting standard. The GRI Content Index is available separately on our website. This report also follows the United Nations (UN) Global Compact guidelines, showing our impact concerning the UN Sustainable Development Goals relevant to citizenM.

Adopting the IFRS Sustainability Standards, which include the core framework IFRS S1 and the climate-focused IFRS S2, aligns our reporting practices with globally recognized guidelines, enhancing the trust and confidence stakeholders place in our disclosures.

scope & materiality

'citizenM' in this report refers to citizenM Holding and group companies. We've identified key material topics through talking to our stakeholders, summarized in the double materiality matrix (page 34).

reporting process

The IAR Project team, led by our Chief Financial Officer, managed the reporting process.

Our Executive Board oversaw content planning and development, with internal management by the IAR project team, leading to the report's publication after approval from our shareholders.

reliability, relevance, comparability & completeness

Our commitment to accuracy and reliability is underscored by using comparative data over time to illustrate our performance trends, but also align with finance/sustainability frameworks and standards.

verifiability

Data is collected from our business systems and checked by our Finance department. Our external auditor Deloitte provides limited assurance on the four non-financial KPIs (i.e. water, emissions, waste, energy), and reasonable assurance on the financial statements.

continuous improvement

As we enter a new era of integrated reporting, we are focused on increasing transparency and strengthening stakeholder engagement.

Our commitment to influencing positive change and responsible practices drives us to consistently enhance our ESG performance, reflecting our dedication to continuous improvement.

We welcome your feedback at
esg@citizenm.com



about citizenM

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

Our strategy is simple: to own the hotels we operate. Almost half of all our hotels are prefabricated (modular). We build in a shorter timeframe than traditional construction, opening the door to scaling opportunities, higher profitability and more. The consistency and quality of hotel interiors and architecture is also assured. We focus on creating comfortable, efficient design. By reallocating 'living space' from guest rooms to public areas, we use just half the floor space of a traditional upscale hotel without compromising on luxury. citizenM is a powerful and innovative brand focused on the high-growth segment of mobile business travelers.

portfolio in 2024

By 31 December 2024, 34 citizenM hotels were in operation with a further 8 in the development pipeline. There are 3 hotels already in construction. citizenM Austin Downtown, citizenM Boston Back Bay and citizenM Miami South Beach hotels opened in 2024.

our shareholders

citizenM Holding B.V. was incorporated on 28 December 2015 and is indirect shareholder of almost all the entities within the citizenM Group.

The main (ultimate) shareholders of citizenM Holding B.V. are KRC citizenM B.V. (KRC), Stichting Depositary APG Strategic Real Estate Pool (APG) and Government of Singapore (GIC).

KRC is an independent private equity firm that focuses on businesses in the lifestyle segment.

APG is the depositary for APG Strategic Real Estate Pool, a mutual fund whose ultimate beneficial owner is Stichting Pensioenfonds ABP. This is the pension fund for employers and employees that are in service in the public sector in The Netherlands. APG Asset Management N.V. is the asset manager of APG Strategic Real Estate Pool.

GIC is the sovereign wealth fund of the Government of Singapore. Global long-term investor with over \$100bn in assets under management in over 40 countries worldwide and investing across a range of asset classes in the public and private markets.



a year in review

2024 was a year of contrasts. On one hand, our unwavering dedication to operational excellence and guest satisfaction culminated in securing the #3 position in the Customer Quality Index (CQI) for 2024. This was a testament to our focus on delivering exceptional experiences across our properties. Our commitment to growth was evident with the successful openings of three new hotels—Austin Downtown, Boston Back Bay, and Miami South Beach.

However, the year also presented challenges. Elevated financing costs, market softness, and a slowdown in our pipeline expansion necessitated difficult decisions, including the dismissal of 38 Support Office FTEs in December 2024. This dismissal was directly linked to the decision to stop our development (building) activities going forward. Despite these hurdles, citizenM remained resilient, celebrating notable achievements that underscore our strength and agility as an organisation.

We achieved positive strides in operational efficiency through strategic initiatives: we completed the migration to a new property management system; introduced an upgraded OS&E process and partner, fully rolled out a performance-oriented training platform and continuously improved our food & beverage strategy to better align with guest expectations.

Our efforts bore fruit with sustained growth in our Net Promoter Score (NPS), reaching a record-breaking high of 60.3 in December. This is a testament to our guests' loyalty and satisfaction with the citizenM brand.

Our membership program saw remarkable progress in 2024. By the year's end, the program had amassed 46k active members, with higher booking frequencies and longer stays, significantly boosting our Customer Lifetime Value (CLV).

At citizenM, we believe everyone has a role in our ESG journey, including employees, shareholders, valued suppliers and partners. There is still more to do, but the progress we have made keeps us energised and moving forward with purpose. Our ESG actions continued to shine in 2024:

- Maintained a 5-star GRESB rating for our operational portfolio for the fourth consecutive year, even as many peers experienced declines.
- 2 electrified hotels, advancing our Net Zero pathway.
- 100% green electricity procurements
- Secured green building certifications for all operational and development projects.
- CitizenMovement, our charitable foundation, celebrated six years of bridging opportunities and communities.
- Employee satisfaction remained continuously high with a happiness score of 81.

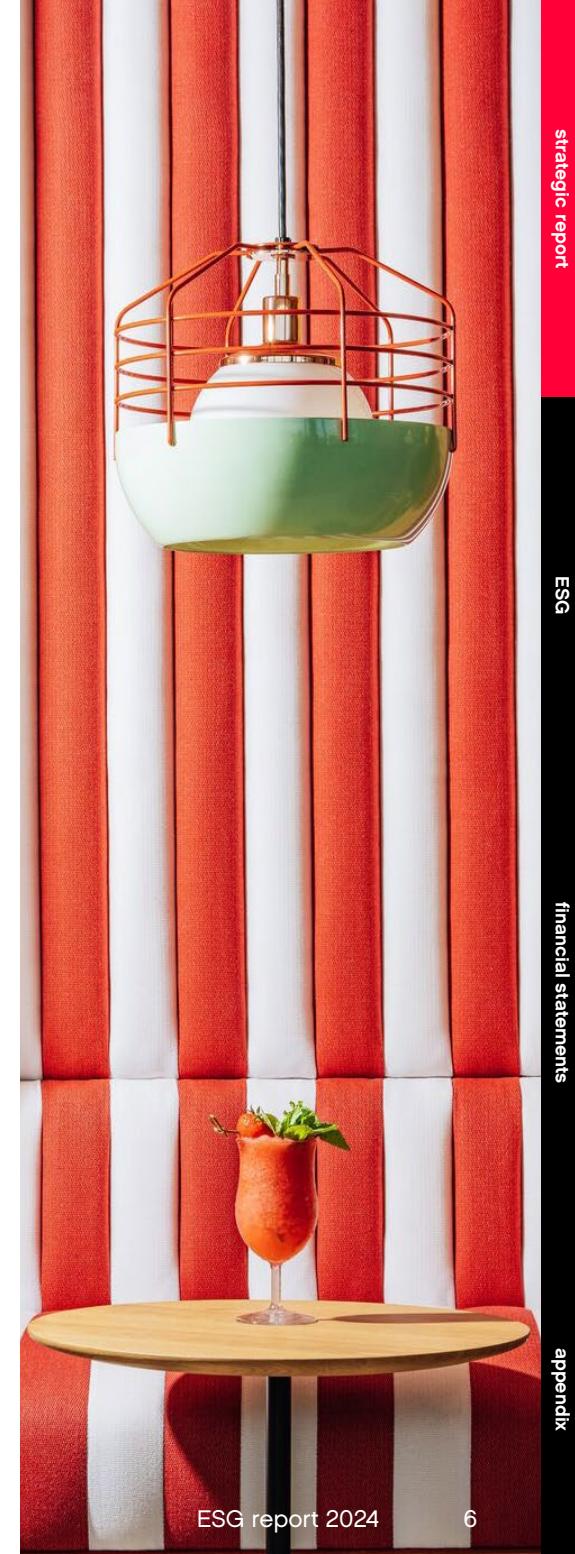
future outlook

Plans for 2025 include the opening of two hotels – Dublin St. Patrick's and London Olympia - pushing our operational key count at 8,925.

As part of our ongoing strategy to unlock value and position the company for long-term growth, the company announced on April 28, 2025, that it intends to sell the citizenM brand and the IP rights to Marriott. The company will continue the management of its owned and leased portfolio.

This transaction not only provides immediate financial flexibility to the company but also allows us to sharpen our focus on our core business areas and emerging opportunities in our topline performance. The sale aligns with our strategic vision to optimize our portfolio, and we are confident that the brand will continue to thrive under its new ownership of Marriott, one of the biggest hospitality companies worldwide, while the proceeds from this sale will support future investments and sustainability of the company.

Our commitment to influencing positive change in a world where we are simply guests continues to shape how we pursue our ESG goals across our operations. In 2025, we will revisit our double materiality assessment and refine our targets.



our strategy

our integrated strategy

our strategy: rethink hotel value proposition of citizenM

When we embarked on our quest to rethink the hotel industry, we did not stop at creating a great guest experience. Our unique and competitive value proposition is a first in the hotel industry, transforming every corner of the industry.

The value proposition of citizenM is based on the following principles:

investment

We invest in standardisation and proactive technical services, which leads to cost efficiency and a reduction of our environmental impacts. We create unique hotels by using standardised elements wherever possible and developing bespoke designs where they matter most. citizenM's rooms are 50% more space efficient versus traditional upscale rooms leading to a 33% higher room count.

Our experienced and proactive design and construction team works to ensure the highest quality, minimise costs, manage timelines and reduce risks when developing citizenM hotels.

citizenM limits our impact on the planet. We aspire to have BREEAM Excellent/LEED Gold green building accreditations for all of our new-build hotels. We achieve this by setting clear brand standards when building, including using the latest energy-

efficient technologies and systems. Such sustainable building practices are not only better for the planet, but they reduce operational energy and maintenance costs.

floor areas

Our focus is on comfortable, efficient design. We design for efficiency, provide the things our mobile citizens desire from a luxury hotel and take out what isn't needed.

revenues

In a stable market, we sell more than 90% of our rooms online at the best available rate. We've built a strong lifestyle brand with extensive social networks and are continuously investing in and improving direct channels, including the citizenM website and app and our memberships. New innovations are tested, and investments will continue being made to foster our growth.

operating cost

Centralised services in combination with multi-deployable staffing yield significantly higher profit margins. We keep a watchful eye on operational costs. Reservations, human resources, accounting and sales and marketing are all centralised to our support office(s).

investment
comparable to
midscale hotels

+

floor areas
comparable to
budget hotels

+

revenues
comparable to
upscale hotels

+

operating cost
comparable to
limited service
hotels

=

high profitability

per square meter
premium return on investment

our business model

Our unique operating model:

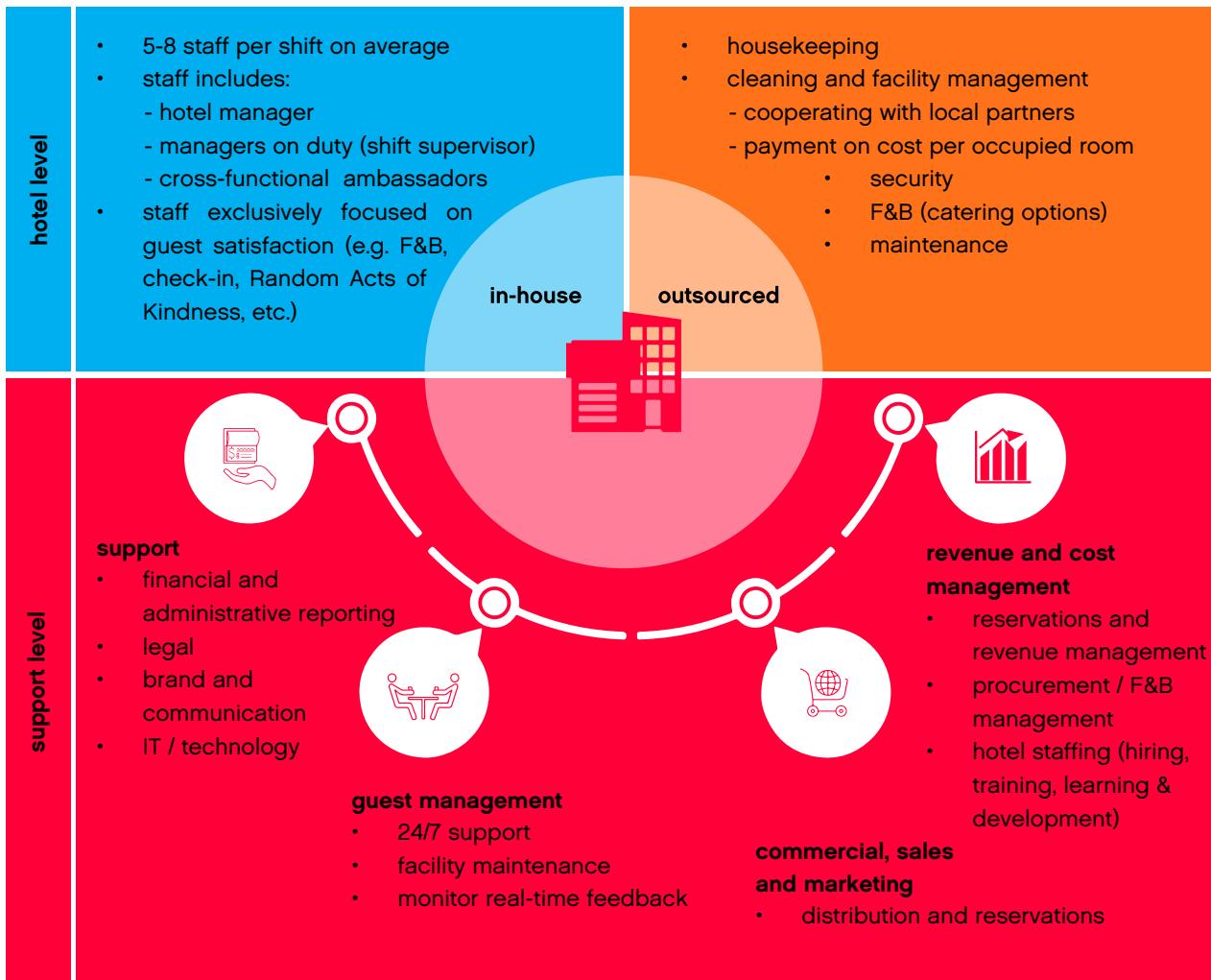
Centralised structure with a primary support office in Voorschoten, the Netherlands, and added support from local offices in Hong Kong, and New York City, USA.

Lean retail labour model, focussed on training hotel staff to be multi-functional and have value-added competencies. This includes:

- **outsourcing of non-strategic functions** (F&B, security, housekeeping, maintenance, etc.)
- **centralisation of back-office functions** (finance, HR, sales, etc.)

Tech-enabled platform, providing real-time customer insight and remote operational control.

Flexible and scalable platform to minimise overhead costs.

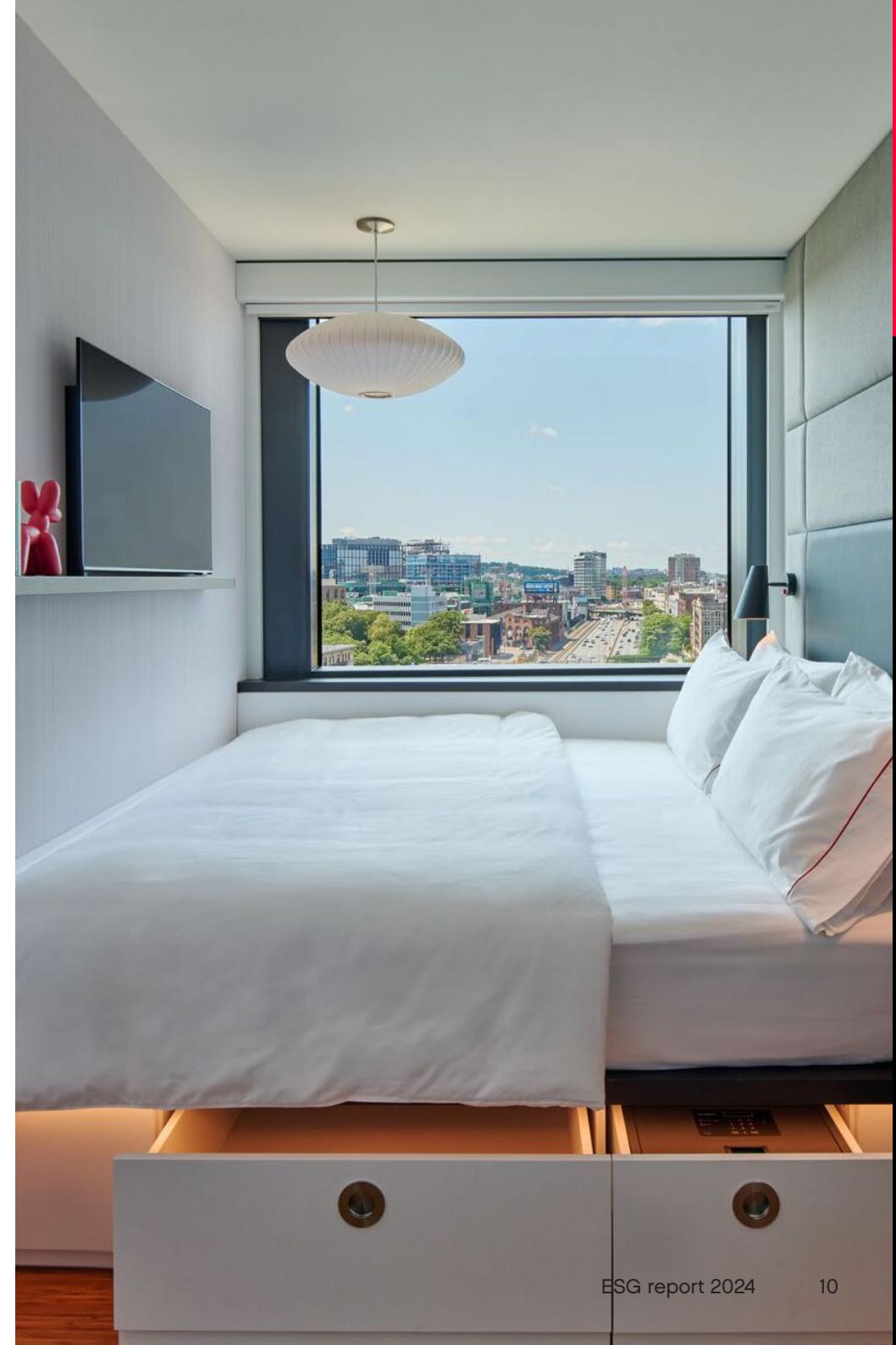


business model

and a strategy based on clear selection criteria

city selection criteria

presence of target audience	business connectivity, attractiveness for international business, attractiveness for creative industries and receptiveness to art
strong hotel market	market size and segmentation, topline performance, recession resilience, budget-luxury gap
qualification as metropolitan city	global standing, global connectivity, population growth
healthy real estate market	hotel transaction values, property market cycle, cap rate requirements, barriers to entry
availability of rollout opportunities	number of potential development opportunities relative to market potential (e.g. potential for multiple hotels in each city)
contribution of brand exposure	ability to enhance global brand awareness



our portfolio

operational portfolio

operational properties	country	rooms	opened
citizenM Schiphol Airport	NL	355	June 2008
citizenM Amsterdam South	NL	215	May 2009
citizenM Glasgow	UK	198	September 2010
citizenM London Bankside	UK	192	July 2012
citizenM Rotterdam*	NL	151	January 2014
citizenM New York Times Square	USA	230	April 2014
citizenM Paris Charles de Gaulle	FR	230	June 2014
citizenM Tower of London	UK	370	July 2016
citizenM London Shoreditch	UK	216	September 2016
citizenM Paris Le Defense	FR	175	June 2017
citizenM Paris Gare de Lyon	FR	338	August 2017
citizenM New York Bowery	USA	300	November 2018
citizenM Copenhagen Radhuspladsen*	DK	238	December 2018
citizenM Amstel Amsterdam	NL	88	July 2019
citizenM Zurich*	CH	160	August 2019
citizenM Boston North Station	USA	272	August 2019
citizenM Seattle South Lake	USA	264	May 2020
citizenM Geneva*	CH	144	July 2020
citizenM Washington DC Capitol	USA	252	September 2020
citizenM Los Angeles Downtown	USA	315	August 2021
citizenM Paris Champs-Elysees	FR	151	September 2021
citizenM San Francisco Union Square	USA	195	November 2021
citizenM Seattle Pioneer Square	USA	216	May 2022
citizenM London Victoria Station	UK	226	July 2022
citizenM Miami Brickell	USA	252	July 2022
citizenM Washington DC NoMa	USA	296	August 2022
citizenM Chicago Downtown	USA	280	September 2022
citizenM Miami Worldcenter	USA	351	January 2023
citizenM Paris Opera	FR	84	March 2023
citizenM Menlo Park	USA	240	November 2023
citizenM Rome Isola Tiberina	IT	162	December 2023
citizenM Austin Downtown	USA	344	January 2024
citizenM Boston Back Bay	USA	399	July 2024
citizenM Miami South Beach	USA	168	August 2024
total in operations	34	8,067	

*hotel properties leased by citizenM

**project on hold for now or development strategy to be reassessed

***hotel to be operated under a hotel management agreement

development portfolio

properties under development	country	rooms	opening
citizenM Dublin St. Patrick's	IR	245	Q2 2025
citizenM Washington Georgetown	USA	230	Q1 2026
citizenM London Olympia***	UK	146	Q3 2025
citizenM San Diego Gaslamp**	USA	301	n/a
citizenM Denver LoDo**	USA	278	n/a
citizenM London Soho	UK	216	n/a
citizenM San Francisco Soma**	USA	218	n/a
citizenM Los Angeles Hollywood**	USA	216	n/a
total under development	8	1,850	

hotel management agreement portfolio

properties under development	country	rooms	opened
citizenM Taipei North Gate	TW	267	August 2017
citizenM Kuala Lumpur Bukit Bintang	MY	210	May 2019
total under hotel management agreement	2	477	

our governance

board of directors

citizenM Holding B.V. has a one-tier Board of Directors (hereafter: Board), consisting of four executive directors and five non-executive directors (two of which are independent). The Board meets monthly; in-person meetings happen four times a year.

The Board and our leadership team are the highest governing bodies in overseeing due diligence and other processes. They identify and manage the organisation's impacts on the economy, environment and people. Additionally, our Investment Committee is integrated with our governance approach, with a focus on all capital investment decisions.

The executive directors of citizenM Holding B.V. are:

- Mr Klaas van Lookeren Campagne, Chief Executive Officer (CEO), who oversees overall strategy, corporate communications and business development (age: 55; Dutch nationality);
- Mr Hendrik Jan Roel, Chief Financial Officer (CFO), who manages finance and accounting, treasury, taxation, internal control, human resources and operations, as well as being responsible for operational aspects of the hotel portfolio (age: 59; Dutch nationality);
- Mr Jurriaan Nienaber, Chief Investment Officer(CIO),who manages financing(equity/ debt), investor relations and oversees

investments, including new acquisitions (age: 45; Dutch nationality); and

- Mr Lennert de Jong, Chief Commercial Officer(CCO) who is responsible for driving the commercial strategy and revenue growth and has various operational responsibilities (age: 46; Dutch nationality).

The non-executive directors of citizenM Holding B.V. are:

- Mr Rattan Chadha – KRC Representative and Chairman of the Board
- Mr Robert-Jan Foortse – APG Representative
- Mr Iain Cahoon – GIC Representative
- Mr Frits van Paasschen – Independent Director
- Mr Jaap Tonckens – Independent Director

The company's formal governance structure consists of two main decision bodies: the Board and the Investment Committee. The running of the business is governed by the Board through monthly calls and formal meetings, which are led by our CFO. All investment decisions (mainly new acquisitions, equity & debt) are governed by the Investment Committee which is led by the CIO.

diversity of the board of directors

We acknowledge that women are underrepresented on the Board of Directors of citizenM Holding B.V. and have been over the past years. We acknowledge this leaves room for improvement, particularly to achieve the goals.

regarding gender diversity prescribed in Dutch law. The achievement of these goals is reflected in our aspiration for diversity and inclusion. More information on our gender balance strategy can be found on page 57.

In-depth ESG risk governance can be found on page 31 and climate risk governance can be found on page 82 of the report.

management structure

Our operating model comprises four domains – building, business, hotel and shared services – to meet the needs of our stakeholders and comply with laws and regulations. The responsibilities of each domain include:

- **building:** optimising sustainable growth with eco-conscious building practices;
- **hotel:** delivering seamless, sustainable guest experiences;
- **shared services:** scaling support services, ensuring sustainability;
- **business:** ensuring all digital platforms prioritise accessibility and sustainability.

During monthly business reviews, we measure the business' performance and revise tactical strategy with a subset of SC members individually.



materiality

double materiality

As responsible citizens, our actions have an impact on stakeholders and society. To reduce these impacts, we prioritise key ESG elements in our business operations and decision making.

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

our assessment

We made a comprehensive review of citizenM's ESG impacts to identify our largest material topics. While reviewing a wide range of sources, we developed an initial list of 20 potential material topics. The list covers internal strategic documents and external sources, such as industry peers' sustainability disclosures; ESG ratings and standards; EU taxonomy frameworks; and international standards, like Sustainability Accounting Standards Board (SASB), MSCI, Principles for

Responsible Investing (PRI), Global Real Estate Sustainability Benchmark (GRESB), Corporate Sustainability Reporting Directive (CSRD) and Task Force on Climate-Related Financial Disclosures (TCFD).

We consulted key stakeholders (see page 15) who helped identify areas of high priority and great impact.

stakeholder engagement and research

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

To assess the impact and financial materiality of each topic, we held a workshop with top management and senior leaders of the company. We evaluated the potential financial effects and the likelihood of risks and opportunities from an 'outside-in' perspective. We also assessed the company's (actual or potential) positive or negative impacts

on people and the environment. The assessment considered the scale, scope and irremediable character of those impacts from an 'inside-out' perspective.

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

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

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

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

You will find a list of material topics and the Double Materiality matrix in the ESG section of this report.

