

CARBON FOOTPRINT REPORT 2021

HOTELES CITY.



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COMPANY PROFILE

Hoteles City is a chain of hotels focused on the dynamic traveler, offering practical facilities and modern rooms with the best quality/price ratio.

As of the end of 2021, the company had **152 hotels** with a presence in Mexico, Colombia, Costa Rica and Chile.

The objective of the report is to identify and publicize, through **Impacto City** - a sustainability platform, the Carbon Footprint generated by the operations of Hoteles City throughout the year 2021.

HOTELES CITY.



CARBON FOOTPRINT



GRI 305-1 g

METHODOLOGY

Greenhouse Gas Protocol¹

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

Scope 1 Direct greenhouse gas (GHG) emissions

GHG emissions from fixed or mobile sources owned or controlled by the organization.²

- Diesel (L)
- Gasoline (L)
- Gas (L)

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Scope 2 Indirect greenhouse gas (GHG) emissions

GHG emissions that are generated outside the facilities as a result of the company's electricity consumption.³

- Electricity(kWh)
- (1) The GHG Protocol is an international methodological framework for the calculation of GHG emissions inventories developed under the supervision of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)

Scope 3 emissions are not being considered for this analysis.

⁽²⁾ Gas: Specific use to provide hot water service and breakfast bar. Diesel: Use in fire system equipment and emergency plant Gasoline: Use in hotel van and sales staff car

⁽³⁾ Electricity: The electricity consumption of the hotels located in Mexico and LATAM was considered.



For the **calculation of the carbon footprint,** Scopes 1 and 2 were defined based on the GHG Protocol methodology for which the following process was carried out:

A) **Methodology** establishment

B) **Definition of scope** and emission sources

C) **Information gathering** with area managers

D) Consumption **inventory**

E) **Emissions calculation**

Fuel consumption was provided by the company. Diesel and gasoline consumption were estimated from financial receipts considering the entire operation. Electricity and gas consumption were obtained from continuous records for each hotel.

The calculation of emissions was based on the combination of information provided by the company with emission factors from various organizations.*

For the total calculation of carbon dioxide equivalent, the following greenhouse gases were considered: carbon dioxide CO_2 , methane CH_4 and nitrous oxide N_2O .



GRI 302-1 f, GRI 302-1 g, GRI 305-1 b, GRI 305-1 e, GRI 305-1 g, GRI 305-2 b, GRI 305-2 e, GRI 305-2 g







GRI 305-2 a, GRI 302-1 a, GRI 302-1 c

The total carbon footprint of Hoteles City in 2021 was **25,449.75-ton CO₂eq**, which represents a **decrease of 6.56%** compared to total emissions in 2020.



	Emission source	Consump- tion	U*	Consump- tion	U*	Emission	U*	Compari	son 20/21	U*
SCOPE 1	NATURAL GAS	1,489, 776	Liters	60,087.14	GJ*	3.57	ton CO ₂ eq	- 🔶 18.7%	7% ↓1,203.41	ton CO ₂ eq
SCOPE 1	GAS LP	3,090,018	Liters	80,716.164	GJ*	5,237.22	ton CO ₂ eq			
SCOPE 1	DIESEL	5,987	Liters	225.55	GJ*	16.98	ton CO ₂ eq	↓ 33.9%	♦ 8.72	ton CO ₂ eq
SCOPE 1	GASOLINE	206,982	Liters	6,224.28	GJ*	449.28	ton CO ₂ eq	↓ 30.2%	194.42	ton CO ₂ eq
SCOPE 2	ELECTRICITY	47,563,971	kWh	171,230.29	GJ*	19,742.70	ton CO ₂ eq	↓ 1.9%	↓ 380.00	ton CO ₂ eq

*U: Units GJ: Gigajoules MWh: Megawatt-hour kWh: kilowatt-hour



The largest reduction in proportion was diesel, with a drop of 33.9% compared to 2020. On the other hand, gas had a greater total decrease in emissions with 1,203.41 tons of CO_2 eq less, compared to the previous year, this due to efficiency in hotel operations and differentiation and measurement method by type of gas, since currently, 22 hotels of the chain operate with the use of natural gas.

It is important to note that, despite the fact that in 2021 electricity consumption increased by 16% compared to 2020, CO_2 eq emissions fell by 1.9%.

