

BUILDING A BETTER TOMORROW, TODAY

2023 ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



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Letter from CEO Patrick Pacious

For more than 80 years, Choice Hotels International, Inc. has put people first. Our vision to bring people together and enable their success provides the foundation for us to champion our franchise owners, support our associates, elevate the guest experience, and give back to our local and global communities.



Every day, we advance our vision through our sustainability strategy and initiatives as we work to further embed sustainability principles throughout our organization.

This past year was pivotal for our business and our sustainability journey. We completed the integration of the Radisson Hotels Americas business within a year of acquisition, a testament to our team, as well as our experience and expertise. We also opened our new worldwide headquarters in North Bethesda, Maryland, designed with sustainability and associate wellbeing in mind.

After analyzing Choice's climate-related risks and opportunities, we published our findings in our inaugural **Task Force on Climate-Related Financial Disclosures (TCFD) report**. We also signed a public commitment letter with the Science Based Targets initiative to set science-based targets to reduce our greenhouse gas emissions. We increased support and resources for our franchisees through our refreshed Room to be Green program, which provides a more ambitious pathway to creating more sustainable hotels. We also strengthened our approach to human trafficking prevention with refreshed training and resources available to our associates and franchisees.

With the integration of Radisson Americas, we seized the opportunity to enhance the associate experience and wellbeing, while reinforcing our inclusive, people-centered culture. We are taking a holistic approach to support the evolving needs of our associates, including adding new associate benefits. Our Choice Resource Groups continued to advance our focus on diversity, equity and belonging and we welcomed the Green Team, a new associate resource group dedicated to driving environmental awareness.

Our sustainability practices aren't just good for our communities and the planet - they are also good for business. Finding new ways to reduce water and energy use at our Choice-branded hotels, for example, can benefit the environment while also boosting our franchisees' bottom lines. We are proud of the progress we made in 2023 and look forward to continuing our evolution and growth, all while keeping people at the forefront of our efforts, welcoming every guest everywhere their journey takes them.

A handwritten signature in black ink, appearing to read "Patrick Pacious". The signature is fluid and cursive, written over a white background.

Patrick Pacious
President & CEO

About This Report

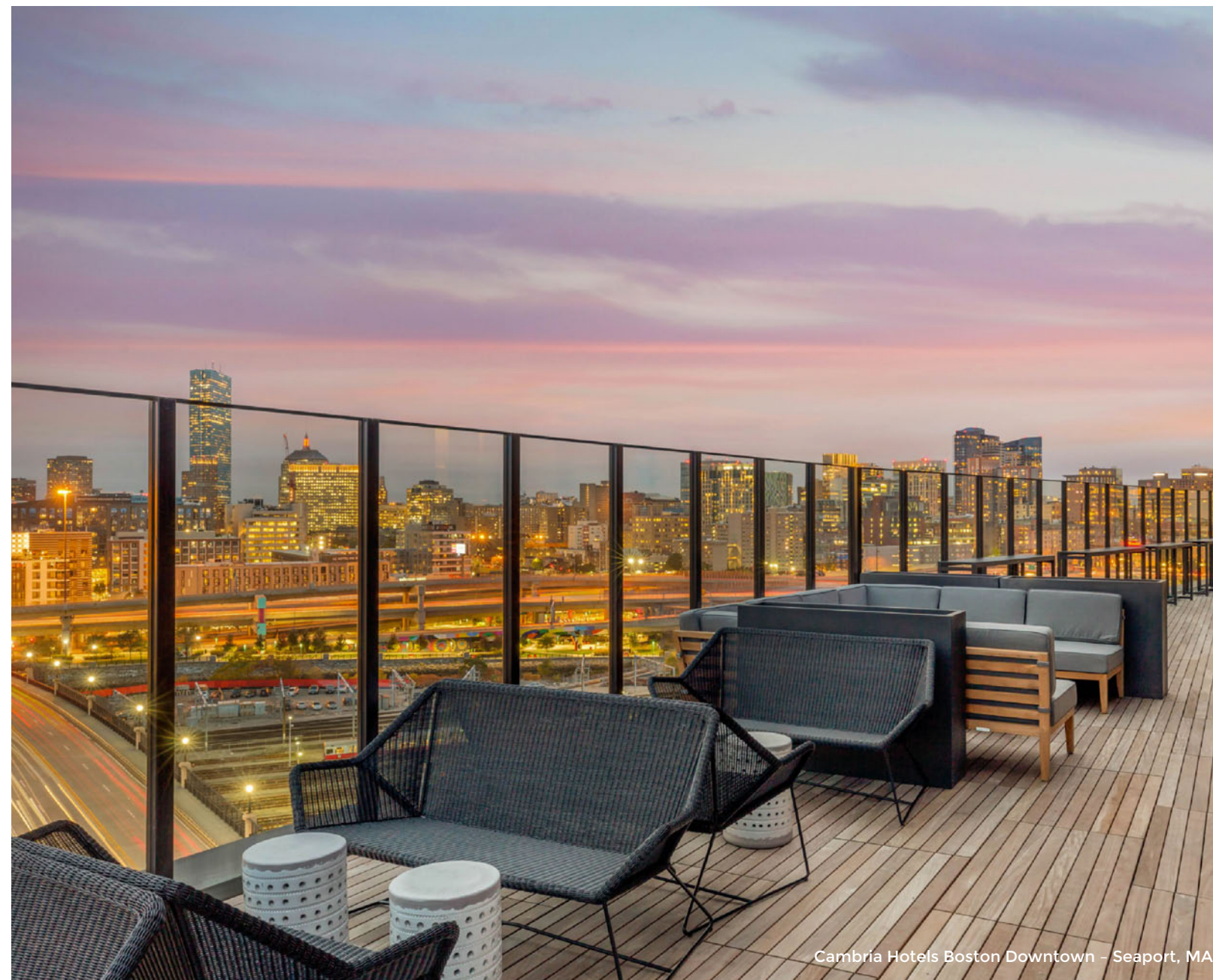
We are proud to present the Choice Hotels International (Choice) 2023 Environmental, Social and Governance (ESG) Report, which details the advancement of our sustainability initiatives during fiscal year 2023 (January 1, 2023 to December 31, 2023). All references are to the 2023 fiscal year unless otherwise stated.

This report highlights our journey and progress as we aim to build a lasting legacy of sustainability and wellbeing for our franchisees, associates, guests, communities and world.

Choice acquired Radisson Hotel Group Americas (Radisson) in 2022 and the integration of the business was completed in December 2023. 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. 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, the Carbon Disclosure Project and the Task Force on Climate-related Financial Disclosures (TCFD). The inaugural [Choice TCFD Report](#) was published in December 2023.



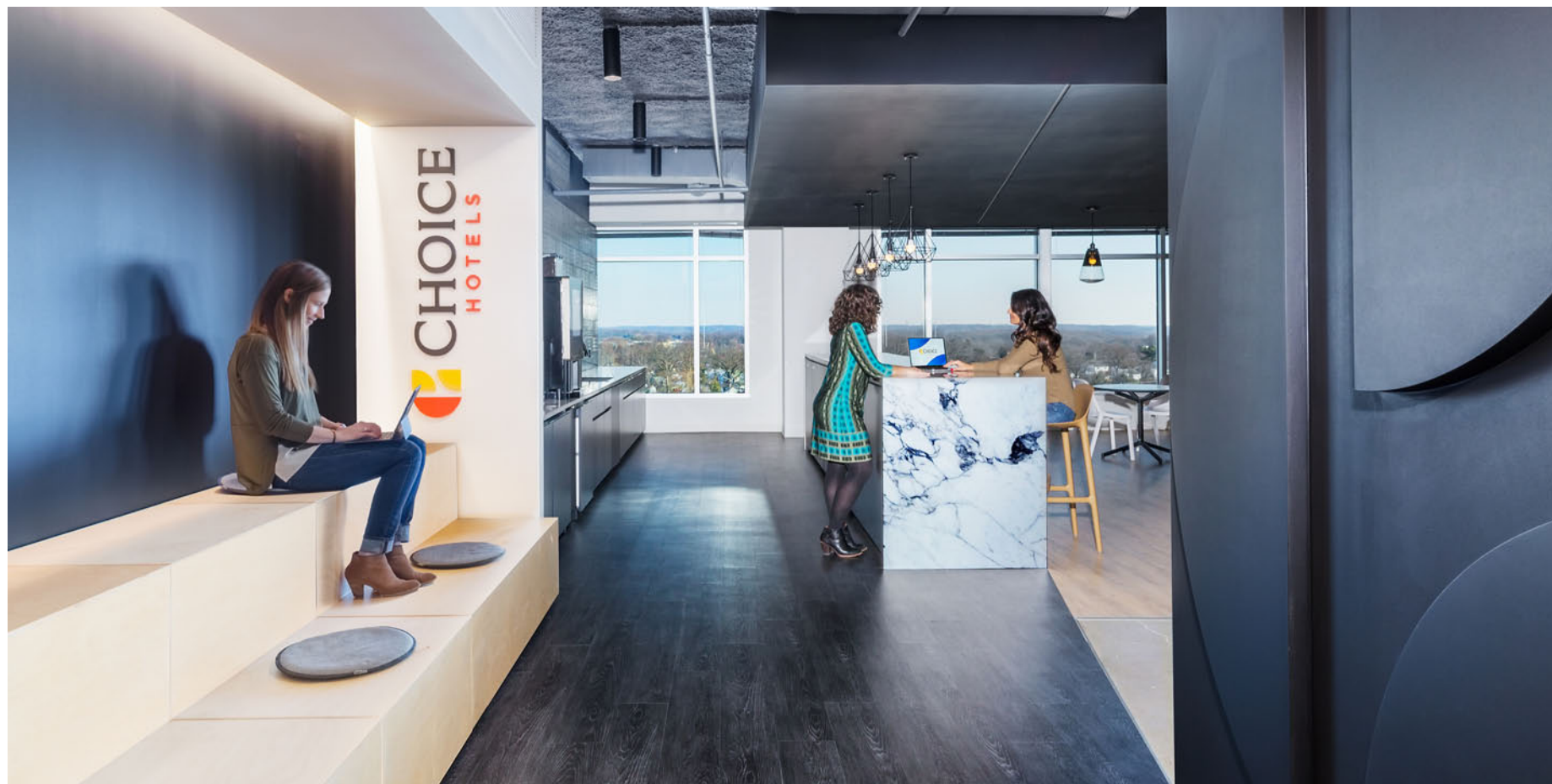
Cambria Hotels Boston Downtown – Seaport, MA

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 Statement

This report includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including 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.

The challenger in the upscale segment and a leader in midscale and extended stay, Choice® has nearly 7,500 hotels, representing almost 630,000 rooms, in 46 countries and territories. A diverse portfolio of 22 brands that range from full-service upper upscale properties to midscale, extended stay and economy 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.