We used the information gathered by our stakeholders to bring together our double materiality matrix – these material areas are directly connected to our value chain activities seen on page 16.

stakeholders

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

guests and corporate clients

employees

shareholders

financial institutions

suppliers

governments

regulators

industry associations and bodies

non-governmental organisations

academic institutions

local communities

how we engage with our stakeholders

At citizenM, the feedback we receive from stakeholders is invaluable. Two-way dialogue is woven into our strategies, helping us take better-informed decisions and improve our operations. This open loop of communication not only aids in aligning our objectives with stakeholder expectations, but also fosters a shared journey of continuous improvement, growth and value creation. Below are some examples of our engagement actions:

guest & corporate clients

- post-stay surveys
- customised engagement initiatives
- membership engagement
- citizenConnect (customer service)

employees

- 1:1 guidance and performance reviews
- training and development
- employee surveys twice per year
- diversity committee sessions
- ESG training and engagement
- speak up platform

shareholders and financial institutions

- monthly meetings
- quarterly updates
- performance updates

responsible procurement principles

- EcoVadis assessments
- progress and corrective action meetings
- contract reviews

government & regulators

- city and state standards
- regulations reviews
- compliance with legal and regulatory requirements

industry bodies & associations

- membership and participation in relevant industry associations
- collaboration on industry standards and best practices

non-governmental organisations

- partnerships centred on shortening the distance between people and opportunities
- disaster response via preferred humanitarian relief organisations

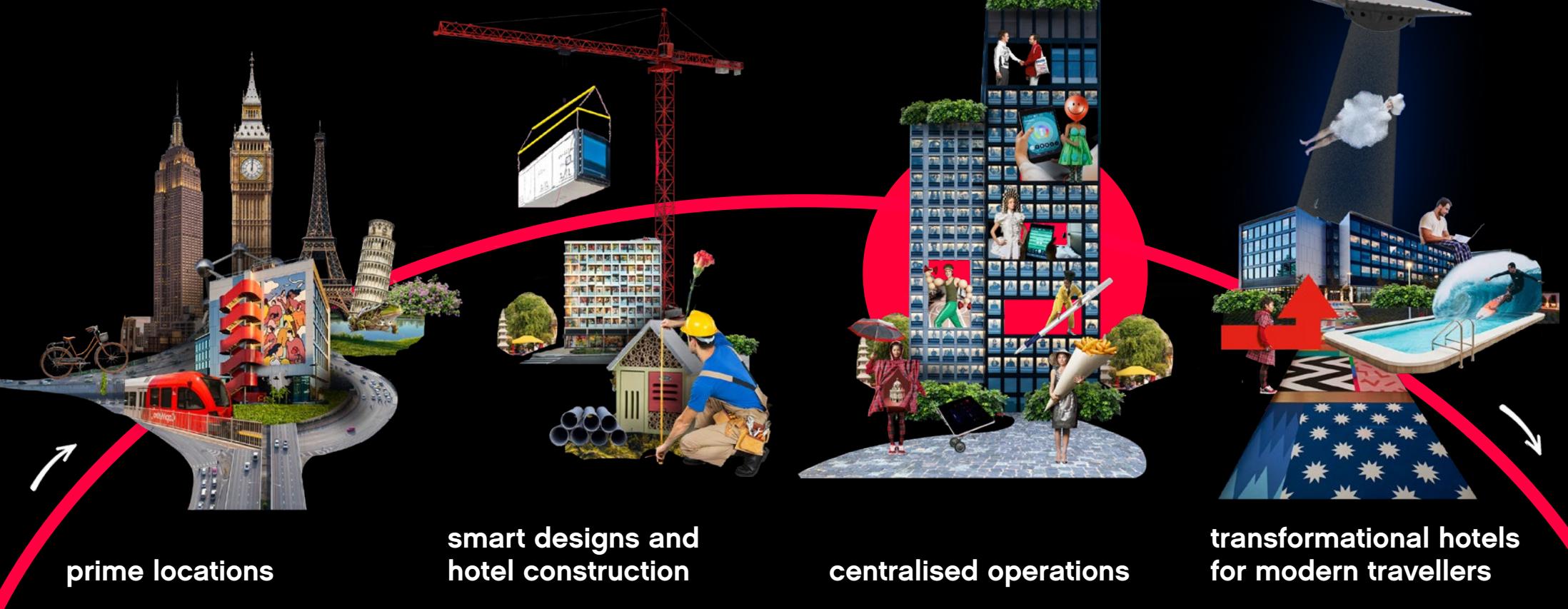
academic institutions

- collaborations on research and development projects
- internships to support educational objectives

local communities

- employee casting days
- local artist collaborations
- membership events
- local suppliers

value chain



Our site selection strategy focusses on acquiring well-connected sites in major cities where people want to be. We have a long-term investment horizon with an eye for sustainable and climate-resilient investments. This approach guarantees our investments are aligned with our vision for a resilient future.

Our standardised construction methods reduce cost, waste and development time. Our smart and intelligent building designs result in lower energy emissions and more efficient energy and water usage during operation.

Through a centralised business model, we give guests a consistent lifestyle hotel experience with genuine personal touch. Our tech-based operations help us deliver the best possible service to our guests, and a consistently excellent experience no matter which hotel they visit.

Our guest experience is designed around travellers who value a luxury hotel experience in central city locations, but at an affordable price. We are a hybrid hotel that isn't just a place to get the best sleep ever, but somewhere to work, relax and play. We bring peace of mind to the conscious traveller and we strive to help our guests feel at home the moment they walk through our doors.

our value chain

We are a fully integrated real estate company as well as a design and project management company, and hotel operator.

Our unique and competitive value proposition is a first in the hotel industry, transforming every corner of our business with high profitability and premium returns. As leaders in the smart luxury lifestyle segment, we're curating a worldwide collection of citizenM hotels in bustling urban hubs and near major airports.

connecting the dots

Our commitment to ESG is embedded throughout our value chain. This year, together with our double materiality approach (page 14), we evaluated our value chain through the lens of ESG. We linked our strategy, values, and priorities to key ESG topics, risks, KPIs, and targets to create a value chain snapshot.

This simply visualises our value chain and how our ESG material topics are integrated in our activities, as well as how our actions contribute to the planet and society.

We defined the scope and boundary of our ESG factors by conducting a double materiality assessment. Through the provision of quantitative indicators and qualitative insights into our management approach, we prioritise transparency and accountability.

identifying citizenM's value chain

Our value chain includes picking the site, designing, and developing the hotel from the ground up; running the hotels; and ensuring guests have a great experience. Each part of the chain incorporates ESG initiatives and actions, aligning with both our sustainability objectives and financial stability.

scope

Our value chain and double materiality scope covers all site selections, development phases, operational hotels, employees, guests as well as tier one of our supply chain.

analysing for better ESG integration

Examining our value chain helps us make ESG values a part of it. This way, we track, improve, and share financial and non-financial information, boosting our sustainability efforts and financial health. It helps us show how we create value from site development to hotel operations.

tracking our progress (KPIs)

We created key performance indicators (KPIs) for our material ESG topics to measure how we're doing with environmental, social, and employee matters. This approach means we are continually challenging ourselves to improve. We're bringing our ESG strategy to life across our value chain. Third-party assurance is in place on key indicators to ensure data accuracy through

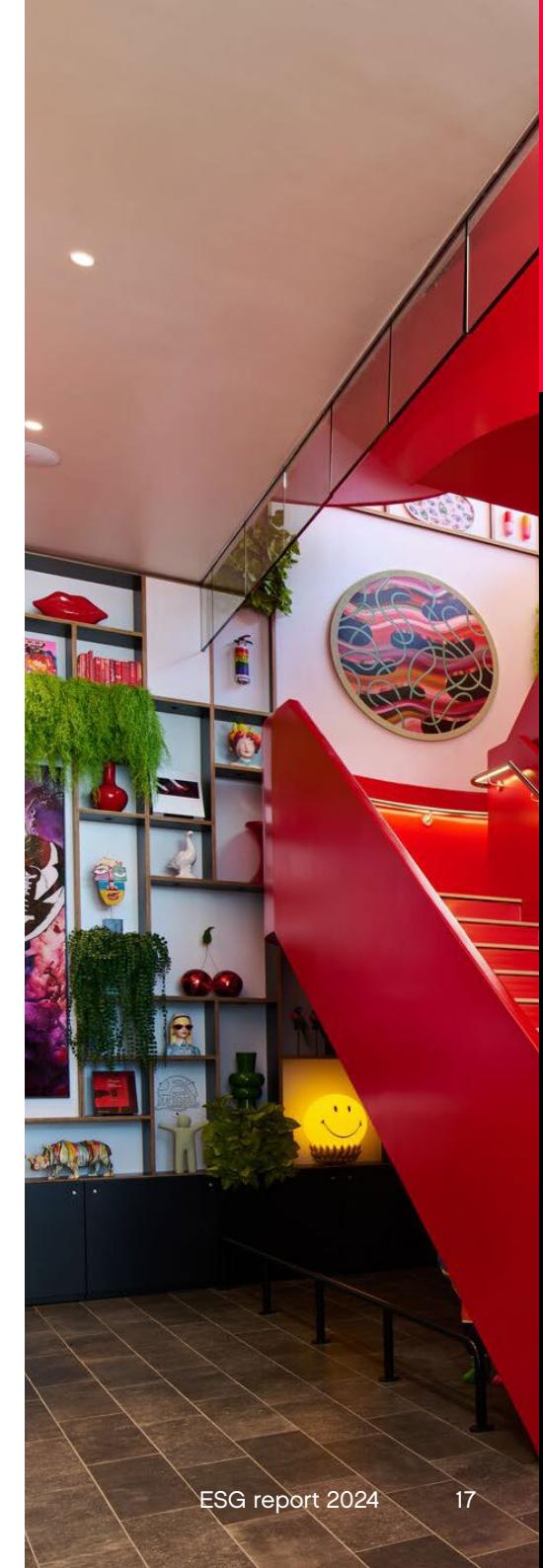
external verification. We also align with real estate industry KPIs (outlined in IFRS S1&S2) to enable us to compare our actions to our peers. This helps us identify performance trends.

integrated risk management

At citizenM, we look at all risks together, including those from ESG factors. This helps us spot, understand, and handle risks better across our value chain. By including ESG risks in our overall risk check, we can see challenges coming and deal with them, making our operations stronger and more sustainable. This way of managing risks also helps us make better decisions, working towards our ESG and financial targets together.

governance and board oversight

As you will see in our ESG governance section (page 31), citizenM's governance keeps a close eye on ESG matters throughout the value chain. The Board is involved in checking our ESG plans, making sure they fit well with our overall business goals. The Board looks at and approves our ESG actions and goals, and monitors how we're doing, ensuring we're on the right track from the top down. With strong governance and active Board oversight, we build a culture of responsibility and openness, making sure ESG matters are considered in key business decisions and actions.



our value chain



from value chain to action

Linking value chain analysis to our double materiality approach bolsters our 5-pillar ESG approach (page 36). This is the core of our plans to lessen negative impacts and boost positive ones. These pillars help our teams focus on major ESG areas. Following our company's guidance and assessing double materiality, we tackle crucial ESG issues while improving our services, financial performance, and positive impact on everyone involved.

The 5-pillar ESG approach shows our comprehensive strategy. It requires every stage, from site choice to hotel operations, adhere to our ESG commitments. This planned approach not only elevates our ESG performance, but also strengthens our resilience and advantage in the evolving sustainability landscape.

talking with stakeholders and looking ahead

We talk with stakeholders and use their feedback to improve our ESG strategies. We also share our ESG goals and how they build long-term value, aligning with wider sustainability aims and meeting legal requirements.

highlights

100% green
electricity contracts

happiness score
of 81 on employee
survey

4.8 million EUR
donated since
inception to
citizenMovement

2,165,579
room nights

membership
growth +68%

A ratings ESG
recognition online
travel agencies

5-star GRESB rating
4th year running

100% of hotels achieved
green building
certification

3 new hotels
in 2024

ESG performance summary

conscious traveller

targets		about our performance in 2024
ESG survey for guests and corporate bookers every 2 years from 2024	●	In FY24, we conducted our Conscious Traveller Survey, which provided us with meaningful insights and expectations from our guests.

intelligent and sustainable buildings

targets		about our performance in 2024
100% of hotels will be green building certified by 2024 (*in use and/or in construction BREEAM/LEED certified)	●	In FY24, we reassessed 6 hotels using BREEAM In-Use updated standards and assessed 9 new opened hotels for the first time with BREEAM In-Use. All the newly developed hotels completed in 2024 are aligned with new green building construction certifications.
100% of hotels to receive physical climate-related risk assessments year on year	●	FY24, we achieved this goal by assessing 44 hotels, which includes 34 operating hotels, our in-development portfolio, and pipeline sites. Each hotel has been assigned a climate-related risk score and a financial value-at-risk assessment over time using a climate scenario planning tool.

doing the right thing for our people

targets		about our performance in 2024
Achieve a score of 80 and above for our happiness score in our employee survey year-on-year	●	In FY24, we conducted two employee surveys and achieved an average score of 80.
Increase the % of senior leader positions held by women (support offices) 40% in 2024	●	In FY24, we increased our ratio to 32.4%.
Human trafficking training for hotel employees complete (within 2 months of joining citizenM) year-end 2024	●	In FY24, we continued to update our human trafficking training module and made it available on our e-learning platform.
Over 90% of employees trained on the basics of ESG (within 6 months of joining citizenM) year-end 2024	●	In FY24, we rolled out mandatory ESG training for all employees, driving collective action. To date, 75% of employees have participated in the training.



growing and operating sustainably

targets		about our performance in 2024
Reduce energy use intensity by 35% by 2030	🟡	In FY24, we further refined our data collection process and created a regulations tracker for cities and states. We actioned thirteen energy audits, reduced our energy use intensity per square meter by 1.75% and energy use intensity per occupied room by 1.61%. We have also achieved effective reductions in energy consumption in our Amsterdam hotels as a result of energy efficiency improvements.
Net-zero in operation (scope 1 and 2 absolute GHG emissions) by 2040	🟡	In FY24, we conducted further decarbonisation and transition risk analyses to link financial impacts. Additionally, all citizenM hotels were powered by electricity from procured renewable sources in 2024, contributing to a 48.47% reduction in market-based emissions.
Scope 3 emissions identified and reduction target set by 2025	🟡	In FY24, we continued to tackle scope 3 emissions with two key strategies: first, by categorising and focusing on high-emission hotspots in the value chain; and second, by identifying relevant scope 3 data sources and testing various platforms for effective long-term emissions tracking. This dual approach will enable us to target reduction efforts and ensures ongoing meaningful management of our carbon footprint. Our scope 3 reduction target setting has now been moved back and will be set in 2025.
Reduce water use intensity by 20% by 2030	🟡	In FY24, in addition to our existing low-flow hand-washing taps, we identified new shower fixtures to further align with EU taxonomy requirements on water efficiency for new hotels. The water intensity per occupied room reduced by 2.89%.
Achieve over 90% waste diversion from landfill year-on-year	🟢	In FY24, we achieved our waste diversion goal and continued to improve our waste data collection and diverted 93.7% of our waste from landfill. We continue to challenge US waste companies to provide higher levels of waste services and data transparency.

making positive movements in our society

targets		about our performance in 2024
Donate 3.5 million EUR to projects that shorten the distance between people and opportunities by 2024	🟢	We achieved our target and exceeded it, donating 4.3 million since 2018, impacting over 85,245 people.
Increase the % of employees engaged in local and skills-based volunteering opportunities	🟡	In FY24, we continued to lay the foundation of our volunteer program.

governance benchmarking and targets

targets		about our performance in 2024
Maintain 5-star GRESB rating for operational scorecard	🟢	In FY24, we maintained our 5-star rating for the fourth consecutive year. We improved our score by a further two points.
Create an integrated and ESG report adopting IFRS Sustainability Disclosure Standards	🟢	In FY24, we voluntarily combined Finance and ESG reporting using ISSB standards. We report on the majority of the selected IFRS S1 and IFRS S2 reporting disclosure requirements. We are taking small steps on our ESG reporting journey, and we have further work to do.

missed ⚡ | on track 🟡 | achieved 🟢

risk management

A business must take calculated risks to create value. Risks are the consequences of uncertainties about the achievement of objectives. Uncertainties arise from complete or partial lack of information, insight or knowledge about an event, its consequences, or the probability that such an event occurs. A risk assessment describes the risks that could jeopardize the achievement of strategic objectives or continuity.

our risks

citizenM is exposed to a variety of risks, which fall into five categories:

- **strategic:** risks that affect citizenM's strategic ambitions, including economic and political consistency.
- **operational:** uncertainties or failure of activities carried out within citizenM arising from structure, systems, people, products, (internal) processes or external events.
- **financial:** risks related to treasury (including finance, market and credit risk), accounting, financial reporting and fraud.
- **compliance:** risks arising from failure to comply with laws and regulations, including internal standards and policies.
- **ESG:** developments, trends and events related to environmental, social and governance matters, including both physical and transition risks related to climate change and the impact of ESG societal expectations on our strategy and performance.

how we manage risks

citizenM's board of directors has collective responsibility for overseeing the management of impacts, including climate-related risks and opportunities. citizenM controls strategic, operational, financial, compliance and ESG risks by carefully weighing risks and returns. Effective risk management is embedded in citizenM's daily operations. Our Risk Committee, which brings together several risk disciplines, discusses on a quarterly basis the risk management overview and determines required actions.

We implemented Risk & Control team in our Finance organization. The team delivers insights in processes, guarantees that checks and balances for high-end quality financial reporting are performed, and assists in maintaining a sound control environment. Our policies, protocols and procedures help us make sure that we do the right things. Awareness trainings help in maintaining a sound control environment. If there are concerns, employees can raise concerns via our Speak Up platform.

The Operational Compliance team oversees our citizenSAFE program. Through this program we strive to prevent incidents, injuries, and illnesses. We believe that a proactive, risk-based approach to health and safety is fundamental to delivering exceptional hospitality experiences. Together, we work towards training, tracking and maintaining a secure and welcoming atmosphere for all.

Our ESG task force drives ESG within the citizenM organization, such as ESG risk assessments.

For compliance management citizenM has a legal function, which performs some of the compliance activities in the legal environment (e.g. Anti-Bribery and Corruption, privacy). Other (local) compliance is handled by the finance & accounting team, operations, HR, and a reliable network of local advisors in the respective jurisdictions.

enterprise risk management

Our yearly Enterprise Risk Management (ERM) assessment is designed to identify, assess, and take action on risks and opportunities in line with our business objectives. Our methodology includes identifying risk drivers, and adding mitigation strategies. We have defined a five-point scale that is used to determine likelihood and impact. The mitigation is considered when scoring a risk. For the impact assessment, several aspects were considered such as financial, operational, reputational, people and environmental.

The outcomes of our ERM assessment and ESG materiality assessment serve as inputs to our annual strategy.

risk appetite

Factors that determine citizenM's risk appetite include the geographical spread of its business, the robustness of its balance sheet, strength of cash flows, and a commitment to conservative financial management. citizenM's risk appetite varies per objective and risk category.



risk management

Our risk categories and risk appetite:

strategic risks

Taking strategic risks is an inherent part of how citizenM conducts its business. In pursuing growth as a strategic ambition, citizenM is prepared to take risks in a responsible way, taking account of our stakeholders' interests.

operational risks

Depending on the type of operational risk, citizenM takes a cautious to adverse approach. citizenM gives the highest priority to ensuring the safety of our employees and guests, delivering the highest level of service, and protecting citizenM's reputation.

financial risks

citizenM pursues a conservative financial strategy regarding the exposure to potential financial loss and uncertainty about the future related to treasury (including finance, market and credit risk), accounting, financial reporting and fraud.

compliance

citizenM is averse to the risk of non-compliance with relevant laws or regulations, or non-compliance with our own codes, contractual agreements, and covenants.

ESG

ESG risks concern developments, trends and events related to environmental, social and governance matters, including both physical and transition risks related to climate change and the impact of ESG societal expectations on our strategy and performance. We want to influence positive change in a world where we are simply guests.



ERM risk profile

Our yearly Enterprise Risk Management (ERM) assessment is designed to identify, assess, and take action on risks and opportunities in line with our business objectives. The risks have been categorised by their relationship to strategic, operational, financial, compliance or ESG.

We differentiate our risks by the severity of the net risk to the organisation. The severity - classified as high-, medium- or low- is based on our assessment of the likelihood of the risk occurring, the potential financial and/or reputational impact, and the relevant mitigating actions we have in place.

It is important to note that these classifications and how they are assigned to each risk are subjective in nature and may change over time. The actual materialisation and impact of a risk may differ from what is disclosed here.

The overview of risks should be read carefully when evaluating citizenM's business. These risks are not the only risks that citizenM faces that may or may not actually materialise and/or have a material adverse effect on citizenM's financial position, reputation, results of operations and liquidity.

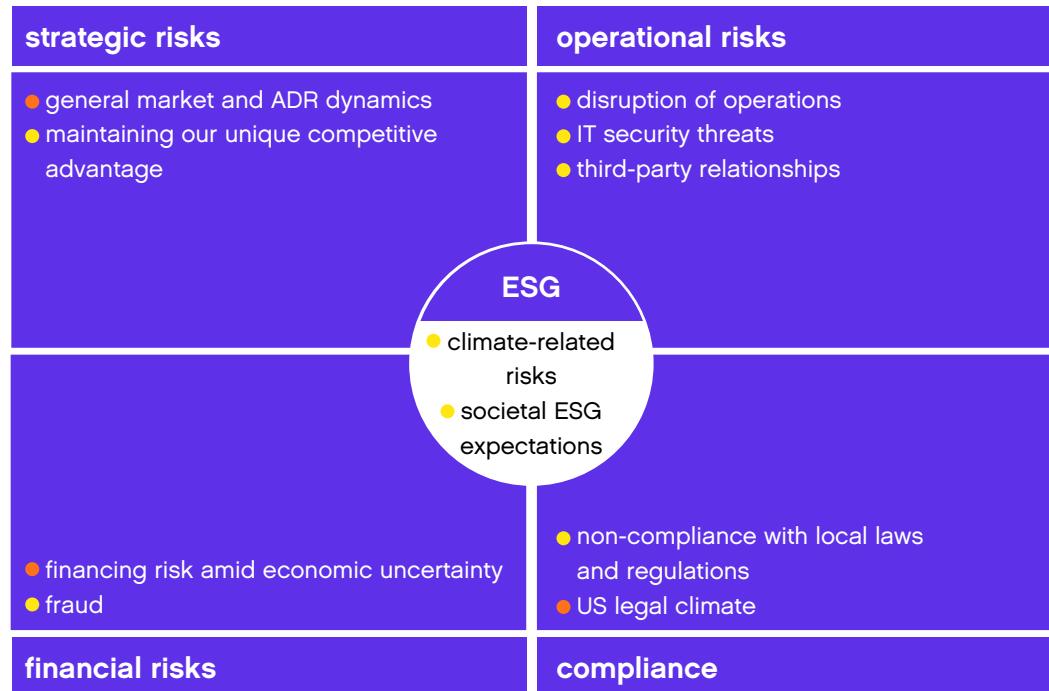
changes from 2023 assessment

citizenM is committed to strengthening and optimizing its existing portfolio while maintaining a forward-thinking approach and fostering a strong organizational culture. In alignment with this strategy, risks associated with feasible development projects are no longer applicable and have been removed from our risk profile. Similarly, with the planned opening of two new sites in 2025, the risk related to meeting construction lead times has been eliminated.

Additionally, the risk of accessing equity for growth has been re-evaluated and is now incorporated into the financial risks section.

A detailed description of the risks and actions taken to manage these risks is included in the section of risks and opportunities.

our ERM risk profile:



The assessment of the potential net risk severity and change in risk trend categorisations are defined as follows:

- **High:** Strong impact on performance and/or brand impact and/or monetary loss greater than EUR 10 million.
- **Medium:** Reduced performance, long-term brand impact and/or loss less than EUR 10 million.

risks and opportunities

strategic risks

general market and ADR dynamics		maintaining our unique competitive advantage	
severity	time horizon	severity	time horizon
Our general market and ADR dynamics are influenced by: <ul style="list-style-type: none"> Market conditions not meeting expectations (for example, irrational and unexpected yielding tactics from competitive hotels, environmental developments and impact of world incidents on travel markets or shifting consumer preferences); technology disruptions that influence the performance of our hotels (for instance website performance). 		<p>The pace of innovation and competition in the hospitality industry accelerates.</p> <p>Failing to invest in our people, our assets, and our (guest-centric) products might compromise our affordable luxury promise. This may result in a lack of relevance in the market, and ultimately affect revenue.</p>	
● <1 year and 1-3 years	● 1-3 years	● 1-3 years	● 1-3 years
how we manage this risk		how we manage this risk	
<p>Our approach to managing market and ADR dynamics is supported by a comprehensive set of strategies. With our affordable luxury strategy and our strategy to minimise our environmental impact and maximise our social impact, we distinguish ourselves from traditional hotel brands. Most of our hotels are at triple-A locations, and we operate on three continents. We actively monitor and follow up our customer satisfaction scores. We have a membership program that helps us to create a base with a diversified customer mix (B2B vs B2C) using a variety of channels.</p> <p>Our demand team evaluates daily market conditions and anticipates on market and seasonal trends. Our robust budget process makes sure a solid budget is in place and with the Latest Estimate process can adapt to economic fluctuations.</p>		<p>We distinguish ourselves by not being a traditional hotel – we are a hotel that values a luxury hotel experience in central city locations but at an affordable price. As owner and operator, we are in the unique position to take action on investments in our portfolio. Our portfolio of hotels is fairly new and built with the most recent standards.</p> <p>We invest in our membership programs and make room improvements, such as upgrading rooms with headboards, art and additional pillows. We can keep our affordable luxury offering with our balanced multi-year maintenance plan.</p> <p>Our hotel staff play an important role in our hotels. We hire them based on their personalities, and as a result have amazing teams in every hotel. We invest in staff retention and empower leaders and the organisation to build, boost, and sustain high-performing teams with a focus on creating value. To improve hotel efficiency and guest service, we invest our MAMBA app. The app enables employees to handle guest needs on the move. It reduces friction, streamlines operations and improves the guest's experience.</p>	



operational risks		
disruption of operations	IT security threats	third-party relationships
<p>Incidents can cause personal injuries or disruption of hotel operations. This can result in an adverse impact on commercial operations, revenues, guest perception and reputation.</p> <p>Incidents can be caused by:</p> <ul style="list-style-type: none"> • natural disasters; • building or equipment failures; • accidents and tech/security issues; • terrorism acts; • health & safety risk and compromised F&B service; • supply issues/disruption from a vendor, leading to disruption in hotel operations. 	<p>Information security threats such as ransomware may result in data encryption, data loss and financial extortion. This risk can be caused/exacerbated by:</p> <ul style="list-style-type: none"> • ineffective control over egress of sensitive data; • ineffective protection and maintenance of assets; • ineffective management of third parties; • ineffective incident detection, response and recovery. 	<p>We use third parties to provide a range of goods and services. Examples include housekeeping, F&B services, IT, modular construction, payroll administration, and joint venture partners for our Asia hotels.</p> <p>Failures in the processes, systems, insolvencies, people or other external factors at these third parties can influence the performance of citizenM or damage our brand reputation.</p>
severity ● <1 year	severity ● <1 year	severity ● 1-3 years
how we manage this risk <p>We assess risks from natural hazards when evaluating new hotel locations and build mitigation factors into the design of exposed locations. Insurance helps us to partially transfer the pure financial impact of natural hazards. We keep our buildings in good shape with our balanced multi-year maintenance plan.</p> <p>Our goal is for guests to feel safe from the moment they walk through the door; for this, we have implemented safety measures. As part of our citizenSAFE program, we have safety policies in place for areas such as food/drink, fire safety and first aid. All ambassadors and managers receive training in these areas.</p> <p>In the event of an incident, the Connect team is available to provide dedicated support to our hotel teams. Our incident management program is designed to resolve issues swiftly while implementing measures to prevent future occurrences.</p>	how we manage this risk <p>Technology is a crucial foundation of citizenM's guest journey. We maintain a comprehensive overview of our systems, most of which include robust audit capabilities.</p> <p>Our security framework is anchored by an established Information Security Policy, offering clear guidance on protecting sensitive data and maintaining system integrity. This policy serves as the foundation for a suite of security measures, including monitoring mechanisms to detect and prevent the exfiltration of large volumes of data, advanced anti-malware and phishing prevention solutions, and endpoint detection and response (EDR) systems. We work closely with third-party providers, requiring them to incorporate redundancy in their solutions to ensure continuous service availability.</p> <p>Additionally, we have implemented a detailed incident response policy and guide to ensure incidents are managed efficiently, minimizing disruptions and enabling rapid recovery. Financial risks are proactively mitigated through comprehensive insurance coverage.</p>	how we manage this risk <p>We manage third parties through service level agreements and performance contracts. For all new suppliers, we perform a risk assessment to ensure that they comply with our requirements. We diversify our sourcing and have monthly governance meetings for our key suppliers.</p>