This is due to the fact that the emission factors (ton CO_2 eq/MWh*) of the electricity system were reduced, that is, fewer gases were emitted per MWh*, produced by the country. In addition to having a higher occupancy, the electricity consumed in public areas is distributed among a greater number of Occupied Room Nights.

The emission factor for electricity in Mexico had the greatest impact on the decrease in emissions, representing 95.76% of total energy consumption chainwide.

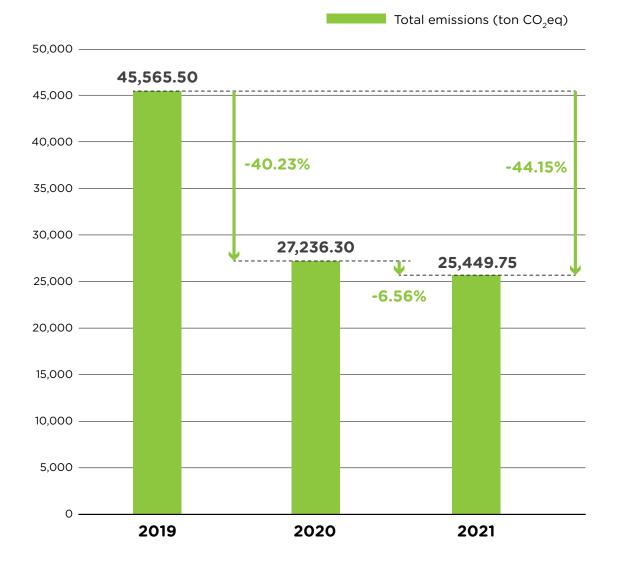
Comparison of emission factors for electrical systems by country



*U: Units GJ: Gigajoules MWh: Megawatt-hour kWh: kilowatt-hour

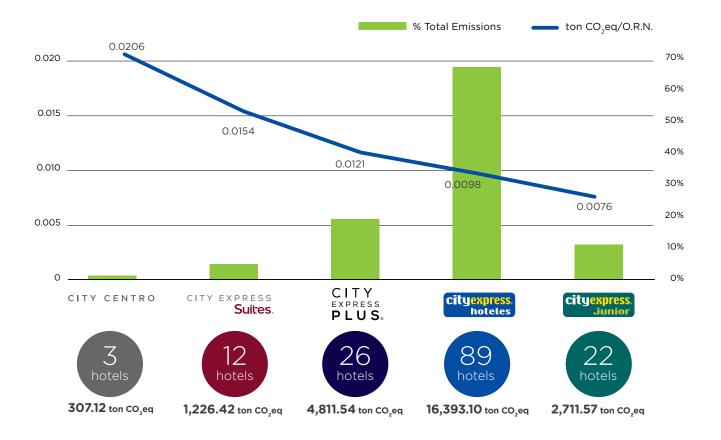


TOTAL EMISSIONS



The emissions of Hoteles City in 2021 were reduced by 6.56% compared to 2020, which is equivalent to 1,786.55 tons of CO_2 eq; and 44.15% compared to 2019 equivalent to 20,115.75 tons of CO_2 eq. There was also a reduction in 40.23% from 2019 to 2020 equivalent to 18,329.20 tons of CO_2 eq.

EMISIONS PER BRAND



In this graph we can see the comparison of the contribution per brand in emissions considering: gas, electricity, diesel and gasoline.

The blue curve allows us to visualize the ratio of emissions per occupied room night for each brand. The ratio can be understood as eco-efficiency per brand. Therefore, **City Express Junior** is the most eco-efficient brand, emitting the least emissions per occupied room night with 0.0076-ton CO₂eq/O.R.N.

(7.63 kg $CO_2eq/O.R.N.$) On the other hand, **City Centro** would be the least eco-efficient brand, emitting more emissions per occupied room night with 0.0206 ton $CO_2eq/O.R.N.$ (20.63 kg $CO_2eq/O.R.N.$).

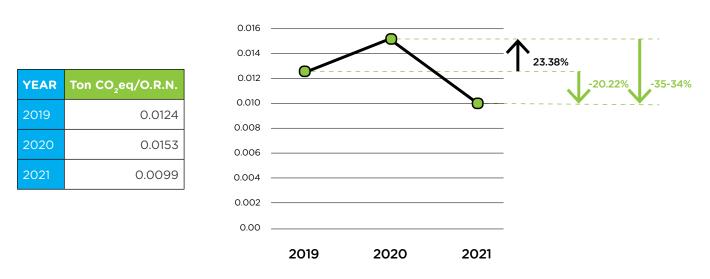
The **City Express** brand provided the highest amount of emissions represented by 64% and the **City Centro** brand provided the lowest with just 1%. These ratios per brand in 2021 are similar to those of 2020.



