

# BUILDING A BETTER TOMORROW, **TODAY**

2024 SUSTAINABILITY REPORT

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### ON THE COVER

Death Valley National Park, NV - Learn how Choice Hotels is supporting its new partner, the National Park Foundation, on environmental and social initiatives.

[→ LEARN MORE ABOUT OUR NEW PARTNERSHIP](#)



Cambria Hotel Napa Valley, Napa, CA

# LETTER FROM CEO PATRICK PACIOUS

**Choice Hotels International, Inc., has long been committed to doing what's right for our associates, guests and our planet.**



Choice Hotels International, Inc. was ranked by Newsweek as one of "America's Most Responsible Companies."

We set ambitious sustainability goals and make long-term investments to positively impact our world and drive business success. Our efforts include reducing greenhouse gas emissions and creating efficiencies that save our franchise hotel owners time and money.

In 2024, we refreshed our approach to human trafficking prevention, expanded our greenhouse gas emissions data to Scope 3, publicly reported through the CDP Climate and Water surveys for the first time, and installed beehives at our corporate headquarters to promote biodiversity. We also embedded our Sustainability team more deeply within our organization, enabling us to operationalize initiatives faster. Our new partnership with the National Park Foundation will allow us to contribute to their mission of supporting and enhancing America's national parks for present and future generations, and aligns strategically with Choice's hotel footprint and guest profile.

We are honored to have received multiple sustainability awards in 2024, including being ranked by Newsweek as one of "America's Most Responsible Companies." These accolades recognize our efforts and motivate us to continue our journey toward greater sustainability.

As these initiatives are increasingly integrated into our core business, our franchisees and associates are integral to their success. Our owned and managed hotels serve as incubators for innovation, and our franchisees multiply our collective impact through sustainable practices at their properties. Choice is proud to support these efforts, which are improving our business, protecting the planet and contributing to the communities we serve.

  
**Patrick Pacious**  
President & CEO



# ABOUT THIS REPORT

**Choice Hotels International, Inc., (Choice) is committed to building a lasting legacy of sustainability and wellbeing for our franchisees, associates, guests, communities and world.**

Our 2024 Sustainability Report details our journey and progress during fiscal year 2024 (January 1, 2024 to December 31, 2024). All references are to the 2024 fiscal year unless otherwise stated. References to “our associates” include all corporate employees; any references pertaining to managed hotel employees are clearly identified.

## Sustainability Frameworks and Disclosures

This report was prepared in alignment with Sustainability Accounting Standards Board (SASB) Hotel & Lodging standards, overseen by the IFRS Foundation’s International Sustainability Standards Board (ISSB). We also align certain practices with principles, standards and frameworks contained in the United Nations Sustainable Development Goals (SDGs), the United Nations Universal Declaration of Human Rights and the Carbon Disclosure Project, as well as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (now overseen by ISSB).



## Materiality

This report may use certain terms, including “material,” “materiality,” “significant” and other similar terms, to refer to environmental, social and governance issues that are important to Choice and our stakeholders. Used in this context, these terms are not intended to be construed in accordance with the U.S. federal securities laws or any other laws of the United States or any other jurisdiction, or as these terms are used in the context of financial statements and financial reporting. Matters considered material for purposes of this report may not be considered material in the context of our financial statements, reports with the SEC, or our other public statements, and the inclusion of information in this report is not an indication that such information is necessarily material to us in those contexts.

As the basis of this report, we’ve conducted a materiality assessment to understand the most significant environmental, social and governance issues for us and our stakeholders. Sustainability and corporate responsibility topics are considered material for us if they influence the judgment and decisions of our internal and external stakeholders, as well as have an impact on them and our business.

This report and its content are not substitutes for financially material information provided in Choice’s SEC filings including, but not limited to, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

## FORWARD-LOOKING STATEMENTS

Information set forth herein includes “forward-looking statements.” Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as “expect,” “estimate,” “believe,” “anticipate,” “should,” “will,” “forecast,” “plan,” “project,” “assume,” or similar words of futurity. All statements other than historical facts are forward-looking statements, and include statements regarding our environmental, social and governance ambitions, goals, targets, initiatives, commitments and activities, as well as our future operations and long-term strategy. These forward-looking statements are based on management’s current beliefs, assumptions and expectations regarding future events, which, in turn, are based on information currently available to management. We caution you not to place undue reliance on any such forward-looking statements. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors. These and other risk factors are discussed in detail in the company’s filings with the Securities and Exchange Commission (the SEC), including, but not limited to, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

# ABOUT CHOICE

Choice is one of the largest lodging franchisors in the world, with over 7,500 hotels representing more than 650,000 rooms in 46 countries and territories.

A wide-ranging portfolio of 22 brands that includes full-service upper upscale, midscale, extended stay, and economy properties enables Choice® to meet travelers' needs in more places and for more occasions while driving more value for franchise owners and shareholders. The award-winning Choice Privileges® loyalty program and co-brand credit card options provide members with a fast and easy way to earn reward nights and personalized perks.



FireLake Grill House & Cocktail Bar, located in Radisson Blu Mall of America, MN

**~\$12.4 billion**

global gross  
room revenue

**~18,000**

franchisee owners

**>1,800**

global corporate associates  
plus nearly 1,000 hotel  
employees in the  
managed hotel division

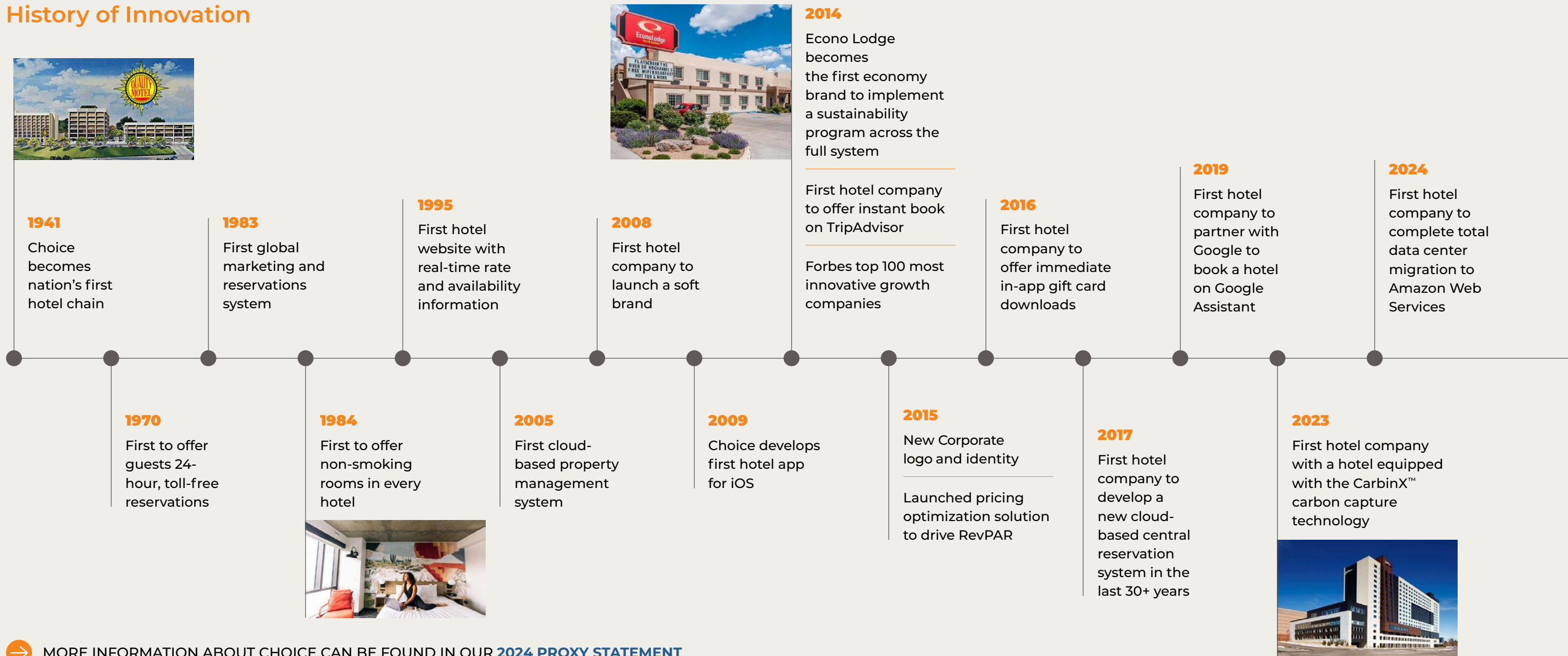
**>69 million**

Choice Privileges  
loyalty members

**>7,500** open hotels globally

- More than **653,000** rooms in approximately **46** countries and territories
- **13** managed hotels (inclusive of **4** owned hotels)
- **12** owned hotels
- **10** partially owned hotels through joint ventures

## History of Innovation



# 2024 SUSTAINABILITY HIGHLIGHTS

|                                                                                                                                              |                                                                                                                               |                                                                                                                                                                 |                                                                                                                                              |                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Enhanced our greenhouse gas emissions inventory to include Scope 1, 2, and 3 reporting.                                                      | Shifted to using 100% cage-free egg products and crate-free pork at all-day dining restaurants located at our managed hotels. | Marked our first year of public reporting to the CDP Climate and Water surveys.                                                                                 | Signed a partnership agreement with the National Park Foundation to preserve nature and wildlife and connect our hotels to nearby parks.     | Expanded employee programs and awareness around mental health and wellbeing.                                                          |
| Launched our 13th Choice Resource Group, Choice Connection Community, to nurture a community of belonging and engagement for all associates. | Installed three beehives at our corporate headquarters building in North Bethesda, Maryland, to promote biodiversity.         | Awarded and granted financial support to nearly 40 franchise agreements through our revitalized program SOAR to expand access to hotel ownership opportunities. | Celebrated the 5th anniversary of our Your Community, Your Choice program, which benefits community organizations chosen by our franchisees. | Launched a pilot program using artificial intelligence technology to monitor and reduce food waste in kitchens at our managed hotels. |

## Notable Rankings and Awards



Newsweek: America's Most Responsible Companies



World Sustainable Travel & Hospitality Award - Leading Sustainable Technology category



2024 Freedom Award from Protect All Children from Trafficking (PACT)



Brandon Hall Group HCM Excellence Awards for Data Discovery



TIME's World's Best Companies



TIME's America's Best Mid-size Companies



Best Place to Work For Disability Inclusion



Chief Learning Officer's "Editor's Choice as Best Midsized Company for Learning" for Choice University



Newsweek's "World's Most Trustworthy Companies"



Newsweek's America's Greatest Workplaces for LGBTQ+



Newsweek's America's Greatest Workplaces for People with Disabilities



Newsweek's America's Greatest Workplaces for Diversity



Newsweek's America's Greatest Workplaces for Parents and Families

# APPROACH TO SUSTAINABILITY

**Our sustainability journey continues to grow and evolve as we strengthen our practices and disclosures and explore new initiatives that drive the success of our business and franchisees through opportunities for cost savings and greater efficiencies.**

We've focused on compliance with sustainability standards, aligning with key frameworks, and operationalizing and further embedding sustainability into our business. Our efforts have led to our alignment with SASB standards for Hotels & Lodging, which are now overseen by the ISSB, our TCFD Report and our publicly disclosed CDP Climate and Water surveys. We've signed the Science Based Targets initiative (SBTi) public commitment letter to set near-term, science-based targets for reducing greenhouse gas emissions at the corporate and hotel property level and have calculated our full Scope 1, 2 and 3 inventory.

Our Sustainability team now reports to our Executive Vice President, Operations and Chief Global Brand Officer. The recent reporting structure change enables a more direct approach in integrating sustainability into core operations, including the sustainability pilot programs in our owned and managed hotels.

Stakeholder engagement remains a critical element of our sustainability strategy, especially as 99% of the hotels in Choice's network are franchisee owned, and franchisees advance sustainability at the property level.

## Priority Topics

To understand the most significant sustainability issues for our business and our stakeholders, we conducted our first sustainability materiality assessment in 2022 to determine our internal and external impacts. This assessment consisted of a benchmark review of our peers and of leading ESG frameworks and ratings (e.g., SASB, TCFD, MSCI, ISS and Sustainalytics). We also engaged a wide range of stakeholders through in-depth interviews and surveys. The feedback and analysis enabled us to identify the following high-priority topics, which inform our sustainability strategy:

1. Human Capital Management
2. Data Privacy and Security
3. Business Ethics
4. Belonging
5. Climate Strategy
6. GHG Emissions
7. Supply Chain Responsibility

While this report is based on our original sustainability materiality assessment in 2024, Choice also completed a double materiality assessment to inform and evolve our sustainability strategy. This helped align our strategy and reporting with Corporate Sustainability Reporting Directive (CSRD) disclosures. The double materiality assessment analyzes how our actions impact people and the planet, as well as how sustainability and climate impact our business.



## People, Planet and Performance

Our **People, Planet** and **Performance** framework is the foundation that guides and propels our sustainability initiatives. We focus on connecting and empowering people, building resilient communities, ensuring accountability and continuous improvement, and contributing to a more sustainable future. Our practical, franchisee-focused approach empowers our franchise owners to join us in creating a lasting positive impact on our communities and planet, and reinforces our commitment: that you can be in business *for yourself* without being *by yourself*.



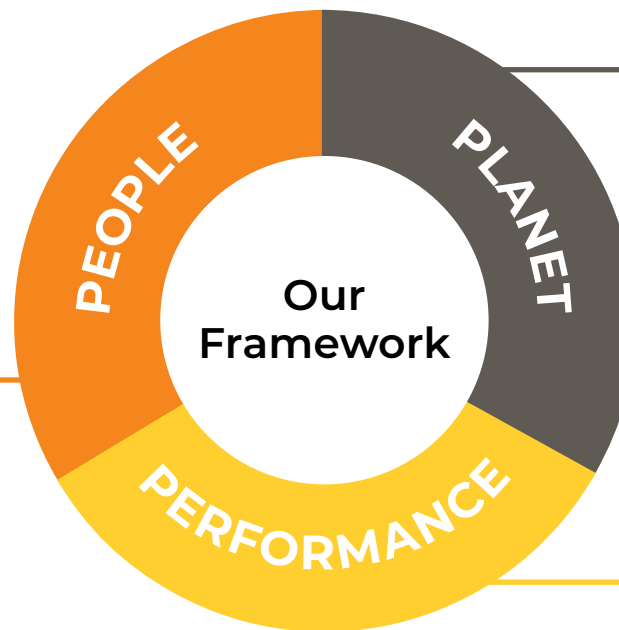
### People

- **Strive** to expand ownership opportunities for Choice franchised hotels
- **Recruit** and retain top talent
- **Enhance** associate development and wellbeing
- **Amplify** our positive impact on local and global communities

Support of  
UN SDGs



→ [LEARN MORE](#)



### Planet

- **Decrease** GHG emissions
- **Lower** energy and water intensity
- **Further** manage and reduce waste
- **Ensure** responsible sourcing
- **Support** and protect biodiversity

Support of  
UN SDG



→ [LEARN MORE](#)



### Performance

- **Ensure** continuous improvement, governance, oversight, risk management and tracking
- **Measure** progress towards sustainability goals

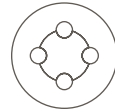
Support of  
UN SDG



→ [LEARN MORE](#)

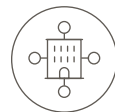
## Stakeholder Engagement

We regularly engage with our key stakeholders on a variety of topics to share our progress and gather their input, which helps inform our business planning processes and sustainability priorities. As more than 99% of Choice hotels are franchisee-owned, we have a vested interest in listening to and anticipating the needs of our hotel owners.

[LEARN MORE](#)

### Associates

- Communication channels include quarterly All Associate Meetings and monthly leader connection opportunities
- Annual engagement and pulse surveys
- Voice of Choice, our internal and interactive communication site for corporate associates
- Thirteen Choice Resource Groups to promote employee belonging and well being



### Industry Associations

- Active engagement in industry associations, including sustainability memberships



### Guests

- Guest satisfaction surveys
- On-property pilot programs and focus groups to test new concepts and receive feedback



### Communities

- Associate “volunteering and giving” opportunities through our internal Choice Gives platform
- Your Community, Your Choice Local Community Grant Program
- Partnerships including the National Park Foundation, the American Red Cross and Operation Homefront



### Shareholders

- Ongoing investor communications for focused conversations and feedback
- Annual investor outreach campaign to reach shareholders, representing more than 90% of total shares in 2024



### Franchisees

- New ChoiceCONNECT owners portal
- Regular owner association meetings and annual Choice Hotels Convention
- Ongoing interaction between area directors and franchise owners



### Suppliers

- Regional brand and owner association events and annual Choice Hotels Convention
- Annual surveys assessing vendors’ sustainability commitments, policies and goals



# United Nations Sustainable Development Goals

Our sustainability strategy and initiatives, many of which align with the United Nations Sustainable Development Goals (UN SDGs), demonstrate our commitment to being a responsible steward for our people and our planet. We are committed to propelling the success of others and building a better tomorrow.



## Good Health and Well-Being

We promote the wellbeing, health and safety of our associates, guests, franchisees and their staffs, and give back to the communities where we live and work. Our Total Rewards program continuously evolves to meet the needs of our associates.

### LEARN MORE

- [19 Health and Wellbeing](#)
- [21 Associate and Guest Safety](#)
- [31 Community Impact and Service](#)



## Gender Equality

We are also committed to promoting equal opportunity for employees and entrepreneurs striving for hotel ownership, and we aspire to have a high-caliber workforce of associates with a broad spectrum of experiences, perspectives, and backgrounds.

- [19 Health and Wellbeing](#)
- [23 Fair and Competitive Pay](#)
- [24 Choice Resource Groups](#)
- [26 Franchise opportunities](#)



## Decent Work and Economic Growth

Through our franchisee-focused business model, we strengthen job creation by supporting small business owners and entrepreneurs, creating pathways to hotel ownership. We condemn human trafficking in all forms and provide support for survivors and their dependents through numerous alliances.

- [21 Associate and Guest Safety](#)
- [23 Fair and Competitive Pay](#)
- [29 Human Trafficking Prevention](#)



## Reduced Inequalities

We have a long history of striving to expand access to hotel ownership opportunities regardless of background. We are also committed to fair and competitive pay for everyone.

- [21 Workplace](#)
- [23 Fair and Competitive Pay](#)
- [24 Choice Resource Groups](#)
- [26 Franchise opportunities](#)



## Responsible Consumption and Production

Choice's Commitment to Green initiative provides franchisees with training and resources to reduce their environmental impact. Our franchisee-owned domestic hotels are required to meet Level 1 standards in our Room to be Green environmental program as of January 1, 2025. Guests are encouraged to support water reduction through initiatives such as our linen and towel reuse program.

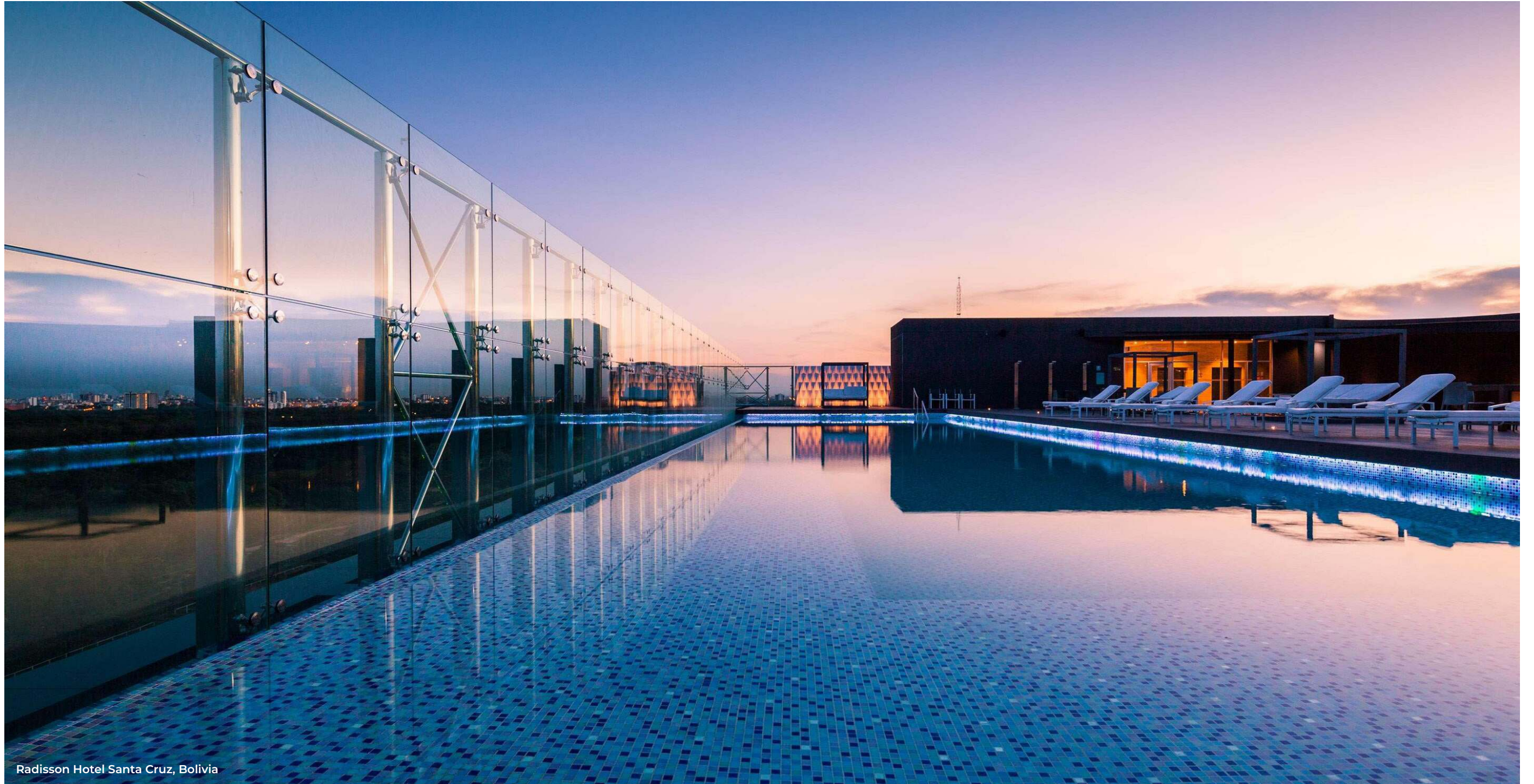
- [37 Commitment to Green](#)
- [44 Climate and Energy](#)
- [51 Water](#)
- [53 Waste](#)
- [58 Responsible Sourcing](#)



## Climate Action

The analysis of Choice's climate-related risks and opportunities are summarized in our Task Force on Climate-related Financial Disclosures (TCFD) report. In 2024, we expanded our data disclosures to include Scope 3 emissions. We also signed the Science Based Targets initiative (SBTi) public commitment letter to set near-term science-based targets for reducing greenhouse gas emissions.