financial risks	
financing risk amid economic uncertainty	
In our asset-heavy portfolio, prevailing economic conditions - particularly inflationary pressures - may lead to increased borrowing costs. As interest rates rise, interest expenses are likely to increase, which could erode profitability, compress cash flow, and reduce overall financial flexibility. Additionally, higher interest rates may make refinancing more expensive or difficult, potentially hindering our ability to secure favorable terms for debt renewal or new financing.	<p>fraud</p> <p>We may incur financial loss or reputational damage from individuals acting with dishonesty or deception to obtain undue benefits, avoid obligations, cause loss to another party, steal money, or misrepresent the financial position or affairs of the business.</p> <p>Factors that influence this behavior are:</p> <ul style="list-style-type: none"> poor commitment to control, limited oversight, mismatch growth and systems development, insufficient segregation of duties and internal control framework; cultural risks and lack of strong values and unclear/lack of policies; management style; complex structures.
severity ● <1 year and 1-3 years	severity ● <1 year and 1-3 years
how we manage this risk We use financial strategies to manage interest rate risks. These include using interest rate swaps or caps to secure fixed rates and/or shield against rate increases, maintaining a diversified debt structure, and actively evaluating opportunities to refinance or extend debt to lock in favorable terms.	<p>how we manage this risk</p> <p>Theft and carelessness have a direct effect on our profitability. We promote our unique culture, human-oriented company values of genuine touch and real caring, and doing the right things via our tone at the top and our citizenM rules. Our policies, protocols and procedures help us make sure that we do the right things. Employees can raise concerns via our Speak Up platform.</p> <p>We oversee our financials with centralised financial business operations, where we manage the ERP system centrally. We have established a risk committee that oversees our risk management activities, and created awareness in the organisation for the function of internal control and the citizenM control framework.</p> <p>In our purchase-to-pay process, we work with an authorisation matrix and use 4-eye principles when purchasing. The collections process is streamlined in our order-to-cash process. Finally, we have insurance to cover for cybersecurity and fraud to partially transfer the financial risk.</p>



compliance risks				ESG risks			
non-compliance with local laws and regulations		US legal climate		climate-related risk		societal esg expectations	
<p>Non-compliance with local laws and regulations can cause fines or damage to the brand reputation of citizenM. Compliance with laws and regulations is required in a variety of areas of compliance, including construction, ESG, HR and labour, health, and safety.</p> <p>citizenM is active in various jurisdictions, but operates from a centralised model in the Netherlands.</p>		<p>The US has a legal climate characterised by substantially more litigation than other jurisdictions in which citizenM operates. The financial performance of citizenM may be impacted by (potential) lawsuits and legal issues in the US. Specific US-litigation concerns consist of:</p> <ul style="list-style-type: none"> • claims stemming from contractual issues in construction projects; • EPLI claims from current/former employees (discrimination, harassment, etc.); • personal injury claims/lawsuits from hotel guests or other third parties, and American Disabilities Act claims. 		<p>Climate-related risk includes both physical and transitional risks. More frequent physical and extreme weather events, such as high temperatures, droughts, floods and forest fires, may negatively impact our operational infrastructure and supply chain.</p> <p>Regulatory actions to mitigate and/or adapt to climate transition risks – such as the introduction of carbon taxes, energy caps, material consumption/declaration restraints, land use regulations, transportation regulations or other restrictions on GHGs – may negatively affect our business through higher costs or operational restrictions.</p>		<p>We strive for long-term value creation for our shareholders by building and operating greener hotels and doing the right thing for our people and planet. If we do not meet our ESG objectives or are able to comply with ESG regulations, we may lose support from our customers, which will impact sales. Our investors will no longer support us because of reduced asset values, or we might face fines. Future assets may additionally be valued based on climate risk, including physical and transition risks to low carbon economy.</p>	
severity	time horizon	severity	time horizon	severity	time horizon	severity	time horizon
●	<1 year	●	<1 year and 1-3 years	●	<1 year and >3 years	●	1-3 years
how we manage this risk		how we manage this risk		how we manage this risk		how we manage this risk	
<p>citizenM wants to do right things for its guests, employees, business partners and the planet. Behaving appropriately and ethically in all our dealings and under all circumstances is an essential part of this.</p> <p>To ensure compliance with local laws and regulations per jurisdiction, laws and regulations are assessed at the start of a hotel development project and updated on an annual basis. The Operational Compliance team oversees our citizenSAFE program.</p> <p>In addition, we require compliance with laws and regulations from our contract partners. HR compliance partners are onboarded for HR-specific matters.</p>		<p>Managing this risk starts in the contracting phase. We include favorable contract terms/negotiation to limit claims. Our improved contract management process enables us to respond quickly to alleged claims. If required, experienced outside counsels defend citizenM.</p> <p>We train our employees to ensure compliance with internal operating procedures and citizenM rules. On the employee side we look after our employee demands. We want to remain an employer of choice with a competitive compensation package. We conduct regular staff assessments, provide management leadership training and invest in employee satisfaction and culture initiatives.</p>		<p>Sustainability is in our minds from the moment we pick a building or conversion site. We require all our new-build hotels to achieve at least BREEAM-NC Excellent (or ideally Outstanding) accreditation, or LEED-BD+C Gold (or ideally Platinum) rating. We assess the environmental impact of each hotel. And CRREM helps us to map transition risks to decarbonisation. Actions to address the risks related to the transition to a lower-carbon economy and related to the physical impacts of climate change are outlined in detail within the climate related risk section of this report. We have a roadmap to ensure that we are aligned with future reporting requirements. We refer to our sustainability section for further information on material ESG topics.</p>		<p>ESG in an integral part of our DNA. It is a pillar in our strategy and is integrated in our external reporting. Our ESG task force drives ESG within the citizenM organization, e.g. with ESG risk assessments. We are committed to maintaining our position as a frontrunner on sustainability and ESG. We are proud that we have green building certifications in place for 100% of our hotels.</p> <p>As part of our integrated approach, we performed a double materiality assessment and are ready for scope 2 reporting. We developed targets and KPIs to measure our performance and ensure actions are being taken to address the most pertinent societal expectations. We embedded ESG in our financing strategy, for example, with sustainability-linked loans.</p>	

environmental, social and governance

introduction

In this ESG report we take steps to align with IFRS Sustainability Disclosure Standard. This section is divided into four key areas:

ESG governance

Here we outline the processes and controls in place to monitor and manage sustainability-related risks and opportunities.

strategy and action

This part explains our double materiality, strategic pillars, and actions from the reporting year. It outlines our approach and actions to managing sustainability-related risks and opportunities from our material topics.

risk management

During our value chain analysis and double materiality process we identified prioritised general sustainability-related risks and opportunities.

metrics and targets

We then look at our performance and progress towards sustainability-related targets, whether set internally or required by law.



esg governance

introduction

citizenM's governance structure requires sustainable management of environmental, social, and governance (ESG) material topics and climate-related risks within our operations and strategic initiatives.

Here is an overview of how various bodies in the company oversee sustainability, social and climate-related risk, as well as how we integrate and track our adherence to our policies and goals.

board of directors

The Board consists of four executives and five non-executive members. The Board meets monthly.

climate action oversight

The Board oversees climate-related risks and opportunities, with an annual review of material ESG topics, ensuring informed, climate-conscious decision making.

building investment committee

ESG decisions are included in major transactions through our Hotel Project Management Plan (HPMP), ensuring sustainable investments. The committee is focused on sustainable capital investment decisions, integrating financial stewardship with our ESG goals and risks.

strategic council and senior leadership

Regular ESG updates are provided via our monthly business review meetings, strategic council and tactical table meetings.

ESG goals are embedded in key senior leaders' personal goals, with a direct impact on remuneration dependent on company and personal targets.

Our ESG governance approach ensures that our sustainability goals are not only established at a strategic level but also practically implemented through departments and tactical tables, underpinned by our ESG team and transparent stakeholder communication.

tactical tables

citizenM has four domains; ESG is an enterprise-wide theme and ESG topics are part of each from our building table to our central services table. Senior leaders and the ESG team are represented at each tactical table spearhead ESG projects and supports and drives key business topics and programs.

ESG team

The ESG team sets the wider ESG strategy, leads key projects to achieve goals, liaises between leadership and operations, and ensures transparent communication of our ESG initiatives to all stakeholders.

The ESG team stays aligned and informed on key risks, regulations, emerging trends and stakeholder priorities.

internal controls

Through our monthly finance meetings, internal quarterly data checks and our Big Room Planning process, we monitor the delivery and progress of our big goals. These planning events and controls enable us to prioritise goals that require more attention and celebrate goals that we achieved.

remuneration policy for the executive directors

Our remuneration principles for the Executive Directors aim to remunerate Executive Directors at competitive levels and include a strong performance-related component.

citizenM aims to ensure competitive compensation and benefit packages that best promote and support our strategy. The remuneration package for the Executive Board consists of the following components: annual gross base salary including holiday allowance, pension benefits, social security contributions and other benefits.

There is a variable remuneration part, which includes both long-term and short-term elements. Payment of the variable remuneration is dependent on

the achievement of company targets and personal targets, which include targets for the financial performance of the company and ESG targets.



strategy and action



our vision

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

activation



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

double materiality matrix

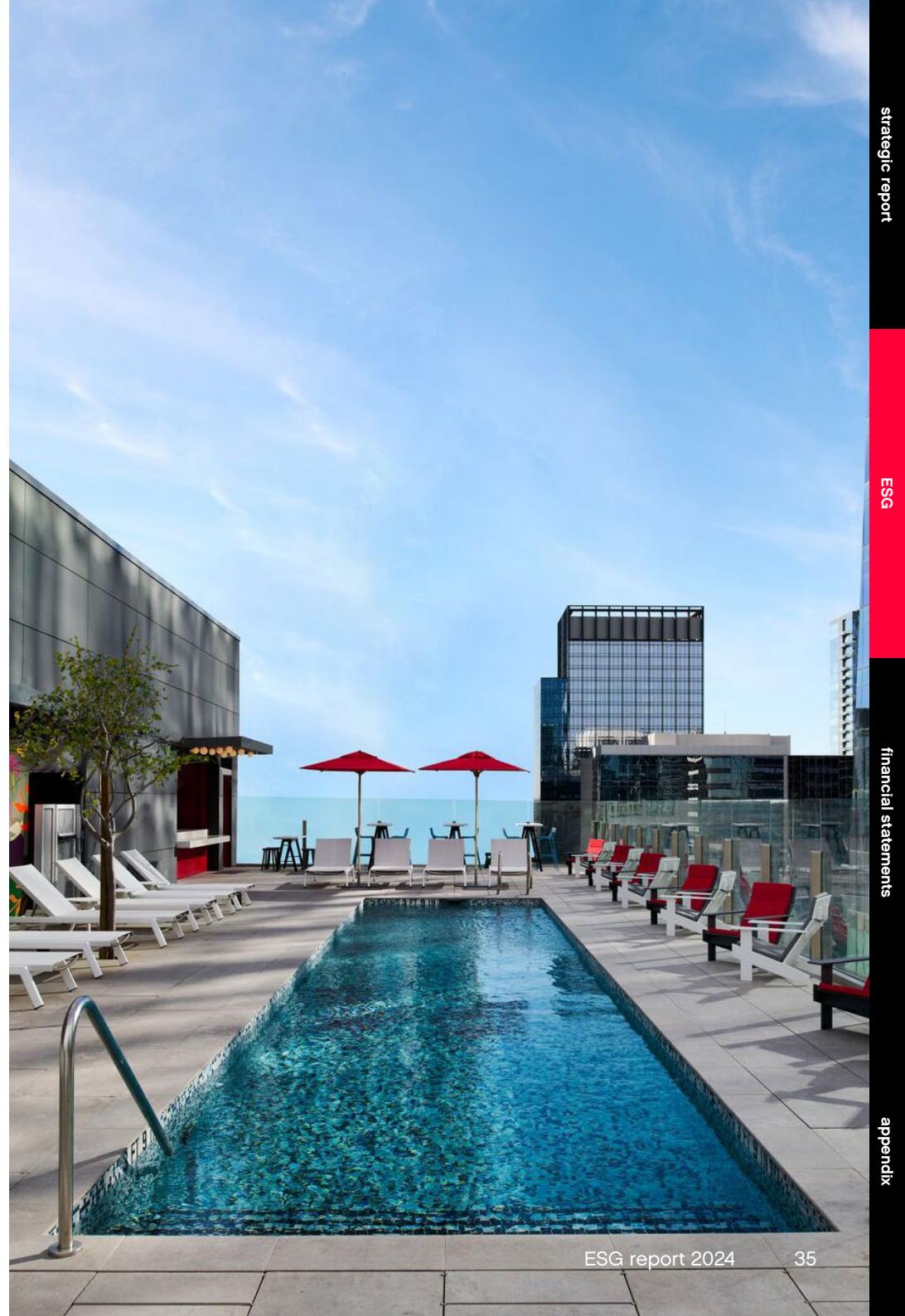
This graph is a schematic representation of our priorities, their relativity to stakeholders and their impact on the company. Meet the materiality matrix.



material topics

We focus on the most significant impacts of our business as they affect our stakeholders and society. We updated this list looking at changes across the business, industry research, stakeholder requests and global trends. The shortlist (in no order) of our material topics is as follows:

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



our areas of focus



conscious traveller

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



intelligent & sustainable buildings

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



growing & operating sustainably

optimising our operations to reduce our impact



doing the right thing for our people

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



making positive movements in our society

shortening the distance between people and opportunities

intelligent & sustainable buildings

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



green building certifications

why is it important?

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

what are we doing?

We want to future-proof our buildings to create a healthier, greener and more resilient future. How? By applying sustainability requirements to the conception, design and construction of every citizenM.

For our new developments, we use green building certification standards to assess our sustainability performance. We also stay up to date with current standards by certifying our operational hotels with the latest BREEAM In-Use standards.

how did we perform in 2024?

In 2024, all new hotels met our sustainability standards, securing BREEAM New Construction or LEED Building Design and Construction certifications, depending on the location.

BREEAM In-Use certification, starting a cycle of ongoing environmental performance assessments.

Three of our new hotels achieved 'Excellent' BREEAM scores, with Menlo Park standing out as our top performer—earning an 'Outstanding' rating. This makes Menlo Park the highest-rated BREEAM In-Use hotel across all asset types in the USA.

For our existing properties, we reassessed two hotels to maintain their certifications and took special steps at our New York Bowery hotel, where energy efficiency upgrades boosted its BREEAM In-Use score from 'Very Good' to 'Excellent'.

These efforts reflect our ongoing dedication to improving the sustainability of every citizenM hotel.

New York Bowery
achieved 76.8% BREEAM
In-Use certification, giving
it an 'Excellent' score

our commitment to green building standards

100% of our hotels are certified as green buildings.



smart designs and hotel construction

Our standardised construction methods reduce cost, waste and development time. Our smart and intelligent building designs result in lower energy emissions and more efficient energy and water usage during operation.

hotel new construction certifications

Since 2023, 100% of new-build hotels have achieved a BREEAM Very Good or LEED Gold in construction rating.

BREEAM in operation certificates

Hotel	Operational Performance with BREEAM In-Use (BIU):
Outstanding rating	3%
Excellent rating	59%
Very Good rating	19%
Good rating	13%
Pass rating	6%

setting high standards for the future

In 2024, citizenM Menlo Park received a BREEAM In-Use Outstanding certification, reflecting the highest standards in environmental performance.

biodiversity

We aim to protect and enhance biodiversity and ecosystems while developing and operating hotels.

Our project managers and general contractors comply with environmental laws and regulations.

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

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

To support biodiversity, we maintain trees and vegetated areas. We integrate many

intelligent & sustainable buildings



responsible procurement

green areas in our hotels and focus on the use of local plant species when choosing planting for our hotels. This both supports local biodiversity, but these are also more resilient to the local weather conditions.

Examples are the courtyard at citizenM Paris Champs-Elysees and our green roof at citizenM Paris La Defense. And at citizenM Los Angeles Downtown hotel, we take care of beehives with help from the Los Angeles County Beekeepers' Association.

We monitor environmental incidents across all our projects and hotels. In 2024, citizenM had no environmental incidents or violations.

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

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

We follow our formalised framework to identify high-risk suppliers. The goal of this

assessment is to mitigate risk in our supply chain. We use EcoVadis to assess strategic tier 1 suppliers.

When necessary, a high-risk supplier is issued corrective actions to be in line with our principles and assessment standards. We also engage in key supplier meeting discussions to collaborate and share tools for improvement.

In 2024, one of our dedicated suppliers achieved an impressive milestone by securing the platinum EcoVadis rating with a score of 80/100, demonstrating their commitment to sustainability and responsible practices.

1

requirements

setting clear requirements for suppliers via our key principles

2

assessments

using EcoVadis to assess our suppliers

3

dialogue

corrective actions and discussions on supplier improvement on material topics

4

alignment

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

materials

why is it important?

Selecting lower-impact materials helps minimise pollution, protect natural resources, sustain responsible supply chains, and create a safer environment for our employees and guests.

what are we doing?

When we partner with suppliers and general construction companies, we set out our Responsible Supplier Principles. In our principles we outline a “red list” of materials that should not be used.

Examples of items on the hotel/building red list:

- asbestos
- lead-based paint
- formaldehyde-based products
- polyvinyl chloride (PVC)
- mercury-containing devices

Our red list approach aligns with citizenM's values, aiming to ensure that our hotels are constructed and designed with materials that prioritise safety for both people and the planet.

In 2024, we updated our materials requirements in our building brand standards to ensure clarity with our key suppliers.



embodied carbon

why is it important?

Embodied carbon can make up as much as 80-90% of a developer's annual emissions. The majority of these emissions come from extracting and manufacturing of building materials.

what are we doing?

We recognise that to understand the full impact of our buildings, we need to focus on embodied carbon and the materials we build with. We know that reducing our building's embodied carbon not only helps meet environmental targets but also offers long-term financial and operational benefits in a rapidly evolving regulatory landscape.

This year, we completed an assessment of a full building. This initiative allows us to identify opportunities for improvement, such as selecting lower-carbon materials and improving construction techniques. These steps will inform our future projects and help us to further minimize our carbon footprint, ensuring we stay ahead of industry standards and sustainability targets.

what have we learnt?

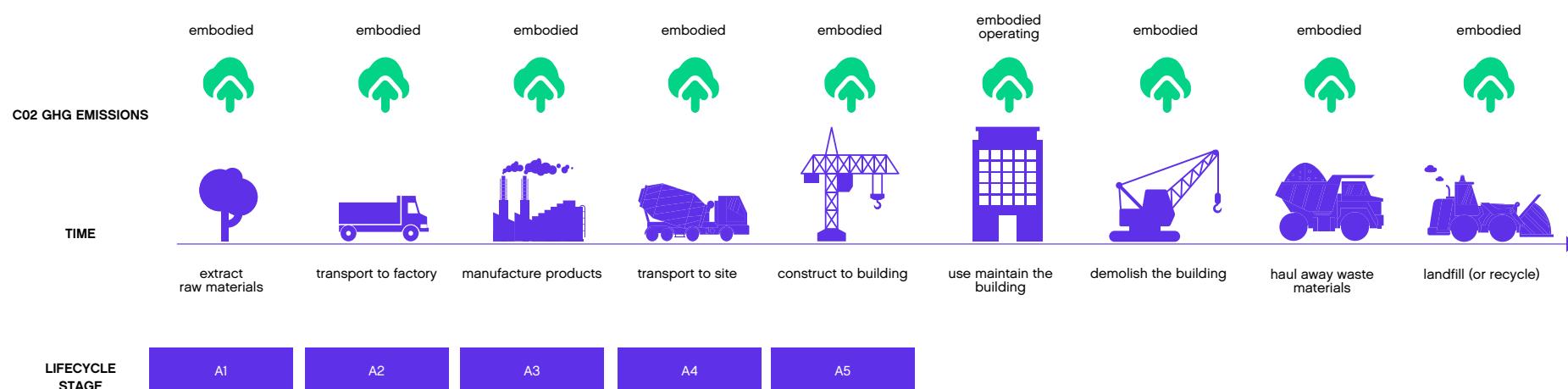
Approximately 80% of our room emissions are linked to steel and concrete, while 20% stem from interior fittings. We've pinpointed material categories that need focused carbon reduction efforts.

what will our next steps be?

With the use of Whole Building Carbon Life Cycle Analysis (WBLCA) and a focus on Environmental Product Declarations (EPD's) we are able to target lower impact materials and achieve a reduction in embodied carbon emissions.

regulations

We are mapping regulatory standards in our target cities. We prioritise staying ahead of these changes to maintain our commitment to building intelligent and more sustainable buildings.



growing & operating sustainably

optimising our operations to reduce our impact



energy

why does it matter?

We want to play our part to tackle climate change on a global scale. As we continue to grow our worldwide presence, we're always looking for ways to reduce our environmental impact. Energy usage is a big expense for us, accounting for 4.91% in 2024 of our operational costs, and electricity is the biggest part of that expense. By using data to guide our decisions, we want to identify potential efficiencies and achieve our environmental goals.

what are we doing?

To help mitigate climate-related risk, we will minimise our environmental footprint and

emissions. In 2024, we continued focussing on data, reviewing our platforms and utility providers to capture robust data. Energy and resource consumption data for all our hotels is now collected, verified and stored on a central energy management system. Conveniently, this data links directly to utility providers and on-site smart meters. Now, we can closely monitor our consumption and minimise our environmental impact while aligning with our future goals.

energy sources

Our main sources of energy are electricity, gas, district heating and cooling. Green electricity contracts are in place for our

hotels, where the energy mix is partially or fully renewable sources. Where possible we have guarantees of origin, renewable energy certificates for our electricity supplies or direct green energy contracts.

robust data

To improve the credibility of our data, we invested in an ESG data management platform. It collects and centralises the data, helping us prepare reports for disclosure frameworks. We reached over 85% actual data coverage using the platform. The remaining data was filled using approved methodologies, e.g. historical or comparable hotel data.

As our data collection has improved, and since Covid's impact on occupancy rates has faded, we're moving ahead with using 2024's data for setting our future targets.

assurance

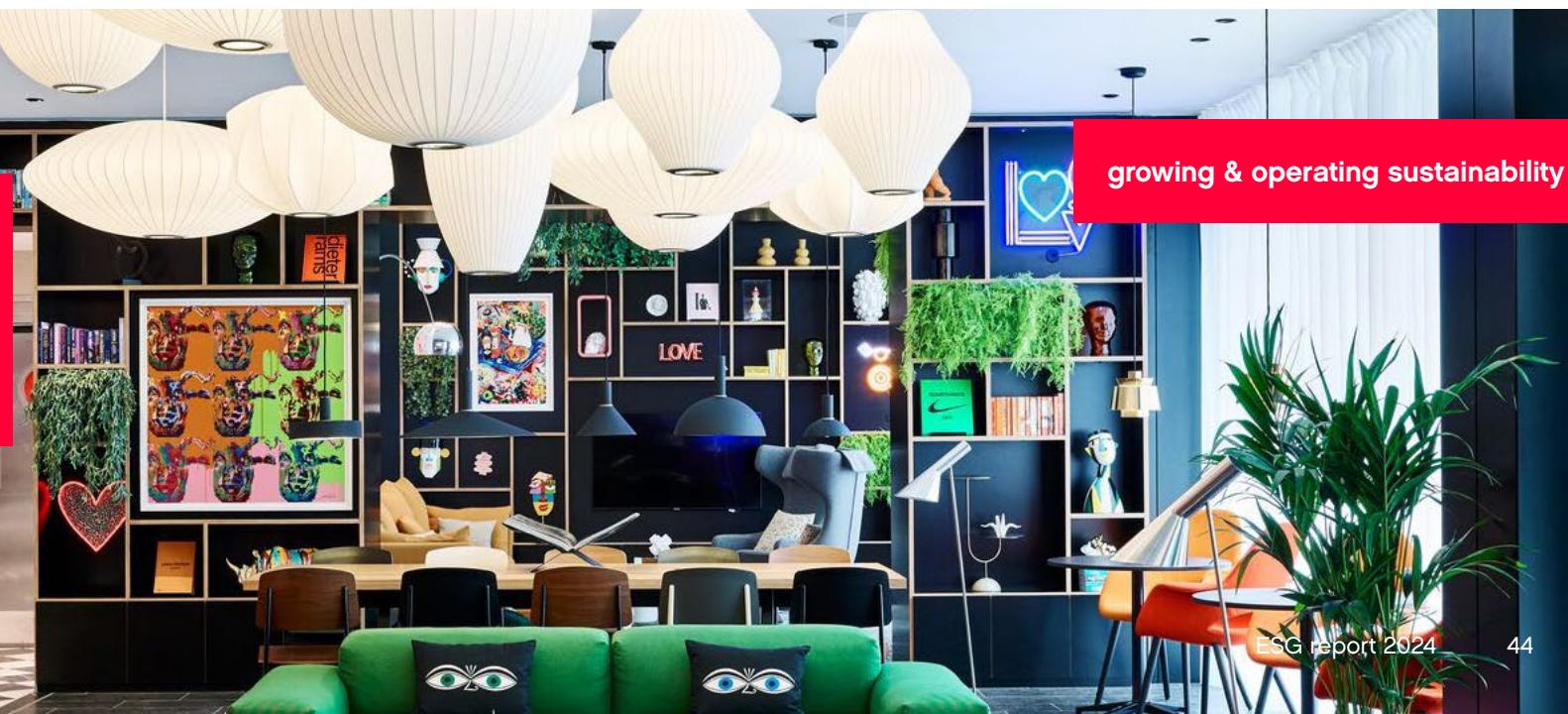
For peace of mind, we asked an assurance provider to check our energy, emissions, waste and water consumption data.

energy audits

In 2024, we completed thirteen energy audit reports at our most energy-intensive hotels. Inefficiencies and improvement areas were identified for work in the future.

citizenM London Victoria Station hotel

Energy Performance Certificate (EPC) – rating A



hotel energy consumption (kWh)

energy type	energy consumption (2024)	energy consumption (2023)	energy consumption (2022)	energy consumption (2019)
electricity	39,623,302	34,391,206	26,415,436	15,964,422
natural gas	19,959,046	17,658,319	16,026,414	10,567,163
heating	6,021,959	5,935,762	5,779,574	3,875,370
cooling	2,166,382	2,718,747	2,116,610	1,087,367
total hotel energy consumption	67,770,689	60,704,034	50,338,034	31,494,322
no. of hotels	34	31	27	16

energy intensity (kWh/calender-normalised m²)

energy type	energy consumption (2024)	energy consumption (2023)	energy consumption (2022)	energy consumption (2019)
electricity	149.50	148.51	136.90	141.53
natural gas	104.98	107.77	124.41	164.16
heating	99.90	89.25	90.10	98.24
cooling	68.36	71.70	59.53	79.45
average consumption intensity	251.48	255.95	253.00	265.74
no. of hotels	34	31	27	16

other energy consumption (kWh)

energy type	energy consumption (2024)	energy consumption (2023)	energy consumption (2022)
fuels	160,787	214,258	333,627
other electricity	35,695	52,520	33,509

1. Between 2019 and 2024, we opened 18 new hotels, resulting in a higher energy consumption.

2. Energy consumption figures for 2020 and 2021 were excluded from this report for not accurately reflecting hotel performance, as they were highly influenced by low occupancy rates due to the Covid-19 pandemic.

3. Energy intensity calculations are based on calendar-normalised square meter data adjusted for applicable energy type for each hotel.