COMPARATIVE RATIO OCCUPIED ROOM NIGHT (O.R.N.) GAS and ELECTRICITY

GRI 305-1 a

Comparative Analysis of the Carbon Footprint Generated by Gas and Electricity Consumption by O.R.N. since 2019: The Carbon Footprint ratio per occupied room night in 2021 is $0.0099 \text{ CO}_2 \text{eq}/\text{O.R.N.}$ (9.92 kg $\text{CO}_2 \text{eq}/\text{O.R.N.}$), equivalent to the emissions of 40.07 km traveled in an average car.*





The Carbon Footprint per occupied room night was reduced by 35.34% compared to 2020 and by 20.22% compared to 2019. This is due to the fact that in 2021 the number of room nights increased by 42.93% compared to 2020 and the identification by type of consumption in liters between Natural Gas (1,489,776) and LP (3,090,018)*. Compared to 2019, emissions per Occupied Room Night were reduced by 20.22%, which implies that there was also a decrease compared to the normal operations of Hoteles City before the pandemic.

^{*}https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

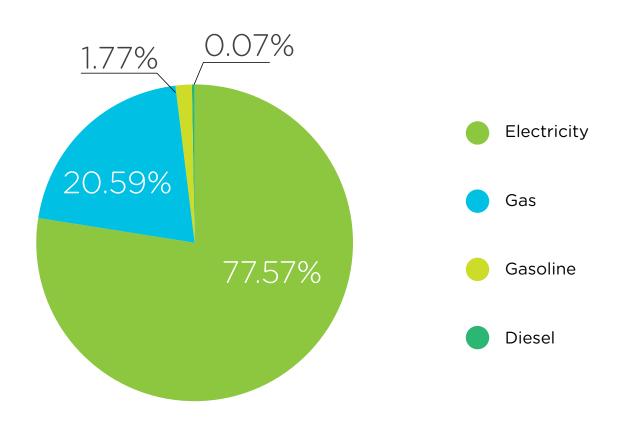
^{**}LP gas generates approximately 700 times more GHG emissions than natural gas.

DISTRIBUTION BY TYPE OF ENERGY



The percentages of the emitting sources of Electricity contributes the most, followed by CO2eq correspond to the most significant gas, and finally fuel for fleets. inputs used in the daily operation of the chain.

Tons of CO₂eq







DISTRIBUTION BY SCOPE TYPE



A1: Direct



5,707.05 ton CO₂eq

A2: Indirect



19,742.70 ton CO₂eq

Scope 1: Gas LP, Gas Natural, Diesel and Gasoline Scope 2: Electricity

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TOTAL EMISSIONS RATIO gri 305-4 a,b,c,d

The total emission intensity with respect to the business operation is based on O.R.N. considering this as the denominator. The ratio includes the total emissions generated by **Scope 1 (Natural Gas, LP Gas, Diesel and Gasoline) and Scope 2 (Electricity)** by the previously identified gases. The ratio of total emissions per Occupied Room Night fell by 34.14% compared to 2020. This is due to the increase in the number of Occupied Room Nights and the identification of the type of consumption in liters between Natural Gas and LP Gas.





EQUIVALENCES

The emissions of Hoteles City at the chain level in 2021 were **25,449.75 tonCO,eq** which is equal to:



Travel in an average car **93,380,201.28** kilometers.¹



Supply energy to **2,780** average homes for a year.¹



CO₂ capture from **339.32** hectares of pine tree.²

1. https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

2. http://www2.inecc.gob.mx/publicaciones2/libros/296/cap3.html

RECOMMENDATIONS





To the extent possible, generate the migration from LP Gas to Natural Gas.



Implementation of initiatives that help the company to capture carbon emissions and its mitigation.



Updating of equipment for ecoefficient technologies and constant revisions to avoid energy leaks.