Radisson Blu Toronto Downtown, ON, Canada

\$1.54 billion
annual revenue full year 2023

~18,000
franchise owners

>1,800

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

>64 million

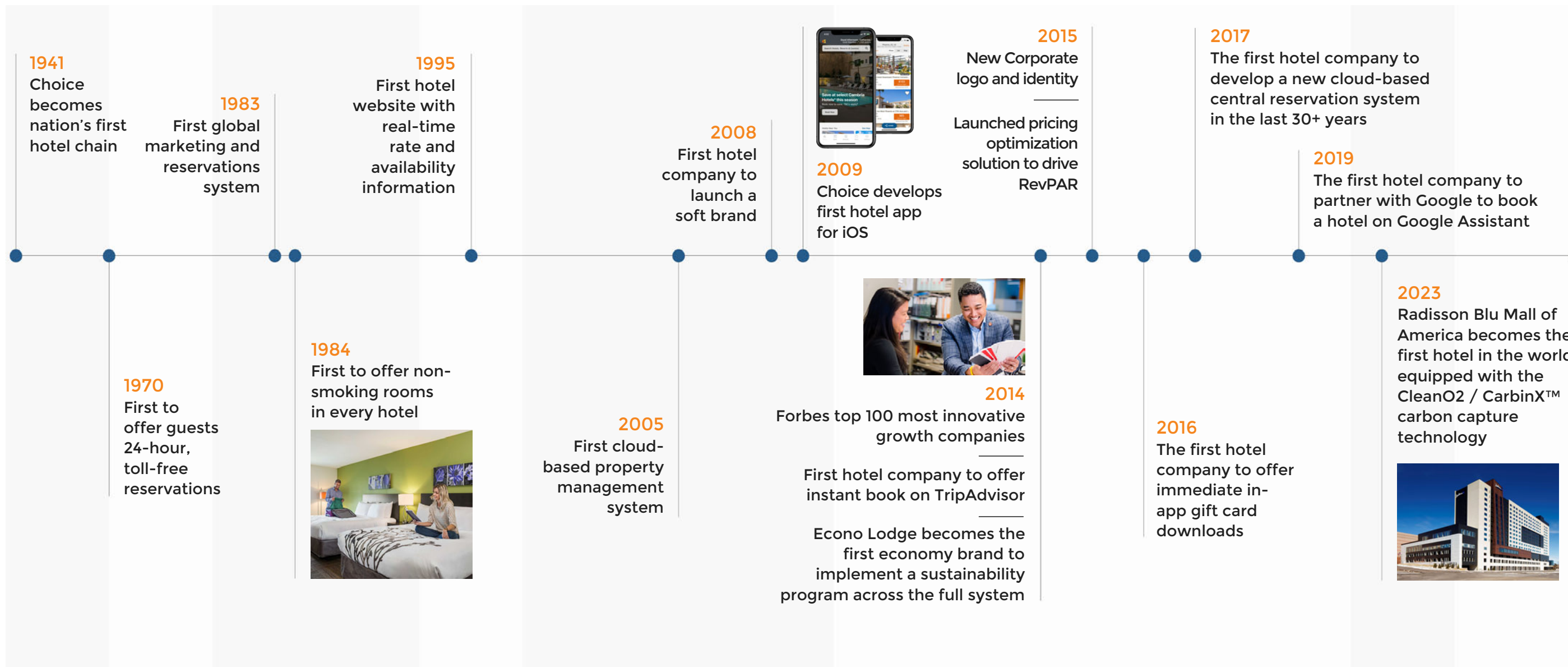
Choice Privileges
loyalty members

>7,500

open hotels globally

- More than **630,000** rooms in approximately 46 countries and territories
- **14** managed hotels (inclusive of **4** owned hotels)
- **10** fully owned hotels
- **6** open partially owned hotels through joint ventures
- **57%** average domestic occupancy rate
- More than **3.5 million** square feet of total area of managed and owned lodging facilities

History of Innovation



> More information about Choice can be found in our [2023 Proxy Statement](#) and on our [Corporate Social Responsibility](#) website.

2023 Sustainability Highlights

NO ROOM FOR TRAFFICKING

AN AHLA CAMPAIGN

Joined the American Hotel & Lodging Association (AHLA) No Room for Trafficking Advisory Council, which unites leaders across the industry in the fight against human trafficking.

Refreshed our corporate and franchisee-facing human trafficking prevention training.

Room to be Green

Revamped and expanded our Room to Be Green program, enhancing Level 1 brand standards and adding more ambitious standards at each level.

Expanded our Total Rewards benefits program with a focus on integrated associate wellbeing.

Publicly committed to setting near-term science based targets for reducing our greenhouse gas emissions



Launched our 12th Choice Resource Group, the Green Team, an employee-led group focused on driving awareness and engagement with sustainable practices.

Opened our new worldwide headquarters in North Bethesda, Maryland, designed with sustainability and associate wellbeing in mind.



Published our inaugural TCFD Report, including conducting scenario-based workshops to assess climate-related risks and opportunities



Radisson RED Miami Airport, FL

2023 Sustainability Goals

FOCUS AREAS	GOALS	STATUS	2023 PROGRESS
Environmental Sustainability	Drive hotel adoption and engagement with property-level utilities tracking dashboard, helping hotels identify opportunities for reducing energy and water usage and costs: <ul style="list-style-type: none"> • 100% adoption by owned and managed hotels by end of 2025 • 90% adoption by franchised hotels by end of 2025 	In Progress	More than half of the domestic system has adopted the dashboard.
	Phase out single-use polystyrene products across domestic brands ¹ by end of 2023	Achieved	Polystyrene products have been eliminated from the brand standards for all applicable brands.
	Make bulk amenities standard across domestic brands ² by end of 2025	In Progress	Bulk amenities are included in the refreshed Room to Be Green Level 1, which is a brand standard across all brands ² . The new requirements go into effect on Jan 1, 2025.
Responsible Sourcing	Provide the hotels in our system with suppliers of cage-free eggs, in order to source 100% of eggs used (shell, liquid and egg products) from cage-free sources globally by end of 2025	In Progress	100% of our suppliers in the U.S. offer cage-free eggs products. 100% of the all-day dining restaurants at our managed hotels serve cage-free eggs products. Globally, approximately 13% of our hotels' total egg spend is from cage-free eggs.
Sustainability Reporting	Align disclosures with SASB, TCFD and CDP in annual reporting by end of 2025	Achieved	This goal was achieved ahead of schedule in 2023.

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

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

FOCUS AREAS	GOALS	STATUS	2023 PROGRESS
Diverse Workforce ¹	Strive to increase representation of associates who identify as a member of a traditionally underrepresented racial/ethnic demographic to 40% by end of 2027	In progress	At the end of year one, we have seen improved metrics for each of the workforce diversity, equity and belonging goals.
	Strive to increase demographic representation in senior leadership levels ² by end of 2027 to 50% women and 22% leaders who identify as a member of a traditionally underrepresented racial/ethnic demographic	In progress	
	Achieve 0% differential in pay equity based on gender or racial identity at the corporate level	Achieved	Continue to monitor, evaluate and take action as needed to maintain 0% differential in pay equity.
Diverse Hotel Ownership ¹	Strive to increase the percentage of newly awarded franchise agreements involving underrepresented minority owners by 50% by end of 2025	In progress	At the end of year one, we have seen improved metrics for each of the diverse hotel ownership goals.
	Strive to increase the percentage of newly awarded franchise agreements involving women owners by 50% by end of 2025	In progress	
	Of financial incentives available for owners, strive to provide \$25 million to women and/or underrepresented minority owners by 2025 ³	In progress	

1. For all applicable focus areas, the goals are aspirational. Choice does not consider protected class status in employment or contracting decisions.

2. Senior Director level and above; pertains to U.S.-based corporate associates.

3. Contracts with entities 50%+ owned by underrepresented minorities and/or women are included toward these goals.

Approach to Sustainability

Throughout our over 80-year history, we’ve innovated, grown and evolved, continuing to make long-term investments that fuel the success of the business.

We are continuing to strengthen our sustainability practices and disclosures, and in 2023 made substantial progress in aligning with key frameworks and standards. In addition to aligning to the SASB standards for Hotels & Lodging, we submitted disclosures to the CDP Climate Survey for the first time and published our inaugural [TCFD Report](#).

Our belief in building a better tomorrow extends to all those we serve – including our employees, our hotel owners and our guests. That’s why we’re focused on making continuous steps forward towards our goals.

We utilize a framework of Purpose, People, Planet and Performance that underpins all of our sustainability efforts. Throughout our various initiatives, we are focused on connecting and empowering people, helping build resilient communities, ensuring accountability and continuous improvement, and contributing to a more sustainable future. We continue to work toward our goals by implementing and expanding key programs, engaging stakeholders and leveraging technology to maximize our positive impact.

Our practical, franchisee-focused approach is central to advancing our sustainability efforts. We understand that bringing our franchisees along on the journey with us is how, together, we can achieve a lasting positive impact for our communities and the planet. As we celebrate the entrepreneurial spirit of the approximately 18,000 franchise owners we work with, we’re guided by our commitment to them: that you can be in business *for yourself* without being *by yourself*.

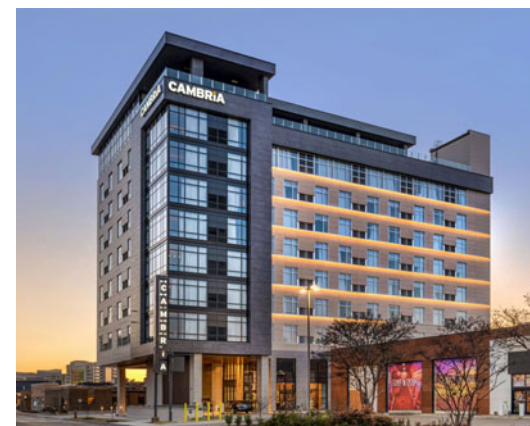
PURPOSE

We bring together the people, brands and technology that enable the success of others – welcoming every guest, every partner, everywhere their journey takes them. Our commitment to sustainability drives us to build a better tomorrow, today – one hotel, one family, one community at a time.



PEOPLE

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



PLANET

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



PERFORMANCE

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

Stakeholder Engagement

We regularly engage with our key stakeholders on a variety of topics to gather their input and share our progress. We value this dialogue as an opportunity to understand each stakeholder's priorities. This feedback helps inform our business planning processes and sustainability priorities.



ASSOCIATES

On a daily basis, we promote ongoing dialogue with and among our associates through a variety of channels, reinforcing our people-centered and inclusive culture. These channels include All Associate Meetings, associate outings and celebrations, department town hall meetings, engagement surveys, webinars and activities sponsored by the Choice Resource Groups, and our internal Voice of Choice online platform. Our Leadership Connections program provides a space for additional peer-to-peer interactions and opportunities for associates to connect directly with leaders in small group settings.