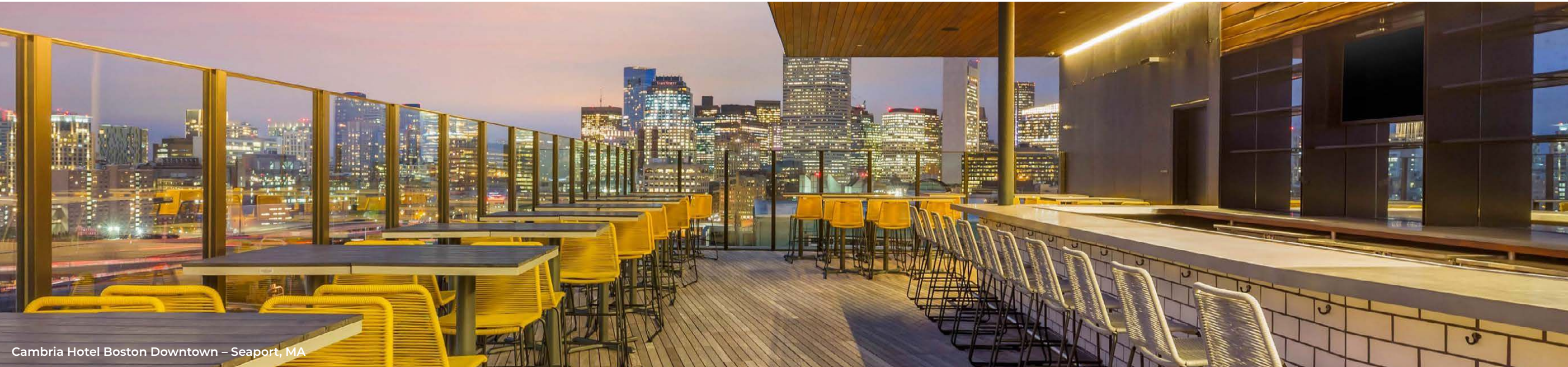
- [37 Commitment to Green](#)
- [44 Climate and Energy](#)



Radisson Hotel Santa Cruz, Bolivia

Sustainability Memberships and Associations

| Organization                                                                                                                             | Action                                                                                                                                      | Choice's Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>American Hotel &amp; Lodging Association (AHLA)</b> | Supports and advocates for the hospitality industry as the largest hotel association in the U.S. representing all segments of the industry. | <ul style="list-style-type: none"><li>Choice is an active member of AHLA's Sustainability Committee, a forum for knowledge sharing on sustainability topics that impact the hotel industry.</li><li>Choice is an inaugural member of AHLA's Responsible Stay initiative focused on energy efficiency, waste reduction, water conservation and responsible sourcing practices.</li><li>Choice is an inaugural member of the AHLA Foundation's No Room for Trafficking Advisory Council, which unites top leaders in the hotel industry in the fight against human trafficking.</li></ul> |
|  <b>Sustainable Hospitality Alliance</b>                | Promotes responsible hospitality for a better world and drives collaboration for a more sustainable future.                                 | <ul style="list-style-type: none"><li>Choice joined this association in 2022, becoming one of the largest members of the Alliance.</li><li>Since 2024, Choice also has representation at the Alliance's Youth Leaders Advisory Council.</li></ul>                                                                                                                                                                                                                                                                                                                                       |
|  <b>U.S. Chamber of Commerce</b>                        | Promotes job creation and economic growth.                                                                                                  | <ul style="list-style-type: none"><li>Choice is part of the ESG Working Group, which helps educate and inform businesses on emerging ESG issues.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                              |



Cambria Hotel Boston Downtown – Seaport, MA

# PEOPLE

Building a better tomorrow for our associates, franchisees, guests and community members.

## PEOPLE-RELATED POLICIES:

[Anti-Corruption Policy](#) ↗

[Anti-Harassment Policy](#) ↗

[Code of Ethics and Conduct](#) ↗

[Equal Employment Opportunity Policy](#) ↗

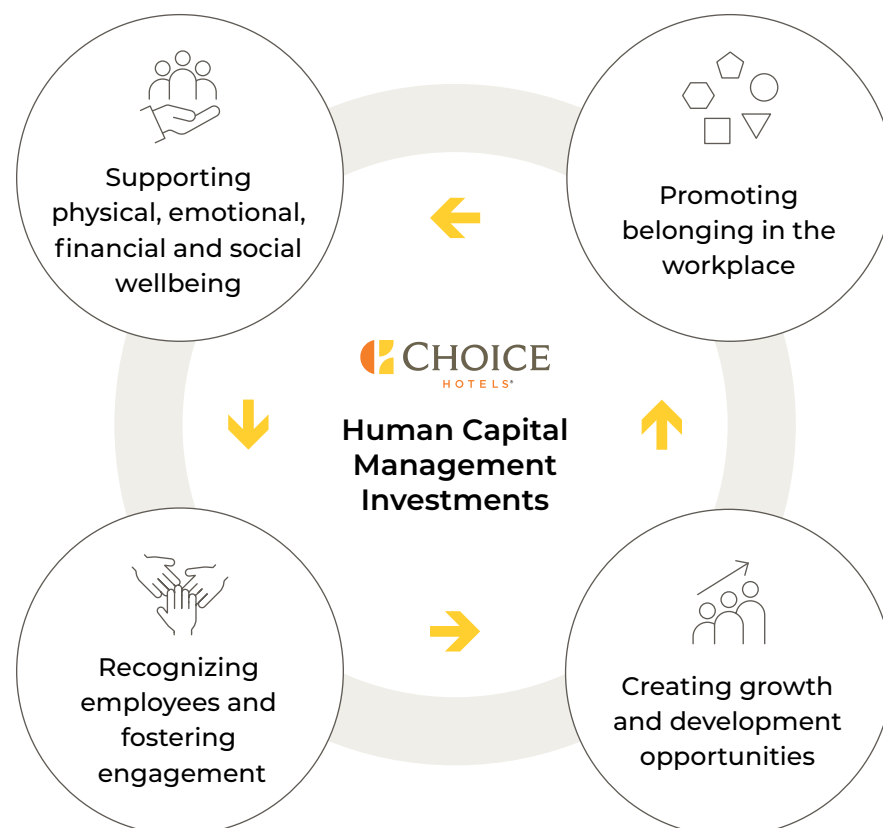
[Human Rights Policy](#) ↗

[Privacy Policy](#) ↗

[Supplier Code of Conduct](#) ↗

# ASSOCIATE EXPERIENCE

At Choice, we continuously seek new ways to improve the associate experience through growth and development opportunities, health and wellbeing offerings, active engagement and fostering a sense of belonging. Investing in our associates' development and wellbeing is key to employee satisfaction and attracting and retaining the top talent that propel our long-term business success.



## Leadership Principles

After our initial rollout to senior leaders in 2024, Choice will introduce new leadership principles to all people leaders in 2025. Designed to strengthen our culture, performance and productivity, the principles provide leaders with clear guidance on how to succeed at every level which, in turn, will help improve the associate experience. The principles are a culmination of efforts driven by our Diversity Advisory Council and Executive Leadership Team to enhance our leadership quotient through EQ (emotional), AQ (adversity) and IQ (intelligence).

- **Act with Intention:** Ensure alignment with strategic goals, vision and purpose. Prioritize for impact, make tough decisions and see them through. Deliver the most important and impactful outcomes.
- **Lead with Authenticity:** Demonstrate self-awareness. Work to create and maintain an environment where all are welcome and able to contribute, innovate and perform. Ensure all associates can thrive both personally and professionally.
- **Grow and Deliver:** Inspire and develop others to achieve enterprise results. Thrive in the face of challenge. Build learning agility. Tailor recognition and development to each team member.



“As leaders, we are accountable for making Choice a place where all associates can thrive. When we do, everyone wins.”

**Patrick Pacious** | President and CEO

## Growth and Development

We are committed to providing our associates with the resources and opportunities they need to thrive. We promote a feedback culture that incorporates numerous touchpoints throughout the year to support associates' career growth.

Our Coaching for Performance and Growth model is the foundation for performance management, coaching and development conversations between associates and their managers. Objectives are developed annually to align with corporate goals and associates are encouraged to create personal development plans. Through ongoing coaching and check-ins, managers are expected to help remove potential obstacles and barriers, and gauge employee satisfaction and progress. Formal check-ins occur several times a year to provide ongoing feedback and performance calibrations, and a formal performance review is conducted once a year.

Associates are encouraged to explore professional development courses through myLearning, Choice's online education portal, and LinkedIn Learning. Associates are also required to complete annual compliance courses covering anti-harassment, ethics, security and privacy awareness, phishing and human trafficking prevention. Additional courses are required based on management level and role, such as anti-corruption and insider trading.

Choice offers voluntary training through LinkedIn Learning. Achievements of 2024 associates include:

**~40,000**

training videos viewed

**~ 1,200**

courses completed

### CONNECTING ASSOCIATES AND FRANCHISEES

Our Connect with an Owner program provides opportunities for corporate associates to gain additional perspective on operating a hotel and build one-on-one relationships with franchise owners. Through the program, associates visit a Choice hotel property with an area director, meet with the hotel's owner and participate in a guided tour. Associates learn about the day-to-day opportunities and challenges of running a hotel and receive an insider's perspective that is as unique as our owners.



Country Inn & Suites by Radisson, Lake Norman Huntersville, NC

"This was an awesome opportunity to experience the product firsthand and get a much more detailed peek behind the curtain of day-to-day operations. Learning what was top-of-mind for our owners provided a valuable perspective that I was able to take back to my role at corporate. I also picked up a wealth of knowledge about hotel operations from the area director."

**Max Shrier** | Director, Loyalty Partnerships, Choice Hotels

"The owners and hotel leaders were highly appreciative of having someone from the corporate office take a genuine interest in learning their stories and listening to their perspectives of how Choice Hotels might best support them based on their individual definitions of success."

**Scott Doble** | Area Director, Franchise Performance, Choice Hotels

## Leadership Training

We continue to evolve our suite of leadership training courses to meet the needs of our people leaders and business.

Our three marquee leadership programs are designed for different stages of our associates' careers:

- **Emerging Leaders Program:** prepares high-performing individual contributors for advanced roles as people leaders.
- **Leadership Foundation Program:** provides a foundation of leadership for managers and directors.
- **Ascending Leaders Program:** offers a six-month comprehensive cross-functional training and innovative project opportunities for high-performing directors and senior directors.

Leaders also may participate in 360-degree assessments, leader assimilation and team workshops to build better self-awareness and team effectiveness and may receive executive coaching.

The Choice Leadership Connections program has been a success in connecting leaders across the organization to share opportunities and challenges and provide peer-to-peer coaching. This monthly event covers a range of leadership topics, from delivering feedback to setting priorities, through peer-led discussions.

## Internal Mobility Opportunities

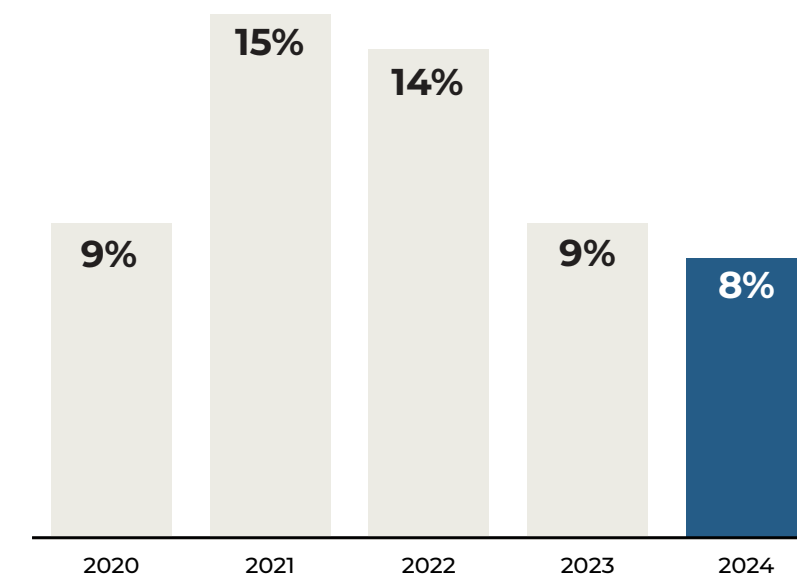
Choice recognizes internal mobility is key to employee satisfaction and retention. Our Coaching for Performance and Growth model and leadership training programs are designed to support opportunities for internal mobility. In 2024, Choice created the Internal Mobility Council to further enhance employee engagement, retention and organizational success by working to improve the internal interview process and the associate experience at all levels of the organization. We also continue to offer Project Mobility, which allows associates to request a work project in another part of the organization to follow their interests, develop new skills and pivot professionally.



## Associate Retention

Our corporate voluntary attrition rates<sup>1</sup> were lower in 2024 than in the past two years, which we believe reflects associate satisfaction, as well as adjustments to the “new normal” of the post-pandemic workplace. While voluntary attrition rates have been more favorable than our internal goals for each of the last five years, rates in prior years fluctuated like many others in the hospitality and services sectors due to the stresses of the COVID-19 pandemic and the challenges of a tight labor market.

Corporate Voluntary Attrition



1. Voluntary retirement not included in calculation of corporate voluntary attrition rates.

## Engagement and Recognition

### Associate Engagement

Ensuring our associates feel valued, respected and heard is integral to the ongoing health, success and continuous improvement of our organization. We regularly seek and incorporate associate feedback into our policies and practices, as well as our operations.

Frequent communication between leaders and associates occurs through our Coaching for Performance and Growth process, as well as All Associates Meetings and department town hall meetings where executives and leaders share company-wide updates. Our President and CEO Pat Pacious also hosts regular CEO Connects, live webinars where he discusses business priorities and answers questions from associates, and our Chief Talent and Culture Officer hosts Talent Talks, quarterly roundtable discussions to engage with associates.

A variety of confidential surveys provide additional opportunities for honest feedback and a better understanding of the associate experience. These touchpoints begin with our 30-60-90-180-day onboarding surveys, continue with various surveys throughout the year and come full-circle with our exit surveys. Our annual Choice engagement survey is a critical tool for assessing associate satisfaction. We continue to achieve engagement scores above our peer benchmark, meaning associates have a positive commitment to our organization and goals.

People leaders review survey results with their teams and create an action plan, regardless of scores. Key themes and feedback are presented to the Executive Leadership Team.



### 2024 ENGAGEMENT SURVEY RESULTS

**83%**

response rate

**77**engagement score<sup>1</sup>

#### Top strengths:

- Managers care about associates
- Understanding of how work contributes to Choice's success
- Feedback and coaching

#### Top opportunities:

- More communication about actions taken based on associate feedback
- Flexibility on remote work and higher compensation
- Expanded inclusion of associates in decision making

1. Engagement score consists of the questions: I would recommend Choice Hotels as a great place to work and How happy are you working at Choice Hotels?

### Associate Recognition

We recognize the contributions and positive impact of our associates on our business and our communities through our Champions of Choice Awards and the Values in Action Awards. We also offer internal channels for associates to provide shout-outs for team members who have excelled in their job performance.

#### Champions of Choice Awards:

- **Stewart Bainum Sr. Trailblazer Award:** recognizes the embodiment of Choice's values and service contributions of our founder.
- **Coach of the Year Award:** recognizes model people managers.
- **MVP Award:** recognizes game-changing exceptional performance.
- **Innovation Award:** recognizes exceptional contributions to improve the business and work environment.

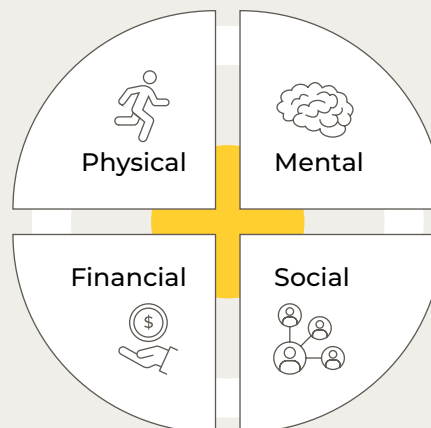


## Health and Wellbeing

Our goal is to help our associates and their families be their best selves and to be there when help is needed. We recognize that when our associates come to work, they bring their hopes, dreams, challenges and worries with them into the office. We use associate engagement and feedback to understand associates' concerns and how we can best support them and their families. At its core, we think about our health and wellbeing strategy and Total Rewards program in four primary buckets: physical, mental, financial and social.

### OUR HEALTH AND WELLBEING STRATEGY

Our four-pronged strategy offers a selection of programs and services that meet the lifestyle, life stage, and wellbeing needs of our associates and their families. We promote work-life balance, encourage healthy habits and lifestyles, focus on stress reduction and support mental health.

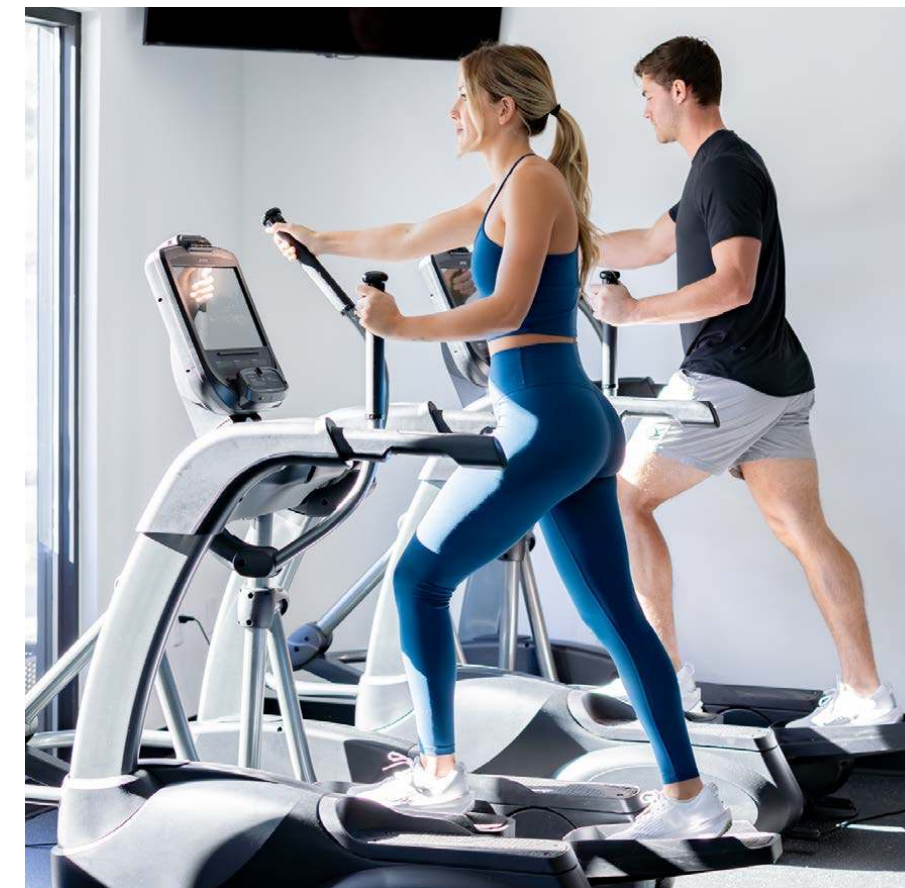


Building on our strong culture, in 2024, we launched a multi-year initiative to strengthen our ecosystem of a mentally healthy workplace. This included creating grassroots and leadership support for mental health, building trust through storytelling and integrating disparate services into a cohesive program. We will continue these efforts in 2025 and beyond by improving our people manager and leader capabilities in identifying those struggling with mental health challenges and navigating the support for these associates. Further, we are working with our Choice Resource Groups and our Diversity Advisory Council to understand the ongoing challenges associates face and to eliminate the stigma around mental health care and disseminate information and resources.