4. Environmental performance data not included for two hotels (in Asia) with management agreement, as they fall outside the operational boundary scope.

energy efficiency

Here are a few examples of our energy efficiency activities.

energy-saving technologies

Our Building Management Systems (BMS) optimise the performance of our heating, ventilation and air-conditioning (HVAC) systems. In 2024, citizenM continued our BMS pilot project to see how we can further optimise hotels.

energy efficiency: lighting

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

energy efficiency: heating and air conditioning

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

temperature control

Our in-room MoodPad gives guests control of the blinds, temperature, room

lighting (in the shower and bathroom), multimedia and more. Additionally, citizenM's seamless app incorporates this feature so guests can control room ambiance from their phone.

central monitoring

We monitor room temperature through a central dashboard, adjusting when necessary to reduce energy waste in unoccupied rooms.

energy audits

In 2024 we moved to actively enhancing our hotel portfolio's sustainability through engineering experts, offer crucial insights for energy efficiency improvements in our current hotels and inform the design of future projects.

The results are key to refining maintenance schedules, upgrades, and internal training, while also setting precise energy conservation goals. This approach aligns our energy management efforts with the capital expenditure and property management cycles. Hotel operations become more efficient and sustainable.

growing & operating sustainability

energy efficiency in action

on-site energy efficiency audits

In 2024, we completed an energy audit as part of our decarbonisation strategy. We carried out thorough audits on our two oldest hotels, Amsterdam Schiphol (AMS) and Amsterdam South (AMZ). Based on the energy audits and the recommendations in these reports, our Hotel Property Management team implemented measures to support energy efficiency, focussed mainly on the energy efficiency of our lighting systems. In our decarbonisation strategy, we always focus on optimising our buildings before executing gas removal.

taking action

In AMZ we upgraded our lighting, changing the lighting in guest rooms and corridors to LED lighting. The same swap in lighting was made at AMS in 80 guestrooms and all corridors of guest floors. Additionally we switched the emergency lighting from separate batteries to a central UPS system, saving on the use of batteries and supporting the safety of our employees and guests.

results

These small changes have led to small but effective decreases: 7.2% decrease at AMZ and 5.0% decrease at AMS. In 2025, we expect to continue efforts on improving energy efficiency in all hotel properties, aligning with our decarbonisation pathway.

7.2%
electricity reduction at
Amsterdam South hotel

growing & operating sustainability



decarbonisation

roadmap

steps

actions

1

gather robust consumption and emissions data

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

2

set decarbonisation pathways aligned to 1.5°C

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

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

3

reduce and optimise energy demand

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

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

4

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

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

As a standard, we also procure 100% green electricity for all hotels with in the first year of operating.

5

invest and implement effective low carbon technologies

Every hotel will undergo a decarbonisation assessment.

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

6

offset remaining emissions

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

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

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

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

greenhouse gas emissions

why does it matter?

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

what are we doing?

In 2024, we continued to update our energy and emissions data and processes to improve the quality of our emissions inventory. We also continued investing in the carbon data platform and created a thorough carbon inventory of our operational emissions.

After aligning our approach with the Greenhouse Gas Protocol, we updated emission factors, adjusted our location- and market-based emissions, improved our data quality, and refined our reporting processes to track our reductions over time.

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

expanding our emission reporting

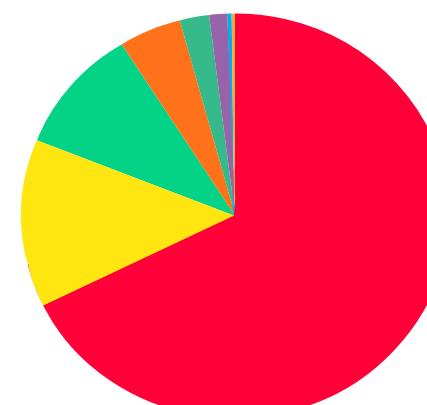
The scope of our environmental impact extends beyond our fuel and energy emissions.

We have prioritised expanding our scope 3 coverage to include all relevant reporting categories (from our value chain to embodied carbon within our buildings), and are working towards measuring our scope 3 emissions and reducing our overall emissions.

The expanded scope 3 inventory will be rolled out in 2025.

GHG broken down

emissions absolute (scopes 1 + 2)

location-based	market-based																
15,653	4,693																
MTCO2e	MTCO2e																
A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data.																	
hotel emissions broken down by source (scope 1, scope 2 market-based, and scope 3)																	
																	
total scope 1+2 (market-based emissions intensity) in our mature portfolio decreased by 4.22% YoY**																	
<table><tbody><tr><td>● natural gas (S1)</td><td>64.81%</td></tr><tr><td>● electricity (S2)</td><td>0.52%</td></tr><tr><td>● waste (S3)</td><td>15.32%</td></tr><tr><td>● heating (S2)</td><td>11.75%</td></tr><tr><td>● refrigerants (S1)</td><td>4.56%</td></tr><tr><td>● upstream leased assets (S3)</td><td>1.99%</td></tr><tr><td>● fuels (S1)</td><td>0.60%</td></tr><tr><td>● cooling (S2)</td><td>0.45%</td></tr></tbody></table>		● natural gas (S1)	64.81%	● electricity (S2)	0.52%	● waste (S3)	15.32%	● heating (S2)	11.75%	● refrigerants (S1)	4.56%	● upstream leased assets (S3)	1.99%	● fuels (S1)	0.60%	● cooling (S2)	0.45%
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carbon flow analysis

how to read our emissions data

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

Scope 1 emissions - direct (S1)

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

Scope 2 emissions - indirect (S2)

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

Scope 3 emissions (S3)

Category 6: business travel (air and rail)

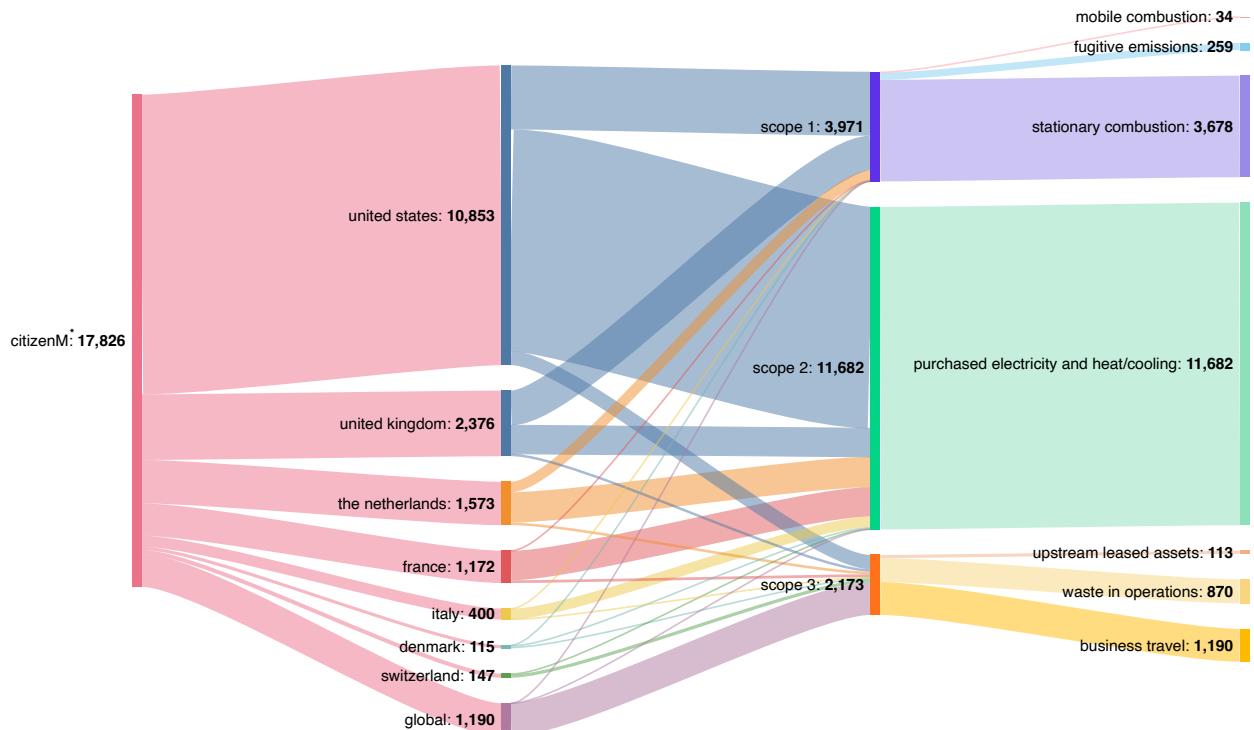
Category 5: waste generated in operations

Category 8: upstream leased assets

about this chart

The carbon flow analysis diagram represents the distribution and flow of location-based carbon emissions associated with citizenM's operations in different countries. This visual representation helps with understanding the relative impact of operations in each location and scope and identifying key areas for emissions reduction efforts split by category. GHG emission figures displayed here are in MTCO₂e and scope 2 emissions are location-based.

* citizenM's organisational boundary for emissions calculation is based on hotel operational activities and business travel

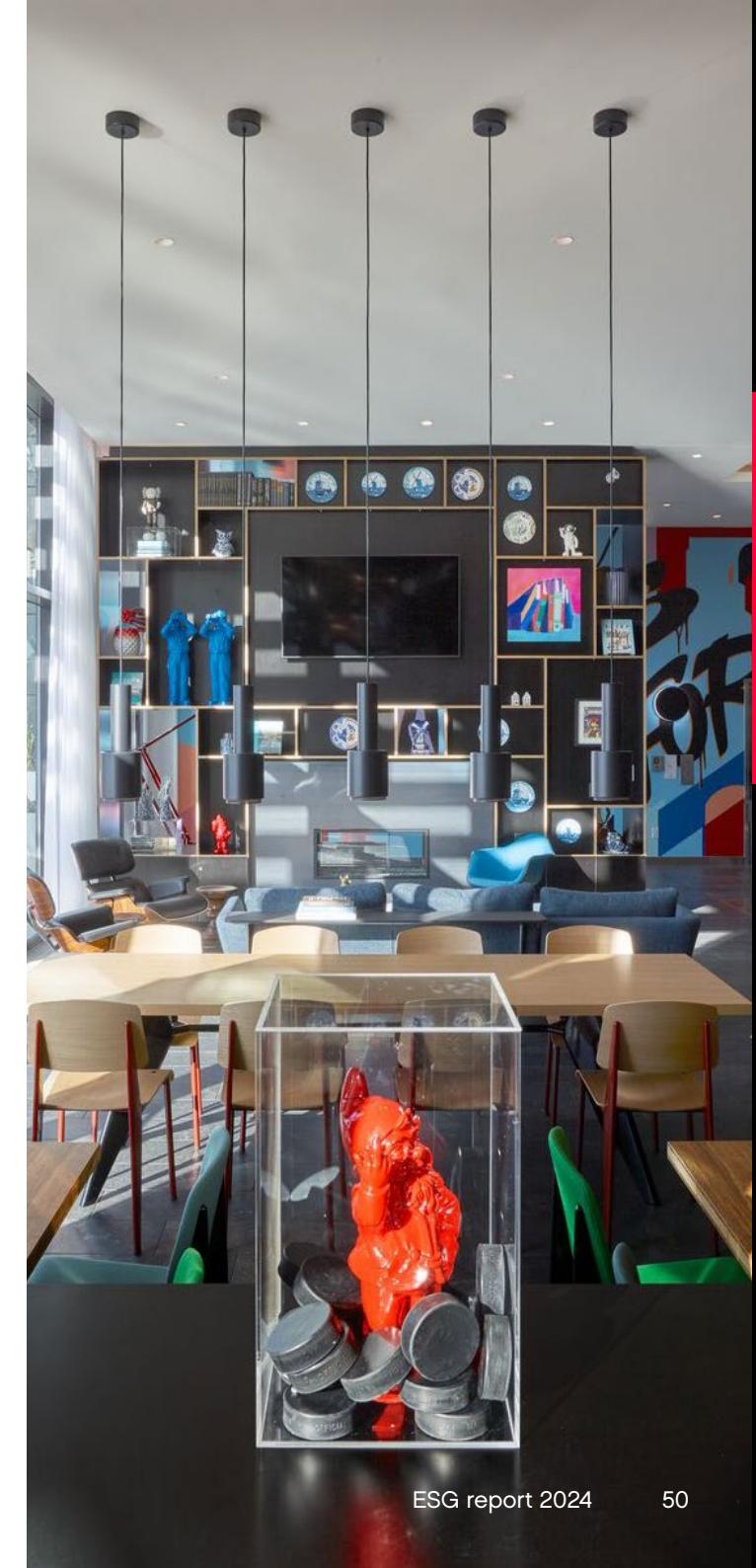


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GHG

greenhouse gas emissions (GHG)	2024	2023	2022	2019
scope 1 direct emissions				
emissions (MT CO2e)	3,971	3,614	3,111	2,013
emissions intensity (kg CO2/m ²)	14.98	15.61	16.12	17.90
scope 2 indirect emissions				
location-based emissions (MT CO2e)	11,682	9,414	6,657	4,346
location-based emissions intensity (kg CO2e/m ²)	44.08	40.65	34.50	38.65
market-based emissions (MT CO2e)	722	1,401	624	506
market-based emissions intensity (kg CO2e/m ²)	2.72	6.05	3.23	4.50
total Scopes 1 + 2 emissions				
location-based emissions (MT CO2e)	15,653	13,029	9,768	6,359
location-based emissions intensity (kg CO2e/m ²)	59.06	56.26	50.62	56.55
market-based emissions (MT CO2e)	4,693	5,016	3,735	2,518
market-based emissions intensity (kg CO2e/m ²)	17.71	21.66	19.36	22.40
scope 3 (3 out 15 categories covered)				
waste generated in operations (MT CO2e)	870	739	584	738
business travel (MT CO2e)	1190	1,126	854	1,100
upstream leased assets (MT CO2e)	113	109	107	-

growing & operating sustainability



impact per room night

growing & operating sustainability

performance per stay

We believe transparency is important. We know conscious guests and corporate bookers may want to understand the impact they have when staying at citizenM. This is also important for us to know. By understanding the amount of greenhouse gases emitted or water consumed for each night, we gain a better understanding of our operational and environmental impact.

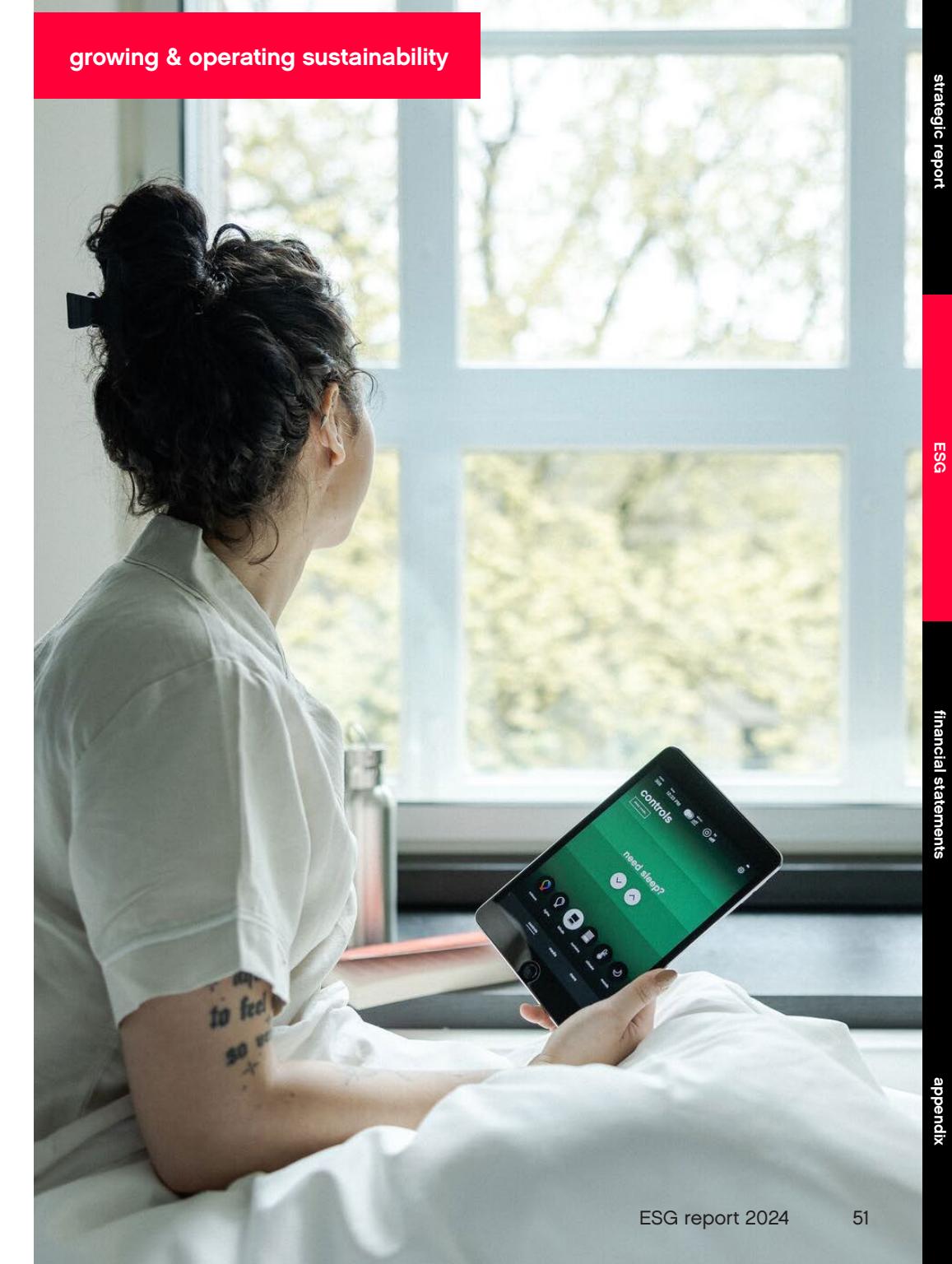
This measurement also allows us to clearly share information with conscious travellers and, importantly, benchmark and identify areas where we can improve our energy, waste and water efficiency, as well as reduce emissions.

In 2024, we sought to benchmark our performance against industry peers using Cornell Hotel Sustainability Benchmarking (CHSB) data, analyzing insights from over 32,000 hotels worldwide. This benchmarking allowed us to understand our standing among industry peers in energy use, waste reduction, and water conservation.

We want to make conscious travel easy. Measuring impact per occupied room night empowers conscious travellers to compare us against our peers.

intensity per occupied room night	2024
energy (kWh)	30.84
scopes 1+2 location-based emissions (kg CO ₂ eq)	7.12
scopes 1+2 market-based emissions (kg CO ₂ eq)	2.14
water (litres)	198
waste (kg)	1.25

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



water

why does it matter?

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

what are we doing?

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

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

In 2024, our total water consumption across our reported portfolio was 435,111 m³.

We're always keen to understand our impact. That's why we conducted a water risk assessment across our hotels. Using the World Resources Institute (WRI) Aqueduct tool, hotel exposure to water risk was mapped and we identified locations with baseline water stress, river line and coastal flood risk, drought, and future water-stress risks.



waste

why does it matter?

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

what are we doing?

We want to reduce the amount of waste generated at all our hotels. We set waste diversion rates during the construction in line with green building certification requirements. We have significantly reduced our waste from evening and lunch offerings by working with partners on portioning and packaging. We have always refilled our bathroom containers (shower gel, etc.) to eliminate the need for little plastic bottles, but in other areas, we still have work to do.

growing & operating sustainability

data

In 2024, our internal waste reduction group made further improvements to our waste data collection process by measuring waste by stream in addition to disposal method and enhanced data access through a detailed dashboard.

action

Waste audits were conducted in the San Francisco and Seattle hotels to pinpoint reduction opportunities.

food waste

We encourage our guests to use our citizenM app to order food, as this helps us minimise food preparation and reduce unnecessary waste. We partner with Too Good To Go to see that any leftover food from breakfast is given a second chance to be enjoyed, rather than going to waste. 39,797 meals have been diverted from the dumpster since 2019!

result

As a result of these efforts, we successfully diverted 93.7% of the 2,745 metric tonnes of non-hazardous waste we produced away from landfills.

year	metric tonnes total waste	metric tonnes of waste went to landfill	% of waste diverted from landfill	kg waste per occupied room
2019 (baseline)	2,447	567	63	2.24
2022	1,946	104	95	1.34
2023	2,322	72	97	1.20
2024	2,745	172	94	1.25

responsible food sourcing

why does it matter?

As a global hotel, responsible food sourcing is important for citizenM. By collaborating with global and local suppliers, we streamline our product range and deliveries, reducing our food-related carbon footprint.

This approach also allows us to innovate, minimise packaging, and optimise delivery schedules, underscoring our commitment to sustainability.

what are we doing?

In 2024, our partner Jing Tea made impressive strides toward sustainability by cutting down on plastic use. They introduced innovative packaging made

from recyclable and biodegradable materials. Our new display with loose tea bags saves 250,000+ wrappers from the bin and reduces plastic waste by 250KG per year.

Beyond packaging, Jing Tea has implemented sustainable practices throughout its supply chain. By working closely with like-minded suppliers, the company minimises plastic waste from raw materials to distribution. This commitment has strengthened Jing Tea's brand and inspired a growing community of environmentally conscious tea lovers.

growing & operating sustainability



housekeeping footprint

why does it matter?

Housekeeping is an integral component of the hospitality experience at citizenM. However, traditional housekeeping practices can have a significant environmental footprint, including chemical pollution, water use, and carbon emissions.

what are we doing?

We are actively committed to minimising our housekeeping environmental footprint through continually improving our sustainable practices. By scrutinising and altering how we manage our housekeeping operations, we not only minimise our environmental impacts, but set a cleaning standard for all our hotels.

minimising chemicals

Transitioning to more sustainable cleaning products has been a priority. Our Ozone water cleaning products maintain our high standards of cleanliness while significantly reducing the amount of harmful chemicals released into the environment.

opting out of room cleaning

We provide our guests the option to skip room cleaning services during their stay. This initiative conserves water, reduces chemical usage, and engages our guests in our sustainability efforts.

laundry operations

Sustainability is at the forefront when selecting our laundry service providers. We mandate the use of eco-friendly detergents, energy-efficient operations, and water recycling practices.

emissions reduction in laundry operations

Our partnerships with environmentally responsible laundry providers are instrumental in reducing carbon emissions stemming from laundry operations. This aligns with our broader goal of minimising citizenM's carbon footprint while maintaining the comfort and hygiene standards our guests expect. Through these measures, we are not only decreasing our environmental impact but are also offering a sustainable choice for our guests.

doing the right thing for our people

empowering them to become
highly fulfilled and self-aware



doing the right thing for our people

why does it matter?

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

what are we doing?

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

In 2024, we updated our values and engaged employees through our values roadshow. citizenM's values are what make us unique, and the values roadshow presented the refined values to employees in hotels and support offices. This initiative was not only a moment to connect with our values and each other, but to explore their true meanings, actions through which they are expressed, and understand that we are all accountable for keeping our culture alive.

Throughout the year we created "heartbeat moments" through consistent communications for all employees, creating a pulse for people and culture on our internal platforms.

We held another citizen satisfaction survey with a participation rate of 85%. The employee happiness score was 81, a testament to our working environment. Once again, the focus of the year was taking action based on the feedback from the survey. 100% of employees have access to employee performance reviews.

In 2024, we focused on executing a talent battle plan focussed on employee retention and recruitment challenges in new locations.

As a global company, we believe in letting our talents travel. To demonstrate our talent program, we featured the journeys of nine citizenM employees who followed their passions and made big impacts along the way.

Support office and hotel employees can access information about their job level, our salary scales per region, and how we evaluate the impact of their roles on the business.

Our Agile transformation journey also continued with company-wide Agile planning and education events. We executed Ways of Working domains and tactical tables, and kept ourselves accountable with quarterly demos and events.

1,339
employee
headcount

our values

genuine touch
passionate attitude
smart thinking
real caring

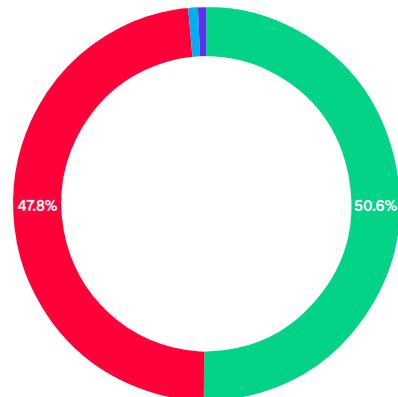
diversity & inclusion

why does it matter?

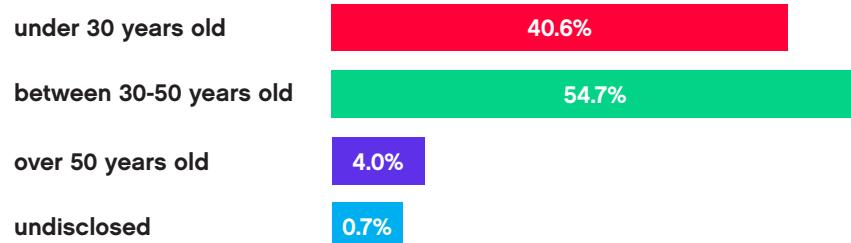
We believe all citizens of the world are equal, regardless of race, nationality, gender, age, size, (dis)ability, religion or sexual orientation. It is important to create an inclusive and diverse environment where everyone feels welcome – no matter if they're an employee or a guest. We're all human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

gender ratio at citizenM

- women 50.6%
- men 47.8%
- undisclosed 0.7%
- non-binary 0.9%

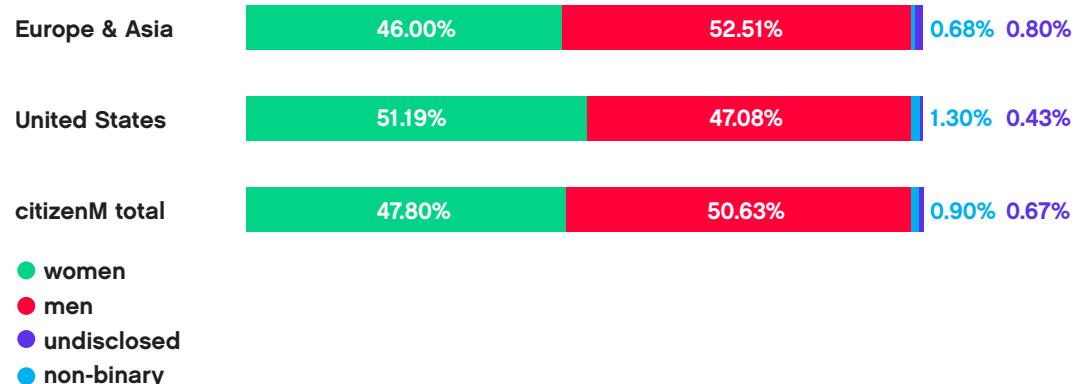


age group distribution at citizenM

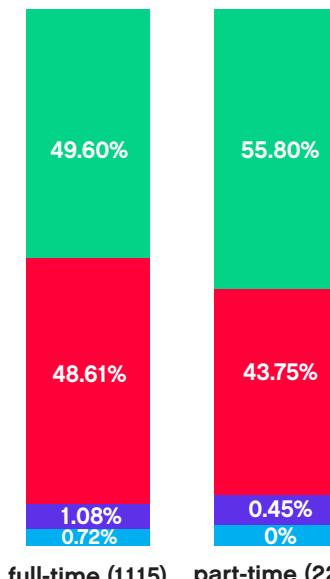


diversity metrics

citizenM employees by gender and region



citizenM employees by gender and employment type



- | | |
|-------------|-------|
| women | (678) |
| men | (640) |
| non-binary | (12) |
| undisclosed | (9) |

doing the right thing for our people

gender ratio

gender balance

At citizenM, we believe that all individuals should be treated equally and with respect, regardless of their race, gender, age, size, disability, religion, or sexual orientation. Gender balance is vital for creating a diverse and inclusive workplace that can drive innovation, improve decision-making, and enhance company performance.

citizenM is committed to promoting diversity and inclusion in our workplace and takes steps to increase the representation of women at all levels of the company, including the Board, senior management at hotels, and the support office. citizenM has set specific targets for increasing gender balance and has implemented a range of initiatives, such as reviewing and revising HR policies, conducting gender pay gap analyses and offering tailored and accessible learning and development opportunities.