FRANCHISEES

As a franchisee-focused company, we constantly strive to listen to and anticipate the needs of our hotel owners. Our dedicated team of Area Directors interacts with our franchisees every day and provides an invaluable feedback mechanism from the field. We also interact with franchisees through regular meetings with each of our owner associations and events such as our annual Convention, which brings the entire Choice Hotels community of owners and franchisees together for a week of business updates, education and learning. In 2023, Choice also began rolling out a refreshed CONNECT program that provides opportunities for corporate leaders to gain additional perspective on operating a hotel and build one-on-one relationships with franchised owners by conducting field visits to their hotels.



SHAREHOLDERS

In addition to our ongoing investor communications, we conduct an annual investor outreach campaign with our largest institutional investors. This outreach program provides an opportunity for focused conversations on our recent accomplishments, strategy, corporate governance, sustainability, human capital, and executive compensation programs. During our Fall / Winter 2023 outreach campaign, Choice proactively reached out to shareholders representing more than 90% of total shares outstanding.



GUESTS

Delivering a positive guest experience is a top priority at each of our owned, managed and franchised hotels. Guest satisfaction surveys are one of the most important feedback mechanisms for letting hotels know how they did and surfacing guest needs, desires or priorities that should be considered as part of our brand planning processes and sustainability initiatives. We also regularly employ focus groups and on-property pilot programs to test new concepts, such as electric vehicle (EV) charging stations or bulk amenity dispensers.



SUPPLIERS

Our procurement team vets and engages Qualified Vendors that, in turn, service our hotels. These vendor partners showcase their products and services at in-person events such as the annual Choice Hotels Convention and regional brand and owner association events. Our top Qualified Vendor partners have robust sustainability programs of their own and continue to introduce additional sustainable offerings into their portfolio of products. Additionally, we have begun collecting data on our new and existing vendors' sustainability commitments, policies and goals through annual surveys.



COMMUNITIES

We support and engage our communities through volunteerism, corporate giving and our signature impact partnerships with organizations like the American Red Cross and Operation Homefront. Additionally, several of our Choice Resource Groups are active with local causes that are important to them, such as the annual Women's Business Alliance (WBA) Habitat for Humanity Women's Build. We also support and champion hotels that have demonstrated outstanding leadership in their local community with the *Your Community, Your Choice* program, which awards grants to support local non-profits of their choice.



INDUSTRY ASSOCIATIONS

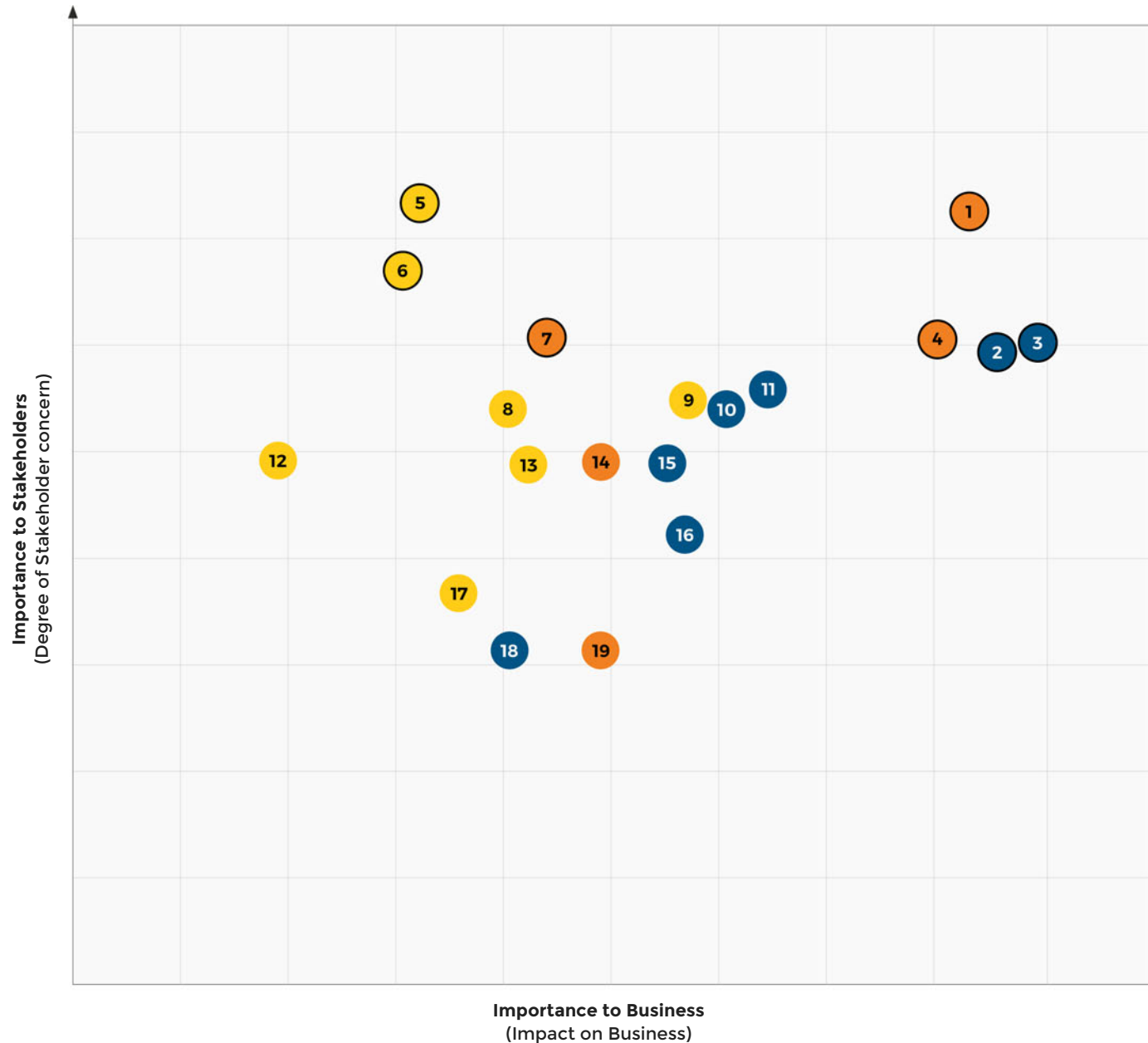
Choice, and members of our leadership team, are active in various industry associations including AHLA and the Sustainable Hospitality Alliance. Through these forums, we partner with peers to share best practices and advance sustainability progress in the lodging industry.

- > Learn more about our [sustainability associations](#)
- > Learn more about our [memberships and sponsorships focused on Diversity, Equity and Belonging](#)

Materiality Matrix

Choice conducted our first sustainability materiality assessment in 2022 to understand the most significant environmental, social and governance issues for our business and our stakeholders. 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), in addition to a series of in-depth interviews and surveys designed to help identify the topics that are most relevant to our internal and external stakeholders and most influential to our business. The assessment output identified the following high-priority topics, which inform our sustainability strategy:

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



Other topics:

- 8 Water Management
- 9 Energy Management & Usage
- 10 Board Composition
- 11 Board Oversight of ESG
- 12 Land Use & Biodiversity
- 13 Environment Management & Policy
- 14 Social Product Responsibility
- 15 Shareholder Rights
- 16 Executive Remuneration/ Sustainability Linked Pay
- 17 Water & Wastewater Management
- 18 Supplier Diversity
- 19 Product Quality & Safety

- Environmental (orange circle)
- Social (yellow circle)
- Governance (blue circle)
- Highest Priority (white circle)

United Nations Sustainable Development Goals

At Choice, we take inspiration from the United Nations Sustainable Development Goals (UN SDGs) to inform and guide our sustainability efforts.

We are focused on five UN SDGs that align closely with our business model and help fuel our efforts to build a better tomorrow for people and the planet.



Good Health and Well-Being

To promote wellbeing, we continue to advance our health and safety programs and offerings to support our associates, guests, franchisees and their staff. At the height of the COVID-19 pandemic, Choice launched the Commitment to Clean program to enhance best practice guidance for cleaning, disinfecting, hygiene and social distancing, helping create a safer environment as well as efficiencies that are still in use today.

Our Total Rewards program for Choice's corporate associates continues to evolve with the recent additions of Wellbeing and Cultural

Days, enabling employees to take time off to refresh and recharge, as well as celebrate cultural holidays that are significant to them. Mental and financial health resources are also included in the Total Rewards benefits.

We give back to our communities through numerous partnerships, including the American Red Cross. In 2023, Choice was a member of the Annual Disaster Giving Program and committed \$250,000 to support the Red Cross' disaster relief efforts. Hotels also get involved by hosting blood drives to help ease national blood shortages.

LEARN MORE

- > 34 [Associate Health and Wellbeing](#)
- > 35 [Associate and Guest Safety](#)
- > 38 [Community Investment](#)



Gender Equality

We are committed to fair and competitive pay. We have also set aspirational goals to strengthen associate diversity at all levels across the organization. We annually review our performance against these goals and work to address any gaps.

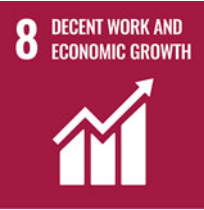
To support female entrepreneurs and create pathways to hotel ownership, we launched HERTels by Choice and partner with organizations that empower women and their development. We've also set an aspirational goal to increase the percent of net unit growth deals

sold with woman ownership by 50% by 2025, from a 2022 baseline.

All of our corporate associates are further supported through our Choice Resource Groups – including the Women's Business Alliance and Choice Working Parents group – and our Total Rewards program, which offers flexible work arrangements, comprehensive leave programs for parents, back-up child and elder care, fertility benefits, transgender-inclusive health insurance benefits and additional resources to support work-life balance.

LEARN MORE

- > 25 [Choice Resource Groups](#)
- > 29 [Franchise Diversity](#)
- > 34 [Fair and Competitive Pay](#)
- > 34 [Associate Health and Wellbeing](#)



Decent Work and Economic Growth

Through our franchisee-focused business model, we actively strengthen job creation by supporting small business owners and entrepreneurs, creating pathways to hotel ownership and multi-generational wealth. We invest in technology and innovation, and Choice was the first hotel company to migrate to a cloud-based property management system (PMS). We are committed to fair and competitive pay and providing a healthy, safe and supportive environment for our corporate and managed hotel associates. We offer our franchisees extensive training and resources through our award-winning Choice University platform to equip them to foster a positive culture on property with their teams and deliver an outstanding guest experience.

LEARN MORE

- > 34 [Fair and Competitive Pay](#)
- > 35 [Associate and Guest Safety](#)
- > 36 [Human Rights](#)

We condemn human trafficking in all forms. In 2023, after conducting an assessment of our human trafficking prevention approach, we refreshed our training programs and resources. We are a sponsor of PACT (Protect All Children from Trafficking), formerly ECPAT-USA, and a signatory of the Tourism Child Protection Code of Conduct. In 2023, Choice Hotels committed to donating \$250,000 to the American Hotel & Lodging Association Foundation’s No Room for Trafficking Survivor Fund over the next five years. We also contributed \$25,000 to PACT as a Catalyst for Protection sponsor, and \$25,000 and 2.5 million Choice Privileges points to the Polaris Project, an organization that supports human trafficking survivors and their dependents. We also work with Safe Stays by ReloShare Alliance to provide emergency lodging for victims of abuse and violence.