METHODOLOGICAL NOTE CARBON FOOTPRINT



Scope 1

Scope 1 emissions are derived from direct energy consumption, as defined by the GHG Protocol, available at:

https://ghgprotocol.org/

In order to obtain the most realistic impact, the emission factors used for fuels are obtained from the Official Journal of the Federation (DOF) 2015, available at: http://dof.gob.mx/nota_detalle_popup.php?codigo=5406149

The information on heating values for the calculation is obtained from the National Commission for the Efficient Use of Energy (CONUEE) 2021, available at:

https://www.gob.mx/cms/uploads/attachment/ file/706809/aviso_fesen_2021.pdf

Scope 2

Scope 2 emissions are derived from electricity consumption as defined by the GHG Protocol, available at: https://ghgprotocol.org/

Electricity emission factors were used for each country included in the analysis. Mexico: 0.423

tCO₂e / MWh based on the Energy Regulatory Commission (CRE) (2021), is available at: https://www.gob.mx/cms/uploads/attachment/ file/706809/aviso_fesen_2021.pdf

Costa Rica: 0.0282 tCO₂e / MWh based on the National Meteorological Institute (2021), available at: http://cglobal.imn.ac.cr/documentos/publicaciones/factoresemision/factoresemision2021/offline/FactoresEmision-GEI-2021.pdf

Colombia: 0.203 tCO₂e / MWh based on XM (2020), available at: https://www1.upme.gov. co/Normatividad/Res_382_doc_tecnico.pdf#-search=factor%20emisi%C3%B3n

Chile: 0.3907 tCO₂e / MWh based on the National Energy Commission (2021), available at: **http:// datos.energiaabierta.cl/dataviews/255509/factor-de-emision-promedio-anual/**

Global Warming Potentials (GWP) are available at: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter_07_ Supplementary_Material.pdf

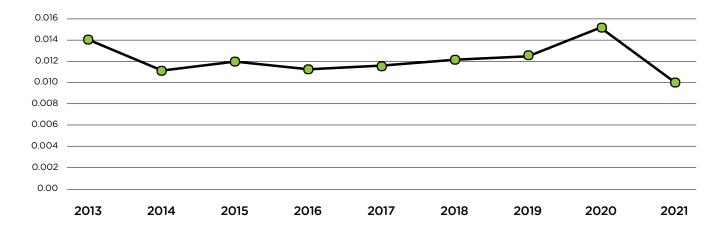
EMISSION FACTORS USED

DATA	FACTOR	UNIT
Electricity Mexico	0.423	tCO ₂ e / MWh
Electricity Costa Rica	0.0282	tCO ₂ e / MWh
Electricity Colombia	0.203	tCO ₂ e / MWh
Electricity Chile	0.3907	tCO ₂ e / MWh
Gasoline (CO ₂)	0.0000693	ton / MJ
Gasoline (CH_4)	0.000025	kg / MJ
Gasoline (NO ₂)	0.00008	kg / MJ
Diesel (CO ₂)	0.0000741	ton / MJ
Diesel (CH ₄)	0.0000039	kg / MJ
Diesel (NO ₂)	0.0000039	kg / MJ
Natural Gas (CO ₂)	0.0000561	ton / MJ
Natural Gas (CH_4)	0.000092	kg / MJ
Natural Gas (NO_2)	0.000003	kg / MJ
LP Gas (CO ₂)	0.0000631	kg / MJ
LP Gas (CH_4)	0.000062	kg / MJ
LP Gas (NO ₂)	0.000002	kg / MJ
Gasoline PC	30.0715853	MJ / I
Diesel PC	37.6759665	MJ / I
Natural Gas PC	0.040333	MJ / I
LP Gas PC	26.1215841	MJ / I
PCG CH ₄	27.9	CO ₂ /CH ₄
PCG NO ₂	273	CO ₂ /N ₂ 0



COMPARATIVE RATIO PER OCCUPIED ROOM NIGHT

Comparative analysis of the Carbon Footprint generated by the consumption of gas and electricity since 2013 per O.R.N. The Carbon Footprint ratio per occupied room night in 2021 is 0.00992 CO2eq/O.R.N. (9.92 kg $CO_2eq/O.R.N.$) equivalent to the emissions of 40.07 km traveled in an average car*.



YEAR	Ton CO ₂ eq/ C.N.O
2013	0.01400
2014	0.01157
2015	0.01203
2016	0.01169
2017	0.01174
2018	0.01220
2019	0.01244
2020	0.01534
2021	0.00992