We offer multiple financial educational resources to meet the lifestyle and life stage needs of our associates. From financial coaching on topics like budgeting, paying down debt or saving for a child's education, to retirement and estate planning, there are multiple financial advisory services that include tailored personal meetings as well as virtual education and training.

Over the last several years, our focus on physical health has used data to understand the biggest health concerns for our associates and their families and to incorporate programs that directly support health improvement in these areas. Through care advocates, associates find the support they need to navigate these resources, such as muscular skeletal, diabetes and weight management, joint replacement, cancer and cardiovascular centers of excellence. We benchmark our programs against the 90<sup>th</sup> percentile of the market and strive to beat the benchmark. The Total Rewards program also includes services and support such as birth parent and caregiver leave, back-up child and elder care, fertility benefits, and more.

Our time off and leave programs offer associates opportunities to step away, recharge and enjoy time with friends and family. Additional unique perks include exclusive discounts at Choice Hotels worldwide and unlimited Wellbeing Days to support work-life balance.



➔ LEARN MORE ABOUT THE BENEFITS OFFERED THROUGH OUR [TOTAL REWARDS PROGRAM](#)

SPOTLIGHT:  
MENTAL HEALTH AND WELLBEING. CHOICE IS TAKING ACTION.



Conducted associate survey, interviews and focus groups to gather insights on current associate experiences and attitudes to understand Choice’s current state



Held storytelling events to decrease stigma and isolation around mental health, build skills and communicate company resources



Embedded mental health concepts and skills into new and existing leadership development training to better support associates’ needs



Engaged our Choice Resource Groups to serve as grass roots support and resource hubs



Shifted to new mental health vendor in 2023 to break down the barriers to care (e.g., identification of provider and appointment scheduling)



Cambria Hotel Austin Downtown, TX

## Associate and Guest Safety

The health and safety of our associates and guests is a high priority throughout our managed operations and franchised locations. In 2024, we focused on developing safety and security standards for our newly opened corporate offices and existing managed hotel portfolio, as well as increasing internal and external engagement to build awareness of our safety and security initiatives.

Our owned and managed hotels have an established safety and security program that supports our associates and guests while meeting regulatory requirements and industry standards, such as Occupational Safety and Health Administration (OSHA) requirements specific to our hotels. Within our managed hotel portfolio, our associates receive the necessary training and tools they need to perform their jobs, including safety trainings on topics such as biohazard awareness, fire prevention, OSHA compliance, workplace violence and human trafficking prevention.

We've also continued our Commitment to Clean program, launched during the height of the COVID-19 pandemic, to engage franchisees to achieve high levels of cleanliness and to encourage them, as independent companies operating hotels under our brands, to continually develop and maintain health and safety good practices and effective communications that reflect our shared safety values.

## Workplace

### Welcome, Wanted, Respected

At Choice, we believe our corporate culture should ensure that all associates feel a sense of belonging and reflect the world in which we live and the guests and franchisees we serve. We recognize that a wide variety of ideas, styles, perspectives and experiences fuels innovative strategies, leads to better decisions, creates a stronger business and helps us to better serve our customers.

➔ [SEE THE LATEST CHOICE EEO-1 REPORT FOR MORE INFORMATION](#)

“At Choice Hotels, we pride ourselves on fostering an inclusive culture where every team member feels welcomed, wanted and respected. Our commitment to professional growth, community engagement and a supportive, team-oriented environment ensures that our employees not only thrive in their careers but also find fulfillment and purpose in their work.”

**Sally Bartas** | Chief Talent and Culture Officer, Choice Hotels



## Recruitment

Our ongoing recruitment efforts seek to attract talent with varied experiences, backgrounds and identities so that we can broaden our talent pool. We prioritize internal movement and growth by supporting our associates through professional development, mentorship, career planning and resource groups. In 2024, we also established an Internal Mobility Council to strengthen our efforts.

We offer training for leaders who are new to talent acquisition or would like a refresher course. For each open role, a recruiter partners with the hiring manager to identify essential skills and experiences needed to fill the job, aiming to remove subjectivity and personal preference from the process. Additionally, we use behaviorally based interviewing techniques and include a mix of interviewers from key stakeholder groups in the assessment process.

To expand our talent pipeline of associates from all backgrounds, our talent acquisition team participates in career fairs with our partners organizations, college campuses and community events, including events that reach untapped talent. Our corporate internship program also strengthens our pipeline of talent. It offers college students practical work experience, learning and development programming, networking opportunities and participation in a Choice corporate social responsibility project. Students gained an insider's view of hospitality including franchise operations, sales, strategy, finance, and technology.

Our commitment to providing equal employment and advancement opportunities to all associates and applicants is highlighted on our [career website](#).



## Fair and Competitive Pay

We are committed to providing fair and competitive pay. Choice conducts a pay study annually on U.S.-based roles and reports the results of this analysis to the Board of Directors. In 2024, we expanded our analysis of the Choice Hotels corporate-based associate population to include managed hotel associates from the Radisson Hotels Americas acquisition, as well as base salary and short-term variable pay. We promptly reviewed any identified discrepancies for similar positions (e.g., by career track, career track, level, and/or salary grade). Any discrepancies that could not be sufficiently explained by education, the level of experience or other job-related attributes were promptly reviewed and addressed. This analysis was completed in partnership with Syndio Pay EQ analytics platform using Fair Pay Workplace guidelines.



## OUR COMPANY-WIDE CULTURE OF BELONGING

- **Board Engagement:** Choice's commitment to belonging starts at the top. The Board seeks progress updates on our inclusion and belonging initiatives in corporate workplace practices, franchise sales and advertising. The Board's Diversity Committee oversees the advancement of inclusion and belonging and engages with leadership at least twice a year.
- **Executive Sponsorship:** SVPs and above provide sponsorship and support to individual Choice Resource Groups (CRGs) and the Diversity Advisory Council (DAC). Executive sponsors play an active role as champions of the resource groups.
- **DAC:** Team of 30-cross functional leaders, serving three-year terms, identifies issues and trends that impact our workforce and strengthen our culture of belonging. The Chief Human Resources Officer and General Counsel are permanent members and the EVP, Operations and Chief Global Brand Officer serves as the executive sponsor.
- **Associate Advisory Council:** A team of 75 Choice Resource Group chairs meets quarterly to look for opportunities to collaboratively impact the organization, identifying objectives that contribute directly to overall associate development, wellbeing and belonging, corporate social responsibility and direct business impact.
- **Choice Resource Groups:** Guided by a focus on culture, talent and business, Choice's 13 resource groups with 36 chapters provide cultural vibrancy and a sense of connectedness and belonging for associates. Participation in each Choice Resource Group is open to all associates.
- **Client and Consumer Engagement:** Choice supports the long-term success of all hotel owners, seeks to expand access to hotel ownership for all entrepreneurs regardless of background and promotes our welcoming and inclusive culture externally to our guests.



Choice Resource Groups

Our Choice Resource Groups (CRGs) play an active role in fostering our culture and belonging. Each of these associate-led groups are open to all associates and serve as information and resource hubs. They provide a platform for networking and offer career development opportunities, promote and cultivate leadership skills and raise cross-cultural awareness. Every CRG is supported by an executive sponsor.

In 2024, we welcomed a new CRG, Choice Connection Community, created to connect and engage all associates, regardless of where they work, through social events and professional connection initiatives to maintain and amplify Choice’s belonging culture. Additionally, the CRGs contribute insights and ideas to business issues. The Choice Working Parents group expanded their focus to include Caregivers, recognizing the unique needs and challenges of working parents and caregivers. We also held our first CRG Chair Summit, which united associate leaders for collaboration and development sessions.



Choice People, Resources and Insights Dedicated to Equality (PRIDE)



UNITY: Uplifting & Nurturing Inclusivity Through You



Choice Hotels Asian American Professionals (CHAAMP)



Veterans Are Loyal Organizational Resources (VALOR)



Women's Business Alliance (WBA)



Young Professionals Alliance (YPA)



NoodleGroup



HOLA: Hispanic Organization for Leadership & Advancement



Choice Words



Awareness, Access & Advocacy for all Abilities



Choice Working Parents & Caregivers (CWP&C)



Green Team



Choice Connection Community  
Galvanize meaningful workplace communities through activities and events that connect

→ [LEARN MORE ABOUT OUR CRGS AND THEIR MISSIONS](#)



Connections

Choice works with and supports a wide array of organizations that actively promote belonging. These collaborations benefit our associates and business through professional growth opportunities and development of our talent pipelines across all of the various demographics of our workforce.



American Hotel & Lodging Association (AHLA) ForWard



Asian Corporate Entrepreneur Leaders (ACEL)



Association of Latino Professionals For America



Disability:IN



Disability:IN DC Metro area

Hospitality Hued



Executive Leadership Council



Human Rights Campaign



International Franchise Association Foundation's Black Franchise Leadership Council



International Franchise Association Foundation's Open for Opportunity Campaign



Latino Hotel Association



National Association of Black Hotel Owners, Operators and Developers



National Center for Transgender Equality



National Hispanic Corporate Council (NHCC)



She Has a Deal



Spectrum Knowledge/ELEVATE

# FRANCHISE ENGAGEMENT

As a franchise-focused company, we recognize the importance of building one-on-one relationships with our owners.

Our franchisees are central to our business and multiply the positive impact of our sustainability initiatives. Continuous engagement with our franchise owners and incorporating their feedback into our strategies and decision making are mission critical.

We also understand that initiatives rolled out to our franchisees must be strongly anchored in delivering opportunities for more business value and profitability to our franchise owners. Therefore, our franchisee engagement on sustainability has a strong focus on demonstrating how practices that are good for people and the planet are also good for their business.

In 2024, we launched the ChoiceCONNECT success portal, which enables franchisees to access their property metrics, Choice apps, reports and news in a single platform.

## Engaging and Supporting our Franchisees

|                                                                 |                                        |
|-----------------------------------------------------------------|----------------------------------------|
| Ongoing interaction between area directors and franchise owners | SOAR program                           |
| Choice University training and resources                        | Commitment to Green Hub                |
| Owner association meetings                                      | Human Trafficking Prevention microsite |
| ChoiceCONNECT owners portal                                     | Surveys                                |
| Annual Choice Hotels Convention                                 | Your Community, Your Choice program    |

## Expanding Access to Franchise Opportunities<sup>1</sup>

In 2024, Choice refreshed and renamed our program seeking to broaden access to hotel ownership opportunities, including for entrepreneurs from underrepresented backgrounds. The revitalized SOAR program emphasizes that the program is intended to support all potential hotel owners who otherwise would not be aware of the possibility of hotel ownership and haven't historically been involved in the hotel industry. The program is part of Choice's longstanding commitment to help all entrepreneurs reach their goals of making small business ownership a reality.

Choice offers a variety of financial incentives and educational opportunities for new franchisees. Our Opening Services team onboards new franchise owners by introducing them to the business and resources at Choice University and helping them through the property improvement plan.

→ LEARN MORE ABOUT HOW WE ENGAGE FRANCHISEES ON SUSTAINABILITY TOPICS THROUGH OUR [COMMITMENT TO GREEN INITIATIVE](#)

1. Choice has a long-standing commitment to equal opportunity and makes all franchise decisions on the basis of merit and in compliance with applicable law.

Despite challenges in the hotel industry market, such as high interest rates and cost of hotel construction, SOAR executed nearly 40 new franchise agreements and opened 20 hotels in 2024 — both records.



In 2024, SOAR hosted its first event at the annual Choice Hotels Convention to affirm Choice’s longstanding support of broadening access to hotel ownership. More than 40 people participated in the development seminar, including several professional athletes new to hotel ownership.

Two new SOAR agreements announced in November 2024 reflect Choice’s commitment to broaden access to hotel ownership. Latino hotel owners Walter Barela and Brian Resendez of Peak Hospitality will open a new Woodspring Suites in Truth or Consequences, New Mexico, which will cater to the area’s wellness-focused and adventure-seeking visitors. Military veterans Ben and Amanda Rohlfing, along with Bob Schultz, will convert their property to a Rodeway Inn Effingham in Illinois, which aims to offer affordable lodging for visitors to Effingham’s local attractions.

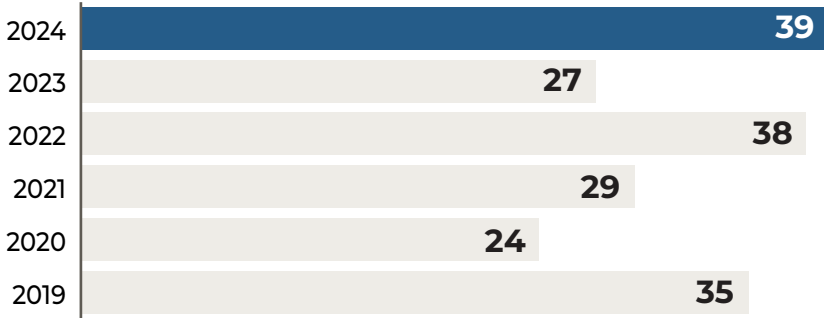
Choice’s Vice President of Franchise Development and Strategic Programs John Lancaster received three awards in 2024 for his work broadening access in the hotel industry:

- The Latino Hotel Association President’s Award
- Top 300 Inspirational Leaders in Corporate America by Savoy Magazine
- Top 50 Most Inspirational People in Global Hospitality and Travel by International Hospitality Institute and Global Hospitality Magazine



Franchise agreements

**411**  
franchise agreements made over 21 years



- Among Choice’s support of entrepreneurs, SOAR has awarded and supported more than 400 franchise agreements to underrepresented entrepreneurs since 2004.
- During the first 15 years of the SOAR program, Choice averaged 1.4 agreement per month and has increased that to an average of 2.6 per month in the last five years.

Choice was the first hotel company to have a team dedicated to promoting equal opportunity in hotel ownership opportunities, as well as a franchisee advisory group dedicated to Black and African American hoteliers, the Choice Hotels Owners African American Alliance (CHOAAA).

**HERtels by Choice** continues to strengthen the pipeline of female franchisees and is now associated with the Women's Business Alliance CRG. The program is designed by women for women to empower female entrepreneurs throughout their hotel ownership journeys. In 2024, we signed 24 agreements with female owners. To date, approximately 80 women have participated in the HERtels by Choice program, leading to 34 new female-owned hotels.

Choice is engaged with **several collaborators** that demonstrate our commitment to small business ownership and broadening access to franchising.

## Franchise Education and Training

Choice University, the most widely awarded learning program in the hospitality industry, continues to expand and evolve with the addition of three new schools.

- The **School of Hospitality Excellence and Hotel Operations** provides learning opportunities for prioritizing guest satisfaction, maintaining cleanliness and streamlining operations for an outstanding guest experience.
- The **School of Hotel Investment and Development** offers a pathway to expand hotel portfolios by providing focused learning content on growth preparation, securing financing and identifying ideal expansion opportunities.
- The **School of Business Principles and Financial Management** has specialized training for hotel owners, operators and managers, focused on strategic financial goals, key performance indicators, accounting practices, budgeting and decision making to drive financial success.

Franchise owners can access resources, trainings and certification opportunities online and through in-person classroom activities. Personalized learning experiences are tailored to an individual's brand and job function and are designed to meet the ever-changing needs of the business and industry.

An internal study through Choice's Advanced Analytics team revealed that properties highly engaged with Choice University have elevated key performance indicators.

### CHOICE UNIVERSITY ONLINE

**~48,000**  
online students

**~2,000**  
courses and  
resources

**~2 million**  
trainings  
completed

## Franchisee Recognition

The Best of Choice awards program recognizes hotels with outstanding guest satisfaction scores based on guest reviews:

- **Best of Choice** — recognizes one hotel from each brand that is a top performer in guest satisfaction and the best representation of the brand.
- **Ring of Honor** — recognizes the top 1% or top three hotels for hotel brands with a smaller number of open hotels.
- **Platinum Awards** — recognizes the top 3% hotels of the brand.
- **Gold Awards** — recognizes the top 10% hotels of the brand.



# HUMAN TRAFFICKING PREVENTION

## At Choice, we condemn human trafficking in all forms.

We support human trafficking prevention through a consistent and proactive approach — from our enterprise-wide [Human Rights Policy](#) and required training, to our associations with human trafficking prevention organizations that provide additional tools and resources for our hotels to combat trafficking and raise awareness.

### FREEDOM AWARDS

Choice Hotels President and CEO Patrick Pacious received the prestigious 2024 Freedom Award from Protect All Children from Trafficking (PACT), recognizing Choice's multi-pronged approach to human trafficking prevention, including our recently revamped training and resources made available to all our associates and franchisees, and long history of supporting human rights.

## Training and Resources

Choice's human trafficking prevention microsite is a hub for our hotels to access relevant resources such as training materials, signage, compliance information, as well as short videos that can be used as conversation starters for staff members.

Through this platform and Choice University, Choice provides impactful educational tools, including a new training required annually for all franchise owners or their management-level designees, all on-property managed hotel associates and all Choice corporate associates worldwide. The training is available in multiple languages. A new brand standard also requires domestic hotels to display back-of-house posters that outline the warning signs of human trafficking. Signage is now required in all public restrooms of our Extended Stay hotels in the U.S.

## Collaborations

Choice maintains relevant and strong affiliations to combat human trafficking and to support victims. Choice Hotels International Senior Vice President and General Counsel Simone Wu serves as a member of the American Hotel & Lodging Association (AHLA) Foundation's No Room for Trafficking (NRFT) Advisory Council, which aims to unite the industry around collective anti-trafficking efforts. Choice also committed to contributing \$250,000 to the NRFT Survivor Fund over a five-year period.

We joined PACT, formerly ECPAT-USA, in 2015 to support measures to prevent and protect children from human trafficking. PACT is a member of ECPAT International, a network of organizations in over 100 countries working together toward the elimination of the sexual exploitation of children. We are also a signatory of the Tourism Child Protection Code of Conduct (The Code), an industry-driven tourism initiative in preventing child trafficking. The Code is a voluntary set of criteria that members commit to in an effort to keep children safe.

Choice also supports Polaris, formerly The Polaris Project, a non-profit organization that fights human trafficking through a comprehensive approach and maintains the largest known dataset on human trafficking in North America. Founded as a grassroots initiative to create long-term solutions to address the underlying systems that allow human trafficking to occur, Polaris advocates for stronger federal and state laws, operates the National Human Trafficking Hotline, conducts trainings and provides services to trafficking victims.

Choice is also committed to providing emergency lodging for victims of abuse and violence. We were one of the first hotel brands to work with Safe Stays by ReloShare Alliance, a booking platform and program to secure safe lodging. More than 90% of Choice-branded hotels in the U.S. are available for booking through the ReloShare platform.

In 2024, Choice Hotels donated

**\$25,000**

to PACT as a Catalyst for  
Protection sponsor

**2.5 million**

Choice Privileges points  
to Polaris

**\$25,000**

to Polaris

**\$50,000**

to AHLA Foundation's  
NRFT Survivor Fund





Comfort Inn & Suites At CrossPlex Village, AL

# COMMUNITY IMPACT AND SERVICE

Choice associates and franchisees are committed to building a better tomorrow. Our signature partnerships and programs empower people, improve lives, support nature and wildlife preservation, and strengthen communities.

## Signature Impact Partnerships

### American Red Cross

Choice continues to work with the American Red Cross to help people impacted by disasters big and small. In 2024, we created a highly responsive, cross-departmental internal team that develops timely comprehensive disaster relief campaigns. Our U.S. Southeast Disasters campaign was launched right after the landfall of Hurricanes Helene and Milton, and raised over \$160,000, directly supporting the American Red Cross' efforts to provide relief to the communities impacted by those events. Choice Privileges members donated over 20 million points and Choice fulfilled a \$50,000 donation match. Choice associates also generously donated through Choice Gives, Choice's new donation matching and volunteering platform for corporate associates.

The American Red Cross is committed to delivering vital services to those in need, including food, shelter and emotional support. Each year, the organization responds to an average of more than 65,000 disasters around the country, including storms, fires and countless other crises.

### Over \$215,000

donated and raised to support American Red Cross efforts in 2024

### Over \$275,000

donated and raised for Operation Homefront, including cash, in kind and matching donations in 2024



### Operation Homefront



Serving America's Military Families

To recognize the service and sacrifice of military service members and their families, Choice supports the military community in numerous ways. In 2024, Choice raised and donated more than \$275,000 in cash, in-kind and matching funds for national nonprofit Operation Homefront. This included 2 million Choice Privileges points and Choice's sponsorship of Operation Homefront's Year-End Match Campaign, which generated more than \$220,000. Our VALOR Choice Resource Group also leads an annual bike drive in support of Operation Homefront. Nearly 100 bikes were donated to military children this year. In addition, we offer active-duty military members, veterans and military spouses limited-time Gold Elite status and exclusive rates at participating hotels through the [Choice Privileges Military Membership program](#).

Operation Homefront is a national non-profit whose mission is to build strong, stable, and secure military families so that they can thrive in the communities they have worked so hard to protect. Operation Homefront provides critical financial assistance, housing and family support services to prevent short-term needs from turning into long-term struggles.