Reduced Inequalities

Inclusion and diversity are at the core of Choice’s values and principles. Our comprehensive Diversity, Equity and Belonging (DEB) strategy includes policies and programs that foster an inclusive organization and expand opportunities for all. Our commitment to fair and competitive pay further underscores our dedication to achieving greater equality. In 2023, we were honored to be on Forbes list of 2023 Best Employers for Diversity, as well as the Disability:IN list of 2023 Best Places to Work for Disability Inclusion.

Choice has a long history of supporting hotel ownership opportunities among underrepresented groups. The continued growth of our Emerging Markets franchise

development program demonstrates our commitment to supporting underrepresented entrepreneurs in reaching their goal of hotel ownership. Since the program began almost 20 years ago, Choice has awarded and financially supported more than 370 franchise agreements with underrepresented minority and veteran entrepreneurs. We’ve also set aspirational goals to help drive our efforts in this area.

Our 12 Choice Resource Groups (CRGs) contribute to, amplify and advance our DEB initiatives by empowering associates to cultivate their career paths through networking, mentoring and resources to promote career development. Each CRG is sponsored by an executive team member.

LEARN MORE

- > 21 [Diversity, Equity and Belonging](#)
- > 25 [Choice Resource Groups](#)
- > 29 [Franchise Diversity](#)
- > 34 [Fair and Competitive Pay](#)

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Responsible Consumption and Production

Choice's Commitment to Green initiative provides franchisees with training and resources to positively impact the environment. This includes rolling out a property-level Energy Collection and Management Utilities Savings Dashboard (utilities tracking dashboard) across all domestic brands. The objective is to automate electricity, fuel and water consumption data collection from hotels' utility companies from the outset, creating robust and reliable data while simplifying data collection and monitoring for our owners. This will provide better data tracking and insights to help franchisees reduce their utility usage and identify opportunities for additional cost savings.

LEARN MORE

- > 42 [Commitment to Green](#)
- > 48 [Climate and Energy](#)
- > 50 [Water](#)
- > 51 [Waste](#)
- > 52 [Responsible Sourcing](#)





Our commitment also includes our Room to be Green program, which we refreshed in 2023 to add a new, more ambitious level of sustainability certification and broaden the focus of the program's five key pillars – energy, water, waste, engagement and biodiversity.

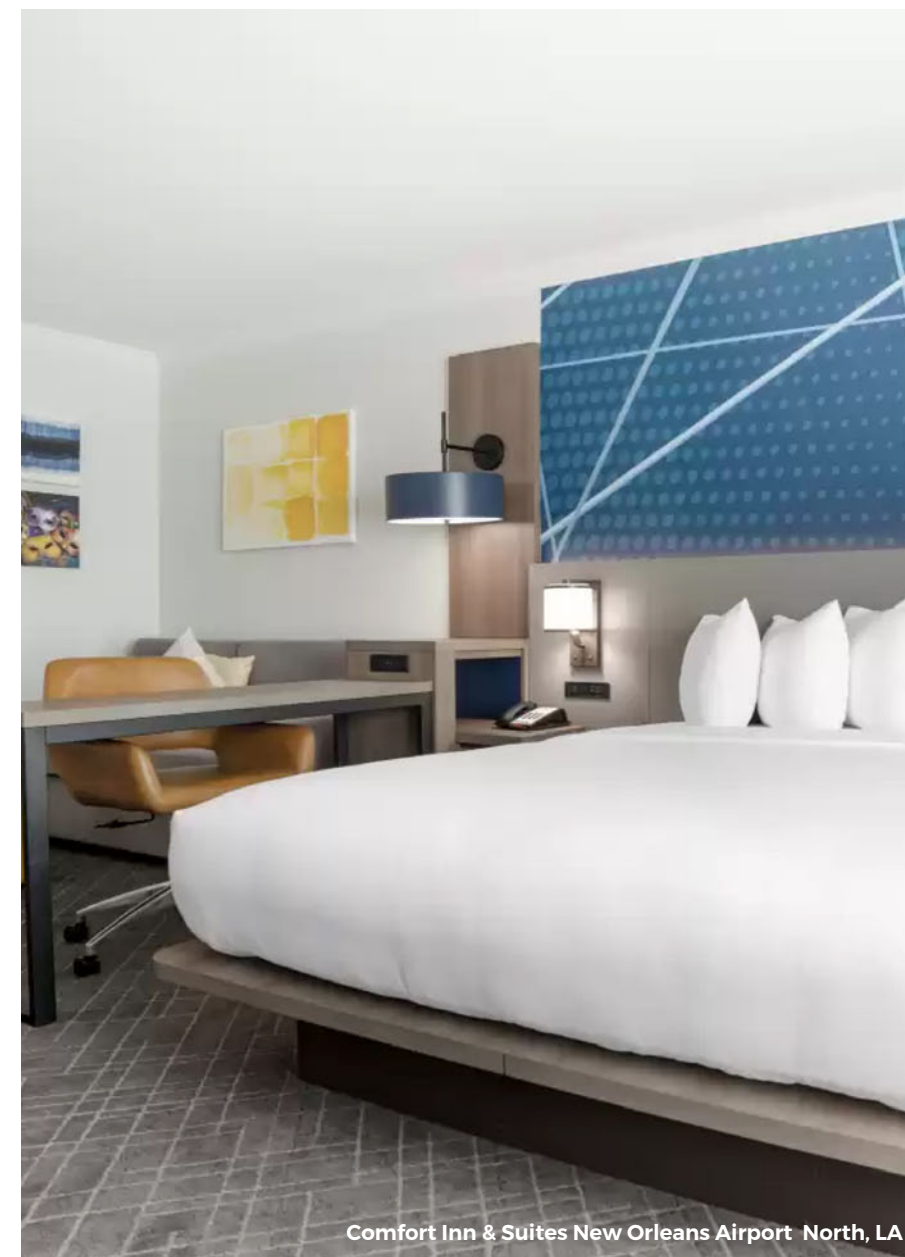
Our linen and towel reuse and Housekeeping Upon Request programs support water reduction, while our required laundry program with Ecolab offers opportunities to reduce the use of chemicals and detergents in laundry cycles. Many of our hotels also partner with the non-profit Clean the World to collect, recycle and re-distribute soap to populations in need in the U.S. and developing countries.



Comfort Inn South, Brossart, Quebec

Sustainability Memberships and Associations

ORGANIZATION	ACTION	CHOICE'S IMPACT
	<p>American Hotel & Lodging Association (AHLA)</p> <p>Supports and advocates for the hospitality industry as the largest hotel association in the U.S. representing all segments of the industry.</p>	<ul style="list-style-type: none"> Choice participates in AHLA's Sustainability Committee, a forum for knowledge sharing on sustainability topics that impact the hotel industry. Choice is an inaugural member of AHLA's Responsible Stay initiative focused on energy efficiency, waste reduction, water conservation and responsible sourcing practices. Choice is an inaugural member of AHLA Foundation's No Room for Trafficking Advisory Council, which unites top leaders in the hotel industry in the fight against human trafficking.
	<p>Sustainable Hospitality Alliance</p> <p>Promotes responsible hospitality for a better world and drives collaboration for a more sustainable future.</p>	<ul style="list-style-type: none"> Choice joined this association in 2022, becoming one of the largest members of the Alliance.
	<p>U.S. Chamber of Commerce</p> <p>Promotes job creation and economic growth.</p>	<ul style="list-style-type: none"> Choice is part of the ESG Working Group, which helps educate and inform businesses on emerging ESG issues.
	<p>U.S. Travel Association</p> <p>Promotes responsible travel to increase travel to and within the United States.</p>	<ul style="list-style-type: none"> Choice participates in the Sustainable Travel Coalition, which supports members in developing strategies and advancing policies to enable a more sustainable future.



Comfort Inn & Suites New Orleans Airport North, LA

Notable Rankings and Awards



2023 Top Women in Travel & Hospitality - Noha Abdalla, chief marketing officer



Newsweek: America's Most Trustworthy Companies 2023



Fortune: America's Most Innovative Companies 2023



2023 Best Places To Work For Disability Inclusion Disability Equality Inclusion (DEI) received a score of 100



Forbes 2023 Best Employers for Diversity



Forbes 2023 Best Midsize Employers



Forbes World's Top Companies for Women 2023



Forbes America's Best Employers for Veterans 2023



Comparably Best CEO for Diversity 2023



Comparably Best CEO for Women 2023



Comparably Best Leadership Team 2023

> Learn more about [Choice's accolades](#) and the reason we're receiving recognition.

PEOPLE

Our focus on creating a better future drives our efforts to improve the associate experience, continuously enhance support for our franchisees, and advance the wellbeing of all of our team members and guests. From professional development programs and diversity, equity and belonging initiatives, to our service in the community, we bring people together to build a better tomorrow.

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](#)