Since 2019, we have been measuring and monitoring a wide range of diversity data, including gender ratios and performing gender pay gap analysis at all levels of the business. These actions have enabled us to understand the gender balance at different levels of the business. This key information has informed our actions, strategies and targets accordingly.

Overall, citizenM has a balanced gender ratio profile, but we recognise that improvements can be made at the senior leadership level within our Strategic Council and at the Board level. We are committed to reflecting our overall company gender ratio at the senior leadership level by implementing measures and setting progressive incremental targets.

senior leadership gender balance

	2024	2023	2022	2021
board				
% representation of women on the board, executives	0	0	0	0
% representation of women on the board, non-executives	0	0	0	0
% representation of men on the board, executives	100	100	100	100
% representation of men on the board, non-executives	100	100	100	100
strategic council				
% representation of women on the strategic council	32.4	31	29	13
% representation of men on the strategic council	67.6	69	71	87
% representation of non-binary gender on the strategic council	0	0	0	0
hotel senior management				
% representation of women in hotel senior management	45.9	64	50.2	51.5
% representation of men in hotel senior management	54.1	36	48.3	47.2
% representation of non-binary gender in hotel senior management	0	0	0.5	1.3

doing the right thing for our people

definitions

definitions	description
Board	Executive and non-executive members of the Board of Directors.
Senior management at support offices	Senior management comprises members of the Strategic Council, who play a crucial role in the delivery of the strategic plan.
Senior management at hotels	Hotel managers are responsible for ensuring the happiness of the team and guests, as well as the day-to-day operations of the hotel. The Manager on Duty (MOD) is the assistant hotel manager who is responsible for maximising the guest experience, looking after the well-being of the team, and overseeing the hotel's day-to-day operations.

aligning with regulation

We have set specific targets for increasing the representation of women in senior leadership positions, including increasing the proportion of women in executive and non-executive board positions and increasing the percentage of women represented in our Strategic Council.

goals

Board level:

We have established two specific goals at the Board level:

1. Our target is that, by the end of 2025, a minimum of 30% of our non-executive directors are women.
2. Our aim is to increase the representation of women in our executive director positions to a minimum of 25% by the end of 2025. As the composition of our board has recently been updated, achieving our target will be subject to the availability of open positions because of our commitment to maintaining stable leadership continuity.

We will fill executive positions if and when there are openings as a result of the retirement, resignation, or termination of a current executive.

Strategic Council:

In 2024, we increased our ratio to 32.4%. Our target is to have at least 40% representation of women on the strategic council.



doing the right thing for our people

action

At citizenM, we tailor individual experiences to meet employees' unique needs, so they can grow and thrive. We hire employees for who they are and build foundations based on our shared values. We prioritise achieving gender balance and strive for a diverse and inclusive workplace. We believe in investing in our employees' growth and providing them with the resources and support they need to reach their full potential.

Our vision is to empower our employees to let their talents travel, knowing that as they grow, so do we. Below you will find targeted actions and initiatives that we continue to implement to promote/maintain gender balance and meet our specific gender balance targets.

data on gender diversity

Embedding employee gender diversity data collection into our HR system enables us to monitor and report on gender ratios at all levels of the business. This approach allows us to set specific goals for hiring and promoting women to senior-level positions.

review and revise HR policies

We annually review HR policies, such as our citizenM rules, recruitment, retention, and promotion processes to identify any gender biases or disparities. We address any identified issues and develop new policies that promote gender equity when required.

salary transparency

We believe in openness and fairness regarding salaries. That is why we have a pay transparency initiative in our support office. Employees can easily access information about their job level and its link to salary scales (per region), as well as how we evaluate the complexity and impact of their roles. All citizenM employees can access this information on the company intranet. Our pay transparency provides a comprehensive overview of the entire job structure, giving our employees a clear picture of where they stand and how their role fits in.

gender pay gap analysis

We conduct regular checks to identify any gender pay gaps and take steps to close them. Employees of all genders deserve to be paid fairly and equally for their work, and this analysis is a big step in that direction. This includes offering benefits such as parental leave and flexible work arrangements that support employees at all stages of their careers.

recruitment

We regularly review recruitment strategies to address the gender breakdown of applicants for roles. Diversity data is shared with talent and recruitment managers. Job descriptions are written in a way that is inclusive and welcoming to a diverse pool of candidates. We avoid language that could be interpreted as discriminatory, such as

requirements that are not essential to the job. We've launched a new Applicant Tracking System (ATS) with Pinpoint, streamlining recruitment and enhancing the experience for candidates and hiring managers. Key features include an interview scheduler, talent pipeline, easy communication, and real-time insights. Pinpoint also supports anonymous screening to reduce bias, and our new career page improves transparency in the hiring process.

learning and development

We are committed to providing tailored, accessible learning and development opportunities to all employees. We offer offline and online training modules through our internal platform, with tailored playlists for each employee based on their individual needs. This approach provides clarity and global consistency for all learning opportunities, supporting employees at every step of their journey.

We also recognise that learning and growing is a journey, which is why we provide clarity in career development through our Climber, Explorer and Leadership tracks. These tracks are targeted at growing our internal talent and offer different development opportunities depending on an employee's interests and aspirations. We also promote regular discovery checks, performance reviews, and check-ins to connect and engage with our employees to find out what is on their minds and how we can guide and support them.

doing the right thing for our people

Our Climber track is designed to support employees in vertical moves, while our Explorer track is meant to inspire exploration in different directions/skills – vertically, horizontally, or even downwards. Ultimately, we believe that learning is like a climbing wall: the best path can be up, down, or to the side.

Our goal is to support and mentor our employees on their journey, unlocking their potential and helping them feel highly fulfilled.

The talent tracks program is designed to actively seek out talented individuals, and provide training and development opportunities to help support their advancement within the organisation. We believe in investing in potential, not just key talent, and supporting growth at all levels of the organisation.

In addition to our career development and Climber tracks, we offer access to leadership journey educational days and tools, clear performance reviews, and targeted career development strategies. Our Future Stewards program is specifically tailored for employees who aspire to become hotel managers/managers on duty.

To keep balance on the career tracks, we have a mindful tracking process to ensure equal access to training opportunities.

parental leave

Parental leave, maternity leave and paternity leave are arranged per country – based on best practices – to give parents time with their families. We start with government requirements and top them with our own policies to make sure parents spend much-needed time with their children.

flexible work arrangements

Our flexible working hours, our “freedom within a framework” policy, are there for employees to maintain a healthy work-life balance. We recognise the importance of work-life balance, which is why we offer flexible work arrangements that prioritise our employees' well-being. With the option of flexible working hours, remote work, and part-time work arrangements, employees have the freedom to create a work schedule that works best for them while still adhering to our company's framework.

We understand that many women have caregiving responsibilities that can make it challenging to balance work and family responsibilities. By offering flexible work arrangements, we aim to support women in maintaining a healthy work-life balance while also pursuing their career goals. This includes giving women the freedom to choose working hours that best suit their family needs. By removing such barriers to entry like rigid work schedules, we aim to create a more inclusive workplace where women can thrive in senior positions and achieve their full potential.

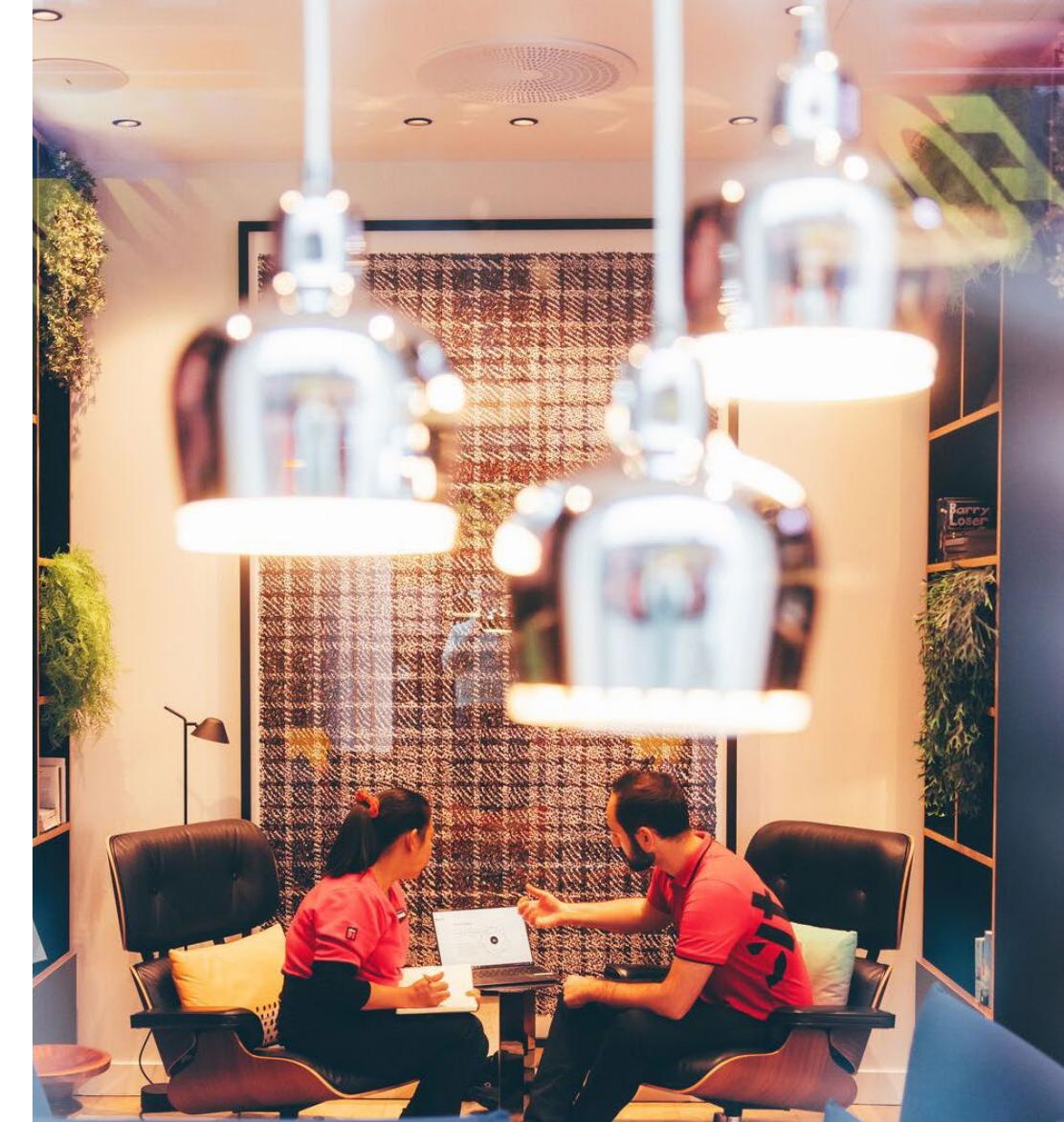
succession planning

We identify and develop a diverse group of high-potential employees through training, mentoring, and career development opportunities. Senior leaders are encouraged to mentor and sponsor talented employees, offering guidance, support, and advocacy.

This targeted approach aims to create a pipeline of leaders and provide women with access to knowledge and opportunities that can accelerate their career growth.

Diversity Committee

citizenM's Diversity Committee is another tool of fostering a culture of gender equity. The committee provides a forum for employees to discuss diversity and inclusion issues, review company communications for inclusive language and messaging, target meaningful actions that create change for our employees and guests, and recommend strategies and goals to leadership. The committee provides a series of unconscious bias training sessions for all employees, managers and leaders on diverse topics – including gender-related topics. The committee is open to all employees with the goal of everyone feeling valued, respected and supported in their role.



doing the right thing for our people

flexible public holidays

We take pride in our diversity and we celebrate the enormous added value this brings to our company culture. It is important for us to respect these diverse cultures in every way. We enable people to celebrate days that have significant meaning to them, by allowing all employees to switch a local paid public holiday for another day of their choosing.

employee assistance program (EAP)

Balancing the pressures of work with the needs of home and personal life can sometimes seem like a mammoth struggle if you don't have enough (or the right) support. In times like these, you could really benefit from an extra pair of caring hands when needed. Our EAP is open to all. It is a confidential employee benefit, designed to help you deal with personal and professional problems which may be affecting your home or work life, health, and general well-being.

The service is a complete 24/7 support network of expert advice and compassionate guidance, but also well-being sources covering a wide range of issues. Our goal is to make sure everyone can find support when they need it. When people feel supported, this can reduce absenteeism, increase productivity and improve engagement.

citizenM Rules

citizenM wants to do the right thing for our guests, employees, business partners and the community. The citizenM rules provide

guidance and define desired attitudes and appropriate behavior within citizenM. In 2024, we updated the citizenM Rules and internal training. We encourage our employees and stakeholders who have concerns about a (suspected) violation of the citizenM Rules to speak up and share their concerns with us.

Speeki

Speeki is an online platform, available 24/7, 365 days a year to collect concerns confidentially, anonymously, and in the reporter's own language. Any (suspected) violation of the citizenM rules can be reported via the Speeki web portal or app.

monitoring and evaluation

We report the number of men, women, and non-binary individuals in all positions, including the percentage of women in senior leadership positions, on an annual basis. We monitor and evaluate the progress of the program and assess the extent to which the goals set in the previous financial year have been achieved. At citizenM, we use our HR platform to measure and monitor our key employee metrics, specifically with regard to diversity and inclusion, including gender metrics:

- gender ratio by hotel and role;
- gender ratio at the support office;
- gender ratio company overview;
- gender ratio per Climber track;
- gender ratio senior leaders (hotel);
- gender ratio senior leaders (Strategic Council);
- gender ratio senior leaders (Board);

- gender pay gap analysis data for support office and hotel ambassadors.

governance gender ratios

Various roles have their own responsibilities for implementing gender balance initiatives and meeting gender ratio targets.

Recruitment hiring managers and talent managers make sure the recruitment process is fair and unbiased. They monitor and analyse diversity data, and see to it that diverse candidates are given equal opportunities to be selected for open positions.

The Chief People Officer is responsible for the annual collection of diversity data. They monitor and evaluate the effectiveness of gender balance policies and actions, making adjustments as needed so we achieve our gender balance targets.

The director of culture & people identifies skills gaps and key talent. This information is used to provide training tracks and opportunities to help employees of all genders develop their skills and advance in their careers. Diversity and inclusion information is included in new starter immersion sessions.

Department heads actively monitor and promote diversity and inclusion within their teams, encouraging participation in unconscious bias sessions and taking steps with HR to address any instances of bias or discrimination.

The CEO reviews annual data and agrees on gender balance targets, provides leadership and support for gender balance initiatives, and holds senior leaders accountable for meeting the organisation's gender balance targets. In addition, the CEO has a responsibility to certify that the company achieves its gender balance goals at the Board level.

By assigning specific responsibilities, everyone plays an active role in promoting gender balance and creating a workplace culture that values diversity and inclusion.

doing the right thing for our people

diversity & inclusion

what we're doing, continued

In 2024, our Diversity Committee continued to evolve and grow. The committee works on three pillars: citizenM inside, citizenM guests and communities, and citizenM partners and suppliers.

highlights

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

Unconscious bias awareness is integrated in our immersion for all new employees. The Diversity Committee released a new set of 'real talk' sessions, where employees are invited to discuss topics such as mental health, spirituality/faith, LGBTQ+ issues, racial bias, disability and unconscious bias.

These sessions were accessible for all employees.

In 2024, we launched the Founders First program: an initiative designed to support the growth of small businesses, with a particular focus on underrepresented communities. Founders First offered LGBTQ+ founders the chance to receive a two-year mycitizenM+ membership for themselves and their teams (which includes access to free co-working at any of citizenM's hotels worldwide), and a chance to showcase their product or service in either of our flagship hotels in New York City or London, depending on the location of their business. In addition, winners get visibility across our global channels through campaign content, consultations with citizenM's expert procurement team, plus 6,000 USD / 5,000 GBP to facilitate their brand vision.



doing the right thing for our people

training and professional development

why does this matter?

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

what are we doing?

Through learning and development opportunities, we take our employees on a learning journey to become a supercharged, jet-fuelled version of themselves. We tailor learning experiences in an environment that's positive, lively, rewarding and empowering. Mandatory training sessions for employees are in place to guarantee our teams are up to date with the latest topics and policy requirements. We believe all employees are steward leaders, and that career journeys are developed by motivated high performers. We have implemented discovery chats and growth plans to help create this roadmap for our employees.

In 2024, 100% of our employees received professional training. This includes training related to day-to-day operations, health and safety, and specialised career development courses.

HowNow

In 2024 we launched HowNow, a learning experience platform that focusses on the learner, offering clarity through pathways, dashboards with insights on learner progress, and assessments that show the impact of learning. HowNow offers a mobile app, which improves accessibility for learners. With this new platform, we are working towards a smarter, simpler, and bolder learning journey.

learning pathways

Learning pathways are a feature of our HowNow learning platform. They provide employees in our hotels and support offices with a clear and consistent learning experience. With this feature, all learning opportunities are organised into step-by-step pathways that correspond to each stage in the employee journey.

well-being and citizenM's culture

Personal well-being and having a safe company culture are priorities. All employees have access to workshops that focus on topics such as: the power of speech, citizenM rules and our speak-up policy, and how to provide feedback.

To continue fostering an open, healthy culture, we launched a series of blended workshops – attended virtually or in person by more than 200 participants. 'Feedback is a Gift' attracted 119 total participants in 13 workshops, and 98 people joined one of 10 Power of Speech workshops.

2024 was also the year to think in smarter, simpler and bolder ways to reach our global audience in embracing citizenM's culture. Our citizenM rules workshop was transformed into an engaging online learning experience, which has been completed by 400 citizens (and counting).

steward leadership development

citizenM believes leaders build a great place to work, where talented people want to be. That a healthy environment is safe, empowering and driven by purpose. In 2024, global hotel and area managers came together on Cape Cod, Massachusetts, USA, for three days of togetherness, reflection and inspiration. Here, the focus was using their leadership to create work environments of purpose-driven, continuous improvement.



training and professional development

leadership bench

In 2024, 31 support office leaders and future hotel managers invested in their leadership qualities through upskilling in our citizenM Leadership Journey. 84% of participants this year were home-grown talent.

Our hotel future stewards training was attended by 51 participants from all over the world, with 85% being home-grown talent. From these 51 participants, we had an 84% ratio of cultivated leaders propelling their career to the next level.

talent tracks

In 2024, we continued growing critical skills essential to achieving our strategic goals via our internal climber and explorer track programs. We are proud to celebrate the graduation of 23 climbers and 7 explorers this year. We also welcomed 17 participants to our fourth climber track – filling our bench with successors and investing in talented citizens that make a difference.

From 74 total talent track participants since 2021, 41 have grown through new roles and opportunities. citizenM retained 74% of these great talents over the past three years.

celebrating milestones

We are who we are because of our people, and our mission is to build a great place to work where talented people want to be. Our 'celebrating milestones' program helps us retain talent by offering our hotel employees a long-term perspective focused on short-term milestones. Well-deserving recipients get learning opportunities and a special gift for their tremendous efforts. In 2024 we extended the celebrations to also include long-term milestones for each citizens 1st year anniversary.

rebel teams

Rebel Teams need Rebel Leaders: those who enable others to be 1% better everyday. In 2024, we designed and implemented our Rebel Leader strategy to equip leaders with the necessary tools and capabilities to bring out the full potential of their teams' talents. With the structure now in place for our Strategic Council leadership, the focus in 2025 will be to cascade the skills and tools to even more leaders within citizenM, creating teams built with complementary skills.

After a pilot phase with three Rebel leaders, throughout the year another 30 leaders chose to boost their own skills and competencies.

MOD upskilling

A priority in 2024 was building hard and soft skills for hotel managers on duty (MODs). The goal is to empower MODs in leading diverse teams while having a positive impact on team operations and wellbeing. We piloted the first of five themes – balancing empathy and assertiveness – with a select group of 24 MODs. The feedback of this first round of virtual and in-person upskilling will bridge into 2025. Then, all MODs in all hotels will get training in all five themes.

continuous learning

To keep providing learning options that interest our hotel teams, we piloted a 'menu' for qualified hotel employees. The learning options focus on personal development in social and emotional intelligence. In 2024, 236 participants started this journey simply by activating a purpose-built app. We'll continue to review and refine into 2025, enabling our citizens to grow as we grow.



doing the right thing for our people

health, safety and well-being

what are we doing?

At citizenM, we are committed to providing a safe and healthy environment for our guests, employees, and all stakeholders. We prioritise the well-being of everyone who interacts with our properties. Through the citizenSAFE program, we work proactively to prevent accidents, injuries, and illnesses. We believe that a proactive approach to health, safety, and security is essential to delivering exceptional hospitality experiences. Together, we aim to maintain a safe, secure, and welcoming atmosphere for all.

why does it matter?

citizenM places a high priority on safeguarding our values by ensuring a secure environment for both employees and guests. In 2024, we strengthened our commitment by enhancing the citizenSAFE program, and our global safety & security policy, which we successfully rolled out across all EU hotels.

As part of this rollout, we conducted detailed risk assessments to address the complex legal landscapes and regional variations

across our locations. We also introduced new citizenSAFE compliance metrics for ongoing tracking and improvement, including auditor observations, self-assessments through checklists, and the issuance of HPM certificates.

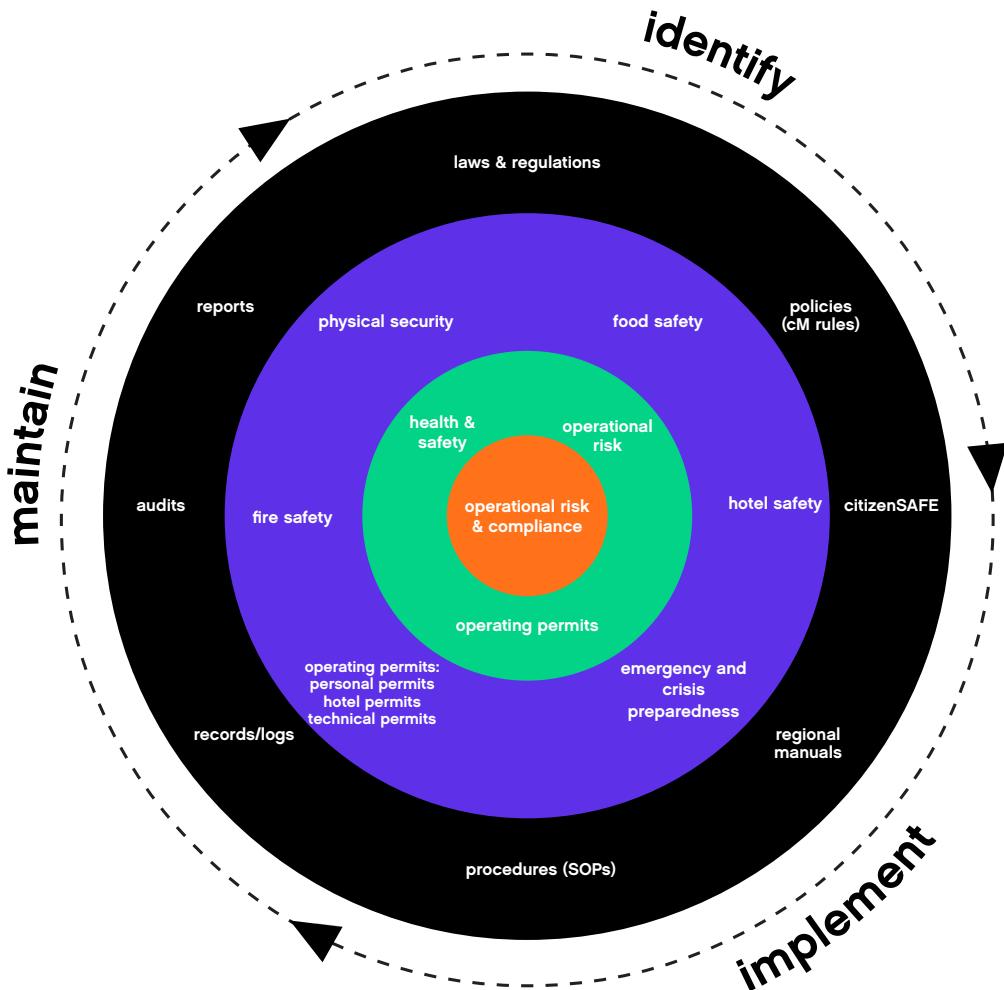
To further support the program, we launched a global incident reporting process, introduced a dedicated e-learning platform focused on health, safety, and compliance in hospitality, and conducted our first tabletop simulation exercise for hurricane preparedness in Miami, resulting in a comprehensive response plan.

Our goal remains to continuously enhance our incident-tracking and reporting processes and to improve training completion rates.

External experts conducted proactive inspections of our EU properties, complemented by day-to-day self-assessment checklists completed by our hotel teams. Additionally, we expanded our crisis management skills through ER/crisis e-learning courses.

doing the right thing for our people

operational risk & compliance framework



legend

● domain ● pillars ● dimension ● governance

human rights

why does it matter?

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

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

what are we doing?

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

In 2024, we continued to roll out human trafficking training and expanded our reach throughout the US and Europe.

doing the right thing for our people

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

Our housekeeping supplier has also rolled out training and monitoring systems. This is a result of looking at human rights due diligence in our supply chain.

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

stop human trafficking

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

Call [1-888-373-7888](tel:18883737888) or text [233733](tel:233733) for the National Human Trafficking Resource Centre Hotline. The toll-free hotline is answered live 24 hours a day, 7 days a week, 365 days a year.

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



Human trafficking awareness poster from our US hotels



happy & healthy guests

why does it matter?

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

what are we doing?

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

In 2024, we continued to promote Gymbox workouts. Our guests and employees can enjoy these free workouts anytime they sleep over. They're pre-loaded on the TV in every citizenM room worldwide with yoga, dance, combat and more.

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

Taking a trip to a citizenM hotel in Miami or Austin? Take a dip or relax on a lounger at the rooftop pool.

making positive movements in our society

shortening the distance between people and opportunities



citizenMovement foundation

why does it matter?

As a global company, we have the ability to be a force for good by using our platform to give back to society. Real caring is a core value at citizenM, and it doesn't stop at our doors. In 2024, we continued to make positive change through our citizenMovement Foundation.

what are we doing?

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

In 2024, citizenMovement continued to support World Bicycle Relief (WBR), donating 1,724,889 EUR and funding 5,880 bikes. Our donation total since 2018 is over 4.3 million EUR. The bikes were distributed into the Mobilised Communities projects in the Kasungu and Zomba districts of Malawi. Mobilised Communities supplies Buffalo Bicycles to relieve mobility constraints in all sectors – education, healthcare, economy – in one geographic location.