LEARN MORE ABOUT [THE AMERICAN RED CROSS](#) AND [OPERATION HOMEFRONT](#)

## SPOTLIGHT: NATIONAL PARK FOUNDATION

The National Park Foundation is a leader and catalyst in safeguarding America's 430+ national parks and ensuring they are accessible and welcoming — for everyone, forever.

### The partnership



Our newest collaboration with the National Park Foundation advances our strategy to support impactful environmental and social initiatives. The partnership is a natural and meaningful collaboration: 95% of our domestic hotels are within a 1.5-hour drive to a national park and 60% are within a 45-minute drive. According to our research, Choice customers are also significantly more likely to have visited national parks on a vacation in the past 12 months compared to the overall hotel industry and U.S. population.

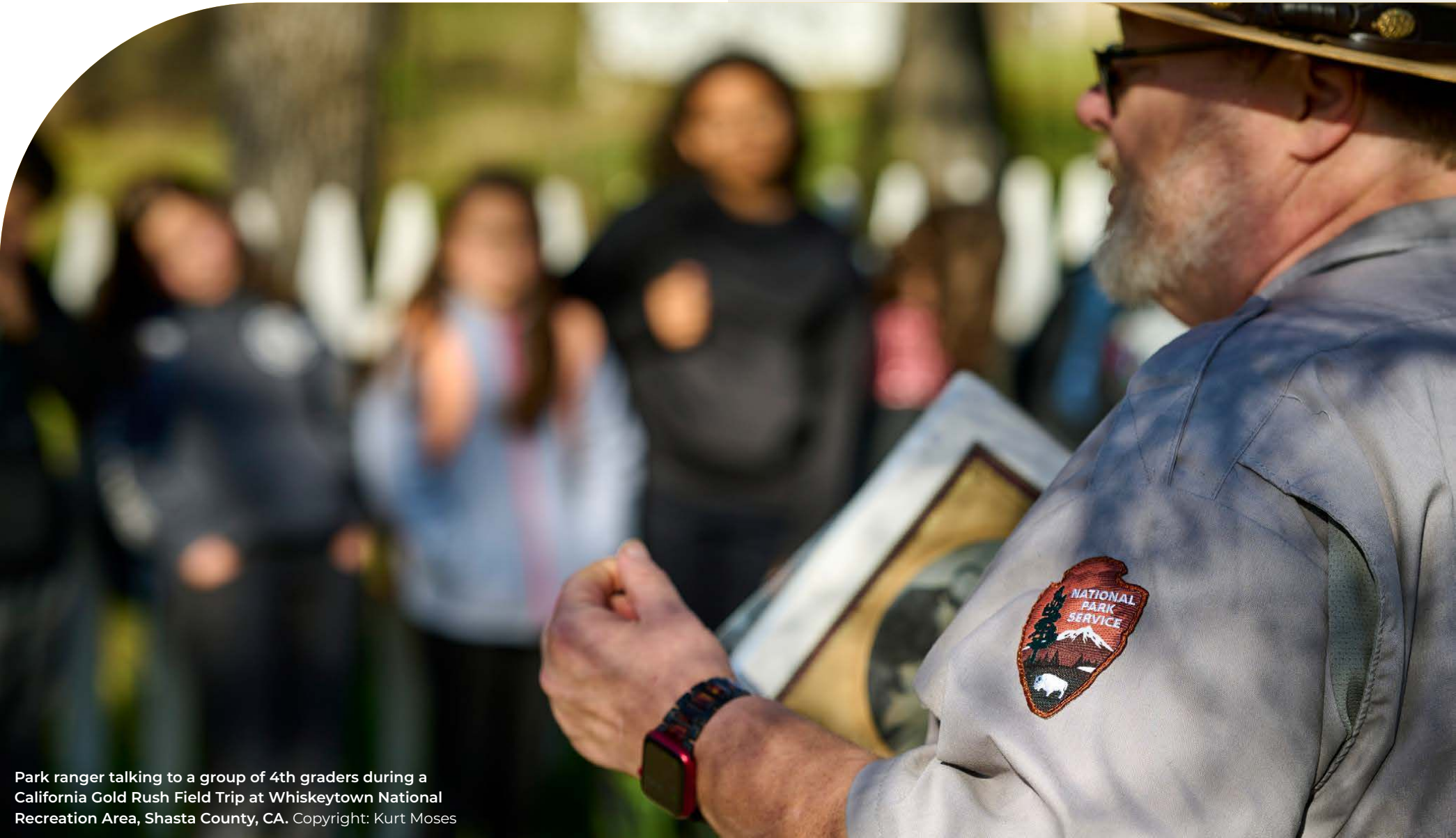
The new partnership is built on three key pillars:

- **Guest engagement:** opportunities for guests to learn more about national parks through joint marketing campaigns. Choice Privileges members can convert their points into cash donations to the National Park Foundation.
- **Hotel engagement:** opportunities for hotels to connect directly with nearby parks and support National Park Foundation initiatives, such as increasing access to public lands.
- **Associate engagement:** opportunities for Choice associates to be further engaged in our sustainability efforts through volunteering and education sessions.



"This strategic partnership underscores Choice's commitment to creating a more sustainable and accessible future. We believe sustainability is more than a business strategy; it is part of our responsibility to our communities and our planet. Together with the National Park Foundation, we can advance our shared goals and protect America's national parks for current and future generations."

**Megan Brumagim** | Vice President, Upscale Brands and Chief Sustainability Officer, Choice Hotels



Park ranger talking to a group of 4th graders during a California Gold Rush Field Trip at Whiskeytown National Recreation Area, Shasta County, CA. Copyright: Kurt Moses

Choice supports and spotlights sustainability initiatives by the National Park Foundation, including:



Conservation of landscape and wildlife



Reduction of waste and conservation of water



Utilization of renewable energy



Protection of habitats and wildlife and restoration of biodiversity



Support for youth education and engagement

“The National Park Foundation’s partnership with Choice Hotels is helping to preserve and protect America’s national parks for generations to come.”

**Chad Jones** | Senior Vice President for Corporate Partnerships at The National Park Foundation



[EXPLORE OUR HOTELS NEAR NATIONAL PARKS](#)

## Choice Gives

In 2024, we rolled out Choice Gives, our new donation and volunteering online platform for corporate associates in the U.S. This innovative platform enables associates to learn more about organizations and causes they care about, making it easier to volunteer, track their volunteering hours, donate and receive a company match, and create donation and volunteering opportunities to invite other associates to give back to local communities.

Choice Gives offers a generous matching gift program, up to \$1,500 per associate each year. Associates can also log their volunteer hours and receive a \$15 credit for every hour volunteered at a registered non-profit, which can then be donated to a non-profit of their choice. Corporate associates receive up to eight hours of paid leave per year for personal volunteerism.

## Choice Privileges

Our Choice Privileges program enables members to give their points to the causes they care about, turning their rewards into cash donations for our affiliated charitable organizations, including the National Park Foundation, American Red Cross, Operation Homefront, PACT, Polaris, Fisher House Foundation and Boys & Girls Clubs of America.



In 2024, Choice associates donated

**Over \$33,000**

to charities under the matching gift program, which Choice matched 1:1 for a total impact of more than \$67,000



Choice's Annual Bike Drive with Operation Homefront



Volunteering at Lake Mead National Recreational Area, NV



Volunteering at the Eloise Butler Wildflower Garden and Bird Sanctuary, MN

## SPOTLIGHT: SUPPORTING LOCAL COMMUNITIES



### Celebrating Five Years of Your Community, Your Choice

Choice is proud to have donated a total of \$275,000 to local non-profit organizations through more than 70 hotels that have participated in the Your Community, Your Choice program over the last five years. Each year, the program invites our franchise owners in the U.S. to apply for a Choice-sponsored grant for a local non-profit that is important to them, amplifying our positive impact in the communities where our franchisees live and work.

Choice awarded \$75,000 in grants in 2024. Choice associates helped select the 15 winning hotels who had \$5,000 donated directly to the non-profit of their choice, supporting causes including food security, veteran support and youth education.



LEARN ABOUT THE RECENT **YOUR  
COMMUNITY, YOUR CHOICE WINNERS**



Nominated by the Rodeway Inn Medford South I-5, the Reclaiming Lives & Recovery Café in Medford, Oregon, is the recipient of a Your Community, Your Choice grant. The café helps people who are struggling with addiction through recovery planning and long-term support.

The Cambria Hotel Louisville Downtown - Whiskey Row nominated “I Would Rather Be Reading,” a non-profit that provides access to trauma responsive literacy support and social-emotional learning to children across greater Louisville, Kentucky, such as reading tutoring, summer camps and after-school programs. The hotel team volunteered over 100 hours in 2024 and raised \$56,000 for local non-profits, including the \$5,000 Your Community, Your Choice grant from Choice.

“Our team strives to integrate community engagement and sustainability efforts into our daily operations. All of our team members are encouraged to give back in a variety of ways, including participating in quarterly events with several different local organizations. We were very successful in 2024, fostering several outreach relationships into generating revenue.”

**Michael Klus** | General Manager, Cambria Hotel Louisville Downtown - Whiskey Row, Kentucky

# PLANET

Creating a more sustainable future for our franchises,  
our communities and the world.

## PLANET-RELATED POLICIES:

[Sustainability Policy](#) ↗

[Supplier Code of Conduct](#) ↗

# COMMITMENT TO GREEN

## Building a better tomorrow means taking action today.

We strive to create organizational resilience for our business and our franchise owners in light of the evolving impacts of climate change on the travel and tourism industry, now and in the future. Commitment to Green is a dynamic suite of integrated resources that our owned, managed and franchised hotels can easily adopt and integrate to advance their sustainability best practices.

### COMMITMENT TO GREEN INFORMATION HUB

Our Commitment to Green information hub serves as the central online resource for all hotels in the Choice portfolio, providing tools to guide sustainable transformation. This platform offers an approachable three-step journey:

1. **Get started:** Appoint a Green Ambassador and monitor utility usage and GHG emissions.
2. **Take meaningful actions:** Transform hotel operations by implementing solutions in line with Choice's Room to be Green environmental requirements.
3. **Showcase your impact:** Communicate environmental efforts and successes through third-party certification.



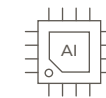
## Incubator for Innovation

Choice owned and managed hotels are pioneers for our sustainability pilot programs. They enable us to test projects and identify solutions that can be scaled across our franchise network, thereby amplifying the positive impact of our sustainability initiatives. Examples include:

A groundbreaking carbon capture system that reduces gas consumption and GHG emissions



Use of artificial intelligence to reduce food waste



Reduction of single-use plastics



Improved focus on animal welfare in food sourcing



COMMITMENT TO *green*

Our Commitment to Green initiative is composed of five main components.

Utilities tracking dashboard



Room to be Green program



Environmental Property Improvement Plan



Qualified vendor solutions



Franchise sustainability engagement



Country Inn & Suites by Radisson

Utility Tracking Dashboard

Powered by Schneider Electric, Choice's utilities tracking dashboard allows hotels to track their energy and water consumption and automatically calculates their greenhouse gas (GHG) emissions. It takes into account hotel occupancy and helps hotel owners identify savings opportunities and anomalies, such as major leaks. The dashboard also helps owners prepare for ever-evolving and increasing state and local regulations related to utility reporting and energy efficiency for commercial buildings, which vary by country and jurisdiction and often include steep non-compliance penalties. Additionally, our dashboard enables hotels to produce GHG reports swiftly, allowing them to respond promptly to corporate requests for proposals, therefore helping them secure revenue.

We are committed to driving adoption of the dashboard across Choice's domestic hotels. As of year-end 2024, more than 50% of domestic properties had onboarded onto the dashboard. The ongoing aggregation of reliable and robust data also informs Choice's larger sustainability strategy and goals as we continue to analyze our GHG emissions and work towards setting science-based targets validated by SBTi.

Over 50%  
of domestic properties onboarded onto the Utility Tracking Dashboard as of year-end 2024

## Room to be Green®

Our Room to be Green environmental program is part of our broader Commitment to Green initiative. It consists of requirements and criteria designed to help hotels improve their environmental practices, align with third-party certifications, meet growing demand from clients and guests for sustainable practices, and potentially achieve greater savings.

Room to be Green is structured into four levels, ranging from zero-cost, easy-to-implement solutions to best-in-class, innovative initiatives that can require capital investment. Each level is designed to encourage hotels to enhance their environmental impact and advance in their sustainability journey.

In addition to the program's wide array of resources, we developed impactful video training modules in 2024 to help franchisees integrate Room to be Green practices at their properties. These modules include an introduction to the Room to be Green program and an onboarding video for hotels' Green Ambassadors.

As of January 1, 2025, Room to be Green Level 1 requirements are brand standards across all our domestic hotels. These requirements are also being rolled out to our international direct markets, making it Choice's first global brand standard related to sustainability.

### ROLE OF GREEN AMBASSADORS

Each hotel is required to have a Green Ambassador to coordinate sustainability initiatives within the hotel. Key responsibilities include:

- Organizing sustainability-focused activities and events
- Fostering engagement with management and other hotel employees
- Promoting sustainability initiatives internally and externally



Cambria Hotel Washington D.C.  
Navy Yard Riverfront

## Room to be Green®

### LEVEL 1 (required)

An entry-level approach for hotels embarking on their sustainability journey

**Example requirements:** utility data reporting, basic water and energy saving measures, Green Ambassador

### LEVEL 2

A broader approach for hotels with advanced building solutions

**Example requirements:** all of the above, plus occupancy sensors and a food-waste reduction program

### LEVEL 3

A comprehensive approach for hotel sustainability experts

**Example requirements:** all of the above, plus use of renewable energy and availability of electric vehicle chargers

### LEVEL 4

A best-in-class approach for hotel sustainability trailblazers

**Example requirements:** all of the above, plus green vehicle fleet and gray water management

## Helping Franchisees Achieve Third-Party Certification

To further support our franchisees and their sustainability journeys, Choice is working closely with two notable organizations, both recognized by the Travalyst global initiative:



### Green Key Global

Owned by the Hotel Association of Canada (HAC) and the American Hotel & Lodging Association (AHLA), Green Key Global is a premier certification organization that aligns with all 17 UN SDGs. It is designed by hoteliers for hoteliers, ensuring that the certified properties gain visibility on major distribution platforms such as Google, Booking.com, Amex GBT and many more.



### World Travel & Tourism Council Hotel Sustainability Basics

As the global authority on the economic and social contributions of the travel and tourism industry, the World Travel & Tourism Council has developed the Hotel Sustainability Basics, which outline 12 essential actions to achieve hotel sustainability based on three pillars: efficiency, planet and people.

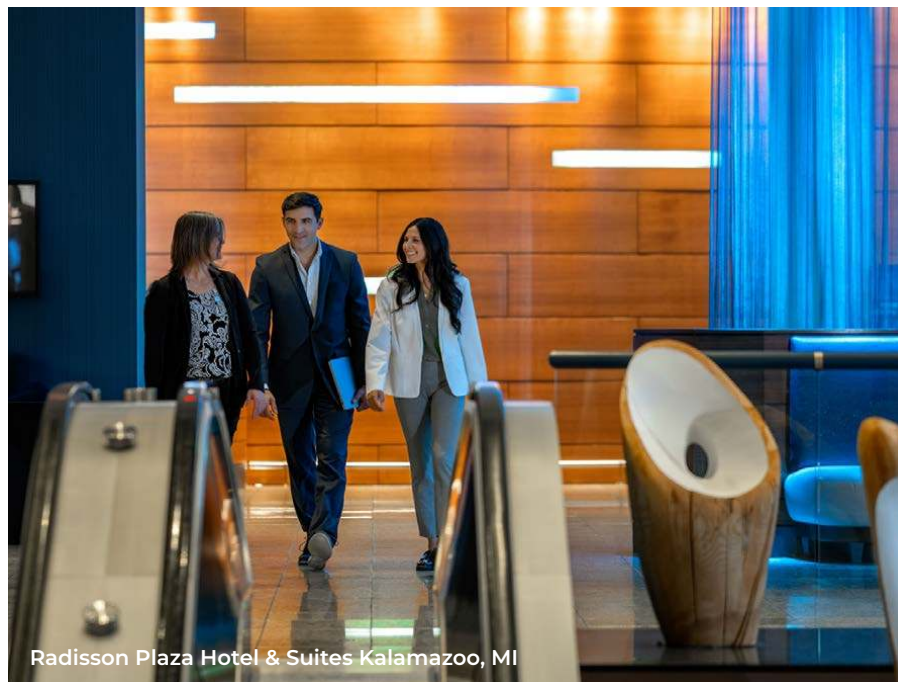


Radisson Hotel Decapolis Miraflores, Peru

## Environmental Property Improvement Plans

Choice hotels that participated in our Environmental Property Improvement Plan (ePIP) pilot program continue to reap the benefit of their sustainability investments. Throughout the program's lifespan, 35 hotels were selected to undergo sustainability audits conducted by third-party experts and receive recommendations for sustainable solutions that maximize return on investment. The recommendations included a range of solutions, from energy-saving occupancy sensors to water mitigation solutions.

Choice initiated and invested in the ePIP pilot program to support our hotels' sustainability journeys and further propel our enterprise-wide sustainability goals.



## REALIZING THE REWARDS OF SUSTAINABLE INVESTMENTS

After receiving recommendations through the ePIP pilot program, hotel owner Sandeep Thakrar installed smart thermostats in the guest rooms at five of his Choice-branded hotels between February and April 2024:

- The Suburban Studios Triadelphia - Wheeling at The Highlands, West Virginia
- The Comfort Inn & Suites Chestertown, Maryland
- The Comfort Inn Laurel - Fort Meade, Maryland
- The Comfort Inn & Suites Cambridge, Maryland
- The Quality Inn Selinsgrove, Pennsylvania

Smart thermostats automatically adjust the temperature of a room based on real-time occupancy data. The feedback from his hotel team members was very positive, highlighting the ease of installation and the intuitive app-based controls. The anticipated average payback per hotel is 2.6 years. In under 12 months, the investment at the five properties has generated:

**\$33,000+**  
of annual energy savings

**Nearly 70 tons**  
of CO<sub>2</sub>e savings, the equivalent of removing ~16 gasoline-powered passenger vehicles from the road for a full year\*

\*according to the EPA Greenhouse Gas Equivalencies Calculator



“The ePIP program from Choice Hotels is a win-win. We were able to invest in smart thermostats for our five properties. This not only accelerated our payback period and secured long-term savings, but also significantly reduced our CO<sub>2</sub> emissions and environmental impact. With Choice Hotels' support, we truly feel like we're in business for ourselves, but not by ourselves.”

**Sandeep Thakrar** | President of Neema Hospitality

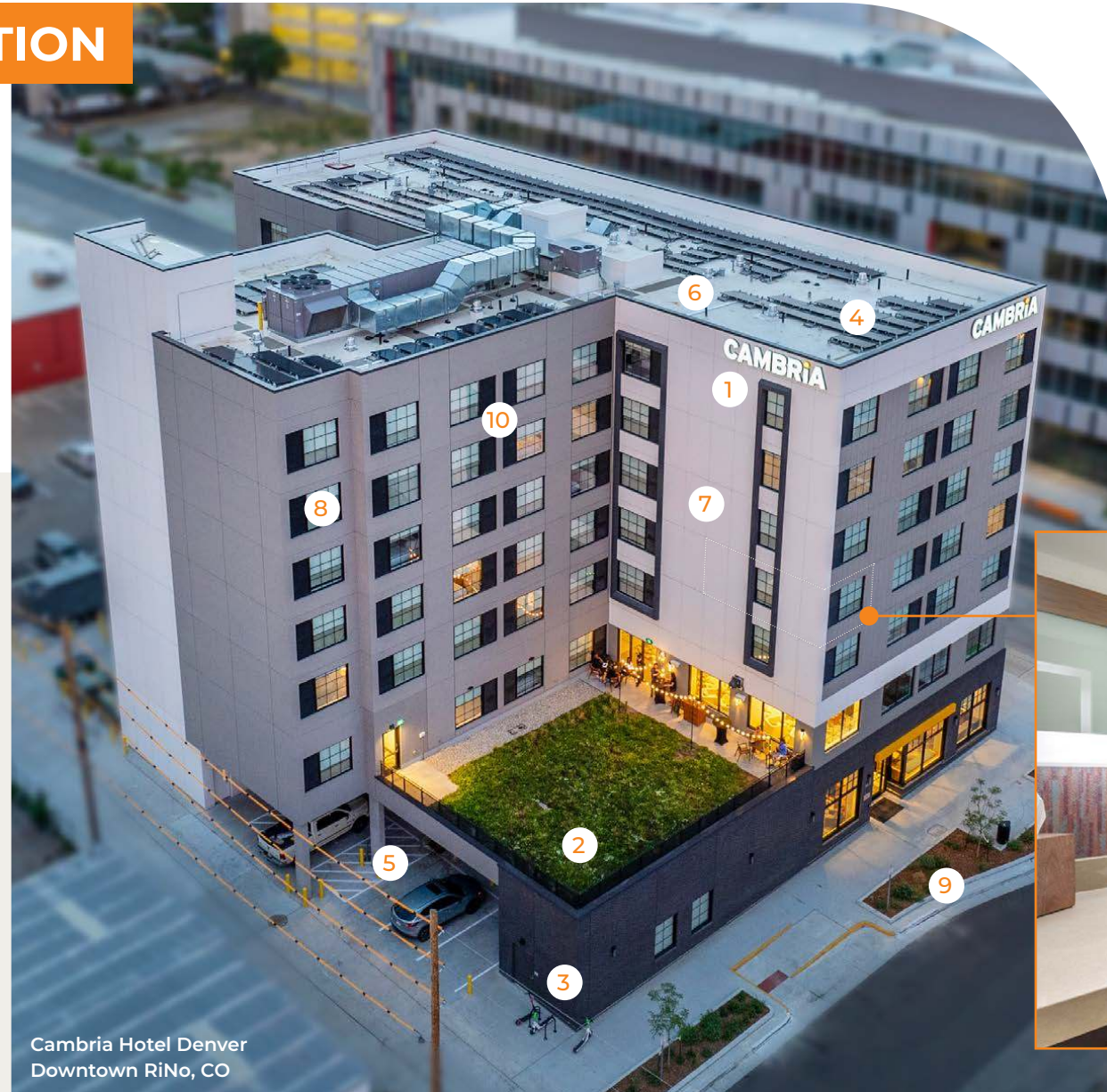
## SPOTLIGHT: SUSTAINABILITY IN ACTION



The Cambria Hotel Denver, Downtown RiNo is a shining example of how Choice hotels integrate sustainability into design and practices. The hotel has achieved 4-key certification from Green Key Global, one of its highest levels of certification.