Diverse Workforce

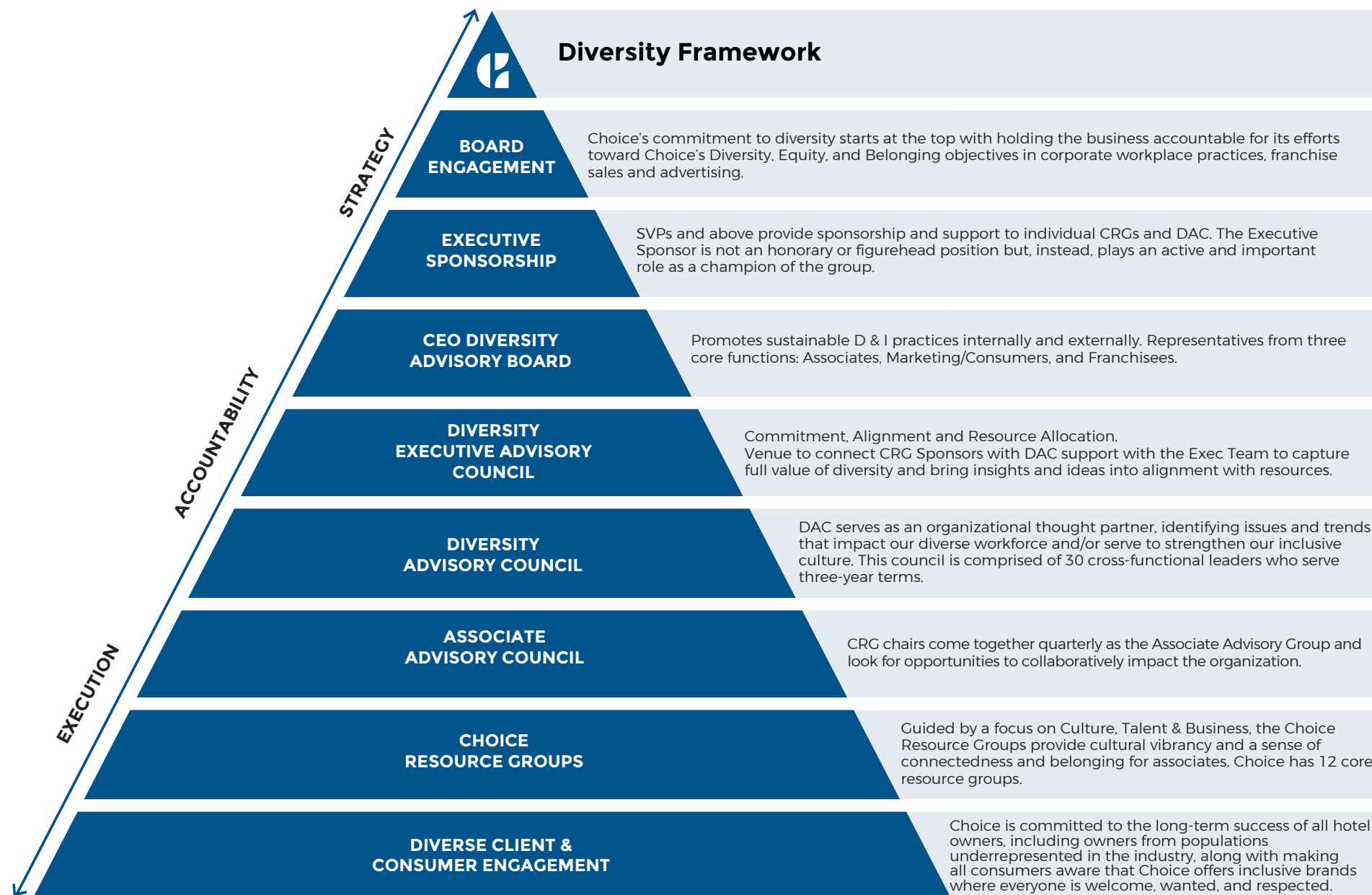
Choice has a longstanding commitment to Diversity, Equity and Belonging (DEB), going back more than 80 years to our founder Stewart Bainum, Sr. and his family.

Promoting a culture where everyone feels “welcome, wanted and respected” has been part of our DNA from the company’s very beginning. Today, we continue to focus on Diversity, Equity and Belonging because we’ve seen firsthand how diverse perspectives, backgrounds and experiences add value to our business. We are committed to cultivating an inclusive and diverse workforce, supporting and empowering our associates and franchisees.

DIVERSITY Aspiring for the Choice workforce to be an authentic representation of the world we live in and where associates from different backgrounds thrive.

EQUITY Commitment to providing fair and competitive pay for all associates, regardless of gender, race or other demographics.

TRUST, BELONGING AND ENGAGEMENT Commitment to foster a culture of belonging where associates are inspired, engaged and feel welcome, wanted and respected.



Diversity, Equity and Belonging Leadership

At Choice, our DEB philosophy comes to life through a robust leadership structure which helps facilitate collaboration across the enterprise.

Our inclusive, people-centered culture starts from the top and includes our **Board of Directors**, the Board’s Diversity Committee, the CEO Diversity Advisory Board and the Diversity Advisory Council (DAC).

In 2023, Choice initiated Diversity, Equity and Belonging quarterly reviews with executive leaders, specifically to drive collaboration for DEB goals.

Board Diversity Committee

The Diversity Committee of the Board oversees the advancement of diversity, equity and belonging in all aspects of the company’s business, including Choice’s workplace culture, diverse franchise development, marketing and community outreach, and philanthropy. Committee members report progress and opportunities and engage in rich dialogue with leadership at least twice a year. Choice’s Board members have a high degree of engagement on this topic, and frequently all Board members attend this committee’s meetings.

CEO Diversity Advisory Board

The CEO Diversity Advisory Board is composed of an internal team that aims to represent associate, franchisee and guest stakeholder groups. Members meet regularly with the CEO to review opportunities, initiatives and efforts around DEB at the enterprise level.

Diversity Advisory Council

The Diversity Advisory Council, sponsored by our Executive Vice President, Operations & Chief Global Brand Officer, is composed of 30 cross-functional leaders who serve three-year terms, with our Chief Human Resources Officer and General Counsel serving as permanent members. The DAC identifies trends and issues in diversity and inclusion; offers input and insights into corporate initiatives, ranging from core business practices to corporate strategic objectives; prepares business leaders to leverage the full power of diversity within their teams; and serves as a model of inclusive practices. The DAC was instrumental in helping Choice develop and roll out our DEB framework. In 2023, the DAC undertook several projects to help support leaders in meeting the changing needs of today’s workforce. The projects delivered tools and resources focused on wellbeing, fostering a sense of belonging, facilitating career mobility, and leading with empathy and flexibility.



Board Diversity

Total Number of Directors: 11

	Female	Male
Gender	3	8
Self-Identified Demographic Background		
African American or Black	1	1
Asian	–	1
Hispanic or Latinx	–	1
White	1	7
Other	–	–
Two or More Races or Ethnicities (counted in each)	–	2
Prefer Not to Disclose Demographic Background	1	–

Associate Diversity

Diversity of thought, experience and background is key to creating a strong business and strong teams. Diverse teams drive creativity and innovation, enrich our people-centered and inclusive culture, and enable us to better serve our customers.

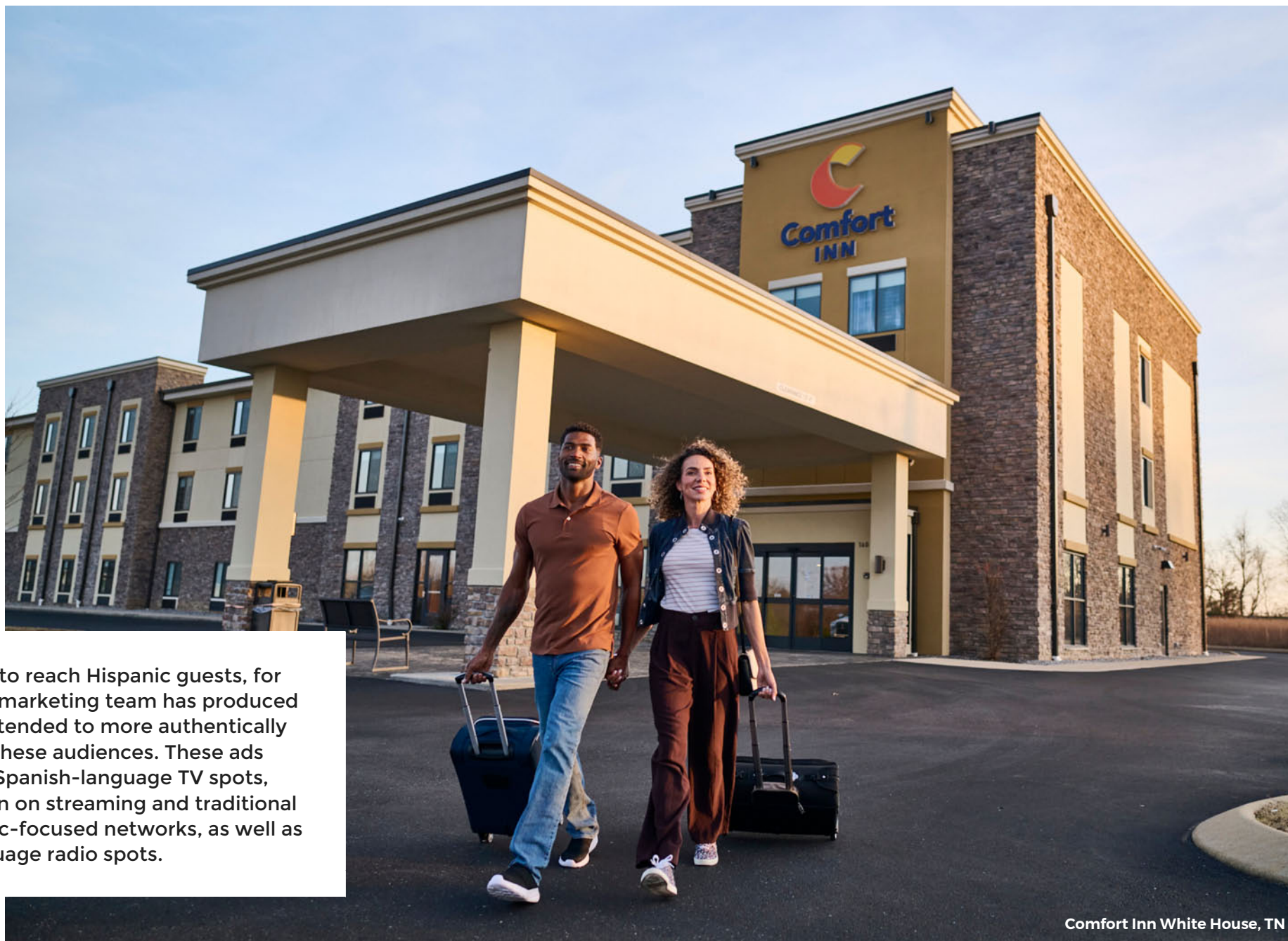
At Choice, we value and seek diverse ideas and talent. We actively work to develop wide-reaching talent pipelines to attract top talent. We are committed to providing an opportunity for all associates to advance their careers and reach their full potential.

While our Diversity, Equity and Belonging efforts have continuously evolved and strengthened over the years, we believe it is imperative to continue to seek opportunities for evolution. To that end, we refreshed our understanding of the available talent pools in early 2023 by reviewing the updated U.S. Census and set new five-year aspirational demographic representation goals for our workforce. We are pleased that we have already made progress towards such goals.

GUEST DIVERSITY

Choice is committed to promoting a culture of respect and a welcoming spirit to everyone. To further convey our inclusive values to our current and potential guests, associates and franchisees, we are creating strong advertising and marketing programs to reach a wider audience, as well as demonstrate authentic representation of our diverse guests. As part

of our efforts to reach Hispanic guests, for example, our marketing team has produced advertising intended to more authentically engage with these audiences. These ads include both Spanish-language TV spots, which may run on streaming and traditional TV on Hispanic-focused networks, as well as Spanish-language radio spots.