Bicycles shorten the distance to economic independence, making it easier to go to school or work, reach medical care, collect food and water, improve safety, and build closer communities. In fact,

over equal units of time, an individual can ride a bicycle four times the distance as someone walking.

citizenMovement held its second annual global month of awareness in 2024 – a month for celebrating and sharing info about the impact we're making together. We share updates on social media, and guests and employees at hotels see fun ways to get themselves moving. In addition, we launched two new episodes of the "in their own words" video series, which highlights the personal stories of local community members directly impacted by the bicycles. You can watch all six episodes now on our [YouTube channel](#).

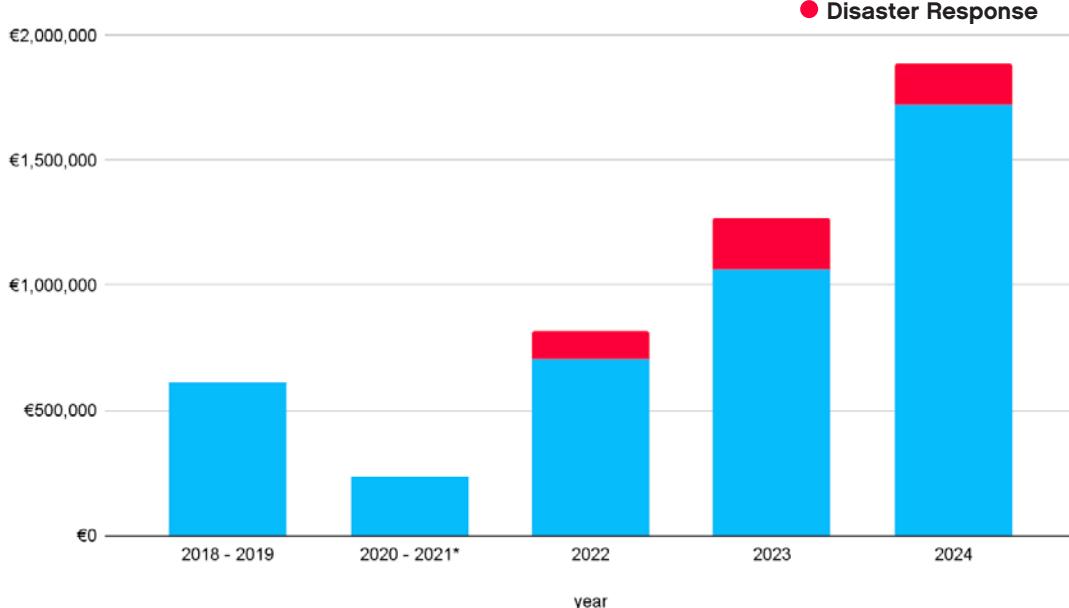
humanitarian crises: how do we help?

Though WBR is our chosen long-term charity partner, in times of crisis we also work with select humanitarian charities. Since we introduced our disaster response policy in 2022, we've donated over 483,411 EUR to The International Committee of the Red Cross and The Netherlands Red Cross to support those affected by disasters and humanitarian crises in a number of countries.

making positive movements in our society



charitable donations over time





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more on citizenMovement

what are we doing?

Our global fundraising campaign is purposely easy to participate in. In fact, guests don't have to do a thing! Each time they say 'no' to unnecessary room cleaning, we donate 3 EUR on their behalf to the citizenMovement Foundation. From there, the money will be used to shorten the distance between people and opportunities through our chosen charity partner World Bicycle Relief and disaster response.

Since 2018, citizenM donated over 4.8 million EUR to citizenMovement in support of their mission.

 **85,245**
people impacted
mobilising communities in Sub-Saharan Africa

 **17,010**
bicycles distributed

 **3 EUR donation to**
citizenMovement

 **guest says 'no' to**
room cleaning*

shortening the distance between people and opportunities

*guest saying 'no' to room cleaning when staying for 2 nights or more.

ESG report 2024

69

citizenM volunteer programme

why does it matter?

We take pride in being a good neighbour, and volunteering in local community projects to authentically demonstrate our care for people and the planet. We're one-of-a-kind in being kind.

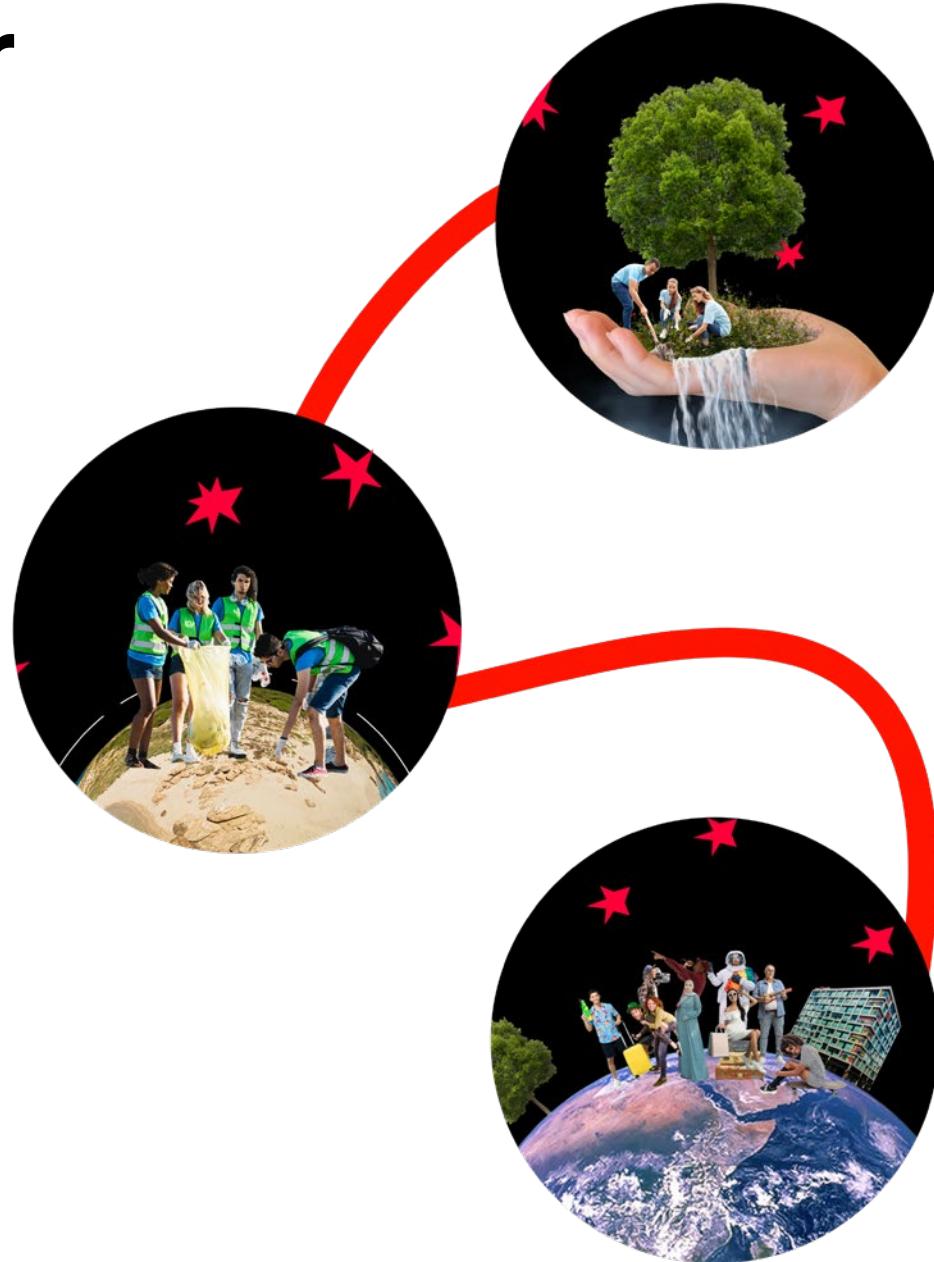
what are we doing?

In 2024, we launched our volunteer programme called 'be the change'. It's designed to encourage and support our employees' engagement in their communities and their positive contribution to society through initiatives that make a difference.

This initiative is part of our ESG vision – influencing positive change in a world where we are simply guests.

All employees have two days per year to volunteer. We want to encourage our employees to do good by tapping into their personal version of real caring and unleashing their skills, and unleashing their skills and creativity to bring about meaningful change in their local communities.

To focus our efforts, we've chosen four key areas for our volunteer program: education, social welfare, environmental improvement, and arts & culture. This way, everyone can contribute to causes they're passionate about while making a meaningful difference in the communities we live and work in.



making positive movements in our society

local positive movements

We love to support community activities that resonate with our values and culture. Something we value a lot? Art and creative expression. We worked with Miami-based We Are Nice'n Easy – a collaboration between artists Allison Matherly and Jeffrey Noble – to splash some colour onto the external walls of our Miami South Beach hotel ahead of its opening. We Are Nice'n Easy focusses on immersive mixed-media installations and subtropical visuals. The three epic murals explore South Florida's unique natural world and culture, with a side of whimsy. Dolphins, sea turtles, 'gators... oh my! citizenM guests get the most artful views in Miami.

We also worked with a young Texan artist for citizenM Austin Downtown. For this commission, Calhan Hale was inspired by the reality of living in Austin and the coexistence of city and nature. Despite Austin's rapid growth, nature persists. The mural shows the endangered Barton Springs Salamander, cacti, native birds and plants, and the great Texas sky amongst scenes of development, construction, and city life. Keep your eyes open for its textured surfaces, hand-collaged imagery, imperfect cut-outs, and a blend of digital and hand-painted.



conscious travellers

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



conscious traveller

why does it matter?

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

what are we doing

Behind the scenes, we are on a mission to make it easy for our guests to make conscious choices. Guests may use the citizenM app and in-room iPad to control their room lighting, temperature, and cleaning schedule. If they wish, they can choose from planet-friendly vegetarian and vegan foods at our canteen.

We also encourage guests to explore their city like a local—for example, by using the free bikes at our Dutch hotels. citizenM invests in making conscious travel easy, from how we construct our hotels to how we operate them and care for our people and guests.

We closely monitor our energy use, emissions, waste, and water consumption to better understand our impact and identify areas for reduction, giving guests peace of mind when reviewing our data.

We integrate conscious actions across our value chain into everything we do and we have ambitious goals for the future.

But we understand that collaborating and listening is smart, and we highly value the opinions of our guests.

Our focus for 2024 has been on developing our strategy for the conscious traveller, creating a narrative and brand identity that is easily recognizable to our guests.

As part of this effort, we conducted our second guest survey this year. The insights gathered from this survey will serve as a critical tool to guide our strategic decisions for the coming years.

Aligned with our goal of engaging with key stakeholders, the 2024 ESG Guest Survey provided valuable insights into how sustainability resonates with citizenM's guests. The findings highlighted a strong alignment between citizenM's environmental, social, and governance (ESG) goals and guest expectations. This detailed feedback empowers citizenM to refine its sustainability focus areas and actions in line with material topics.

81.8%
of respondents expressed strong interest or passion for sustainability and ESG.

89%
of guests already engage in activities supporting sustainability, such as recycling and reducing single-use plastics.

85.1%
agreed that conscious travel choices should be simple and convenient.

86.7%
of guests emphasised the importance of making sustainability communications simple.

conscious traveller



reduced plastic amenities

what are we doing (cont.)

At citizenM, our commitment to sustainability is a cornerstone of our operations. This is reflected in our single-use plastic policy. Over the past few years, we have diligently worked to eliminate plastics from our hotels, demonstrating our dedication to environmental stewardship.

In 2024, citizenM proudly launched a new reduced-plastic amenities range, available to guests on request from hotel ambassadors. The new range includes essentials like a sewing kit, vanity kit, dental kit, razor, nail file, comb, and shoe mitt – all thoughtfully designed to reduce single-use plastics.

In line with our waste reduction efforts, any remaining stock of old amenities will be donated to charities such as Clean the World, an organisation that repurposes hygiene products to support vulnerable communities. This initiative is a reflection of our mission to create positive environmental and social impact, one stay at a time.



conscious traveller

ESG metrics and targets



targets over time

	2023	2024	2025	2027	2030
intelligent and sustainable buildings					
100% of hotels will be green building certified by 2024*	100%	100%	100%	100%	100%
100% of new hotels built to net-zero operation standards by the end 2030	2 new electrified hotels	2 electrified hotels	3 electrified hotels	100%	100%
100% of hotels to receive physical climate-related risk assessments year on year	100%	100%	100%	100%	100%
growing and operating sustainably					
reduce energy use intensity by 35% by 2030	-	new baseline set	5%	20%	35%
net-zero in operations (Scope 1 and 2 absolute GHG emissions) by 2040	-	new baseline set	20%	35%	55%

*in-use and/or in construction BREEAM/LEED certified

missed  | on track  | achieved 

targets over time

	2023	2024	2025	2027	2030
growing and operating sustainably (continued)					
reduce water use intensity by 20% by 2030	-	new baseline set	5%	10%	20%
achieve over 90% waste diversion from landfill year-on-year	95%	90%	90%	90%	90%
remove single-use plastic items from the guest experience by the end of 2024	on track	achieved	-	-	-
100% of very high-risk and high-risk suppliers identified in the ESG risk procurement framework complete an EcoVadis assessment and take relevant corrective actions by 2024	95%	100%	100%	100%	100%
doing the right thing for our people					
achieve a score of 80 and above for our happiness score in our employee survey year on year	81	81	> 80	> 80	> 80
increase the % of board executive (e) and non-executive (ne) positions held by women 2025	on track	on track	2025 e - 25% ne- 30%	-	-
increase the % of senior leader positions held by women (Strategic Council)	31%	32.4%	40%	40%	40%
human trafficking training for hotel employees complete (within 2 months of joining citizenM)	on track	100%	100%	100%	100%
90% of employees trained on the basics of ESG (within 6 months of joining citizenM)	82%	75%	90%	90%	90%

missed  | on track  | achieved 

targets over time

	2023	2024	2025	2027	2030
making positive movements in our society					
donate to projects that shorten the distance between people and opportunities from (2018 baseline)	target 2.0 million achieved 2.9 million	target 3.5 million achieved 4.8 million	6.2 million	-	-
increase the % of employees engaged in local and skills-based volunteering opportunities	-	on track	on track	20%	40%
conscious traveller					
ESG survey for guests and corporate bookers every 2 years from 2024	-	■	-	-	■
governance benchmarking and targets					
maintain 5-star GRESB rating – operational scorecard	5 star	5 star	5 star	5 star	5 star

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

missed ▲ | on track ▲ | achieved ▲

climate-related risks and opportunities

actively identifying, assessing, and adapting to climate-induced risks and opportunities to fortify our operational resilience and business sustainability



introduction

climate-related risk

In this climate-related risk section of our ESG report, we take steps to align with IFRS Climate-related Disclosure Standard S2.

scope

By 31 December 2024, the portfolio includes 34 citizenM hotels in operation and with 3 already in construction. citizenM Austin, Boston Back Bay, Miami South Beach opened in 2024. We assess our existing hotels and developments for physical climate-related risks annually.

This section relates to climate-related physical risks, transition risks, and climate-related opportunities. The sections are divided into four key areas:

governance

Here we outline the processes and controls in place to monitor and manage climate-related risks and opportunities.

strategy and action

We outline our approach to managing climate-related and opportunities.

risk management

We describe the processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities.

metrics and targets

Climate related metrics and targets can be found in the ESG metrics tables in the appendix.



climate action

why does it matter?

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

climate risks and opportunities

citizenM has examined climate-related risks and opportunities across our value chain. By identifying these risks, we've refined our risk management strategies.

Through disclosing this material information, we aim to uphold transparency and foster continuous improvement.

In this chapter, we discuss in detail the risks and opportunities for our business arising from climate change.

We examine how our business impacts our environment, the climate and the actions we are taking (and plan to take) to mitigate those risks.

citizenM is committed to adopting the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) disbanded at the end of 2023.

citizenM's governance of climate-related risks and opportunities is integrated into the company's governance structure. Similarly to all ESG topics, the management approach of these issues, define project scopes, set targets and take action.

what are we doing?

citizenM recognises climate change is a global issue that may impact how we run our business today and in the future. We see climate change as both a strategic opportunity and a financial risk. In 2024, we continued to identify climate-related risks and integrated them into our risk management framework.

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



governance: climate-related risk

In this section, we provide an overview of the governance mechanisms, controls, and procedures that show how we monitor, manage, and oversee climate-related risks and opportunities at citizenM.

We grasp that effective governance is not only essential but fundamental to our ability to make well-informed decisions, establish strategic priorities, and navigate the intricate landscape of climate change.

Through this governance framework for climate-related disclosures, we are committed to finding climate-related opportunities, transparency, accountability, and responsible stewardship.

overview

citizenM's governance of climate-related risks and opportunities is integrated into the company's risk governance structure (see page 24).

Progress of climate-related risk projects is reported at our tactical tables, Strategic Council and shared with the Board.

board of directors

citizenM's Board has collective responsibility for overseeing the management of impacts, including climate-related risks and opportunities. They're advised by

the ESG team and the Risk Management group in line with our approach to climate-related risks and opportunities. ESG topics are presented semi-annually at the Board meetings, including climate-related risk updates.

senior leadership

Our Strategic Council (SC) meets monthly. Chief People Officer frequently report to the SC on ESG topics, including climate-related issues. Additionally, regular meetings between the CEO, CFO and the ESG Director take place to drive our most material issues. Several are directly linked to climate-related concerns, including physical climate assessments, green building certification, energy consumption, energy efficiency, carbon emissions, waste reductions and climate resilience.

management's role

- Our development and investment team are responsible for carrying out physical climate change risk assessments at new sites and initial regulation checks at city and country levels.
- Our design team are responsible for our architectural brand standards, which include sustainable design instructions to achieve efficient and sustainable building.
- Our project management team for building hotels are responsible for green building certification in construction and renewable energy installations, including climate-related reports.
- Our hotel property management team has direct responsibility for monitoring utility consumption and climate-related issues associated with our day-to-day operations. From opening, the team is responsible for energy efficiency projects, energy certifications, implementation of building management systems, climate resilience mitigation plans, green energy procurement, smart meter implementation and maintenance.
- Our operations team are responsible for incident reporting to hotel management and waste management and reduction projects. The operations team also ensure hotel ambassadors join ESG training.
- Our procurement team is responsible for our responsible procurement risk framework, driving awareness of our responsible procurement principles and the assessment of high-risk suppliers against 21 corporate social responsibility criteria. These criteria include climate-related risk areas, such as reporting and taking action on greenhouse gas emissions.
- Our legal and ESG team assess upcoming regulations and reporting requirements.
- Our risk management finance team are responsible for the risk management group, sustainable finance opportunities, internal utility data-related controls, insurance, reporting on investment activities and supporting with climate-related risk business cases.

internal controls

citizenM's governance of climate-related risks and opportunities is integrated into the company's risk governance structure (see page 24).

climate-related risks and drivers

physical risks

We address two main types of climate-related physical risks.

acute risks

These are sudden events like severe storms or extreme temperatures. Such events can affect our buildings, daily operations, supply chains, and the safety of our employees, which in turn can have financial consequences.

chronic risks

Such risks arise from long-term climate changes, like rising temperatures or shifting rain patterns. For instance, rising sea levels might pose a threat to our properties or operations, and could have financial impacts.

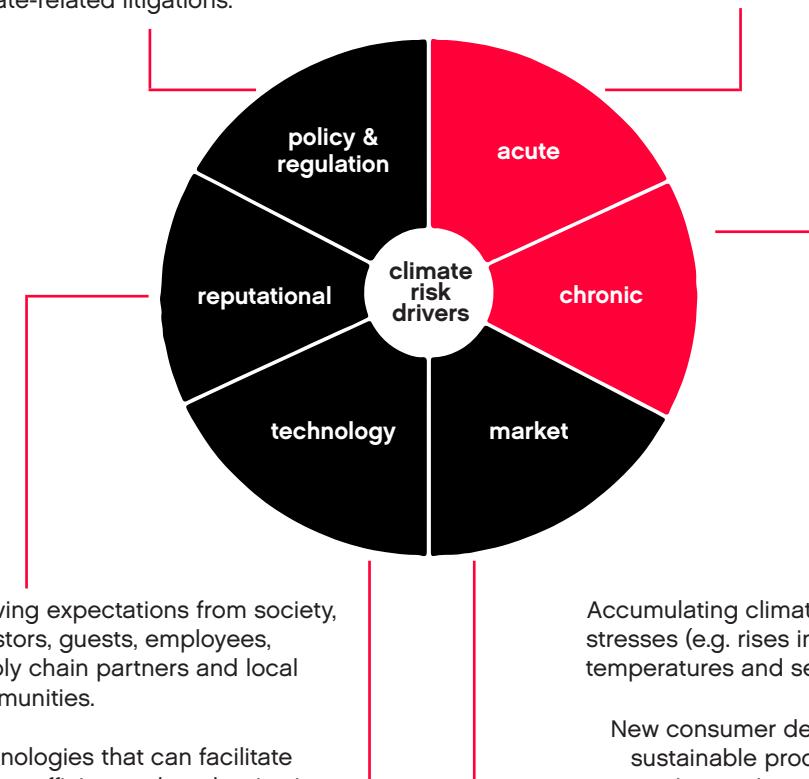
transition risks

Our strategy also tackles transition risks, which come from the global move towards a greener, low-carbon economy. This includes changes in laws, technology advancements, and shifts in market preferences towards more low-impact room nights. For example, new laws aimed at energy efficiency, reducing greenhouse gas emissions, or a shift in consumer preferences towards green products could affect our business.

The move away from fossil fuels and towards cleaner technologies is a part of this transition. Our decarbonisation strategy is designed to help us navigate through these changes, ensuring we stay ahead in the market while adapting to a lower-carbon economy in line with science-based targets.

climate-related risk drivers

Changing regulations and reporting standards (e.g. climate disclosures, local city/country regulations, carbon taxes) and exposure to climate-related litigations.



strategy

overview

Climate change is one of the biggest threats our world is facing. As our planet heats up, we can expect to see more frequent and severe weather, which will result in damage and financial loss. Its effects are potentially devastating to people's lives and the economy.

There is an urgency to take action to limit these events. Without action, climate change has the potential to cause enormous disruption. The planet has already warmed more than 1°C since pre-industrial times and a further 3 to 4°C rise in temperature by the end of the century cannot be ruled out based on current emissions trajectories.

In 2023, the Intergovernmental Panel on Climate Change (IPCC) reaffirmed the urgency to take substantial measures to curb the potential further rise in global temperatures.

The risks of climate change have prompted the World Economic Forum to put climate change at the top of its annual Global Risk Report because of the threats to civilisation.

Transparency regarding climate-related risks and taking the lead in finding climate-related opportunities is critical to maintaining the trust of stakeholders. It enables investors to better understand

the implications of climate change on the business.

risks, opportunities and impact

citizenM recognises that climate change risk is a global issue that may impact how we run our business both today and in the future. We see climate change risk as both a strategic opportunity and a financial risk. Our approach is focussed on how we can anticipate effects on our business model and value chain. There can be no assurance that climate change will not have a material adverse effect on our hotels. Understanding our risks is important so that transition strategies and mitigation plans can be initiated.

resources

We identified tools, resources and partners to help us identify and mitigate potential physical and transition risks in the short, medium and long term.

The Representative Concentration Pathways (RCPs) adopted by the IPCC have been used for analysis by ensembles of climate models and have become associated with particular climate targets.

We ran provisional data tests examining science-based carbon reduction pathways at building- and portfolio-level data. We will continue building our climate resilience strategy and analysing our emissions.

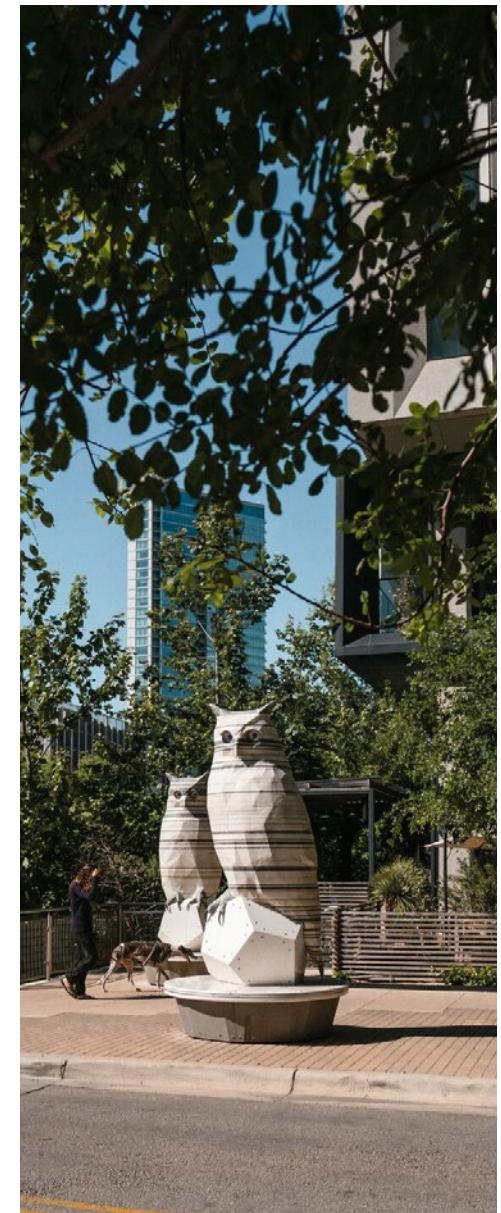
Working on scenario analysis will enable us to set clear climate-risk-related projects and goals focussed on transitioning to a low-carbon economy.

To assess these risks and opportunities, we estimate the potential impact to our business over short (0-3 years), medium (4-6) and long terms (7-10 years).

In the strategy sections below, we outline our key drivers and our approach to physical and transition climate risks.

A fundamental element of this process is to conduct climate scenario analysis. This enables us to assess if and how we may be affected by physical and transition risks, depending on different climate trajectories.

Climate scenarios are used to assess economic, strategic, and operational resilience at a company/portfolio level, and at the level of individual assets within our portfolio.



strategy

key drivers of scenario analysis

drivers	description	drivers	description
carbon price	As of December 2024, the European Union's Emissions Trading Scheme (ETS) reached a record high of 76.67 EU per metric ton of CO2 in May 2024. By 2030, tier one countries are forecast to increase the price up to 224 USD. As the electricity grid transitions to renewable sources over time, we would be less impacted by a direct cost of carbon on our scope 2 emissions. However, with our activities located in countries that are late in committing to a net zero economy, the carbon price will have a stronger impact on our business. GHG emissions regulations, CO2 taxes and other related regulatory requirements are increasing globally. 78 countries cities, states, and provinces around the globe already use carbon pricing mechanisms, with more planning to implement them in the future. Together, the carbon pricing schemes now in place cover about half their emissions, which translates to about 24% of annual global GHG emissions.	low-impact stays	We stand out from competitors by offering low-impact stays for the conscious travellers, focussing on energy efficiency, waste reduction, and sustainable sourcing. This approach strengthens the citizenM brand as a leader in sustainable hospitality, increasing customer loyalty and operational cost savings.
stranded assets	Stranded assets are defined as assets that have suffered from unanticipated or premature write-downs, devaluation, or conversion to liabilities. In recent years, the issue of stranded assets caused by environmental factors, such as climate change and society's attitudes towards it, has become increasingly high profile at a global scale.	scope 1 greenhouse gas emissions-transition to low-carbon systems	To be in line with the IEA Net Zero Scenario, the share of clean energy technologies such as heat pumps, solar thermal heating, low-carbon district energy systems and biomass boilers needs to exceed 80% of new heating equipment sales by 2030. The combined effects of efficiency improvements, fuel-shifting and power sector decarbonisation would reduce buildings' heating-related emissions over 50% by 2030, thus also reducing the carbon price exposure on scope 1 emissions.
resilient investments	Resilient investments focus on climate - resilient locations, designs and technologies that enhance the durability and adaptability of our hotel to climate-related risks, ensuring long-term asset value and operational efficiency in the face of climate and environmental challenges.	scope 2 greenhouse gas emissions-electricity growth	As we grow our business through new hotel developments, our electricity usage will rise over time, even with efficiency upgrades.
insurance and physical climate-related events	The escalating frequency and severity of extreme weather-related events could increase insurance premiums, and could potentially impact hotels in high-risk locations.	scope 2 greenhouse gas emissions-ability to procure renewable energy	We actively procure electricity from renewable sources. We are committed to procuring renewable energy equivalents. 100% of hotels have green electricity with in the first year of operation.
cross-industry metrics	The real estate and hotel industries move to measure and act on change in the climate transition space. Benchmarking emissions per m2/room night is essential, and cross-referencing metrics data enables us to look at our value chain and business model to look for risks and opportunities related to financial opportunities.	scope 2- carbon intensity of the electricity grid	IEA assumes renewable electricity generation quickly outpaces fossil-fired generation by 2030, enabling a less carbon-intensive grid that we purchase electricity from, thereby decreasing our scope 2 emissions. However, not all markets will make the same progress for their electricity grid. We calculate carbon intensity from IEA's projected generation mix and carbon emissions.
		scope 2- electricity prices	As the grid transitions from fossil-fired generation to predominantly renewable electricity generation, IEA assumes there will be increases in electricity prices aimed at covering transition costs such as infrastructure upgrades.

strategy

physical risks

acute physical risk and chronic physical risks

Acute physical risks: extreme weather, including tropical cyclones (hurricanes and typhoons), flooding, wildfire, drought, and heatwaves.