A building developed to lower operational costs and environmental impact and increase guest satisfaction and employee comfort.

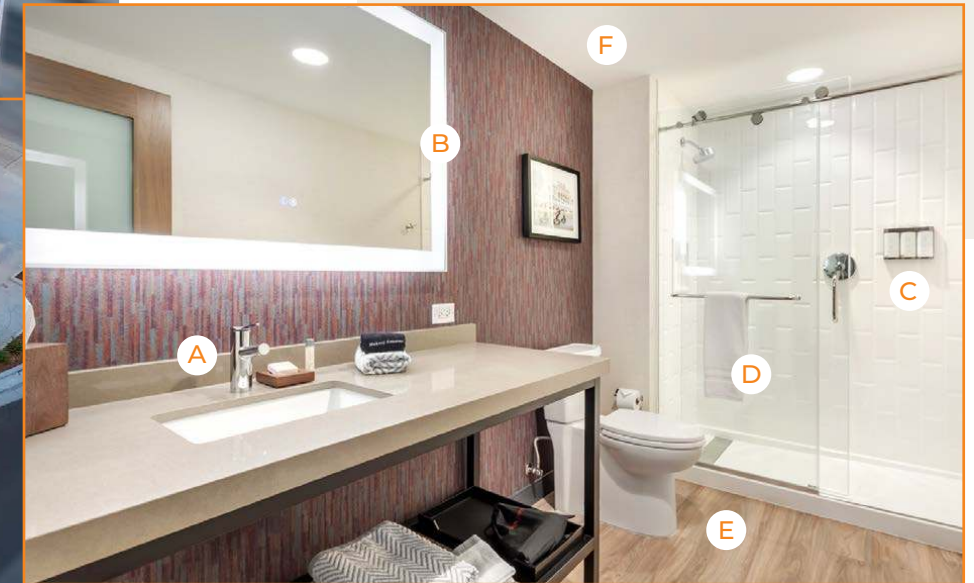
1. LED signage
2. Green roof with native plants
3. Bike and e-scooter racks
4. Photovoltaic panels
5. EV charging
6. White “cool” roof
7. High insulation envelope
8. High-performance windows
9. Drought-tolerant landscaping
10. High efficiency PTAC units



Cambria Hotel Denver  
Downtown RiNo, CO

Rooms designed for a perfect sustainable night stay.

- A. Low-flow “WaterSense” fixtures
- B. LED lighting
- C. Pure By Gloss bulk amenities (recyclable, cruelty-free, paraben-free, responsibly sourced palm oil.)
- D. OekoTex Made in Green towels
- E. Natural wood flooring
- F. Low VoC paint





The Inn at Henderson's Wharf, Ascend Hotel Collection, Baltimore, MD

## Qualified Vendor Solutions

As part of Choice's Commitment to Green, our Procurement team continues to identify qualified vendors to help hotel owners implement sustainable practices on property and maximize their cost savings opportunities. These vendors allow our franchisees to comprehensively audit their properties, install energy- and water-saving technology, source renewable energy and finance green investments for their hotel buildings.

Additionally, the team works to further support environmental best practices in our supply chain, enable enhanced sustainability reporting with our current and future vendors, and continue onboarding new services and products to help our hotels meet our refreshed Room to be Green standards.

## Franchisee Sustainability Engagement

Choice regularly communicates with franchise owners on sustainability topics as they help drive progress toward our shared goals. Key meetings occur throughout the year, including regional and owners associations meetings and the annual Choice Hotels Convention. These sessions provide opportunities for dialogue and sustainability-focused education, which is also promoted through training resources at Choice University. In addition, we seek franchisee input and promote greater awareness about our sustainability initiatives through surveys, sweepstakes and interactive campaigns. Learn more about how we engage franchisees on a broad range of topics in the [Franchise Engagement section](#).

# CLIMATE AND ENERGY

**With more than 7,500 hotels around the world, our efforts can have a positive impact on our environment at scale.**

Our evolving approach to climate and energy includes a wide variety of stakeholders and considers integration of our sustainability efforts across the organization.

Our engagement with our franchisees is integral to the success of our sustainability initiatives. We encourage widespread adoption of sustainable practices while demonstrating how the changes can drive improved profitability, guest loyalty and long-term asset value to our franchise owners, benefiting people, the planet and the business.

Our ongoing efforts to increase our awareness of the impacts of climate change on our business and industry have helped us to establish baseline data, a critical first step to setting targets, and advance climate-related initiatives. In 2024, our analysis showed more than 99% of our emissions are Scope 3 and approximately 95% of those emissions come from our franchised hotels. This information is helping to inform our goals, including the Science Based Targets initiative (SBTi) targets we are in the process of developing, and our greater journey toward decarbonization.

We are proud to have achieved our ESG reporting goal to align our disclosures with SASB and TCFD (now overseen by ISSB), as well as CDP, ahead of our 2025 commitment.



**2024 MARKS OUR FIRST YEAR OF PUBLIC REPORTING TO THE CDP CLIMATE AND WATER SURVEYS. [LEARN MORE.](#)**



Choice Hotels Asia-Pac is now certified as carbon neutral for its Australian business operations by Climate Active, an Australian government-accredited carbon-neutral certification program.



**[CLICK HERE TO LEARN MORE](#)**

## ENHANCING SUSTAINABILITY THROUGH THE CLOUD

In early 2024, Choice became the first major hotel company to migrate our entire IT system infrastructure to the cloud. Transitioning fully to Amazon Web Services (AWS) has helped reduce the carbon footprint and energy consumption from our data storage and processing activities, and allowed us to benefit from AWS sustainability initiatives including:

- Energy efficient data centers
- Commitment to renewable energy use
- Optimization of cloud workloads for sustainability

The Beachcomber Hotel & Resort, Ascend Hotel Collection, Toukley, Australia



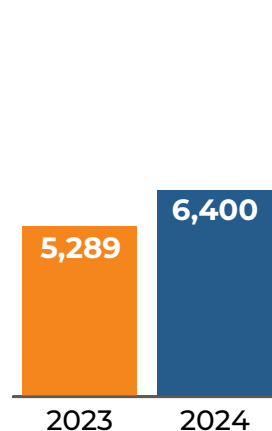
## Science-Based Targets

After signing the Science Based Targets initiative (SBTi) public commitment letter to set near-term science-based targets for reducing our greenhouse gas (GHG) emissions in 2023, we engaged a third-party consulting firm to help guide our work and the SBTi validation process. In 2024, we also calculated our full Scope 1, 2 and 3 inventory, creating a baseline as we work to develop goals and pathways to decarbonization.

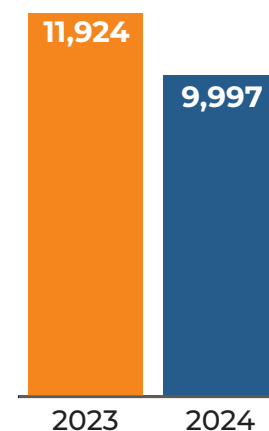


## GREENHOUSE GAS EMISSIONS<sup>1</sup>

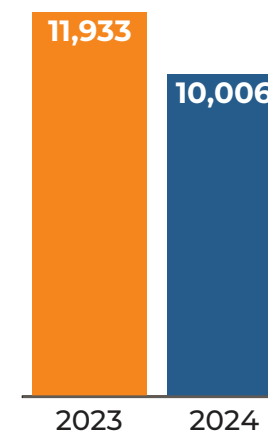
**Scope 1 Direct Emissions**  
(metric tons CO<sub>2</sub>e)



**Scope 2 Indirect Emissions - Location-based**  
(metric tons CO<sub>2</sub>e)



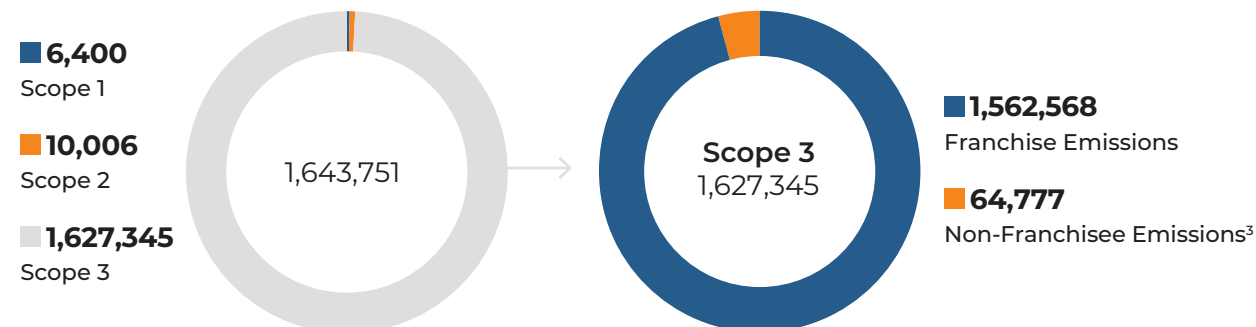
**Scope 2 Indirect Emissions - Market-based**  
(metric tons CO<sub>2</sub>e)



**Emissions Intensity<sup>2</sup>**  
(metric tons CO<sub>2</sub>e/  
SqFt | Market-based)

**0.0053**  
metric tons of CO<sub>2</sub>e

**Our 2024 carbon footprint by scope**  
(metric tons CO<sub>2</sub>e | Market-based)



→ **LEARN MORE IN OUR  
2024 PERFORMANCE**

1. 2024 GHG emissions include managed hotels, corporate facilities and fleet (vehicles and aviation).

2. GHG emission intensity excludes aviation emissions.

3. Scope 3 non-franchise includes Category 1, 2, 3, 4, 5 (wastewater), 6 and 7. Waste emissions are not included due to data limitation.

## Assessing Climate-related Risks and Opportunities

Our Task Force on Climate-related Financial Disclosures Report (TCFD), first published in 2023, has enabled us to better understand the risks and opportunities to the business associated with climate change. The project included two scenario-based workshops to gather cross-functional perspectives from across the business.



### Top Climate-Related Risks And Opportunities:

#### RISKS

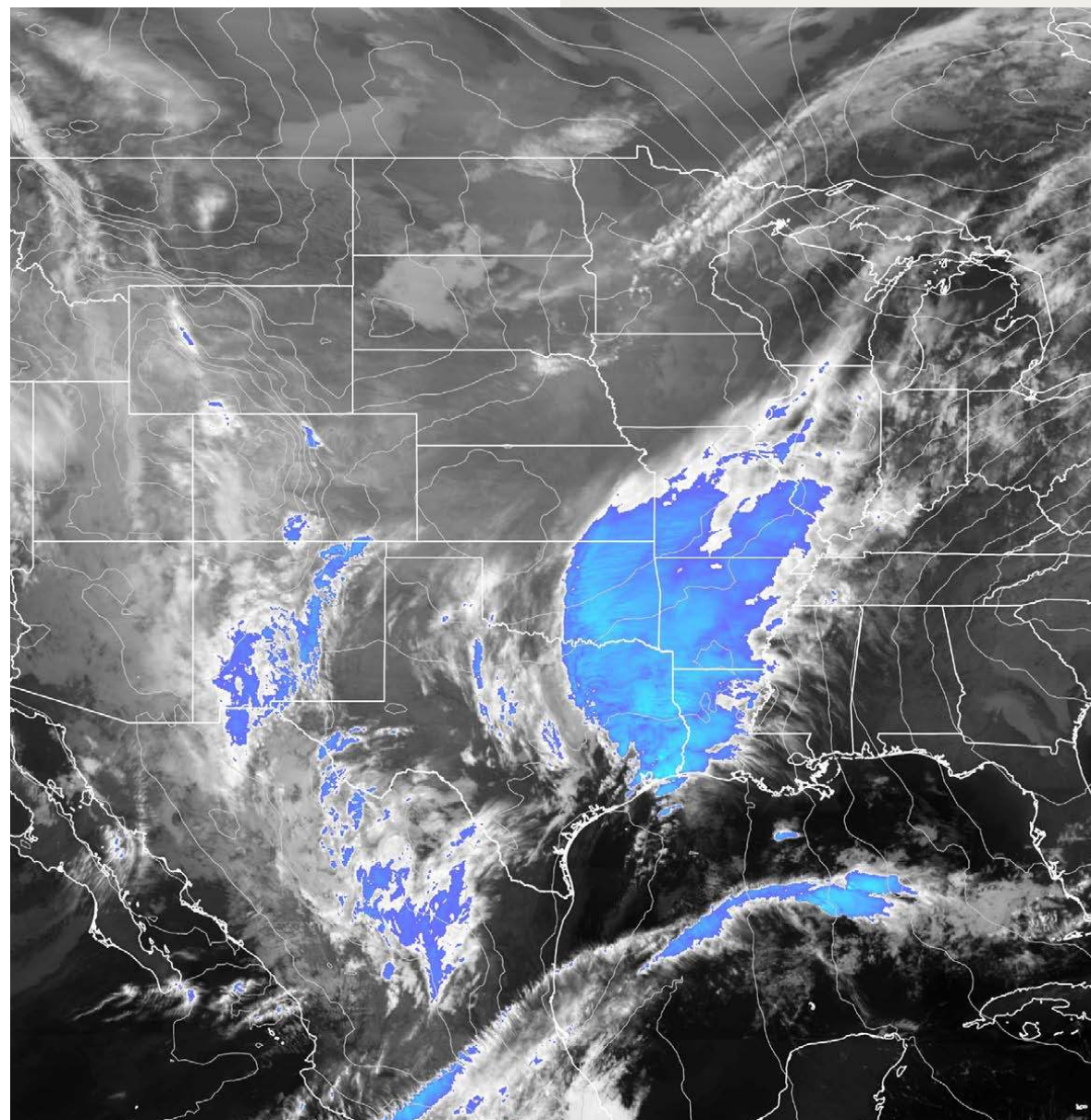
1. Extreme weather events
2. Operational costs and complexity
3. Changing stakeholder expectations

#### OPPORTUNITIES

1. Cost savings
2. New markets and/or consumers
3. New products or services that support a low carbon economy



LEARN MORE IN OUR [TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES \(TCFD\) REPORT](#)



## MAPPING THE FUTURE

Following our TCFD assessment, Choice developed an interactive geospatial dashboard to further understand how climate-related risks and opportunities could impact individual hotels and corporate offices, as well as regions of the U.S. By automatically collecting, managing and analyzing data from an array of public sources, such as the Federal Emergency Management Agency, the tool aims to enhance and accelerate decision-making through a user-friendly, map-based interface. This solution identifies opportunities, such as photovoltaic power potential, and threats, such as flooding or heat risk, and provides instant recommendations to capitalize on these opportunities or mitigate the associated risks.

## Energy Efficiency



We continue to innovate to improve our energy efficiency and received recognition in 2024 for one of our pilot programs. Choice, in collaboration with Clean02, is the inaugural recipient of the 2024 World Sustainable Travel & Hospitality Award in the Leading Sustainable Technology category. The award recognizes the groundbreaking CarbinX technology pilot at the Radisson Blu Mall of America in Minnesota, the first hotel in the world to have implemented the technology. The small-scale carbon capture unit reduces gas consumption and GHG emissions by connecting directly to the hotel's water boilers, sequestering a significant portion of the carbon dioxide emitted. The CO<sub>2</sub> is then turned into potassium carbonate through a chemical reaction and can be used as an ingredient in various commercial products, such as soaps and detergents.

Choice's **Room to be Green** program provides standards and best practices that hotels can implement to improve their sustainability, including usage of energy-saving technology, preventative maintenance programs and changing to LED lighting. Nearly 2,000 hotel properties in the U.S. have now installed LED exterior signage, reducing their signage electricity usage by 50 to 70%.

More than 2,300 guest rooms in our managed hotels switched to smart thermostats, reducing guest room HVAC usage by up to 52% and providing a payback of less than two years.



Radisson Blu Mall of America, MN

## RAISING THE BAR

Through innovative energy and water efficiency strategies, the Comfort Inn & Suites Las Vegas - Nellis has earned LEED Gold Certification for Existing Buildings. With a 39% lower energy use than the EPA national baseline for existing hotel properties, the hotel operates at 54.5 Kbtu/sf per year — a testament to its commitment to energy efficiency.

This was achieved through:

- Efficient heat pump multi-split systems for optimal climate control
- Energy Star-rated gas water heaters serving the entire property
- High-performance pool heating equipment to minimize energy consumption

In addition, water conservation efforts include low-flow faucets, efficient laundry operations, and Ecolab equipment for pool water management. This has reduced water usage by 22% compared to the EPA national baseline — totaling just 50 gallons per square foot per year.



Comfort Inn & Suites Las Vegas - Nellis

“Our pursuit of sustainability and operational excellence initially inspired this achievement, but we were truly impressed by our benchmark results and the ability to attain LEED Gold on an existing building envelope. This experience has made us rethink the myth that sustainability certifications are only viable for new developments — proving that, with the right strategies, older hotels can achieve remarkable efficiency and environmental performance as well.”

**Akash Bhatti** | Principal, United Brothers Hospitality Group

## Driving Sustainability Forward

More than 300 Choice hotels, as well as our corporate offices, are equipped with EV charging stations, which support the needs of our associates and guests and contribute to a greener environment.

Guests can use the EV charging filter on our website and app to look for hotels equipped with EV charging stations. This feature is particularly important as guests who drive to our hotels accounted for 82% of all Choice room nights in 2022, significantly above the industry average.<sup>1</sup>

EV charging stations, as well as the use of hybrid or fully electric guest shuttles, are a requirement of the higher levels of our Room to be Green program. Additionally, new construction projects across several of our upscale brands<sup>2</sup> must include at least two EV charging stations for guest use.

Our corporate offices, designed with sustainability in mind, also encourage associates to choose greener commuting options. These include shuttle services, metro subsidies, EV charging, and secure bike storage with locker rooms and showers.



Comfort Inn & Suites Zion Park Area, UT

## SUN-POWERED EXTENDED STAYS

The owner and general manager of the new MainStay Suites hotel in Chesapeake, Virginia, Justin Patel, installed 330 solar panels on the hotel's rooftop, each producing 400 watts of renewable electricity. The 132-kilowatt photovoltaic system is expected to reduce the hotel's electricity bill by 15%. The project benefited from federal and state solar tax credits, as well as the Small Business Administration's 504 Green Loan Program, for an equivalent of about 30% of the project's total cost.

“Leading the way with our new solar panel system, we’re thrilled about the benefits it brings. This initiative supports the environment, aids small businesses in the hospitality sector and benefits travelers in this corridor. By significantly cutting our electricity costs, we anticipate even greater savings as grid electricity prices continue to rise.”

**Justin Patel** | Owner and General Manager,  
MainStay Suites Chesapeake, VA



1. According to data from DK Shifflet.

2. Applicable to Radisson Blu, Radisson, Radisson RED, and Cambria.



Sleep Inn & Suites Lancaster-Platteville, WI

# WATER

Choice is working to reduce water consumption throughout our hotel operations.

All domestic hotels are required to meet our Room to be Green Level 1 standards, which means they must implement a set of sustainability initiatives such as installing water-saving fixtures and implementing the towel-and-linen reuse program. Advanced levels of our Room to be Green program include more ambitious water-saving criteria, such as gray water recycling and low irrigation landscaping.

We also invite guests to help us lower our water and energy consumption by offering them the ability to opt-out from daily housekeeping, helping our hotels reduce laundry cycles.

We are monitoring water consumption data as we continue to roll out the automated utilities tracking dashboard across our owned, managed and franchised portfolio.



Radisson Blu Aqua Hotel, Chicago, IL - LEED Silver and Green Key Global 4-key certified

Our required laundry program with Ecolab across domestic hotels helps reduce environmental impact through concentrated formulations that are biodegradable<sup>1</sup>, non-toxic to aquatic life<sup>2</sup>, and contain no or low phosphorus. U.S. hotels also have the option to use Ecolab’s Aquanomic 2.0 Low-Temperature Laundry Program, which can deliver up to a 40% savings<sup>3</sup> in water and energy.