Comfort Inn White House, TN

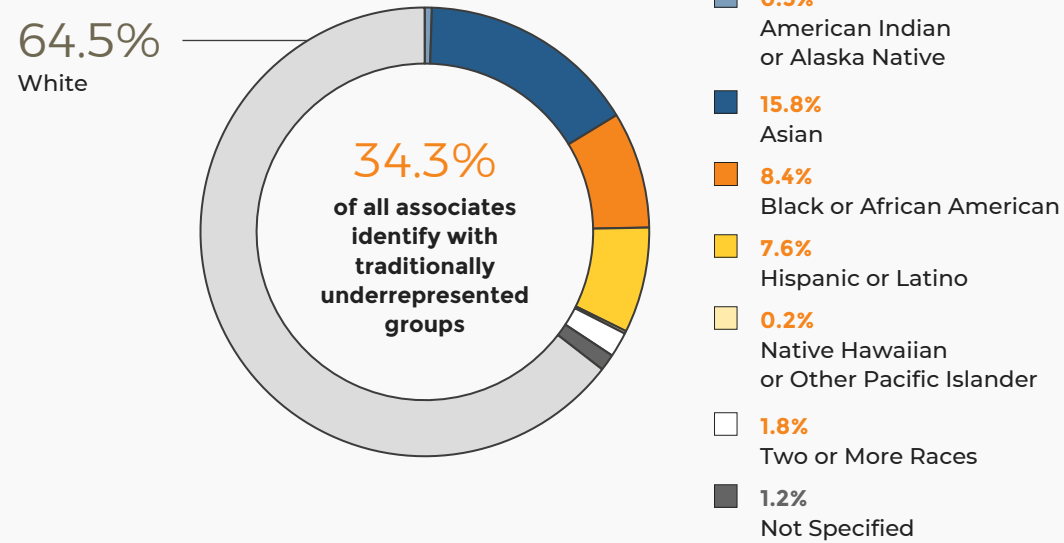
> See the latest [Choice EEO-1 Report](#) for more information.

Workforce Representation

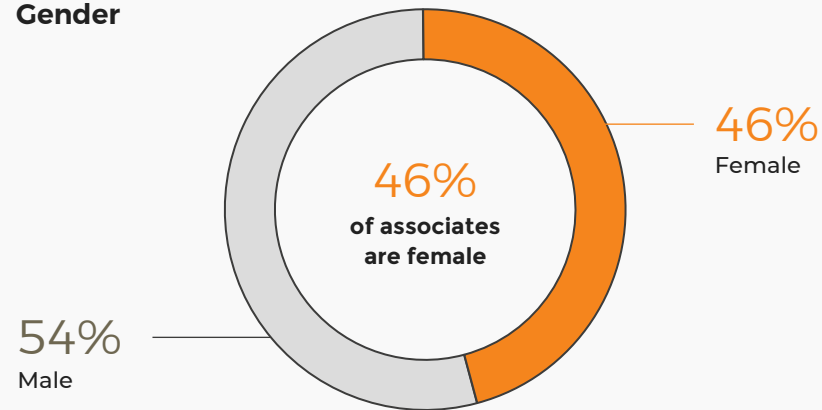
As of year-end 2023, Choice had nearly 1,800 global corporate associates and nearly 1,000 hotel employees in the managed hotel division. The charts below provide aggregated gender, racial and ethnic data for our ~1,640 domestic corporate employees.

ALL ASSOCIATES¹

Ethnic and Racial Demographics

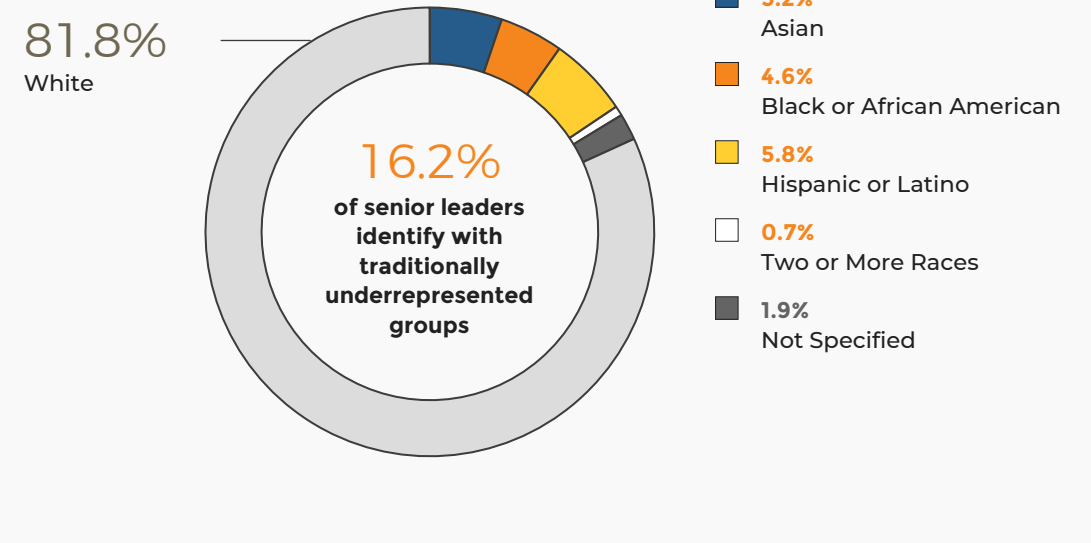


Gender

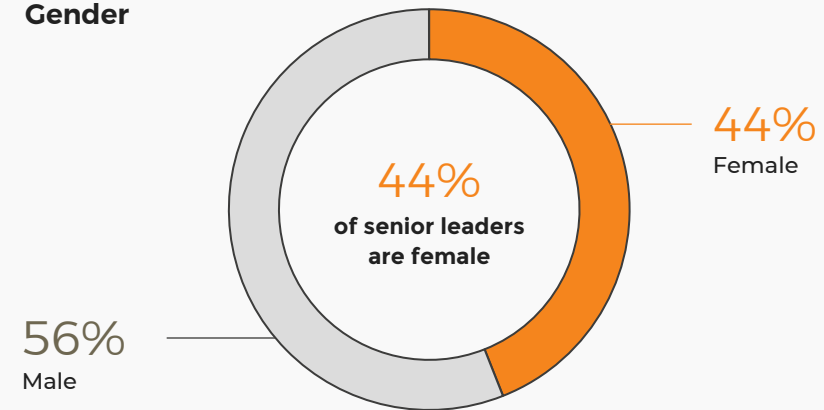


SENIOR LEADERSHIP²

Ethnic and Racial Demographics



Gender



1. U.S.-based, corporate roles.
2. Senior Director level and above.

Recruitment

Our ongoing recruitment efforts seek to attract new diverse talent to all levels of the organization. We also prioritize internal movement and growth by supporting our associates through professional development, mentorship, career planning and resource groups. Our commitment to providing equal employment and advancement opportunities to all associates and applicants is highlighted on our [career website](#).

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 seek to leverage inclusive slates. A representative interview panel also aids in the assessment process.

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 service project. Students gain an insider's view of hospitality including franchise operations, sales, strategy, finance and technology.

Choice's talent acquisition team also participates in career fairs with our partner organizations, college campuses and events, including those focused on underrepresented demographic groups such as the AfroTech, National Black MBA Association conferences, ALPFA (Association of Latino Professionals For America), and ACEL (Asian Corporate & Entrepreneur Leaders).

Choice Resource Groups

Choice Resource Groups (CRGs) are an integral part of our culture of inclusion as they bring people together, provide networking and career development opportunities, promote and cultivate leadership skills, and raise cross-cultural awareness. The employee-led, leadership-supported groups, which are open to all employees, focus on three main pillars – talent, culture and business – and advance our DEB and business initiatives. Each of our CRGs is supported by an executive sponsor.

In 2023, we welcomed a new CRG – the Green Team – focused on driving environmental awareness, adoption of sustainable practices and a reduced ecological footprint. Members have spent the first few months organizing inaugural events, providing education and awareness around the Green Team's mission, and boosting membership.

Last year, our CRGs orchestrated a multitude of events, activities and workshops tailored for associates. Offerings encompassed networking opportunities, career advancement and learning initiatives, and collaborative engagements within the community. These included the annual bike drive for Operation Homefront military families, organized by VALOR, as well as the Women's Build project supported by the Women's Business Alliance (WBA) in partnership with Habitat for Humanity. The CRGs also hosted a variety of events to showcase Choice's culture and values including HOLA's participation in ALPFA's Regional Student Symposium, facilitating mock interviews with students to connect them with internships and open positions, and a Women's Networking event celebrating female entrepreneurs in Hispanic leadership.



Each CRG included programs and initiatives that focused on elements of associate wellbeing that were important to the CRG's mission. For example, our abilities-focused resource group, ENABLE, organized a discussion on mental health to address the societal stigma around disabilities in the workplace and CHARGE conducted an interactive "fireside chat" discussion on workplace microaggressions.

In 2024, the Women's Business Alliance will pilot a new mentoring platform, MentorCliQ, to seamlessly connect CRG members with mentors.

> Learn more about our [CRGs and their missions](#)

ADELANTE
HISPANIC ALLIANCE

Adelante Hispanic Alliance

Mission: Harness the power of diverse thinking, to build a community of associates who are engaged in the Hispanic community and want to make an impact for Choice Hotels' Consumer, Company and Community.

CHOICE
Words

Choice Words

Mission: Choice Words empowers individuals to become more effective communicators and leaders through development of communication and leadership skills.

CHAARGE
CHOICE HOTELS AFRICAN AMERICAN RESOURCE GROUP FOR EMPLOYEES

Choice Hotels African American Resource Group for Employees (CHAARGE)

Mission: CHAARGE leverages the diverse talents and experiences of Choice's African American associates to assist in the execution of the company's strategic business objectives, creating long-term stakeholder value.

VALOR
VETERANS ARE LOYAL ORGANIZATIONAL RESOURCES

Veterans Are Loyal Organizational Resources (VALOR)

Mission: VALOR makes a positive difference in the lives of veterans and their families through acknowledgement of service and sacrifice, promoting stewardship and assisting with needs.

CHAAMP CHOICE HOTELS ASIAN AMERICAN PROFESSIONALS

Choice Hotels Asian American Professionals (CHAAMP)

Mission: CHAAMP brings the organization's Asian community together, serves as a business resource for Choice and provides support around diversity.

CWP CHOICE WORKING PARENTS

Choice Working Parents (CWP)

Mission: CWP connects working parents across Choice, provides networking and professional growth opportunities, and supports initiatives and policies that impact working parents.

ENABLE
Awareness, Access, Advantages & Advocacy for All Abilities

ENABLE

Mission: ENABLE increases awareness, access and advocacy for people with disabilities at Choice and unleashes the unique contributions of people with different abilities.

YPA YOUNG PROFESSIONALS ALLIANCE

Young Professionals Alliance (YPA)

Mission: YPA offers networking and development opportunities designed for associates who are early in their careers, to connect members socially and professionally, promote career development, and act as a sounding board.

NOODLEGROUP

NoodleGroup

Mission: The NoodleGroup taps into the diversity of thought, perspective and wisdom of individuals within Choice to ideate and/or provide feedback on enterprise projects or business challenges.