Chronic physical risks: long-term changes in climate and weather patterns, including changing levels of precipitation, mean temperatures, and sea level rise.

impact to business

time horizon:

short to long term

The physical effects of climate change could have a material adverse effect on our properties, operations and business. Over time, these conditions could result in costs associated with infrastructure-related remediation projects and, in the worst case, loss of guest revenue.

Climate change may also have indirect effects on our business, including increasing the cost of property insurance on terms we find to be unacceptable and lowering property valuations (for at-risk assets).

why does it matter?

The world is already seeing physical climate impacts manifest, increasing in frequency and severity at rates in line with climate scientists' worst-case scenarios. As a business, we will face risks associated with the physical effects of climate change. The physical effects of climate change could have a material direct and indirect adverse effect on our properties, operations and business. Climate change affects weather patterns, so our markets could experience more severe storms, extreme temperatures, and flooding from rising sea-levels or drought. According to the UN environment programme – finance initiative, conservative estimates believe that global climate change will lead to costs equivalent to losing between 5 - 20% of global gross domestic product (GDP) each year. For citizenM, the company's activities and portfolio of properties are at risk of being impacted by both acute and chronic physical risks.

management approach

what have we done?

We have proactively assessed our buildings against a range of climate change scenarios and understand the geographic exposure of our hotels. In 2024, we carried out 45 physical assessments. We view this as an opportunity to protect asset values and revenue. Proactively assessing climate risk will enable decision-making for investment and implementation of mitigation measures, which will protect our portfolio in the short, medium and long term. Information of climate risk is integrated into our investment processes (HPMP).

how did we carry out the assessments?

We use Swiss Re, one of the world's leading providers of insurance-related risk solutions. Swiss Re's Climate Risk Score framework combines the latest climate models used for the Intergovernmental Panel on Climate Change (IPCC), with Swiss Re's internally developed natural catastrophe models. The Climate Risk Scores reflect three climate change scenarios:

- SSP 1-2.6
- SSP 2-4.5
- SSP 5-8.5

The Climate Risk Scores are a normalised index (0-10) that serves as proxy to actual weather-related changes under the three climate change scenarios of acute (e.g. floods, wildfires) and chronic (e.g. sea level rise, heat stress) physical climate risks.

what's next?

Our high-risk properties identified will be required to develop mitigation plans tailored to meet the specific risks associated with their geography and unique construction attributes.

natural catastrophes

under current climatic conditions

- river flood (fluvial)
- flash flood (pluvial)
- storm surge
- windstorm
- wildfire
- hailstorm
- tornado
- lightning
- landslide

not impacted by climate change but included:

- earthquake
- volcanic ash thickness

physical risks

assessment and mitigation

We assess our existing hotels, hotels in development, and new sites using the Swiss Re climate platform.

We believe our existing risk register and business continuity plan efforts already incorporate physical risks from climate change in the short and medium terms.

Based on the outcomes of our physical risk assessment, citizenM has identified several impactful risks and revenue-exposed assets.

Following this assessment, we aim to improve our preparedness and mitigation plans to keep our guests and employees safe. We plan to apply the measures below:

- create mitigation adaptation plans for high-risk and very high-risk hotels;
- conduct a periodic assessment of hotels most exposed to natural disasters and their prevention/protection plans;
- review insurance cover for natural disasters for assets in Europe, the UK, and the US;
- provide additional response procedures to our internal business continuity plan & crisis action plan.

future acute & chronic climate risks

3 climate change scenarios (SSP 1-2.6, SSP 2-4.5 and SSP 5-8.5)

2030 to end of century

fluvial flood



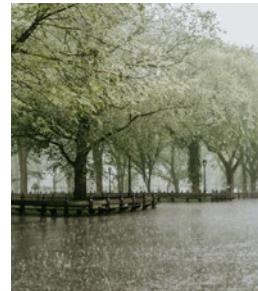
pluvial flood



sea level rise



extreme rainfall



summer rainfall



winter rainfall



windstorm



wildfire



drought



heat wave



heat stress



cold stress



strategy

transition risks

policy and legal risk

- enhanced emissions reporting obligations
- increased pricing of GHG emissions

description

Because of the nature of our operations, we are subject to regulatory developments related to climate change regulations globally. Examples include regulation of greenhouse gas (GHG) emissions, carbon pricing, fuel mix, energy and fuel cost, and energy policy. Changes in regulations may impact the market, including the supply and demand for certain commodities, products, and services.

impact to business

time horizon:

short to medium term

enhance emissions reporting obligations

As a business, we will face risks associated with the physical effects of climate change. There is a growing demand for decision-useful, climate-related financial information from investors, insurers, and new EU reporting requirements.

In addition, we see an increase in city and state reporting requirements requesting annual energy and emissions reporting as well as delivery on reduction pathway targets.

The need to transparently report and disclose climate risks is just one step on the journey – the next step will be to mitigate and manage these risks.

Implementation of carbon policies could impact citizenM by directly putting a price on our emissions, which would impact our operational costs.

management approach

measuring emissions

We report annually on our emissions in the reporting timeframe, and monitor any significant events that could affect our emissions measurement approach. We measure our emissions in accordance with the approach set out in the Greenhouse Gas Protocol for scope 1 and 2 emissions and partial scope 3 emissions. Emissions data is third-party assured and verified. We have standardised our approach in line with the protocol including assumptions, emissions factors, location and market-based reporting. We aggregate our greenhouse gases into CO₂ equivalent using global warming values.

monitoring policy and regulatory developments

We monitor policy and regulatory developments related to climate change and the environment. We also work with our strategic energy partner to monitor energy-specific regulation globally and to create a course of action specific with area(s) affected, as appropriate.

data platforms and assurance

We have invested in data management platforms and resources to measure and monitor our data, so we understand how our buildings are performing.

deploying and procuring renewable energy

Over time we are committed to sourcing renewable electricity for our portfolio. We will achieve this by continuing to invest in green energy at our own operations and by sourcing renewable energy from external sources. citizenM integrates solar technology into our hotels designs where possible.

reducing electricity usage and carbon emissions

We recognise there are many ways in which we can reduce our exposure to a carbon price (i.e., a cost we directly or indirectly incur as a result of a carbon policy mandate to reduce GHG emissions). Energy efficiency projects and building management systems have reduced consumption and emissions.

stranded assets and target setting

Annually we map our hotels using the CRREM to understand the risks of stranding. Transition risk can materialise through assets losing value prematurely as a consequence of the transition to a low-carbon economy. Our targets are set voluntarily and not as (yet) set by applicable law. Our targets are both measured in terms of absolute and intensity targets.

net zero pathway

We publish our net zero pathway and define our approach for all assets.

net zero resource

We have a net zero team focussed on assessing and implementing low-carbon technologies together with implementation partners.

standard setting

To extend the life of our assets and to guarantee top-level buildings for our hotels, we require all our new-build hotels to achieve at least BREEAM-NC Excellent (ideally Outstanding) accreditation or LEED-BD+C Gold (ideally Platinum) rating. For our redevelopments or existing buildings, we aim for BREEAM-NC Very Good and LEED-BD+C Gold (at least). As of 2024, 100% of our hotels are now LEED or BREEAM In-Use certified.

strategy

transition risks

market & reputational risk

- changing consumer behavior
- increased costs of fuel or energy prices

impact to business

time horizon:

short to medium term

changing consumer behaviour

Our guests are more and more conscious of the impact of their business and leisure trips. Being perceived as a hospitality brand that does not consider enough its impact on society might result in a loss of guest revenue.

carbon budgets and corporate travel booking

Increase in corporate bookers requesting energy, emissions and water consumption per room night/m² for direct benchmarking against other hotels.

changes in fuel or energy prices

Increased fuel or energy prices in geographies where we operate (within the US and Europe in particular) could make it more expensive to purchase energy to power citizenM's hotels.

Current geopolitical tensions might further increase the price of fuel, gas, and energy in the short term.

description

The rise of the conscious traveller and the expectation of transparent data. Taking action on the climate crisis is a consumer expectation and they want to invest in products and services that match their values. citizenM considers one of the potential transition risks to be changing consumer behaviour, whereby consumers increasingly prioritise hotels with sustainable attributes.

management approach

developing a culture of sustainability – making conscious travel easy for the conscious traveller

- active engagement with guests to understand their conscious travel requirements through guest surveys
- transparent reporting and submissions to benchmarks such as GRESB for peer comparisons
- ESG training for all employees

deploying and procuring renewable energy for lower impact stays

We are committed to sourcing renewable energy equivalents. 100% of hotels have green electricity with in the first year of operation. We will achieve this by continuing to invest in green energy at our own operations and by sourcing renewable energy from external sources. In addition we integrate solar technology into our hotels' designs where possible.

reducing energy consumption and costs

We also have a dedicated team focussed on energy management and procurement.

We have also implemented several energy efficiency activities:

- Technologies: our Building Management Systems (BMS) optimise the performance of our heating, ventilation, and air-conditioning (HVAC) systems. Between 2023-2027, smart meter and BMS installation and optimisation is a focus for achieving smart and sustainable buildings.
- Lighting: we use natural light and task lighting to reduce the need for overhead lighting. We install occupancy sensors in our corridors, conference rooms, break rooms, restrooms, and other frequently unoccupied spaces. We only prescribe LED lighting, and thus reduce the wattage of light bulbs to save lighting energy usage.
- Heating and air conditioning: we have flexible thermostat ranges that can be set by our property management team. This means rooms can be a few degrees warmer in the summer and cooler in the winter, rather than strictly set temperatures. This approach saves energy and reduces our environmental impact.
- On site energy audits reporting efficiency works required for the future.

benchmarking

We gather competitor and academic data from the hotel industry and compare our m² and impact per room night data.

strategy

transition risks

technology risk

- rapid evolutions in low-carbon, energy-efficient management systems

description

The hospitality industry strongly relies on IT tools such as systems for building efficiency management (e.g. water, energy) that are rapidly developing. citizenM has identified as an important potential risk the lack of investment into the latest systems to participate in its low-carbon transition.

impact to business

time horizon:

short to medium term

rapid evolution in lower-carbon, energy-efficient management systems

citizenM aims to reduce the overall impact of its activities footprint, in particular with regard to the energy and water consumption of its hotels and other buildings.

Lack of investment in efficient systems and technologies could prevent the company from achieving its eco-efficiency goals. In the medium term, this would lead to higher water and energy costs.

Starting decarbonisation implementation can showcase innovation and enable realistic timescales to meet our 2040 goals.

management approach

brand standard design criteria

In our brand standards, we specify the installation of smart meters or connection of meters in new developments to BMS at each hotel.

smart meters

Smart meters for electricity, gas, heating, cooling, and water use are linked to our energy portal where possible. These data feed an energy management application, enabling us to view and analyse performance. We are focussed on increasing our data automation at each hotel.

building management systems

Investing and upgrading energy-efficient management tools such as Building Management Systems (BMS), which help optimise the performance of our heating, ventilation, and air-conditioning (HVAC) systems. In 2024, we continued to pilot a new BMS project to see how we can further centralise data and optimise our hotels.

decarbonisation assessments

Decarbonisation assessments are carried out on our biggest emitters. Our selected engineering partner identifies low-carbon technologies on an asset-by-asset basis (e.g. heat pumps, solar thermal and solar panels).

mechanical equipment

We review the age of mechanical equipment and carry out benchmark energy models to assess current heat pump models on the market.

partners

We work with key partners to identify technology partners together with our procurement team.

strategy scenarios

transition scenario analysis and resilience

Transition risk refers to the financial risks associated with the shift to a lower-carbon economy, which can arise from changes in policy, technology, and market dynamics. Understanding and managing these risks is crucial for citizenM to adapt and take action.

In 2024, our company conducted a scenario analysis using the CRREM tool, in line with the original TCFD guidelines, to assess our transition risk in a 1.5-2°C global temperature rise scenario.

Key functions of the CRREM tool include:

benchmarking carbon emissions: It provides science-based carbon reduction targets, enabling us to understand our current carbon footprint and align with global climate goals, such as those set by the Paris Agreement.

scenario analysis: CRREM allows users to conduct scenario analyses under various global warming scenarios (e.g., 1.5°C, 2°C increases). We have set our analysis to the 1.5°C scenario.

strategic planning: By identifying carbon and energy hotspots, the CRREM tool – paired with energy audits – helps us plan

future retrofits to align with changing regulations and market expectations.

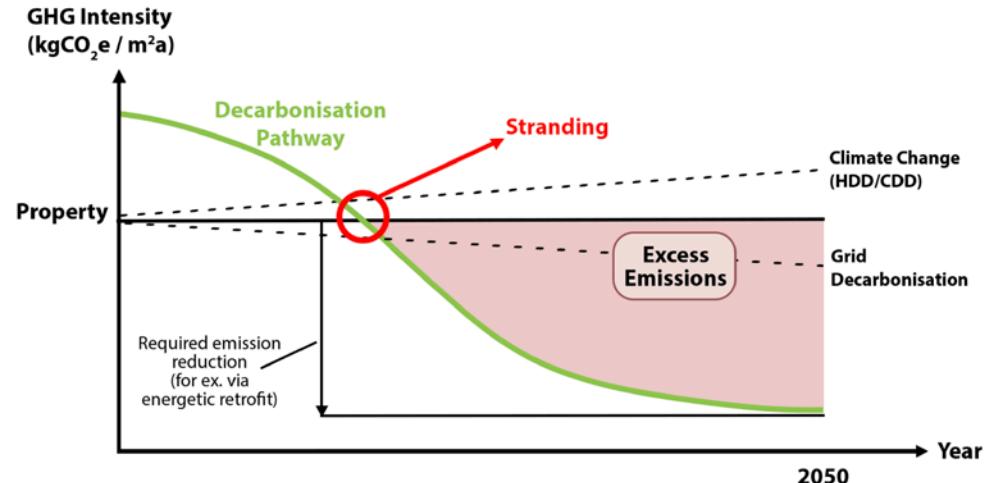
risk assessment: CRREM helps in assessing financial risks related to potential carbon pricing, regulatory changes, and shifts in market demand due to climate change.

By using this scenarios tool, we are not only able to assess our current position, but also map our pathways toward net-zero emissions.

This alignment allows us to strategically plan our net-zero implementation transition, ensuring that we are contributing to global climate goals and positioning ourselves competitively.

skills, capabilities, and resources for climate-related scenario analysis: citizenM is actively developing the necessary skills and resources for effective climate-related scenario analysis. We invest in both internal and external expertise to enhance our capabilities. Implementation of low-carbon, net-zero building changes is a resource-intensive process, but through continuous improvement, internal upskilling and partner selection.

CRREM's stranding risk analysis approach



risk management

our process to identify, assess and manage climate-related risks

actively tracking hotel data

We actively gather data insights from our hotels, such as operational characteristics (e.g. locations, facility types and square meters of buildings), energy consumption, waste generation, and water usage. Transparency regarding climate-related risks and taking the lead in finding climate-related opportunities is critical to maintaining the trust of stakeholders. It enables investors to better understand the implications of climate change on the business.

identify and monitor risk and regulations

citizenM identifies and assesses business risks and opportunities that can impact value, reputation, and business continuity on an ongoing basis. We do this as a normal course of business and via our risk register review process. We also monitor global ESG regulations to prepare for future city and state disclosure requirements.

an integrated approach to general risk identification

Our internal risk register is created and reviewed quarterly by our risk group; all departments are required to review and capture relevant risks in their area. The register categorises the risk, the potential causes, determines existing controls and mitigation strategies and responsibilities.

Each risk is scored and mapped against a company heat map.

Climate-related risks are incorporated into the company heat map. Each year we conduct a formal Risk Register review that helps us determine the operational impact resulting from a major disruption. The Risk Register identifies, reviews, and prioritises the biggest threats to our employees, hotels, and business operations. This includes climate-related risks. The assessment prioritises risk based on the level of impact to our hotel operations. Priority risks are those with the most direct and immediate impact to our hotel properties and guests. We also assess climate-related risks based on their likeliness to happen on the short, medium or long term, and put mitigation plans in place.

screening of sites

With asset-level risk management, we carry all-risk property insurance on our properties. Insurance coverage may mitigate the impact of potential losses associated with natural catastrophes, such as floods, wildfires, earthquakes and wind events. We also look at the city environmental and energy regulation checks to ensure we meet compliance risks.

physical risk scenario assessments

Each site is assessed using climate scenario analysis over time to various chronic and acute physical risk types. The assessment also includes transitional risks, such as market changes, technology, policy and regulation, and reputation. We identify if there are any geographic regions that are at very high and high risk.

scenario mapping transition risk

Our process for identifying and assessing climate-related risks begins with gathering data insights from each of our hotels' operational characteristics (e.g. locations, facility types and square footage of buildings), energy consumption, waste generation, and water usage. Each hotel has been mapped against transitional decarbonisation pathways. In addition, we also look at risks such as market changes, technology, policy and regulation, and reputation. We conduct decarbonisation and energy efficiency assessments on assets at a high risk of stranding, in addition to determining the engineering implementation requirements to electrify our buildings.



thanks for reading our report

This report covers initiatives from January 1 to December 31, 2024, and marks a significant milestone. Our ESG report reflects our commitment to ESG and integrated thinking, this approach sets us up for future reporting requirements and making positive changes in a world where we are simply guests.

Official report date: 29th April 2025.

ESG Global Standards

As a non-listed company, we are voluntarily reporting and have compiled this report using selected Global Reporting Initiative (GRI) topics, SASB industry standards, IFRS S1, and IFRS S2 disclosure standards. For detailed disclosures, please take a look at our Reporting Standards Content Index.

To stay updated on our progress and future initiatives, visit our ESG page at citizenM.com/esg.

any questions?

We believe feedback is a gift, if you have any inquiries or wish to discuss any aspect of this report further, please reach out via email at esg@citizenM.com.

contact us

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appendix



assurance report (sustainability information)

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LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY INFORMATION IN THE INTEGRATED REPORT 2024 FOR CITIZENM

To: Members of the Board of CitizenM Holding B.V.

Our conclusion

We have performed a limited assurance engagement on the sustainability information of the 4 sustainability key performance indicators (KPIs) of CitizenM Holding B.V. (hereafter "CitizenM" or "the Company") included in chapter 'environmental social and governance' of the accompanying integrated report (hereafter: the sustainability information).

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the sustainability information in the accompanying integrated report of CitizenM does not present fairly, in all material respects:

- The sustainability information consists of performance information regarding energy consumption, water consumption, waste management and CO2-emission (hereafter: "the sustainability KPIs") and

in accordance with the applicable criteria as included in the 'Annex A' section of our report.

The sustainability information as seen in annex A is included in the chapter 'environmental, social and governance' on pages 50, 52 to 57, in the appendix 'ESG metrics' on pages 177 to 181 & 'methodology' on pages 185 - 186 of the integrated report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the sustainability information' section of our report.

We are independent of CitizenM in accordance the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (VIO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants). The VIO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

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3.5.2/1

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

Applicable Criteria

The reporting criteria applied for the preparation of the 4 sustainability KPIs in Annex A are the reporting criteria as developed by CitizenM specified by management in the appendix 'methodology' on pages 185 to 186 of the integrated report.

The sustainability information is prepared with reference to the Global Reporting Initiative (GRI) Standards. The GRI Standards used are listed in the appendix 'ESG metrics' as disclosed on page 177 to 181 of the integrated report.

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

Comparative information not subject to assurance procedures

The comparative information in the sustainability information relating to the 4 KPIs in scope has not been subject to reasonable or limited assurance.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the management board and the supervisory board for the sustainability information

The management board is responsible for the preparation and fair presentation of the sustainability information in accordance with the criteria as included in the 'Criteria' section, including the identification of stakeholders and the definition of material matters. The management board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the management board regarding the scope of the sustainability information and the reporting policy are summarised in the appendix 'methodology' on pages 185 to 186 and appendix 'ESG metrics' on page 177 to 181 of the integrated report.

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

The board is responsible for overseeing the sustainability reporting process of CitizenM.

3.5.2/2

assurance report (sustainability information)

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Our responsibilities for the assurance engagement on the sustainability information

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

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability information is free from material misstatements. The procedures vary in nature and timing, and are less in extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the company's materiality assessment and the reasonableness of estimates made by the management board.
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without
- Identifying areas of the sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted among others of:
 - obtaining inquiries from management at corporate level responsible for the sustainability strategy, policy and results;
 - obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal procedures on, and consolidating the data in the sustainability information;
 - obtaining assurance evidence that the sustainability information reconciles with underlying records of the company;
 - reviewing, on a limited test basis, relevant internal and external documentation;
 - considering the data and trends in the information submitted for consolidation at corporate level.
- Considering the overall presentation and balanced content of the sustainability information.
- Considering whether the sustainability information as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

3.5.2/3

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

Amsterdam, March 31, 2025

Deloitte Accountants B.V.

Initials for identification purposes:

Jef Holland
Partner

Annex A – Overview of the non-financial KPI's for the integrated report

The sustainability KPIs for 2024 in scope for CitizenM, as defined in the reporting criteria in the appendix 'methodology' on pages 185 to 186 for in the integrated report 2024, are:

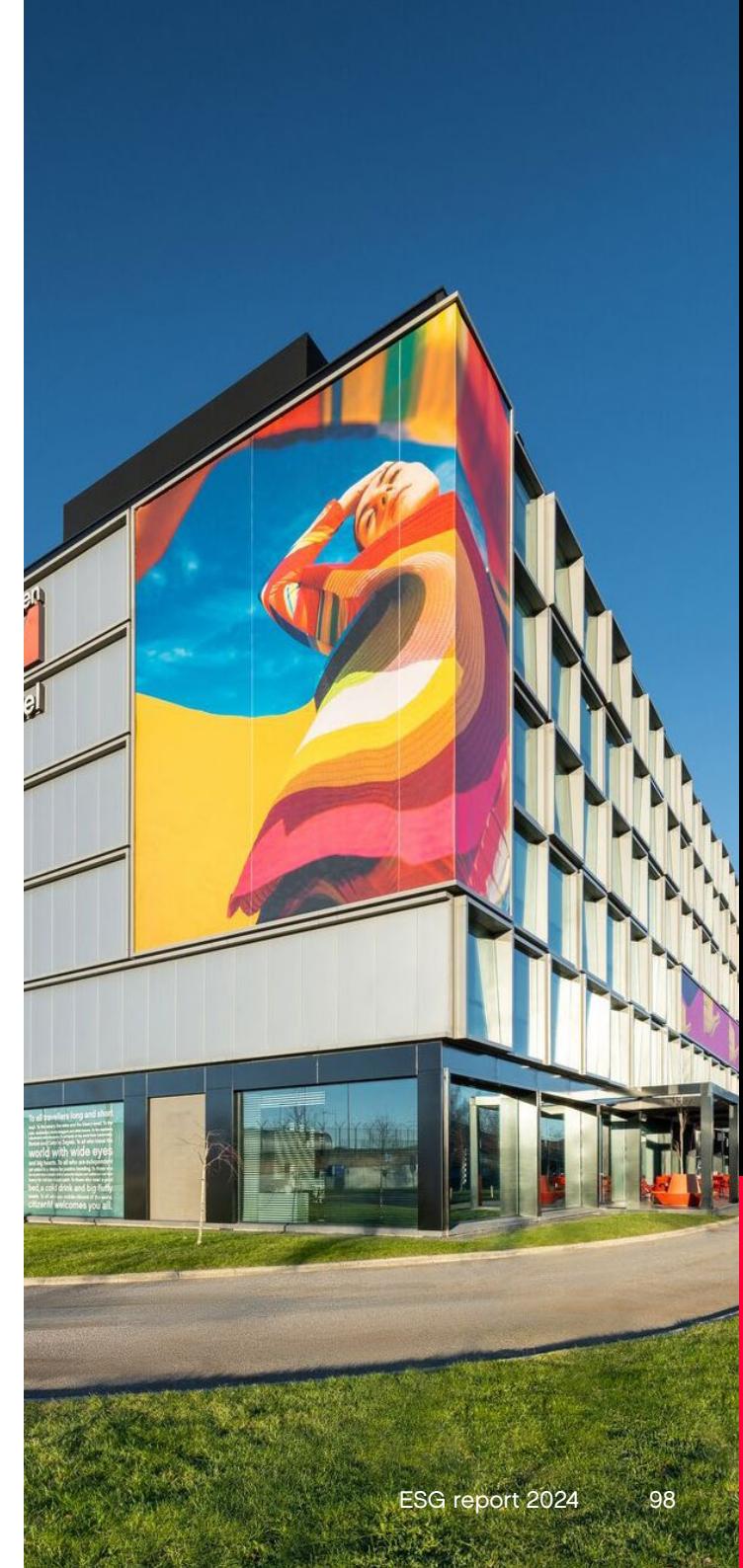
3.5.2/4

assurance report (sustainability information)