In 2024, Choice properties in the U.S. that used this program saved<sup>4</sup>:

**166 million**  
gallons of water

**5,409**  
metric tons of CO<sub>2</sub>e

**1.1 million**  
Therms of energy

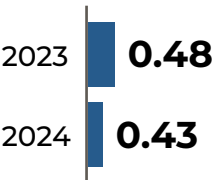
**215,290**  
pounds of waste

1. Biodegradable when used as directed. Product is designed for low impact to the natural environment and is classified as readily, ultimately or inherently biodegradable at use solution levels.  
2. Not toxic to aquatic life when used as directed.  
3. Based on 160-room lodging property, 75% occupancy rate, 16 pounds of linen per room, 100 degrees F versus typical laundry temperature of 120 degrees F and national-average utility rates.  
4. These results are specific to Choice Hotels based on a comparison of our current Ecolab product selection versus typical baseline Ecolab products in the industry. The savings values are estimated by Ecolab based in part on assumptions and limitations intended to reflect typical industry practices.

**Total Water Consumption**  
managed hotels (cubic meters)



**Water Intensity**  
managed hotels (cubic meters / occupied rooms)



➔ LEARN MORE IN OUR [2024 PERFORMANCE TABLE](#)

Comfort Suites Gainesville Near University, FL



**LEADING THE WAY IN  
WATER CONSERVATION**

The Comfort Inn Gainesville, Florida, has taken significant strides in water conservation through an innovative xeriscaping project. Partnering with local experts, the hotel meticulously selected plant species that are both pollinator-friendly and require minimal maintenance. These plants thrive with little to no irrigation, making them ideal for the region’s climate.

To ensure the sustainability of their xeriscaping efforts, the Comfort Inn installed drip irrigation systems and applied mulch to retain soil moisture and prevent weed growth. These measures have led to impressive results — maintenance costs have decreased up to 20% and irrigation has been reduced by nearly 98%.

The hotel also strategically planted trees to provide shade over the parking lot and eliminated all traditional lawns to cut down on water usage and maintenance. The absence of lawns means no need for pesticides and no CO<sub>2</sub> emissions from the lawnmower.

“The xeriscaping project has been a game-changer for us. Not only are we seeing significant savings in water and maintenance costs, but we’re also contributing positively to the environment.”

**Shelina Letzring** | Asset Project Manager, HDG Hotels

# WASTE

Choice actively works to reduce and manage waste through our Room to be Green program, and collaboration with industry associations and qualified vendors.

We also previously set goals to phase out single-use polystyrene products across domestic brands<sup>1</sup> by year-end 2023. Polystyrene products have now been eliminated from the brand standards for all applicable brands.

## Programs and Partnerships

Through our Room to be Green program, all domestic hotels are required to offer recycling bins in their public spaces. Choice also offers recommendations to reduce waste and increase recycling, and franchisees are encouraged to use sustainable disposable serving products.

Choice also promotes Hotel Kitchen, an initiative developed by the World Wildlife Fund and the American Hotel and Lodging Association, that works to prevent food waste, donate what cannot be prevented and divert the rest away from landfills.

We work with an external vendor to repurpose, donate or recycle technology equipment and materials. In 2024, our corporate offices diverted more than 6,700 pounds of electronic waste from landfills through these practices.



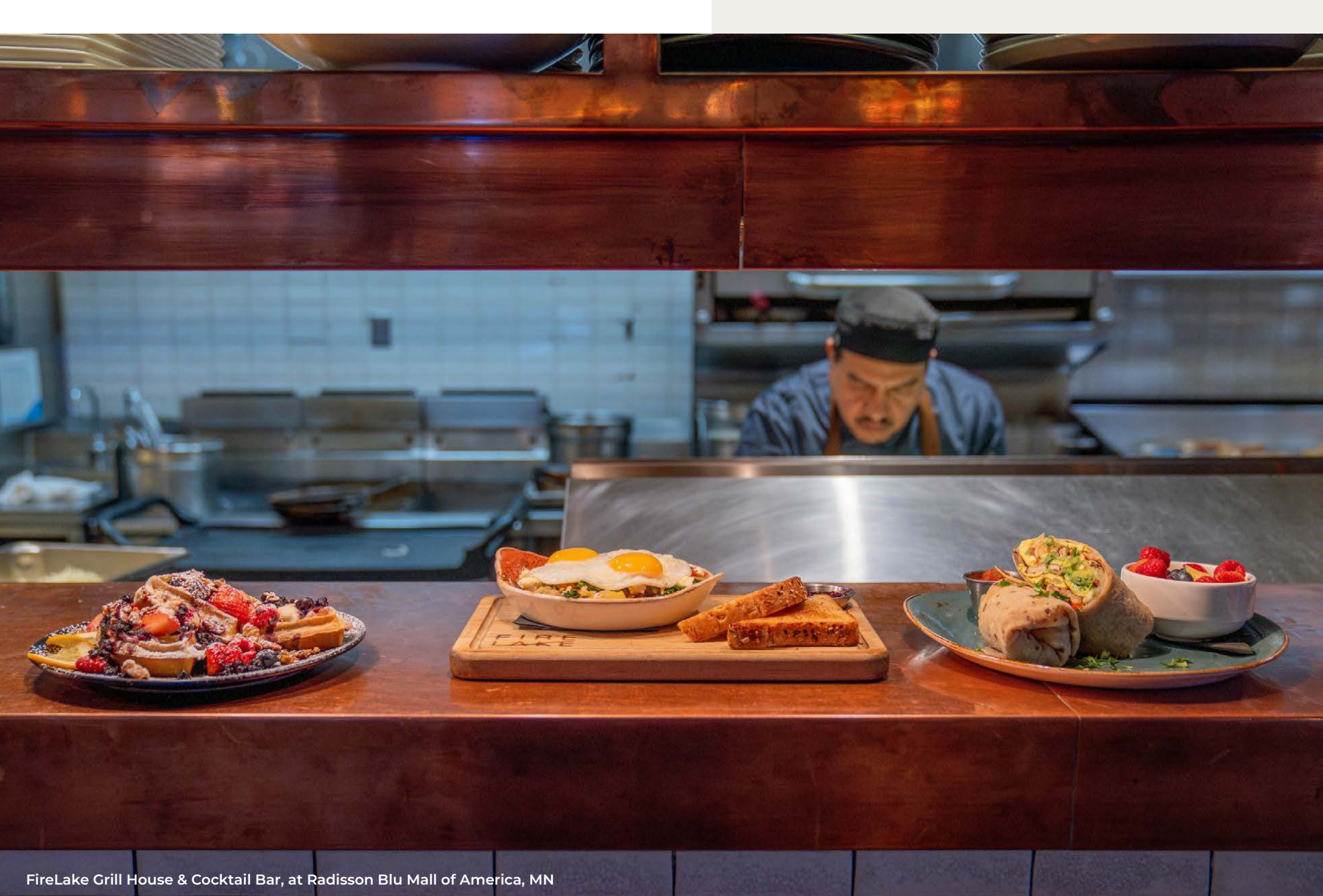
### Collaboration With Clean The World

Choice is proud to work with Clean the World, an organization that recycles discarded soap bars and plastic bottled bath amenities, preventing hundreds of thousands of pounds of waste from going to the landfill. The recycled bars of soap are distributed to people in need around the world, improving global hygiene and saving lives.

|                                                  | 2024   | Historical Impact |
|--------------------------------------------------|--------|-------------------|
| Soap distributed (bars)                          | 16,616 | 1,012,056         |
| Soap collected (pounds)                          | 1,818  | 183,171           |
| Plastic collected (pounds)                       | 2,406  | 116,681           |
| Carbon footprint reduction (kgCO <sub>2</sub> e) | 1,124  | 113,391           |
| Water saved (gallons)                            | 6,056  | 609,905           |



1. Does not apply to the Ascend Hotel Collection and Radisson Collection, which are soft brands.



FireLake Grill House & Cocktail Bar, at Radisson Blu Mall of America, MN

## USING AI TO FIGHT WASTE IN THE KITCHEN

Choice is piloting six Winnow VisionAI systems that automatically scan, weigh and recognize food that is being discarded by kitchen staff. The systems make instant recommendations to reduce waste, such as portion-control adjustments or adapting the use of select ingredients in recipes. The technology provides scalable solutions to reduce costs and improve sustainability, and the payback is expected to be less than a year. The technology is currently being used in the restaurant kitchens of three of our managed hotels:

- Radisson LaCrosse, Wisconsin
- Radisson Seattle Tacoma Airport, Washington
- Radisson Blu Mall of America, Minnesota



“The Winnow VisionAI systems are revolutionizing our kitchens through real-time insights. Our teams can make smarter decisions on portion sizes and ingredient usage. This technology will not only cut costs but also optimize our menus. We’re excited to adopt innovative solutions that benefit both our business and the environment.”

**Dinesh Jayawardena** | Upscale Brands  
Corporate Chef, Choice Hotels



## Plastic Reduction

In 2024, we established a cross-functional task force to take an inventory of single-use plastic items across all our brand segments, identifying opportunities to reduce single-use plastics in our hotel portfolio. Our managed hotels no longer use plastic straws, stirrers, styrofoam cups, bowls, plates and to-go containers. Many have also switched to using wood coffee stirrers, glass water jugs for meetings, and more. This also includes several pilots such as boxed and aluminum alternatives to plastic water bottles in the marketplace, compostable to-go food containers, cutlery and bags, and water fountains on room floors. These pilots will help us identify further opportunities to reduce single-use plastics.

We continue to advance toward our goal of making bulk amenities standard across domestic brands<sup>1</sup> by the end of 2025. Each large bottle replaces the equivalent of 20 to 25 individual mini-bottles on average, leading to approximately 85% less plastic and liquid waste since no partially empty bottles are thrown away by the housekeeping teams. The bulk amenities bottles and caps are made of 100% recyclable materials.

Additionally, we eliminated the plastic coating from our new standard Choice Privileges paper cups for all hotels in the U.S. These cups are made from 100% Forest Stewardship Council certified paper, are 100% plastic-free, 100% recyclable and 96% compostable, and feature a water-based inner coating with no fluorine.

### ZERO SINGLE-USE PLASTICS

Single-use plastics were eliminated from Choice hotels in Denmark, Finland, Lithuania, Norway and Sweden in 2019.



## REDUCING PAPER WASTE

Through our digital registration program and guest services directories, we continue to reduce printing needs and paper usage, saving more than 55 million letter-sized sheets of paper at our hotels since program launch.



1. Does not apply to extended stay brands, which do not provide amenities on a daily basis, or the Ascend Hotel Collection and Radisson Collection.

# BIODIVERSITY

**At Choice, we recognize the importance of protecting the environment, nature and our ecosystems, and we are committed to serving as a model for what biodiversity means for our franchise owners and our industry.**

We continue to build a stronger focus around biodiversity, from our new alliance with the National Park Foundation to the installation of beehives at our corporate headquarters.

Biodiversity is also a component of our Room to be Green program. Through this initiative, we encourage our hotels to use eco-certified cleaning products and chemicals, which help reduce pollution and create healthier environments. Additionally, we promote landscaping with native pollinator-friendly plants and the installation of wildlife habitats to enhance pollination and support ecosystems and biodiversity around our hotels.

The Aqua Tower of the Radisson Blu Aqua Hotel Chicago has been honored with a prestigious PETA Award for its innovative bird-friendly design. The building incorporates bird-deflecting elements into the skyscraper's design, significantly enhancing visibility for birds and setting a new standard in urban architecture.

Biodiversity is part of our [Sustainability Policy](#) and [Supplier Code of Conduct](#).

Since 2015, all Strawberry hotels, the master franchisor for Choice Hotels in Scandinavia, have exclusively used sustainably produced palm oil in the food they serve. Palm oil production often leads to deforestation and the destruction of habitats of many endangered species. Sustainable palm oil aims to mitigate these impacts by promoting environmentally friendly practices that protect wildlife and their ecosystems.



Clarion Hotel Grand Ostersund, Sweden

## SPOTLIGHT: CREATING A BUZZ FOR BIODIVERSITY

Three beehives are abuzz atop our corporate headquarters building in North Bethesda, Maryland. As pollinators for 70 of the top 100 food crops in the United States, the bees are a living example of sustainability and a tangible example of supporting biodiversity. The bees can pollinate plants and flowers within a three-mile radius of the hives, positively impacting 18,000 acres of surrounding land.

Maintained by our collaborator Bee Downtown, our ~150,000 bees provide hands-on educational and engagement opportunities for Choice associates to learn about the benefits of honeybees. We've organized a series of events for our associates, including beehive educational tours, beeswax candle making lessons and honey tasting sessions.

In their first year in their new homes, our bees produced three times more honey than the average hive, with the inaugural harvest weighing in at more than 240 pounds of honey. The honey was packaged into jars and distributed to Choice associates, as well as to select Choice managed hotels along with honey-based recipes curated by our Corporate Head Chef.

Each beehive has been painted as a "bee hotel," reflecting Choice's commitment to biodiversity and underscoring the role hotels can play in positively impacting their local ecosystems.



"The beehives we've installed at our corporate headquarters are a wonderful inspiration to our associates. They remind us every day how teamwork, communication, and many persistent small actions toward a shared goal can add up to a significant impact."

**Megan Brumagim** | Vice President, Upscale Brands and Chief Sustainability Officer, Choice Hotels

# RESPONSIBLE SOURCING

Choice is committed to supporting responsible business practices and contributing to a more sustainable world.

Our [Supplier Code of Conduct](#) details our expectations of suppliers, qualified vendors and business partners, including business ethics, human rights and environmental responsibility.

Our Procurement team continues to gather information from new and existing vendors about their essential sustainability-related practices, goals and certifications, which helps provide our franchisees with more sustainable solutions and products. In 2024, Choice launched a new sustainability survey for our qualified vendors to evaluate vendors' environmental and social practices. The initiative helped identify vendors in alignment with our Sustainability Policy.



## ECO-FRIENDLY TOWELS

Select bath and hand towels at Cambria and Core brand hotels are Oeko-Tex MADE IN GREEN certified. This certification ensures these towels are produced in environmentally friendly facilities, under safe and socially responsible working conditions. The production processes are resource-efficient, minimizing water and energy consumption. These towels are also made from materials that were tested for harmful substances, promoting safety for our guests and the planet.

Animal Welfare

In 2024, we transitioned to using 100% cage-free eggs and crate-free pork at all our managed hotels' all-day dining restaurants. This shift not only enhances the quality of our offerings but also supports animal welfare. By choosing cage-free eggs and crate-free pork, we are supporting more humane farming practices, ensuring animals have more space to move and exhibit natural behaviors.

Today, 100% of our suppliers who sell egg products in 11 of our key markets, which represents more than 90% of hotels globally, offer cage-free options. Globally, more than 20% of our hotel portfolio's total egg spend is from cage-free eggs. We continue to work actively with our suppliers domestically and internationally to accelerate our progress.

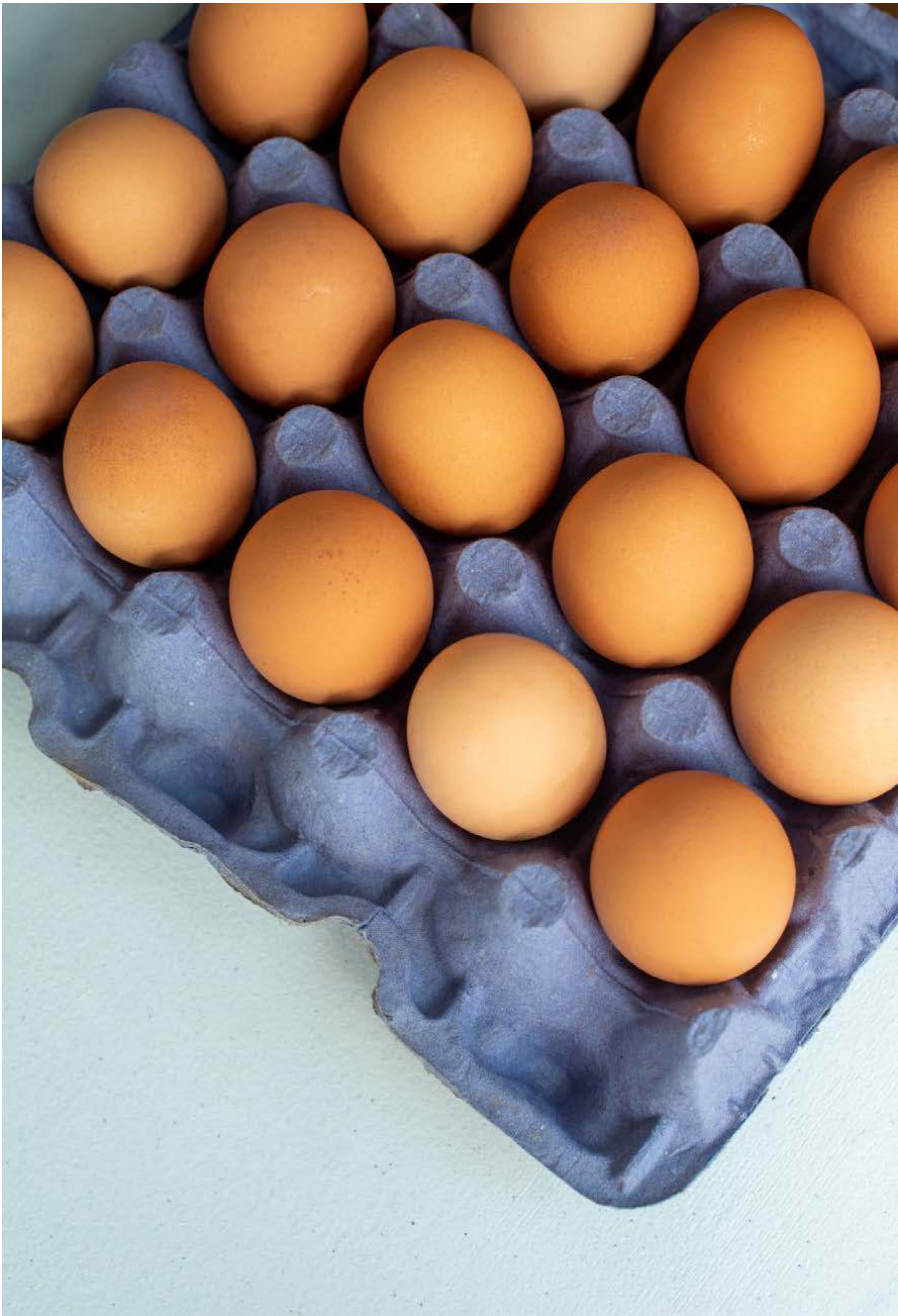
**More than 20%**

of our global hotel portfolio's total egg spend is from cage-free eggs

**100%**

of the all-day dining restaurants at our managed hotels shifted to using only cage-free eggs and crate-free pork

1. Countries and regions that do not have data account for less than 6% of our total portfolio of hotels.  
2. Includes only eggs and scrambled egg mix.  
3. Data available for 92% of the hotels in Canada.



Cage-free percentage of total eggs spend in 2024<sup>1</sup>

| Reporting countries                    | % of suppliers offering cage-free eggs | Cage-free % of total eggs spend |
|----------------------------------------|----------------------------------------|---------------------------------|
| Caribbean & Latin America <sup>1</sup> | No data                                | No data                         |
| Australia and New Zealand <sup>2</sup> | 100%                                   | 65%                             |
| Canada <sup>3</sup>                    | 100%                                   | 1.4%                            |
| China <sup>1</sup>                     | No data                                | No data                         |
| Czech Republic                         | 100%                                   | 100%                            |
| Denmark                                | 100%                                   | 100%                            |
| Finland                                | 100%                                   | 100%                            |
| India <sup>1</sup>                     | No data                                | No data                         |
| Ireland                                | 100%                                   | 100%                            |
| Japan                                  | No data                                | No data                         |
| Lithuania                              | 100%                                   | 100%                            |
| Norway                                 | 100%                                   | 100%                            |
| Rest of Europe <sup>1</sup>            | No data                                | No data                         |
| Sweden                                 | 100%                                   | 100%                            |
| Thailand <sup>1</sup>                  | No data                                | No data                         |
| USA – Franchised hotels                | 100%                                   | 18%                             |
| USA – Managed hotels                   | 100%                                   | 52%                             |

# PERFORMANCE

Driving our success through strong governance and accountability.

## GOVERNANCE-RELATED POLICIES:

[Anti-corruption Policy](#) ↗

[Code of Ethics and Conduct](#) ↗

[Compliance and Ethics Hotline](#) ↗

[Privacy Policy](#) ↗

# GOVERNANCE AND OVERSIGHT

## Board of Directors

Our Board of Directors is responsible for the oversight of strategy, business operations and performance evaluation to promote the long-term success of our company. The Board is committed to good corporate governance practices and has adopted Corporate Governance Guidelines, which are a set of principles that provide a framework for the company’s corporate governance and assist the Board in the exercise of its fiduciary duties. Our directors provide an effective and diverse mix of experience and perspectives.