WOMEN'S
BUSINESS ALLIANCE

Women's Business Alliance (WBA)

Mission: WBA connects Choice women with one another socially and professionally, promoting the growth and development of women.

PRIDE CHOICE PEOPLE, RESOURCES, & INSIGHTS DEDICATED TO EQUALITY

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

Mission: PRIDE provides educational opportunities and enhances Choice's standing in the corporate community as it relates to LGBTQ+ associates, suppliers and guests.

green
TEAM

Green Team

Mission: The Green Team drives environmental awareness among Choice associates to encourage the adoption of sustainable practices and lifestyles at work and beyond.

> Learn more about our [CRGs and their missions](#)

Diversity Partners

Choice partners with and supports a wide array of organizations that actively work to advance diversity, equity and belonging.

Our financial support helps to further their important work and, in exchange, Choice is enriched with thought leadership, training content and expertise, and the opportunity to benchmark our work. These partnerships directly support our efforts to develop our talent pipelines and to grow and retain our current associates across all of the various demographics that comprise 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



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

Executive Leadership Council

One example of the power of our partnerships can be seen through our work with the Executive Leadership Council (ELC), a national program composed of current and former Black CEOs, executives and senior leaders at Fortune 100 companies, dedicated to building a pipeline of Black leaders in corporate America. In 2023, for the third year in a row, we committed \$100,000 to sponsor the ELC and support scholarships for students enrolled in Historically Black Colleges and Universities and provide development opportunities for Choice associates. The opportunities included an in-house Raising Skills and Influence for Excellence (RISE) program, a development program for individual contributors, as well as attendance at ELC's renowned Mid-Level Manager Leadership Symposium. Choice guests also have the opportunity to support the ELC by redeeming Choice Privileges points to drive further donations to the organization.

Other Partnerships

Other significant partnerships we continue to foster include the Human Rights Campaign and Disability:IN. We participate in their survey processes annually and leverage our results to enhance the associate experience. We are also actively engaged with local community events for both organizations. In addition, our partnership with Spectrum Knowledge/Elevate provides rich learning and development opportunities for CRG leaders on topics from resource group strategy, to executive sponsor alignment and other leadership skills.

At the close of 2022, we entered into new partnerships with the Association of Latino Professionals For America (ALPFA) and the National Hispanic Corporate Council (NHCC). These organizations have expanded the development of our talent pipeline through sponsorship and attendance at national and local career events. Additionally, at the end of 2023, we developed a partnership with Asian Corporate & Entrepreneur Leaders (ACEL) and with the National Center for Transgender Equality (NCTE).

HOSPITALITY MANAGEMENT TRAINING PROGRAM

Endeavoring to strengthen the pipeline of Black talent in hospitality leadership, Choice Hotels and Concord Hospitality Enterprises co-created a program to bridge the transition from Historically Black Colleges and Universities into meaningful careers in hospitality leadership. The program is sponsored by Choice, administered and led by Concord Hospitality, and hosted at one of Choice's Cambria-branded properties. Students participate in a six-month, rotational program that provides exposure to all facets of the business and includes hands-on coaching. Upon successful completion, participants have the opportunity to pursue full-time managerial positions with Concord.

Four students from Morgan State University have successfully completed the program and have been hired into entry level leadership roles since the program's inception in 2021.



Je'Lynn Gould, Morgan State University graduate

Choice engages with HBCUs to strengthen the pipeline of future diverse talent in the hotel industry and has developed a close partnership with Morgan State University. Members of our African American Resource Group for Employees (CHAARGE) work with the university to support students through career events and guest speakership opportunities.



Franchise Diversity

Choice continues to be a leader in creating hotel ownership opportunities for underrepresented minority entrepreneurs. In 2023, the number of agreements signed with Native American hotel owners doubled over the prior year and the number of agreements with Hispanic and Latino owners increased by 30%. Nearly 70% of our franchises are owned by Asian Americans, with many first-, second- and third-generation owners from the same families. We continue to strengthen and expand our Emerging Markets Program, which was developed 20 years ago to establish relationships within the African American, Hispanic, Native American, women and veteran communities.

LEADING THE INDUSTRY

Choice was the first hotel company with a dedicated team solely focused on extending the opportunity of hotel ownership to underrepresented populations.

Choice offers a variety of financial incentives and educational opportunities for new franchisees. In connection with the Emerging Markets program, we have awarded and financially supported more than 370 franchise agreements with diverse participants since 2004. In 2023, we added a new team member to our program to further expand our outreach to underrepresented communities and we increased our attendance at LGBTQ real estate professionals conferences. In total, the Emerging Markets team executed 28 new franchise agreements last year, including with African American, Hispanic, Native American, veteran and women entrepreneurs.

In 2020, Choice became the only hotel company to have a franchisee advisory group dedicated to Black and African American hoteliers. The Choice Hotels Owners African American Alliance (CHOAAA) was created to further

representation, support and advocacy for Black and African American hoteliers. CHOAAA members collaborate directly with the Choice Executive Leadership Team and meet with the Emerging Markets program team quarterly to discuss current and future challenges and opportunities in the hotel industry for Black and African American owners.

In an effort to strengthen the pipeline of female franchisees, Choice launched and continues to enhance **HERtels by Choice**, a program designed by women for women to empower female entrepreneurs throughout their hotel ownership journeys. In 2023, we signed 17 agreements with female owners. We also held our first HERtels development seminar, with nearly 40 franchise owners, general managers and hotel associates in attendance. The event empowered female owners with a day of training, education sessions and networking opportunities. To date, approximately 80 women have participated in the HERtels by Choice program, leading to 59 new female-owned hotels.

Choice is engaged with **several partners** who are helping us to adopt and implement strategies and efforts in pursuit of our franchise diversity goals.

CREATING COMMUNITY CONNECTION

Choice's Emerging Markets Program is working with several new hotel owners to create boutique hotels that offer a unique culture and vibe, connect with the local community and help energize city centers. Currently under construction, La Creole Inns and Suites in Lafayette, Louisiana, is being designed around the theme of Zydeco music indigenous to the region. It is set to open in 2025.



RECOGNITION OF A DIVERSITY CHAMPION

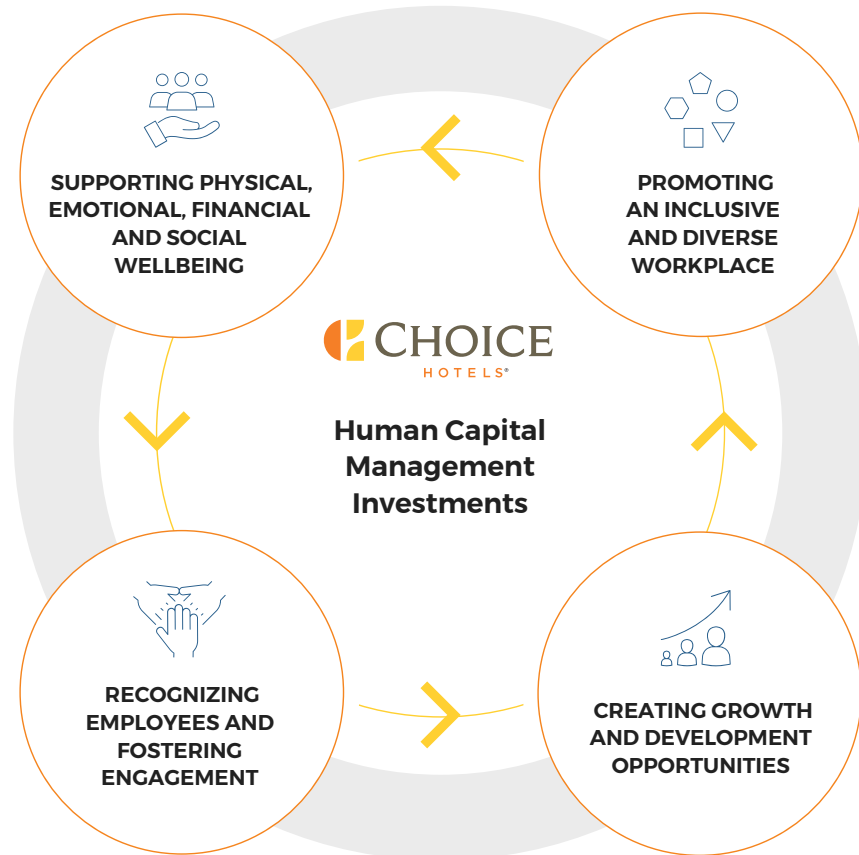
Choice's Vice President of Emerging Markets Franchise Development John Lancaster received the 2023 NABHOOD Chairman Award for demonstrating outstanding achievement in bringing more diverse hotel owners into the industry. In addition to his role at Choice, he serves on multiple prominent industry-level boards.



The Associate Experience

Choice invests proactively in our DEB and human capital management initiatives as we continue to strengthen and enhance the associate experience.

These efforts are key to attracting and retaining top talent, which is what enables our long-term business success. We strive to create an associate experience that focuses on growth and development, health and wellbeing, engagement and belonging.



Associate Development and Training

We are committed to providing our associates with the resources and opportunities they need to thrive. Our Chief Talent and Culture Officer, a recently created position that reports directly to our Chief Human Resources Officer, oversees our strategies to evolve and improve the associate experience, from supporting candidates in the initial stages of their Choice career to developing the next generation of leaders.

Feedback Culture

To support associates' career growth, we promote a feedback culture that incorporates numerous touchpoints throughout the year. Our Coaching for Performance and Growth (CPG) 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. Additionally, formal check-ins occur several times a year to provide ongoing feedback and performance calibrations. Leaders also have the opportunity to participate in 360 assessments and may receive executive coaching.

Leadership Training

Leadership training is offered for different stages of our associates' careers. Our three marquee leadership programs include:

- **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.

LEADERSHIP CONNECTIONS

In 2023, we launched a monthly leadership series called Leadership Connections to facilitate peer-to-peer coaching through discussions and content sharing. Each session is facilitated by a different leader and topics of interest are crowdsourced. They include fostering a culture of wellbeing, leading with empathy and flexibility, facilitating career mobility and creating belonging in a team. These topics align with the Diversity Advisory Council's initiative to boost inclusive leadership skills.



SPOTLIGHT: NEW CHOICE HEADQUARTERS

Choice’s new worldwide headquarters – at the mixed-use Pike & Rose development in North Bethesda, Maryland – is designed with the associate experience and wellbeing in mind, as well as environmental sustainability.

In developing the new headquarters, there was an intentional focus on creating collaborative spaces, incorporating wellness rooms, and adding numerous amenities, such as a fitness center and a cafe.

Ample natural light benefits both our associates and the sustainability of the building. Additional green features include a highly efficient dedicated outdoor air system, electric vehicle (EV) charging stations, proximity to a nearby metro station, lighting occupancy sensors and a partial green rooftop.