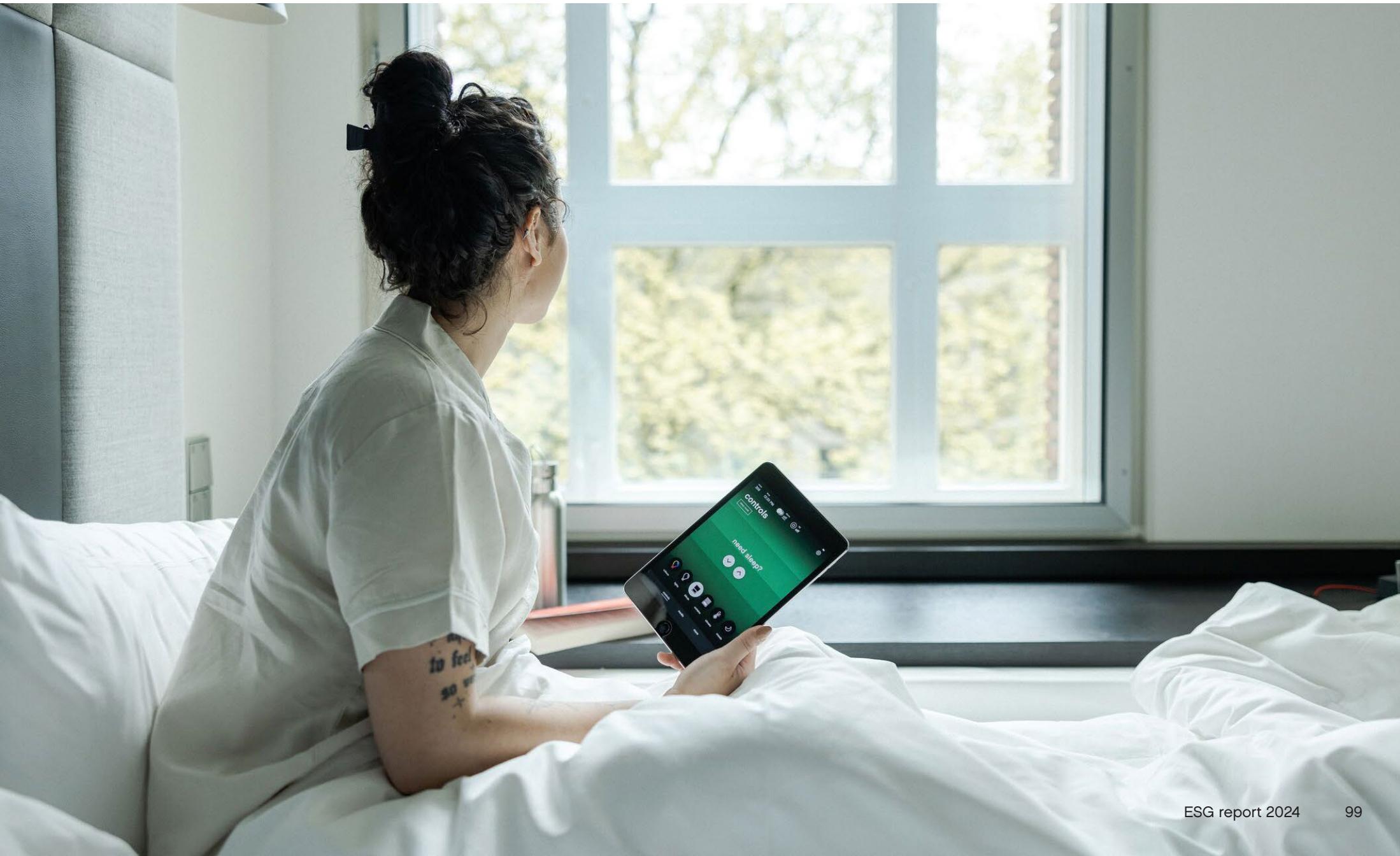
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KPIs	Scope of work	Pages
Energy consumption	The following items will be covered: <ul style="list-style-type: none">- Energy consumption- Energy intensity- Impact per room night- Disclosure per the definition in the appendix 'methodology' in the integrated report	50, 56, 178-179, 185-186
CO2 emissions	The following items will be covered: <ul style="list-style-type: none">- Scope 1 & 2 location-based emissions- Scope 1 & 2 market-based emissions- Scope 3: Category 6 (Business Travel)- Scope 3: Category 5 (Waste Generated in operations)- Scope 3: Category 8 (Upstream leased assets)- Emission intensity- Impact per room night- Disclosure per the definition in the appendix 'methodology' in the integrated report	52-56, 180-181, 185-186
Waste management	The following items will be covered: <ul style="list-style-type: none">- Waste management- Waste intensity- Impact per room night- Disclosure per the definition in the appendix 'methodology' in the integrated report	56-57, 178, 185-186
Water consumption	The following items will be covered: <ul style="list-style-type: none">- Water Consumption- Water intensity- Impact per room night- Disclosure per the definition in the appendix 'methodology' in the integrated report	56-57, 181, 185-186

3.5.2/5



ESG metrics



growing and operating sustainably							
energy consumption (GRI 302-1)	measure	2024	2023	2022	2021	2020	2019
electricity	kWh	39,623,302	34,395,888	26,427,733	19,130,001	16,387,457	15,964,422
of which are on-site renewables (SV-HL-130a.1)	kWh	4,265	4,682	12,297	11,309	11,146	data not collected
electricity	GJ	142,644	123,825	95,140	68,868	58,995	57,472
of which are on-site renewables (SV-HL-130a.1)	GJ%	15.35/0.010	16.85/0.014	44.27/0.047	40.71/0.059	40.13/0.068	data not collected
natural gas	kWh	19,959,046	17,658,319	16,026,414	15,56,462	11,338,032	10,567,163
heating	kWh	6,021,959	5,935,762	5,779,574	4,268,118	3,421,600	3,875,370
cooling	kWh	2,166,382	2,718,747	2,116,610	1,027,152	902,811	1,087,367
total hotel energy consumption (SV-HL-130a. 1)	kWh	67,602,865	60,708,716	50,350,331	39,581,733	32,049,900	31,494,322
of which are renewables (SV-HL-130a. 1)	kWh%	4,265/0.0063	4,682/0.0077	12,297/0.024	11,309/0.028	11,146/0.034	data not collected
water consumption (GRI 303-5)	measure	2024	2023	2022	2021	2020	2019
water	megalitres	435.11	391.52	289.9	174.1	155.7	215.5
water in areas with water stress	megalitres	111.51	91.21	59.62	28.05	26.88	45.97
total water withdrawn (SV-HL-140a. 1)	cubic meters	435,111	391,516	289,927	174,078	155,689	215,542
water withdrawn in areas with water stress (SV-HL-140a.1)	cubic meters/%	111,512/25.62	91,214/23.30	59,619/20.56	28,051/16.11	26,886/17.27	45,972/21.33
water intensity	cubic meters per occupied room	0.198	0.202	0.200	0.438	2.154	0.199

growing and operating sustainably

energy intensity (GRI 302-3)	measure	2024	2023	2022	2021	2020	2019
electricity	kWh/m ²	149.50	148.51	136.90	121.1	119.13	141.53
natural gas	kWh/m ²	104.98	107.77	124.41	155.98	135.23	164.16
heating	kWh/m ²	99.90	89.25	90.10	93.89	78.58	98.24
cooling	kWh/m ²	68.36	71.70	59.53	75.05	65.97	79.45
average consumption intensity	kWh/m ²	251.48	255.95	253.00	243.99	222.24	265.74

growing and operating sustainably							
carbon emissions (GRI 305-1, 305-2, 305-3, 305-4)	measure	2024	2023	2022	2021	2020	2019
scope 1 direct emissions							
emissions	MT CO2e	3,971	3,614	3,111	2,780	2,150	2,013
emissions intensity	kg CO2e/m ²	14.98	15.61	16.12	17.83	16.07	17.90
scope 2 indirect emissions							
location-based emissions	MT CO2e	11,682	9,414	6,657	4,778	4,089	4,346
location-based emissions intensity	kg CO2e/m ²	44.08	40.65	34.50	30.64	30.56	38.65
market-based emissions	MT CO2e	722	1,401	624	979	666	506
market-based emissions intensity	kg CO2e/m ²	2.72	6.05	3.23	6.28	4.98	4.50
total scope 1 + 2 emissions							
location-based emissions	MT CO2e	15,653	13,029	9,768	7,558	6,240	6,359
location-based emissions intensity	kg CO2e/m ²	59.06	56.26	50.62	48.46	46.62	56.55
market-based emissions	MT CO2e	4,693	5,016	3,735	3,759	2,816	2,518
market-based emissions intensity	kg CO2e/m ²	17.71	21.66	19.36	24.10	21.04	22.40

growing and operating sustainably

carbon emissions (GRI 305-1, 305-2, 305-3, 305-4)	measure	2024	2023	2022	2021	2020	2019
scope 3 emissions							
waste generated in operations	MT CO2e	870	739	584	376	375	738
business travel	MT CO2e	1,190	1,126	854	182	268	1100
upstream leased assets	MT CO2e	113	109	107	-	-	-
waste by type and disposal method (GRI 306-2)							
	measure	2024	2023	2022	2021	2020	2019
total waste generated – reuse	%	0	0	0	2.97	0.39	0
total waste generated – recycling	%	46.49	44.95	45.48	33.99	47.94	40.09
total waste generated – incineration with energy recovery	%	45.14	50.09	47.13	24.32	13.53	22.80
total waste generated – incineration without energy recovery	%	2.09	1.86	2.04	22.0	25.15	13.77
total waste generated – landfill	%	6.28	3.10	5.35	12.85	13.02	23.37
total waste generated – other	%	0	0	0	3.87	0	0
total waste generated	metric tonnes	2,744.91	2,322.37	1,945.71	1,337.90	1,167.03	2,447.44

intelligent and sustainable buildings - green building certifications				
overview of the most recent hotel certifications				
BREEAM In-Use (hotels >1 year in operation)	Amstel Amsterdam	Good	Miami Worldcenter	Excellent
	Amsterdam Schiphol*	Pass (*re-assessment in 2025)	New York Bowery	Excellent
	Amsterdam Zuid	Good	New York Times Square	Very good
	Austin Downtown	Excellent	Paris Champs-Elysees	Excellent
	Boston North Station	Excellent	Paris Charles de Gaulle	Very good
	Chicago Downtown	Excellent	Paris Gare de Lyon	Very good
	Copenhagen Radhuspladsen	Excellent	Paris Opera	Excellent
	Geneva	Good	Paris La Defense	Excellent
	Glasgow	Excellent	Rome Isola Tiberina	Very good
	London Bankside	Excellent	Rotterdam	Excellent
	London Shoreditch	Excellent	San Francisco Union Square	Very good
	London Tower of London	Excellent	Seattle Pioneer Square	Excellent
	London Victoria	Excellent	Seattle South Lake	Very good
	Los Angeles Downtown	Excellent	Washington D.C. Capitol	Excellent
New construction (hotels < 1 year in operation and under construction)	Menlo Park	Outstanding	Washington D.C. NoMa	Excellent
	Miami Brickell	Excellent	Zurich	Very good
	Austin Downtown	LEED Gold	Menlo Park	LEED Gold
	Boston Back Bay	LEED Gold (preliminary results)	Miami South Beach	LEED Gold (preliminary results)
	Dublin St. Patrick	BREEAM (preliminary results)	Miami Worldcenter	LEED Gold

doing the right thing for our people																		
total workforce and breakdown by employee category (GRI 405-1)	measure	2024			2023			2022			2021			2020		2019		
workforce (headcount, year-end)																		
total	number	1339			1258			1119			812			646		647		
employees by gender (headcount, year-end)	%	male	female	non-binary/undisclosed	male	female	non-binary/undisclosed	male	female	non-binary/undisclosed	male	female	non-binary/undisclosed	male	female	male	female	
		47.8	50.6	1.6	47.6	50.1	2.3	48.3	50.2	1.5	45.25	48.45	6.3	53.6	46.1	0.3	52.5	47.5
employees by age group (headcount, year-end)																		
employees under 30 years old	%	41			39			52			34			36		37		
employees 30 - 50 years old	%	55			55			43			60			58		56		
employees over 50 years old	%	5			6			4			6			6		7		
woman in management (strategic council)	%	32.4			31.3			28.9			12.9			-		-		
employee training (GRI 404-1)																		
professional training received	%	100			100			100			100			100		97		
ESG-specific training	%	75			82			80			45			33		6		
occupational health and safety (GRI 403-9, 403-10)																		
work-related fatalities	number	0			0			0			0			0		0		
occupational health and safety (GRI 403-9, 403-10)																		
employees' access to performance review	%	100			100			100			100			100		100		

making positive movements in our society

	measure	2024	2023	2022	2021	2020	2019	2018
charitable giving - year on year	number (€)	1,884,889	1,272,657	819,596	17,611*	224,137	445,395	167,379
beneficiaries	bikes	5,880	3,957	2,152	103	1,181	2,737	1,000

climate related risks

climate change adaptation	measure	2024	2023
number of hotels located in 100-year flood zones (SV-HL-450a.1)	number	6	6
area of properties located in 100-year flood zones, by property sector (IF-RE-450a.1)	square metres (m ²)	59,745	59,745
description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks (IF-RE-450a.2)	page number	86	-

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

methodology

definitions

- **calendar-normalised Square Meters:** a standardised measurement of a hotel's area that prorates the total size (in square meters) of a hotel that was only open for a part of the reporting year.
- **employee Diversity and Inclusion:** the representation and inclusivity of diverse groups within the company's workforce. It is calculated by collecting data on the workforce, such as the gender, race, and ethnicity of employees.
- **energy Intensity:** the amount of energy consumed per square meter of hotel area or room night. It is calculated by dividing the total energy consumption (in kilowatt-hours) by the gross floor area or annual number of occupied room nights of citizenM's hotel portfolio. Energy estimates are based on the service day average, historical and comparable hotel methods (see pg.186).
- **Greenhouse Gas (GHG) Emissions:** the amount of greenhouse gases (such as carbon dioxide, methane, and nitrous oxide) emitted directly and indirectly by citizenM's operations. It is calculated by multiplying the amount of energy used by the carbon intensity of the energy source (emission factor). It includes scope 1, 2, and 3 emissions.

- **GHG Emissions Intensity:** the amount of greenhouse gases (such as carbon dioxide, methane, and nitrous oxide) per square meter of hotel area or room night. It can be calculated by dividing scope 1, 2, and 3 emissions by the gross floor area or annual number of occupied room nights of citizenM's hotel portfolio.
 - **gross Floor Area:** the total building size, which includes all guest areas, back of house and technical rooms (in square meters). It is extracted from building floor plans to ensure consistency in intensity calculations.
 - **occupied room nights:** the number of rooms in a hotel that are occupied by guests for one night. Complementary rooms are included in our calculation.
 - **renewable Electricity Ratio:** the percentage of electricity that is generated from renewable sources. It is calculated by dividing the total amount of renewable electricity consumed by the total amount of energy consumed.
 - **waste Diversion Rate:** the percentage of waste diverted from landfill through recycling, waste-to-energy, or other sustainable disposal methods. It is calculated by dividing the total amount of waste diverted by the total amount of waste generated.
- Waste estimates are based on the comparable hotel method.
- **waste Intensity:** the amount of guest waste generated by citizenM's hotel operations per square meter of hotel area or room night. It is calculated by dividing the total waste generated (in metric tons) by the gross floor area or annual number of occupied room nights of citizenM's hotel portfolio.
 - **water Intensity:** the amount of water consumed per square meter of hotel area or room night. It is calculated by dividing the total water consumption (in litres) by the gross floor area or annual number of occupied room nights of citizenM's hotel portfolio. Water estimates are based on the historical and comparable hotel methods (see pg.108).

methodology

estimations

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

In 2024, invoices and meter readings account for the vast majority of our data, resulting in 85% coverage based on actual consumption data. As November and December utility data actuals were not fully available in time for report publication, the remaining 15% is modelled using the most relevant methodology at hotel level. Below are the methodologies that we can use to predict missing 2024 data:

- Service Day Average:** If consumption is not available for a certain period, the average consumption per service day can be used:

X = Gap period (number of days)
Y = Consumption for service days
Z = Number of service days
Estimate = $(Y/Z)*X$

- Historical:** If consumption tends to be more cyclical in nature (e.g. the data displays peaks and troughs that are

not fixed) then it may be appropriate to apply the relative consumption from that period in the previous year:

X = Gap month (e.g. December)

Y = December consumption

previous year

X = Y

- comparable Hotel:** If data is not available for a certain hotel, intensity data (by room night) from the most comparable hotel (e.g. same city and similar number of rooms) is used and multiplied by total annual room nights of the hotel with missing data.

X = comparable hotel intensity

Y = total annual room nights of the hotel with missing data

Annual estimate = X*Y

supplier stating renewable energy source(s) and electric energy source composition delivered to citizenM for each hotel and reporting period.

- Electricity contract from the electric utility supplier stating renewable energy source(s) and electric energy source composition delivered to citizenM for each hotel and reporting period.

green electricity evidence

In 2024, we carried out a thorough assessment of contracts REC's and Guarantees of Origin to ensure our scope 2 market-based emissions calculations are evidence-based. Here is a list of evidence requirements for market-based emissions, in order of preference:

- Renewable energy guarantee of origin (REGO) for Europe-based hotels or Renewable energy certificate (REC) retired on citizenM's behalf for each US-based hotel and reporting period.
- Attestation from the electric utility

climate-related risk identification

Climate change is a risk to citizenM that has the potential – in varying degrees – to impact our business in the short, medium and long term.

identifying our climate related risks

transition risks: short term

citizenM identifies and assesses business risks and opportunities that impact value, reputation and business continuity on an ongoing basis as a normal course of business and via our risk register review process.

We view our climate-related risks with established best practices in terms of **short term** (0-3 years), **medium term** (4-7 years) and **long term** (7-10 years).

	climate-related risk: short term	potential financial impact: short term
market	<ul style="list-style-type: none">• Shifting costs of energy and building raw materials• Changing guest/corporate booking preferences for sustainable services• Increased shareholder concern and awareness about climate-related action and performance investment• Requirement to decarbonise an asset in line with 1.5°C decarbonisation pathway. This includes the cost of materials, systems, and advisory services	<ul style="list-style-type: none">• Increases in operating costs due to fuel and energy supply costs, transmission and distribution costs, and utility taxes• Reduced revenue from decreased bookings and sales• Property valuation decrease, insurance premium increases and restricted access to capital
technology	<ul style="list-style-type: none">• Renewable energy portfolio standards and other regulatory requirements imposed on power producers• Risks from abrupt and unexpected shifts in energy costs, relative to technology• Aging infrastructure/meters. Failed installations or ineffective existing technologies reduce real time monitoring and optimisation opportunities• Failure to train facility and mechanical managers (missed reduction opportunities)	<ul style="list-style-type: none">• Increases in energy and operating costs• Reduction in operating margins from losses in revenue for properties that do not have reliable sources of energy• Increased capital investment in technology development due to transition costs• Early retirements of existing assets, reduced investments in or demand for our assets, and a drop in capital availability
reputation	<ul style="list-style-type: none">• Stakeholder demand for real estate companies where climate risks are included in the investment calculation• Failure to meet sustainability needs of guests and investors such as net-zero requirements could result in lost business.	<ul style="list-style-type: none">• Reduced booking and sales• Corporate bookers reduced due to benchmarking tools m2/per room night• Reputational risk if action on ESG topics is too late or if no action is taken
policy and regulation	<ul style="list-style-type: none">• Non-compliance with local laws and regulations, including energy and carbon performance standards and compliance with green building codes/ certification requirements• Climate change-related issues that drive changes in utility rate structures and demand-period driven charges• Enhanced emissions reporting obligations	<ul style="list-style-type: none">• Increased costs and/or potential fines for non-compliance• Increased costs for energy supply• Increases in operating costs• Required additional capital investment• Increase in reporting and assurance costs

transition risks: medium term

	climate-related risk	potential financial impact
market	<ul style="list-style-type: none"> Increased shareholder concern and awareness about climate-related performance 	<ul style="list-style-type: none"> Company valuation and access to capital Increases in operating costs and maintenance costs
technology	<ul style="list-style-type: none"> Aging infrastructures for all utilities, including energy grids, water and wastewater systems, as well as technologies New technologies could render existing systems obsolete 	<ul style="list-style-type: none"> Reduced operating flexibility and resilience Required capital investment in new technologies Failure to make linked loan requirements
reputation	<ul style="list-style-type: none"> Guest preferences for a high-performing sustainable brand Increases in transparent reporting & increasing reporting requirements General contractors not moving fast enough for building requirements 	<ul style="list-style-type: none"> Reduced bookings and sales Impact speed of delivery of low-carbon technologies Capital investment in additional partners to maintain high standards of sustainable building practices
policy and regulation	<ul style="list-style-type: none"> Tightening regulatory framework on energy efficiency and GHG Potential risks from not staying ahead of or current with emerging regulation Exposure to litigation claims asset and company reporting 	<ul style="list-style-type: none"> Fines for non-compliance Carbon taxes increasing over time

transition risks: long term

	climate-related risk	potential financial impact
policy and regulation	<ul style="list-style-type: none"> A rising appetite for climate-related litigation against entities over failures to adequately hedge against climate change impacts Regulations by carbon legislation Real estate taxes may increase to fund public projects to improve regional and neighbourhood-scale resilience. 	<ul style="list-style-type: none"> Fines for non-compliance Increases in operating costs Higher operating costs, energy costs, higher raw material costs Increased demand for sustainable properties

physical risks

	climate-related risk	potential financial impact
acute	<ul style="list-style-type: none"> Increased severity of extreme weather events, tropical cyclones (hurricanes and typhoons), flooding, wildfire, drought and heatwaves Grid connection interruptions and loss of energy 	<ul style="list-style-type: none"> Direct loss of or damage to buildings Capital expenditures related to remediation Increases in insurance premiums and design alteration costs Supply chain disruption Reduced revenue Increases in operating costs/insurance
chronic	<ul style="list-style-type: none"> Increased severity of wildfires, extreme storms, sea level rise, flooding, heatwaves, drought, threats to biodiversity and diseases Changes in recurring physical risks, such as precipitation patterns and impacts of extreme heat, snow and ice weather events 	<ul style="list-style-type: none"> Property loss and damage Increases in capital costs Increases in insurance premiums Business interruption and reduced guest traffic Reduced revenue Increases in operating costs

opportunities

	climate-related opportunity	potential financial impact
policy and regulation	<ul style="list-style-type: none">Incentives and benefits for efficient operations and sustainable investmentsInvesting in pre-emptive building measures protecting hotels from physical climate risks during development stageAs owner and operator, we are in the unique position to take action on physical and transition risks	<ul style="list-style-type: none">Reduction and mitigation operating cost increasesAvoid carbon taxes of the futureAccess green loan/rebate incentivesMitigate losses and downtime resulting from extreme weather events and other physical climate risksAvoid penalties associated with building energy and carbon performance standards
reputation	<ul style="list-style-type: none">Top of the corporate booking benchmarks could increase revenueCommitments to radical transparency and sustainability disclosurescitizenM to publicly discuss its authentic ESG mission = increasing reputation and brand valueOpportunity to create bigger change movements in local communities, and through our guest network to accelerate positive impacts of making changeRecognition of our commitment to sustainability practices may provide a competitive advantage in recruiting and retaining employees	<ul style="list-style-type: none">Increased shareholder interestAccess to sustainable financeIncreased corporate booking revenueIncreased guest interest and revenue through demand for lower emissions and sustainability-focussed hotelsEnergy and carbon reductions could result in greater differentiation and competitive advantageReduction in employee turnover and attraction of top talent
technology	<ul style="list-style-type: none">Low-carbon technologies, efficiencies, and building management systems pre-empt guest temperature complaintsRecognition of citizenM's ability to operate its properties efficiently	<ul style="list-style-type: none">Early adoption avoids operating cost increases from rising energy costs through actions focussed on efficient operationsIncrease in guest happinessIncreases in occupancy and return rates from guests seeking to align with brands of similar values
energy and resilience	<ul style="list-style-type: none">Reduced energy consumption from highly efficient buildingsInvestment in green energy strategyInvestment in on-site solar and fuel cell installationsUse of lower-emission sources of energy to future proofAs owner and operator, we are the unique position to take action on assessing and implementing mitigation requirements to our buildings	<ul style="list-style-type: none">Cost reduction in green energyAccess to sustainable rebates/loansReduced energy expenses (reduce energy intensity)Reduced exposure to fossil fuel price increasesIncreases in capital availability as shareholders favour low-emission assets

sustainable development goals



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

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

the goals we influence

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

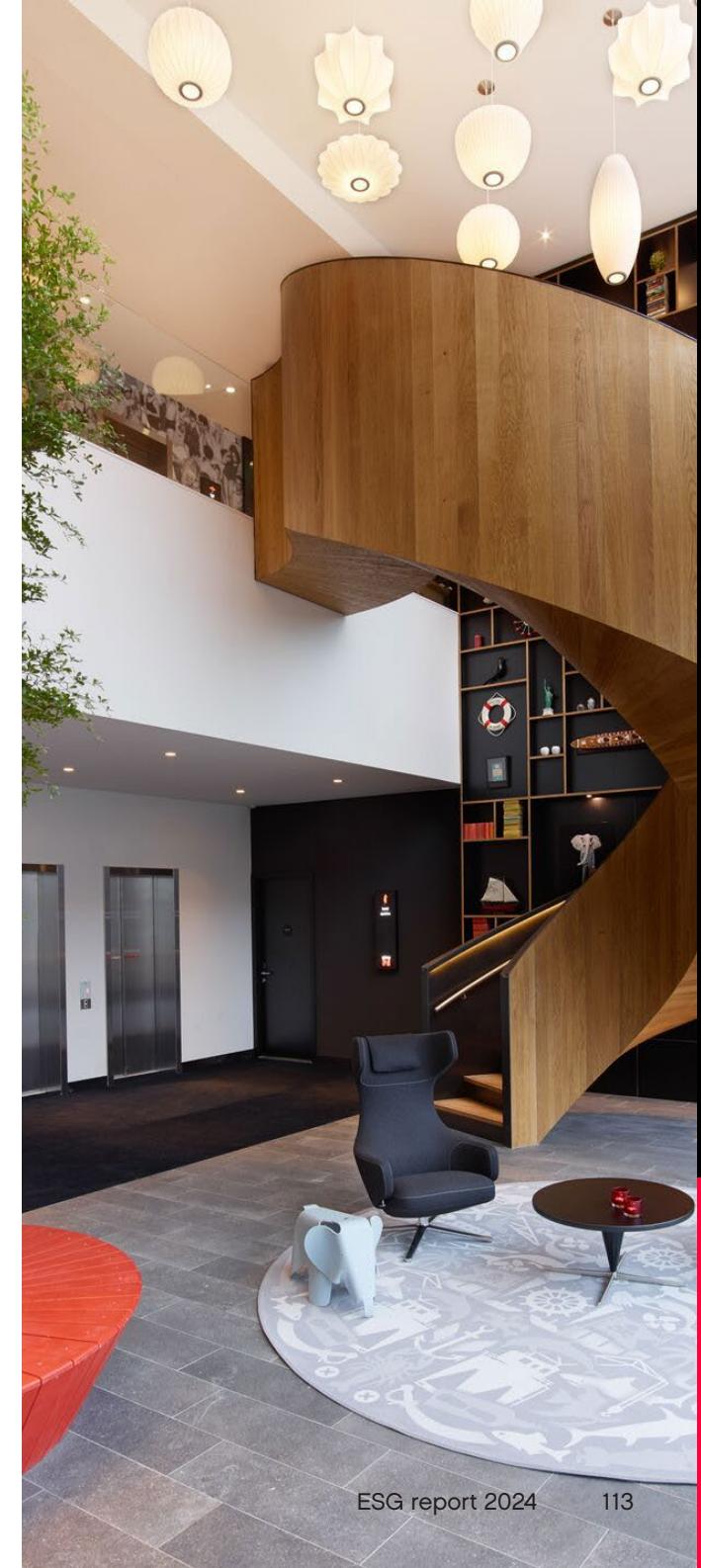
Here are the 11 SDGs that align with citizenM material ESG actions.



policies and statements

The table below contains a list of our policies, you can find these policies and statements on our citizenM legal page. www.citizenm.com/legal

governance area	policy / statement name
anti-bribery and corruption	citizenM rules
cyber security	citizenM rules
data protection and privacy for guests	citizenM privacy policy for our guests
fraud	citizenM rules
political contributions	citizenM rules
speak up procedure	speak up procedure
environment	environmental policy
human rights	human rights policy
responsible procurement	responsible procurement principles
modern slavery	modern slavery statement
waste management	single-use plastic policy



ESG governance structure

board-level



strategic council



ESG stream drivers



ESG focus streams