DIRECTORS PROVIDE EFFECTIVE MIX OF EXPERIENCE, PERSPECTIVE AND PERSONAL ATTRIBUTES



**Stewart W. Bainum Jr.**  
Chairman of the Board of Directors



**Patrick S. Pacious**  
President and CEO



**Brian B. Bainum**  
Director



**William L. Jews**  
Audit Committee Chair



**Monte J.M. Koch**  
Director



**Liza K. Landsman**  
Diversity Committee Chair



**Ervin R. Shames**  
Corporate Governance & Nominating Committee Chair



**Gordon A. Smith**  
Lead Independent Director



**Maureen Sullivan**  
Director



**John P. Tague**  
Human Capital and Compensation Committee Chair



**Donna F. Vieira**  
Director

**Balanced Tenure**

- <4 years
- 4 - 6 years
- 7 - 10 years
- 10+ years

**Balanced Age**

- Under 50
- 50 - 59
- 60+

**Independence**

- Independent
- Non-Independent

Denotes independent Director



# RISK MANAGEMENT

**Our risk identification and management process is part of our business strategy and day-to-day operations and includes sustainability-related risks.**

In addition to a broad enterprise-wide risk assessment conducted every two years, which informs our list of top risks facing the business, Choice regularly inventories and monitors day-to-day risks across all business units. Through this process, Choice evaluates their impact and likelihood at least on a quarterly basis, and shares with leadership what steps are taken to mitigate the risks identified.

## Governance

Our Board of Directors plays an active oversight role to understand the risks facing the business and how the company is managing and mitigating the impact of those risks. The Enterprise Risk Committee, a cross-functional group of company leaders, meets on a quarterly basis to discuss various risks facing the business. After each meeting, a summary report is prepared for the Board of Directors Audit Committee and key issues are reviewed with company leadership. In addition, a roll-up of the top risks list and an enterprise risk summary are provided to the entire Board on an annual basis and include topics such as information security, human capital, disaster recovery and environmental issues.

Our Chief Compliance Officer coordinates enterprise-wide risk management efforts and reports to our General Counsel with a dotted line to the Audit Committee Chair. Business unit risks are managed by the individual business units, and each group

is responsible for identifying risk in their area and developing mitigation plans.

## Organizational Resilience

Choice maintains a Business Continuity Plan, which is available to all associates and updated at least once a year. Our Business Continuity & Disaster Recovery Steering Committee meets quarterly to provide updates to leadership and discuss new developments and company initiatives. We have historically conducted bi-annual tabletop exercises, and the Board is briefed on the findings of the exercise.

Our Crisis Playbook contains guidance and resources in the event of a disaster, including where to find information on expected extreme weather events as well as the process for informing leadership of closures and impacts. Although franchised hotels are responsible for maintaining their own business continuity and emergency preparedness plans, our corporate Disaster Response team, composed of associates across our business units, supports franchisees by helping owners to pre-emptively prepare for disasters, monitoring emergencies in real time and communicating relevant information internally and externally. In 2024, as Hurricanes Helene and Milton approached the Southeast of the United States, the team worked with hotels that were likely to be in the path of storms, allowing for timely preparations to help hotels get ready to support emergency lodging needs.

The company's risk-management group oversees insurance purchasing and risk-related issues.



➔ **LEARN MORE ABOUT OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES IN OUR [TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES \(TCFD\) REPORT](#) AND [CLIMATE AND ENERGY SECTION](#)**



# ETHICAL BEHAVIOR

**All Choice associates are responsible for demonstrating ethical behavior, including compliance with laws and regulations and Choice policies.**

We foster a culture of integrity through our policies, confidential ethics reporting system, and training for leadership, staff and suppliers. We provide open channels of communication to promote a positive work environment and solicit feedback that we incorporate into our strategies and decision making.

## Code of Ethics and Conduct

Our Code of Ethics and Conduct is our principal business ethics policy established by our Board of Directors to foster a culture of ethical conduct and compliance. It is incorporated into the Choice Associates Handbook and provides ethical guidelines and expectations for all Choice associates, leaders and the Board of Directors. It includes position statements on a number of topics, including laws and regulations, conflict of interest and anti-competitive behavior. Consultants and temporary employees from agencies are also expected to adhere to the spirit of the Code of Ethics and Conduct when performing work for Choice. Expectations of our suppliers, qualified vendors and business partners are detailed in our Supplier Code of Conduct.

## Compliance and Ethics Hotline

Choice encourages associates to speak up and report violations of company policy, corporate governance or unethical behavior. Associates are also encouraged to ask for guidance related to policies and procedures. Our primary reporting channel is our Compliance and Ethics Hotline, which is commonly referred to as a whistleblower hotline. It allows associates to report misconduct anonymously. Our hotline is hosted by a third-party hotline provider, Navex EthicsPoint, which sends Choice information on a completely confidential, anonymous and voluntary basis.

## Compliance Training Courses

All associates are expected to complete annual compliance training requirements and are held accountable for those requirements. Required compliance training topics for corporate associates include: anti-harassment, ethics, security and privacy awareness and phishing. Additional courses, such as anti-corruption and insider training, are required based on management level and role. All corporate associates, franchise owners or their manager-level designees, and all on-property managed hotel associates are also required to complete our human trafficking prevention training.



→ CHOICE'S COMPLIANCE AND ETHICS HOTLINE IS AVAILABLE 24 HOURS A DAY, 365 DAYS A YEAR AT [CHOICEHOTELS.ETHICSPPOINT.COM](https://CHOICEHOTELS.ETHICSPPOINT.COM)

# DATA SECURITY AND PRIVACY

**Given the increasing prevalence of cyberattacks in our industry, and in general, Choice seeks to minimize the impact of cybersecurity incidents through the use of various technologies, processes and practices designed to help protect our networks, systems, computers and data.**

We continuously assess our security posture, seek to implement appropriate risk-reduction measures, enhance our operating processes, improve our defenses and take other measures to strengthen our cybersecurity program. The integrity and protection of franchisee, guest, employee and company data is critical to us and our reputation.

## Governance

Our Chief Information Security Officer (CISO) is responsible for our Information Security and Privacy programs, which focus on securing data at rest and during transmission, helping ensure compliance with data security and privacy regulations, as well as providing third parties who receive Choice data with appropriate controls and risk-management programs.

The CISO briefs the Audit Committee and the full Board separately twice a year, alternating every quarter. Reports generally focus on items such as cybersecurity risk-prevention and reduction efforts, mitigation efforts and response plans, emerging regulatory policies and results of third-party assessments.

Our internal cybersecurity governance board, led by our CISO, is composed of select executives who meet several times a year to ensure we're focusing on the right risks and allocating appropriate resources. It's also an opportunity to share information on current risks and changes. The cybersecurity governance board also participates in the Compliance & Enterprise Risk Committee.

## Training

Annual educational training is required on security, privacy and phishing for those who have access to data at Choice, including associates at managed hotels and third parties such as contractors. We also conduct phishing tests; those who fail must undergo remedial training. Online cybersecurity training programs are offered to our franchise owners on topics including hospitality cyber threats and hotel security.

## Policies and Practices

Choice conducts vulnerability assessments on an ongoing basis. An outside firm performs an annual Payment Card Industry (PCI) assessment, as well as an annual penetration test of our environment. Every three years, we engage a third-party firm to perform an in-depth risk assessment with annual reassessments.

In the event of a confirmed cybersecurity breach, we have protocols in place. We immediately notify senior leaders, including the Board, and consult with outside counsel. We are committed to complying with all applicable data privacy and notification regulations and timelines including relevant state, federal and international requirements.

Our franchisees are required to obtain cyber insurance with a minimum set of coverages. In addition, Choice is a hotel industry leader in mandating franchise owners to use specific security software on their hotel computers, which enables us to support information security 24/7 through a third-party solution provider. Security obligations are built into contracts with vendors who have access to our data and conduct periodic assessments to help ensure data is being handled appropriately.



SEE [CHOICE'S PRIVACY AND SECURITY POLICY](#)

# PUBLIC POLICY AND POLITICAL ACTIVITY

**Our advocacy efforts align with our corporate business and sustainability goals.**

The ESG Steering Committee, which promotes accountability and ESG coordination and integration across the company, helps to guide our public-policy efforts as we work to advance the key interests of our business and stakeholders through trade associations and meetings with elected officials.

To advance sustainability across our business and the industry, we collaborate with several trade associations, including the American Hotel & Lodging Association (AHLA), the U.S. Chamber of Commerce, the U.S. Travel Association and the International Franchise Association (IFA). The hotel industry's approach to cleanliness and policies developed during the COVID-19 pandemic is an example of our collaborations. We've also focused on sharing information with all of our hotels about tax credits available through the Inflation Reduction Act, including those to encourage energy efficiency improvements and electric vehicle (EV) charging stations.

Choice does not make federal political contributions. In 2024, we did make limited state contributions, such as to political candidates and activities in Maryland, where our global corporate headquarters is located, and in New Jersey.



Choice Hotels Office, Scottsdale, AZ

# APPENDICES

## SUSTAINABILITY POLICIES:

- [Anti-Corruption Policy ↗](#)
- [Anti-Harassment Policy ↗](#)
- [Code of Ethics and Conduct ↗](#)
- [Compliance and Ethics Hotline ↗](#)
- [Equal Employment Opportunity Policy ↗](#)
- [Human Rights Policy ↗](#)
- [Privacy Policy ↗](#)
- [Sustainability Policy ↗](#)
- [Supplier Code of Conduct ↗](#)

# PERFORMANCE TABLES<sup>1</sup>

## Company Profile

|                                                                                                                      | 2024        | 2023      |
|----------------------------------------------------------------------------------------------------------------------|-------------|-----------|
| Number of Properties                                                                                                 |             |           |
| -Corporate offices                                                                                                   | 9           | 9         |
| -Managed hotels                                                                                                      | 13          | 13        |
| -Franchised hotels <sup>2</sup>                                                                                      | 7,828       |           |
| Number of Rooms                                                                                                      |             |           |
| - Managed hotels                                                                                                     | 3,059       | 2,973     |
| - Franchised hotels                                                                                                  | 660,109     |           |
| Occupancy Rate Managed Hotels                                                                                        | 70%         | 67%       |
| Occupied Rooms for Intensity Metrics (Managed Hotels)                                                                | 779,000     | 726,323   |
| Occupancy Rate Franchised Hotels <sup>3</sup>                                                                        | 56%         |           |
| Occupied Rooms for Intensity Metrics (Franchised Hotels)                                                             | 129,725,646 |           |
| Total Floor Area (SqFt of Managed Hotels)<br>(for portfolio in environmental performance disclosure)                 | 2,364,856   | 2,399,799 |
| Total Floor Area (SqFt of Franchised Hotels)<br>(for portfolio in environmental performance disclosure) <sup>4</sup> | 298,127,881 |           |

1. In 2024, we enhanced our data collection methodology to improve accuracy and coverage. As a result, differences between 2023 and 2024 data may reflect both methodological updates and actual changes in operations or usage. Apparent increases or decreases may be driven by updated data sources, improved estimation techniques, broader reporting coverage, or operational shifts. As we continue refining our approach and gather a third year of consistent data in 2026 (for reporting year 2025), we may consider restating historical figures to align with evolving best practices and ensure comparability across reporting periods.2023 energy consumption data includes managed hotels, corporate facilities, and fleet (vehicles and aviation).

2. The number of franchised hotels operating in 2024 includes all properties that were part of the Choice portfolio at any point during the year. Environmental data disclosed includes 13 managed hotels and 9 offices.

3. The total occupied rooms of some of the franchised hotels has been estimated using average occupancy rate by region and brand segment.

4. The total floor area of the franchised portfolio has been estimated using average floor area by brand and prorated based on the duration each property was part of the portfolio during the reporting year.

## Greenhouse Gas Emissions<sup>5, 6</sup>

|                                                                | 2024      | 2023   |
|----------------------------------------------------------------|-----------|--------|
| Scope 1 Direct Emissions                                       |           |        |
| Emissions (MT CO <sub>2</sub> e)                               | 6,400     | 5,289  |
| Emissions intensity (MT CO <sub>2</sub> e/SqFt)                | 0.0024    | 0.0020 |
| Scope 2 Indirect Emissions                                     |           |        |
| Location-based emissions (MT CO <sub>2</sub> e)                | 9,997     | 11,924 |
| Location-based emissions intensity (MT CO <sub>2</sub> e/SqFt) | 0.0041    | 0.0050 |
| Market-based emissions (MT CO <sub>2</sub> e)                  | 10,006    | 11,933 |
| Market-based emissions intensity (MT CO <sub>2</sub> e/SqFt)   | 0.0041    | 0.0050 |
| Total scope 1 + 2 Emissions                                    |           |        |
| Location-based emissions (MT CO <sub>2</sub> e)                | 16,396    | 17,212 |
| Location-based emissions intensity (MT CO <sub>2</sub> e/SqFt) | 0.0065    | 0.0070 |
| Market-based emissions (MT CO <sub>2</sub> e)                  | 16,406    | 17,222 |
| Market-based emissions intensity (MT CO <sub>2</sub> e/SqFt)   | 0.0065    | 0.0070 |
| Scope 3 Franchise Emissions                                    |           |        |
| Location-based emissions (MT CO <sub>2</sub> e)                | 1,475,943 |        |
| Location-based emissions intensity (MT CO <sub>2</sub> e/SqFt) | 0.0050    |        |
| Market-based emissions (MT CO <sub>2</sub> e)                  | 1,562,568 |        |
| Market-based emissions intensity (MT CO <sub>2</sub> e/SqFt)   | 0.0052    |        |

# PERFORMANCE TABLES

## Greenhouse Gas Emissions<sup>5, 6</sup> (continued)

|                                                                | 2024      | 2023 |
|----------------------------------------------------------------|-----------|------|
| Total Location-Based Emissions: Managed and Franchised         |           |      |
| Location-based emissions (MT CO <sub>2</sub> e)                | 1,492,339 |      |
| Location-based emissions intensity (MT CO <sub>2</sub> e/SqFt) | 0.0050    |      |
| Total Market-Based Emissions: Managed and Franchised           |           |      |
| Market-based emissions (MT CO <sub>2</sub> e)                  | 1,578,974 |      |
| Market-based emissions intensity (MT CO <sub>2</sub> e/SqFt)   | 0.0053    |      |
| Scope 3 Non-Franchise Emissions <sup>7</sup>                   |           |      |
| Emissions from other Scope 3 categories (MT CO <sub>2</sub> e) | 64,777    |      |

5. GHG emissions include managed hotels, corporate facilities, and fleet (vehicles and aviation).

6. GHG emission intensity excludes aviation emissions.

7. Scope 3 non-franchise includes Category 1, 2, 3, 4, 5 (wastewater), 6 and 7. Waste emissions are not included due to data limitation.

8. A total of nine data points contributing to total energy and total GHG emissions for 2023 have been restated. Updated proxy values and multi-year averages were applied to improve consistency, accuracy, and representativeness of reported performance.

9. Energy consumption data includes managed hotels, corporate facilities, and fleet (vehicles and aviation).

10. Energy intensity excludes aviation energy.

11. Water consumption data is based on actual and extrapolated data coverage of approximately 99.5% of all properties by floor area. Water intensities per occupied room exclude office water data.

12. One data point contributing to total water usage for 2023 has been restated using a 2024 proxy value to improve the accuracy and reliability of reported performance.

## Energy<sup>8</sup>

|                                           | 2024      | 2023   |
|-------------------------------------------|-----------|--------|
| Energy consumption (MWh) <sup>9</sup>     |           |        |
| Managed                                   | 59,936    | 58,884 |
| Franchised                                | 5,422,734 |        |
| Total                                     | 5,482,670 | 58,884 |
| Energy intensity (MWh/SqFt) <sup>10</sup> |           |        |
| Managed                                   | 0.0236    | 0.0237 |
| Franchised                                | 0.0182    |        |
| Total                                     | 0.0182    | 0.0237 |

## Water<sup>11, 12</sup>

|                                                          | 2024       | 2023    |
|----------------------------------------------------------|------------|---------|
| Water consumption (cubic meters)                         |            |         |
| Managed                                                  | 358,792    | 374,425 |
| Franchised                                               | 55,583,743 |         |
| Total                                                    | 55,942,535 | 374,425 |
| Water consumption intensity (cubic meters/occupied room) |            |         |
| Managed                                                  | 0.4298     | 0.4822  |
| Franchised                                               | 0.4285     |         |
| Total                                                    | 0.4287     | 0.4822  |

# GHG EMISSIONS METHODOLOGY

Choice Hotels carbon footprint was calculated in accordance with the guidance of the GHG Protocol.

## Scope 1 and 2 Emissions

The accounting period corresponds to the calendar year 2024. Scope 1 and 2 emissions were analyzed using the operational control reporting boundary, where Choice Hotels has accounted for 100% of the Scope 1 and 2 emissions from assets over which it has operational control and has been in the portfolio for the entire year of 2024.

For Choice Hotels, these assets include managed hotels, corporate facilities, aviation and associated vehicles. Scope 1 and 2 primary activity data was collected via surveys and the [Utilities Tracking Dashboard](#).

Emissions sources covered include stationary combustion, mobile combustion and purchased electricity. Where activity data was not able to be collected, consumption values were estimated using the following extrapolation methodologies:

- Annualized average consumption estimation which divides total consumption (water, natural gas, electricity) by the number of months with available data multiplied by 12 months.
- Average consumption (water, natural gas, electricity) per-square-foot across all like properties (hotels, offices) that have consumption data multiplied by the average consumption per-square-foot for those properties.
- In a small number of instances, 2024 data (diesel and water) was used as a proxy to restate 2023 figures as indicated in the footnote of the performance table.
- In a small number of instances the average of 2022 and 2024 data (natural, gasoline, electricity) was used to restate 2023 as indicated in the footnote of the performance table.



### Scope 3 Emissions

The accounting period for Scope 3 emissions corresponds to the calendar year 2024. These emissions arise from upstream and downstream activities that are outside of Choice Hotels’ direct operational control but are still linked to its business activities.

| Category                                        | Description                                                                                                     | Sources                                                                                                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category 1 - Purchased goods and services       | Emissions from purchased materials and services                                                                 | <ul style="list-style-type: none"><li>• Purchase of raw materials, food and beverages materials, operating supplies, amenities, consumable, etc</li><li>• Purchase of outsourced laundry services, outsourced IT services, subscription services, maintenance services, etc</li></ul> |
| Category 2 -Capital goods                       | Emissions from the acquisition of capital goods during the reporting year                                       | <ul style="list-style-type: none"><li>• Purchase of fixed assets or capital expenditure items including plant and equipment, furniture and fittings, etc</li></ul>                                                                                                                    |
| Category 3 - Fuel and energy related activities | Emissions from fuel and energy-related activities, not included in Scope 1 and 2                                | <ul style="list-style-type: none"><li>• Transmission and distribution (T&amp;D) loss</li><li>• Upstream emissions of fuel and energy</li></ul>                                                                                                                                        |
| Category 4 - Upstream transport                 | Emissions from outsourced transportation and distribution activities                                            | <ul style="list-style-type: none"><li>• Transportation services for goods purchased from supplier</li><li>• Transportation services purchased from third parties for inbound and outbound logistics including provision of guest transportation service</li></ul>                     |
| Category 5 - Waste generated in operations      | Emissions from disposal of waste generated in operations                                                        | <ul style="list-style-type: none"><li>• Solid waste generated in operation</li><li>• Water treatment – supply and discharge</li></ul>                                                                                                                                                 |
| Category 6 - Business travel                    | Emissions from business travel activities                                                                       | <ul style="list-style-type: none"><li>• Transportation, not owned or controlled by the company - air, bus, automobile, rail, etc</li><li>• Hotel stay and lodging</li></ul>                                                                                                           |
| Category 7 - Employee commuting                 | Emissions from employee commuting                                                                               | <ul style="list-style-type: none"><li>• Employee commuting transportation, not owned or controlled by the company</li></ul>                                                                                                                                                           |
| Category 8 - Upstream leased assets             | Emissions from leased assets that are leased by the company as a lessee, not included in Scope 1 and 2          | <ul style="list-style-type: none"><li>• Lease of asset from other parties including equipment, vehicle, office space, staff accommodation, etc, not included in Scope 1 and 2</li></ul>                                                                                               |
| Category 14 - Franchises                        | Emissions from the operation of hotel properties under the franchise arrangement, not included in Scope 1 and 2 | <ul style="list-style-type: none"><li>• Direct and indirect energy consumption of franchised properties</li></ul>                                                                                                                                                                     |
| Category 15 - Investments                       | Emissions from operation of investments, not included in Scope 1 and 2                                          | <ul style="list-style-type: none"><li>• Direct and indirect energy consumption of investee company</li></ul>                                                                                                                                                                          |

## Franchise Emissions – Largest Contributor to Scope 3

Emissions from franchised hotel operations (Category 14) represent the largest share of Scope 3 emissions, accounting for approximately 95% of total Scope 3 emissions. This category includes emissions from franchisee energy consumption, which is not covered under Scope 1 or Scope 2 and is reported by franchisors.

### Data Collection & Calculation Approach:

- Primary data source: Utilities Tracking Dashboard.
- Extrapolation methodology: Annualized average consumption estimation is used for partial-year data. When actual energy data is unavailable, an estimation-based (average-data) approach is applied using floor area, occupied rooms or other relevant metrics.
- Emissions calculation: Direct and indirect energy consumption data from franchised properties is multiplied by corresponding emission factors.
- Emission factors: Sourced from the same methodologies used for Scope 1 and Scope 2 quantification.



Country Inn & Suites by Radisson, New Braunfels, TX

# SASB INDEX

SASB Standards, now overseen by ISSB, guide the disclosure of financially material sustainability information by companies to their investors. To answer the informational needs of institutional investors, Choice Hotels has provided the following disclosures using the SASB Standard for the Hotels & Lodging industry.

Choice Hotels has consolidated data using an operational control approach to be consistent with our GHG emissions disclosure. Disclosures include data for managed hotels and corporate assets unless otherwise noted.

## Industry: Hotels & Lodging

Table 1. Sustainability Disclosure Topics & Accounting Metrics

| Topic                          | Accounting Metric                                                                                                                       | Category     | Unit Of Measure                               | Code         | Response Or Location                                                                                                                                                                                                                                                                                                                      |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Energy Management <sup>1</sup> | (1) Total energy consumed,<br>(2) Percentage grid electricity,<br>(3) Percentage renewable                                              | Quantitative | Gigajoules (GJ),<br>Percentage (%)            | SV-HL-130a.1 | (1) 215,770.97 GJ<br>(2) 45.6%<br>(3) Unknown<br><a href="#">70 Appendices — Performance — Energy</a>                                                                                                                                                                                                                                     |
| Water Management               | (1) Total water withdrawn,<br>(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Quantitative | Thousand cubic meters (m³),<br>Percentage (%) | SV-HL-140a.1 | (1) 358.79 thousand cubic meters<br>(2) n/a.<br>Approximately 47% of our water withdrawals by volume are in High or Extremely High Baseline Water Stress regions. This includes managed properties as well as Choice Hotels corporate assets.<br><a href="#">51 Planet — Water</a><br><a href="#">70 Appendices — Performance — Water</a> |

1. 2024 energy consumption data includes managed hotels, corporate facilities, and fleet (vehicles and aviation).

| Topic                     | Accounting Metric                                                                                                    | Category                | Unit Of Measure                      | Code         | Response Or Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ecological Impacts        | Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat | Quantitative            | Number                               | SV-HL-160a.1 | Based on our 2023 biodiversity impact assessment, 11 of our managed locations are located less than 5km away from a protected area. We will prioritize these sites as we work towards reducing our biodiversity impact.                                                                                                                                                                                                                                                                                      |
|                           | Description of environmental management policies and practices to preserve ecosystem services                        | Discussion and Analysis | N/A                                  | SV-HL-160a.2 | Choice Hotels views the impacts of our business on biodiversity as high priority. In February 2023, we conducted a biodiversity impact assessment of our owned & managed sites using the <a href="#">WWF Biodiversity Risk Filter</a> . We are looking forward to engaging with identified properties to understand the role we can play in preserving local ecosystem services. Our company sustainability policy can be found <a href="#">here</a> and our Supplier Code of Conduct <a href="#">here</a> . |
| Labor Practices           | (1) Voluntary and (2) involuntary turnover rate for lodging facility employees                                       | Quantitative            | Rate                                 | SV-HL-310a.  | (1) Voluntary turnover rate for our managed hotel employees was 26%, which is a four-point improvement compared to 2022.<br>(2) Involuntary turnover rate for managed hotels employees was 5% (vs. 11% in 2022).                                                                                                                                                                                                                                                                                             |
|                           | Total amount of monetary losses as a result of legal proceedings associated with labor law violations                | Quantitative            | Reporting currency                   | SV-HL-310a.2 | \$0. In 2024 there were no monetary losses as a result of legal proceedings associated with labor law violations<br><a href="#">44 2024 Form 10-K: Item 3. Legal Proceedings</a> ↗                                                                                                                                                                                                                                                                                                                           |
|                           | (1) Average hourly wage and (2) percentage of lodging facility Employees earning minimum wage, by region             | Quantitative            | Reporting currency<br>Percentage (%) | SV-HL-310a.3 | (1) \$18.53<br>(2) 9.64% of hourly employees in our managed hotels earned local minimum wage (U.S.)                                                                                                                                                                                                                                                                                                                                                                                                          |
|                           | Description of policies and programs to prevent worker harassment                                                    | Discussion and Analysis | N/A                                  | SV-HL-310a.  | Our labor-related policies can be found here, including Anti-Harassment Policy, Equal Employment Opportunity Policy, Code of Ethics and Conduct, Supplier Code of Conduct, and Human Rights Policy.<br><a href="#">29 People — Human Trafficking Prevention</a> ↗<br><a href="#">51 Planet — Water</a> ↗<br><a href="#">60 Performance</a> ↗<br><a href="#">65 Performance — Ethical Behavior</a> ↗                                                                                                          |
| Climate Change Adaptation | Number of lodging facilities located in 100-year flood zone                                                          | Quantitative            | Number                               | SV-HL-450a.1 | Two of our managed locations are located within a 100-year flood zone according to Federal Emergency Management Agency (FEMA).                                                                                                                                                                                                                                                                                                                                                                               |

Table 2. Activity Metrics

| Accounting Metric                                                                                                    | Category     | Unit Of Measure           | Code        | Response Or Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of available room-nights                                                                                      | Quantitative | Number                    | SV-HL-000.A | <a href="#">5 Introduction — About Choice</a> <a href="#">↗</a><br><a href="#">69 Appendices — Performance — 2024 Performance</a> <a href="#">↗</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Average occupancy rate <sup>1</sup>                                                                                  | Quantitative | Rate                      | SV-HL-000.B | 57%<br><a href="#">12 2024 Form 10-K: Item 1. Business — Domestic Franchise System</a> <a href="#">↗</a><br><a href="#">69 Appendices — Performance — 2024 Performance</a> <a href="#">↗</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Total area of lodging facilities <sup>2</sup>                                                                        | Quantitative | Square meters (m²)        | SV-HL-000.C | 27.9M m²<br><a href="#">69 Appendices — Performance — 2024 Performance</a> <a href="#">↗</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Number of lodging facilities and the percentage that are:<br>(1) managed,<br>(2) owned and leased,<br>(3) franchised | Quantitative | Number,<br>Percentage (%) | SV-HL-000.D | Total number of hotels: 7,626<br>1. 13 managed hotels, inclusive of 4 owned hotels (0.001%)<br>2. 12 owned hotels (0.001%) and 10 partially owned hotels through joint ventures (0.001%)<br>3. 7,586 franchised hotels (99.7%)<br><a href="#">5 Introduction — About Choice</a> <a href="#">↗</a><br><a href="#">6 2024 Form 10-K: Item 1. Business — The Lodging Industry</a> <a href="#">↗</a><br><a href="#">12 2024 Form 10-K: Item 1. Business — Domestic Franchise System</a> <a href="#">↗</a><br><a href="#">47 2024 Form 10-K: Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview</a> <a href="#">↗</a> |

1. Note to SV-HL-000.B – Measured as number of (1) occupied room-nights divided by (2) available room-nights across all properties.

2. Note to SV-HL-000.C – The scope of disclosure includes facilities that were owned, operated, leased or franchised during any portion of the reporting period. The total floor area of the franchised portfolio has been estimated using average floor area by brand and prorated based on the duration each property was part of the portfolio during the reporting year.

# TCFD INDEX

The Task Force on Climate-related Financial Disclosures (TCFD) index includes disclosures from Choice’s TCFD Report, published in December 2023. Metrics and targets are updated to reflect data included in this 2024 Sustainability Report.

## Statement on Climate Change

At Choice, we are committed to contributing to a more sustainable world, and we recognize the profound impacts of climate change on the future of the travel, tourism, hospitality and lodging industry.

## Support of TCFD Recommendations

Choice strives for operational excellence and transparency with our stakeholders. Choice recognizes that the changing climate creates a wide array of risks and opportunities across industries, and our business is no exception. In our reporting, Choice demonstrates efforts towards implementing the recommendations of TCFD, now overseen by ISSB, to understand risks and opportunities that might impact Choice. Our approach to climate risk management takes into consideration a wide variety of stakeholders, including our franchisees, associates, guests, shareholders, suppliers and community partners.

| Topic                                                                                                     | Disclosure                                                                                       | Response Or Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance:</b> Disclose the organization's governance around climate-related risks and opportunities. | a. Describe the board's oversight of climate-related risks and opportunities                     | <p>Choice's Board of Directors (Board) is currently comprised of 11 members who review and discuss environmental, social, and governance (ESG) strategy, initiatives, policies and performance quarterly, either within Board committees or as a full Board. All four of the Board's standing committees provide ESG oversight and involvement, and two committees have oversight of specific issues related to climate change.</p> <ul style="list-style-type: none"><li>• The <b>Corporate Governance &amp; Nominating Committee</b> oversees a variety of sustainability and ESG practices, including climate strategy and performance against sustainability and climate targets.</li><li>• The <b>Audit Committee</b> oversees enterprise risk management, including climate risk assessment and management.</li></ul> <p><a href="#">61 Performance — Governance and Oversight ↗</a></p>                                                                                                                                                                                   |
|                                                                                                           | b. Describe management's role in assessing and managing climate-related risks and opportunities. | <p>Choice recently established two new management committees to facilitate stronger integration of our sustainability efforts, inclusive of climate, across the organization. These groups play an integral role in our sustainability efforts, including setting goals and targets, advancing initiatives, and identifying risks and opportunities.</p> <p>The ESG Executive Committee meets every quarter to drive strategic direction and oversight of the company's ESG and climate efforts and includes our Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO), General Counsel, and Vice President of Sustainability. The ESG Steering Committee is comprised of key leaders across the business who meet quarterly to drive cross-functional alignment and progress, ensure accountability and report on results. The VP, Sustainability provides quarterly updates to the Board on pertinent sustainability and ESG topics, including insights from these management committees.</p> <p><a href="#">61 Performance — Governance and Oversight ↗</a></p> |

| Topic                                                                                                                                                                                                       | Disclosure                                                                                                                   | Response Or Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material. | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term | <b>Time horizons</b><br><br>Choice conducted peer research of time horizons typical for our industry and found a wide range used. Choice has chosen to align its climate-relevant time horizons with its financial planning time horizons, which are the following: <ul style="list-style-type: none"><li>• <b>Short term:</b> 0-2 years</li><li>• <b>Medium term:</b> 3-6 years</li><li>• <b>Long term:</b> 7+ years</li></ul> <b>Impact Level</b><br><br>In assessing climate-related risks, Choice defines impact level as follows: <ul style="list-style-type: none"><li>• <b>Low impact</b> is defined as potentially minor impact and may affect more than one market in which we do business.</li><li>• <b>Medium impact</b> is defined as a risk that causes a reduction in operating income or, if not mitigated, may affect multiple markets.</li><li>• <b>High impact</b> is defined as potentially material impact that could result in a loss in net revenue if not mitigated, potentially across many or all markets.</li></ul> <b>Scenario Analysis</b><br><br>Scenario analysis is a useful tool for strategic decision-making and risk management under uncertain conditions. Scenario-based planning circumvents the impossible task of trying to predict the future and instead focuses on the key uncertainties relevant to a company's strategic decisions. It does so by providing a structured method of developing new perspectives and unique insights, understanding the predictable and uncertain elements in different scenarios, and changing the mental models of decision-makers. Scenarios describe potential pathways from today to tomorrow, helping executives to look at a number of plausible possibilities and develop flexible options and timely responses to support resiliency to future risk.<br><br>In recent years, researchers have developed a basis for the construction of comparable climate scenarios — Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs). RCPs are “emissions scenarios” that include time series of emissions and concentrations of the full suite of greenhouse gases, aerosols, and chemically active gases, as well as land use and land cover. SSPs are scenarios that project global socioeconomic changes based on different climate policies. SSPs expand on RCPs to allow for a standardized comparison of society's choices and their resulting levels of climate change.<br><br>To assess Choice's exposure to physical and transition risks, we performed an analysis under two scenarios: <ul style="list-style-type: none"><li>• <b>Business as usual</b>, which corresponds to RCP8.5 and SSP5, and assumes continued use of fossil fuels, strong economic growth and weak carbon policies. This scenario corresponds with expected global temperature increases at 3.5-4.5°C above pre-industrial levels by 2100.</li><li>• <b>Decarbonized future</b>, which corresponds to RCP2.6 and SSP1, and assumes a transition towards renewable energy, circular economy, and strict carbon policies. This scenario corresponds with expected global temperatures increases that stay below a 2°C threshold by 2100.</li></ul> <b>Climate risks and opportunities</b><br><br>We are subject to the physical and transition risk associated with climate change and extreme weather events. These risks include, among others: <ul style="list-style-type: none"><li>• <b>Physical risks</b>, such as changes in sea levels, water shortages, droughts and natural disasters</li><li>• <b>Transition risks</b>, such as changing consumer preferences and demand for travel along with changes in laws and regulations related to climate change, greenhouse gas emissions, energy policies, and sustainability.</li></ul> |
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|       |                                                                                                                                       | <p>Choice continues to monitor climate-related risks and opportunities to the business on an ongoing basis. Based on our scenario assessment, we have prioritized Choice's top three risks and opportunities related to climate change as described below.</p> <p><b>Risks</b></p> <ol style="list-style-type: none"><li><b>1. Extreme weather events (short-to-medium term, medium impact).</b> Increased frequency and severity of extreme weather events, such as hurricanes, droughts, wildfires or heat waves, could impact hotel operations and profitability. For example, hurricane damage in locations in the southeastern U.S. may cause property damage and disrupt operations, resulting in costs to repair or lost revenue.</li><li><b>2. Operational costs and complexity (short-to-medium term, medium impact).</b> Hotels may face increased operational costs and complexity to mitigate or adapt to the impacts of climate change. For example, new regulations or stricter building codes may require investments in more efficient systems such as HVAC and hot water heaters. Hotels have already experienced the rising costs of energy, a trend which may continue for the foreseeable future and negatively impact profitability. Insurance policies may be unavailable or costly in certain markets due to changing climate conditions.</li></ol> <p><b>Opportunities</b></p> <ol style="list-style-type: none"><li><b>1.</b> Cost savings (short-to-medium term, medium impact). Hotels may have an opportunity to realize substantial cost savings by reducing their energy, water and waste, particularly in an environment of rising energy costs. Low-cost investments in energy efficiency measures (e.g., smart sensors) may also reduce their operating expenses from utilities. As the cost of renewables continues to decline, hotels may be able to take advantage of renewable energy programs or investments.</li><li><b>2.</b> New markets or consumers (medium-to-long term, medium-to-high impact). Changing consumer preferences as more guests prioritize sustainability may create opportunities for Choice to enter new markets or appeal to new consumer profiles. There may be an opportunity to establish leadership in a particular niche of the market that is complementary to Choice's overall business strategy.</li><li><b>3.</b> New products or services that support a low-carbon economy (medium-to-long term, medium impact). As more consumers and companies focus on addressing the impacts of climate change, there could be additional opportunities to build, buy or partner in creating new products or services that support a low-carbon economy. Choice's announcement that the Radisson Blu Mall of America was the first hotel in the world to install CleanO2's CarbinX technology for small-scale carbon capture is one example of the kind of innovation already happening related to climate change.</li></ol> <p><a href="#">24 2024 Form 10-K: Item 1A. Risk Factors — Business and Operational Risks ↗</a></p> |
|       | b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | <p>Choice incorporates insights related to climate-related risks and opportunities into our business planning and strategy. Commitment to Green is our franchisee-facing sustainability program and includes a number of components to help hotels measure and reduce their greenhouse gas emissions.</p> <p>We have rolled out a property-level dashboard to all franchisees in the domestic system to help them better manage, benchmark, and forecast their utilities costs so they can spot anomalies and identify opportunities to reduce their energy and water use. This dashboard also calculates hotels' carbon footprint, enabling franchisees to respond to those questions on corporate RFPs. Our Room to be Green certification program provides guidance for franchisees on how to reduce their utilities usage and improve their energy efficiency. Level 1 of Room to be Green is a requirement for all hotels. Additionally, Choice has made investments in assisting select properties with energy audits as part of their property improvement plans.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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|                                                                                                                   | c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | <p>Choice's asset-light business model, which is more than 99% franchised, helps limit our direct exposure to the physical risks of climate change. Our managed hotel division represents a relatively small number of hotels (10-20 properties on average in a given year), which limits the scope of properties within our operational control. Additionally, our brand portfolio tends to skew towards highway and small town locations, and we have comparatively less coastal exposure than some others in the industry.</p> <p>However, the impacts of the physical risks of climate change on our franchised hotels could disrupt their operations, adversely affecting our profits and growth. Further, large-scale systemic risks or a significant increase in stranded assets due to physical damage or regulatory non-compliance could impact the ability of the hotel industry overall to attract new investments.</p> <p>In a decarbonized, 2°C scenario, the physical risks of climate change are likely to be somewhat mitigated, though still present. Transition risks, including adapting to stricter regulations and changing consumer preferences, are likely to be even more important drivers in our business model. Our recent commitment to setting science-based targets puts us on a path to better understand, quantify, and plan our own pathways towards decarbonization.</p> |
| <b>Risk Management:</b><br>Disclose how the organization identifies, assesses, and manages climate-related risks. | a. Describe the organization's processes for identifying and assessing climate-related risks.                                                                | <p>Choice's enterprise risk-management process is the primary mechanism for surfacing key risks from across the business, including climate risks.</p> <p>Every two years, the company conducts a detailed enterprise risk assessment with input from across the organization, including interviews with key business leaders and a survey of associates at the director level and above. From the survey results, other input from leaders and additional sources, including external benchmarking and guidance, a list of Top Risks is established for a deeper dive. The list has historically included topics such as information security, human capital, and disaster recovery. In 2022, we began including climate considerations into the process. In 2023, ESG was added as a standalone Top Risk topic for report-out to the Audit Committee and roll-up to the full Board.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                   | b. Describe the organization's processes for managing climate-related risks.                                                                                 | <p>The Compliance and Enterprise Risk Committee, a cross-functional group of company leaders, meets on a quarterly basis to discuss various risks and compliance issues facing the business. After each meeting, a summary report is prepared for the Audit Committee and key issues are reviewed with company leadership.</p> <p>The Board of Directors is engaged in understanding how management is addressing risks facing the business and how the company is managing and mitigating the impact of those risks.</p> <p>Business risks are discussed at the quarterly Audit Committee meeting, including a detailed review of a rotating portion of the Top Risks list. A roll-up of the Top Risks list and a compliance and enterprise risk summary are provided to the entire Board on an annual basis. In addition, the Board and Audit Committee receive regular risk updates from company leaders, and the Audit Committee Chair receives briefings on current hot topics before each meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                   | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.     | <p>Although environmental risks and disaster risks have been part of our risk-management program for a long time, starting in 2022 this process also included the business risks associated with climate change. Risk across the organization is managed by individual business units, and each group is responsible for identifying risk in their area.</p> <p>To better understand our exposure to climate related risks, Choice has conducted flood and water stress assessments for all our domestic owned, managed, and franchised locations. Additionally, Choice has undertaken a geospatial analysis of the domestic portfolio to pinpoint the most substantial climate-related risks and opportunities at the property level.</p> <p><b>63 Performance — Risk Management</b> ↗</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| <b>Metrics and Targets:</b><br>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | <p>Choice has recently begun to introduce and monitor new metrics to better understand our climate-related risks and opportunities. These metrics include energy and GHG emission performance, water consumption and water risk, and third-party certifications.</p> <p><a href="#">44 Planet — Climate and Energy ↗</a></p> <p><a href="#">51 Planet — Water ↗</a></p> <p><a href="#">60 Performance ↗</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                | b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.                                          | <p>Choice reports our Scope 1 and Scope 2 greenhouse gas (GHG) emissions and is in the process of developing a full inventory of Scope 3 emissions as part of its commitment to set near-term science-based targets. We anticipate that the majority of our Scope 3 emissions will come from our franchised hotels, which constitute more than 99% of our total hotel portfolio. Access to franchised hotels' utilities data has historically been limited. Since 2022, we have begun to roll out an automated property-level utilities tracking dashboard powered by Schneider Electric. This initiative is a critical step towards helping franchisees identify opportunities for energy efficiency improvements and enabling us to understand our Scope 3 emissions inventory.</p> <p><a href="#">38 Planet — Commitment to Green — Utility Tracking Dashboard ↗</a></p> <p><a href="#">44 Planet — Climate and Energy ↗</a></p> |
|                                                                                                                                                                                | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       | <p>Franchisee engagement with the property-level utilities dashboard is paramount to helping owners identify opportunities to reduce their energy and water usage, and enabling accurate and consistent data reporting of our Scope 3 emissions. Choice has established goals of driving 100% adoption of the dashboard by owned and managed hotels, and 90% adoption of the dashboard by franchised hotels by the end of 2025.</p> <p>In December 2023, Choice submitted a letter of intent to the Science Based Targets initiative, committing to set near-term science-based targets.</p> <p><a href="#">38 Planet — Commitment to Green — Utility Tracking Dashboard ↗</a></p> <p><a href="#">44 Planet — Climate and Energy ↗</a></p>                                                                                                                                                                                          |