The new headquarters, which officially opened in December 2023, is located in a building development that earned Leadership in Energy and Environmental Design (LEED) certification for Neighborhood Development (LEED ND), which recognizes projects that look beyond the scale of buildings to consider entire communities. The building is also targeting LEED Gold certification.



Key wellness and sustainability features include:



Abundant natural light throughout



Partial green roof and terrace with pollinator-friendly plants



EV charging stations



Lighting occupancy sensors



Walkability to nearby restaurants, retail, and metro station



Dedicated wellness rooms and a fitness center

Robust Education Opportunities

As the needs of our business evolve, we continue to invest in training that supports associates’ professional development. Our online education portal, myLearning, is home to dozens of instructor-led training and development courses on topics such as coaching, business acumen and change management. Associates are required to complete annual compliance courses on topics of anti-harassment, ethics, security and privacy awareness, and phishing. Additional courses are required based on management level and role, such as anti-corruption, insider trading, Health Insurance Portability and Accountability Act (HIPAA), General Data Protection Regulation (GDPR) and Payment Card Industry (PCI) Secure Coding.

We also recently partnered with LinkedIn Learning to provide our associates with access to their extensive online training library, including over 6,000 courses covering a wide range of topics. In 2023, our associates voluntarily completed more than 1,000 learning courses and viewed close to 36,000 training videos.

We also offer a variety of options for associates to delve more deeply into DEB topics. Our Welcome, Wanted and Respected – It’s Good for Everyone training focuses on raising awareness of unconscious bias. Other examples include Inclusion Starts with an I and Courageous Conversations, which facilitate difficult discussions around race.

Promoting Internal Mobility and Retention

Our CPG model and leadership training programs are designed to support opportunities for internal mobility, which is integrally linked to employee satisfaction and retention. Over the past year, as part of the Radisson integration, our associate teams shifted from a functional to customer-centric structure to support the business and our brands. This structural change led to internal mobility opportunities at all levels of the organization. In addition, we 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.

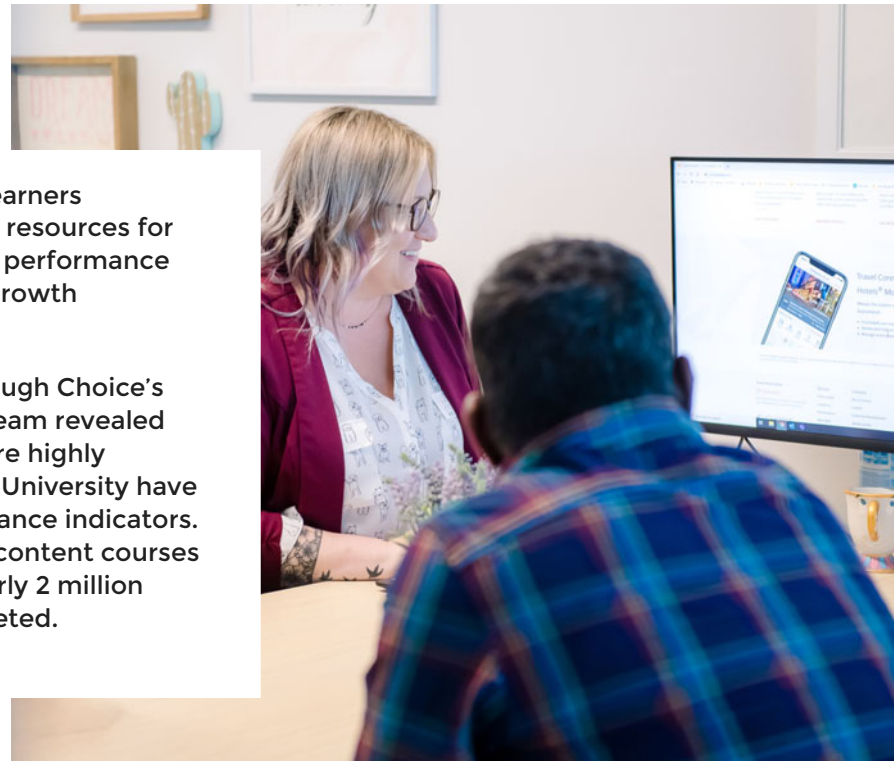
Our corporate voluntary attrition rates were significantly lower in 2023 than in the past two years, which we believe reflects associate satisfaction, as well as adjustments to the “new normal” of the post-pandemic workplace. While voluntary attrition rates have been more favorable than our internal 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.

FRANCHISE EDUCATION AND TRAINING

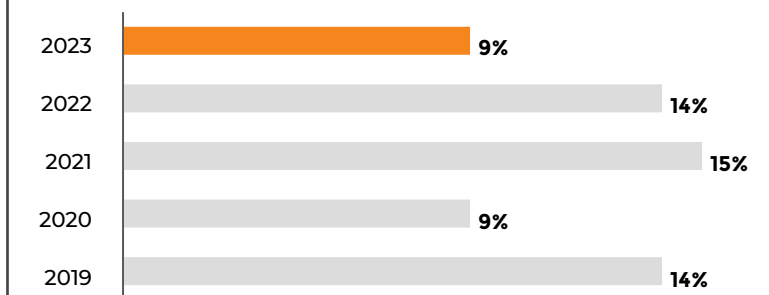
Choice University is the most widely awarded learning program in the hospitality industry. Through this platform, we provide resources, training and certification opportunities for our franchise owners through online, self-paced, virtual-live and in-person classroom activities. Franchisees have access to unlimited 24/7 personalized learning experiences through our online ChoiceU.com learning management system. Content is tailored to an individual’s brand and job function, and is designed to meet the ever-changing needs of the business and industry. Interactive roadmaps called

Learning Maps help learners navigate role-specific resources for onboarding, speed to performance and career mobility, growth and development.

An internal study through Choice’s Advanced Analytics team revealed that properties that are highly engaged with Choice University have elevated key performance indicators. In 2023, nearly 2,300 content courses were offered and nearly 2 million trainings were completed.



Corporate Voluntary Attrition



Associate Engagement

Our business strategy, including the ongoing health, success and continuous improvement of our organization, is intricately linked to the level of engagement of our teams. We want our associates to feel valued, heard and engaged. We regularly seek and incorporate associate feedback into our policies and practices, as well as our operations.

We encourage frequent communication between leaders and associates. In addition to using the Coaching for Performance and Growth process, Choice executives host several All Associates Meetings each year to give company-wide updates, and leaders hold regular department town hall meetings. In 2023, we also brought back some activities that were popular before the pandemic, including our “Table for 10” opportunity for associates to network with leaders in small groups.

A variety of confidential surveys are utilized to provide additional opportunities for honest feedback and to better understand 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. In 2023, we also sought input on our culture and DEB initiatives through our Diversity, Equity and Belonging survey. Through our survey partner, Glint, we are able to receive survey results quickly, search for themes and gain deeper insights into open-ended comments.

Our annual Choice Engagement survey is also a critical tool for assessing associate satisfaction. We continue to achieve engagement scores above the peer benchmark, meaning associates have a positive commitment to our organization and goals.

Consistent strengths include an overall understanding of how work impacts objectives and owners, how well managers listen and manage, and feedback and coaching provided by managers. Top opportunities included more transparency and communication in changes made as a result of associate feedback, flexibility on remote work and expanded inclusion of associates in decision making.

Transparency of the survey results is prioritized, and people leaders review survey results with their teams. These discussions include an overview of strengths and areas of improvement, as well as creation of an action plan, regardless of scores. Key themes and feedback are presented to the Executive Leadership Team. We continually look for ways to incorporate associate feedback into our business operations, practices and culture.



Fair and Competitive Pay

We are committed to providing fair and competitive pay. To deliver on our commitment to equitable compensation decisions, Choice conducts a gender and diversity pay equity study annually on U.S.-based roles and reports the results of this analysis to the Board of Directors. During 2023, we conducted a pay equity analysis of the Choice Hotels corporate-based associate population. We promptly reviewed any identified discrepancies for similar positions (e.g., by career track, level, and/or salary grade) that cannot be explained by the level of experience, performance, and other legitimate, non-discriminatory factors. 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. Beginning in 2024, our pay equity analysis will include the managed hotel associates acquired from the Radisson acquisition.

Associate Health and Wellbeing

In 2023, we took a more holistic approach to updating our benefits program to improve the associate experience and further build an integrated culture of wellbeing through four primary areas of health: physical, mental, financial and social.

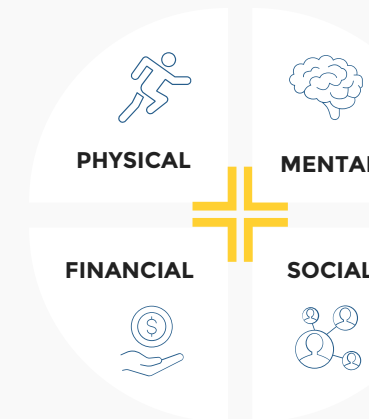
After assessing our top associate health concerns, which include stress and mental health, we shifted to a new mental health vendor that has broken down barriers to seeking and receiving care, and broadened access to a variety of services, from coaching to clinical mental health care.

We also added a financial advisory service that provides guidance from onboarding to retirement, and includes tailored personal meetings and virtual education and training.



OUR HEALTH AND WELLBEING STRATEGY

Our four-pronged strategy offers a diverse 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.



We introduced a health advocacy resource to help our associates with the burden of accessing physical health and wellbeing services, as well as supporting equitable access to healthcare.

Our comprehensive **Total Rewards program** includes services and support such as medical, dental and vision plans, financial education and 401(k) matching, wellbeing programs, back-up child and elder care, fertility benefits, transgender-inclusive coverage, and unique perks like hotel travel discounts at Choice Hotels worldwide to support work-life balance. In 2023, in addition to offering a new mental health program, we also expanded medical coverage for muscular skeletal conditions, which are among the most common chronic conditions. We regularly evaluate our Total Rewards program to support the evolving needs of our associates, both professionally and personally.

Associate and Franchisee Recognition

Associate Recognition

Recognizing the important role and impact of our associates on our business and our communities is integral to our people-centered culture. Our Champions of Choice Awards and the Values in Action Award honor the contributions and exemplary service of our Choice associates. We also have internal channels for associates to provide shout-outs for team members who have excelled in their job performance.

Champions of Choice Awards:

- **Stuart Bainum, Sr. Award** – recognizes the embodiment of Choice’s values and service contributions.
- **Coach of the Year Award** – recognizes model people managers.
- **MVP Award** – recognizes game-changing exceptional performance.

Associate and Guest Safety

The health and safety of our associates, franchisees and guests are a top priority. In 2023, we focused on increasing internal and external engagement – from expanded partnerships to franchise visits – to build awareness of our safety and security initiatives, and to help our hotels prepare to respond to risks that arise.

We provide health and safety standards for our corporate offices and owned and managed hotels, as well as best practice standards for our franchise owners. We also rely on our Commitment to Clean program, launched during the height of the COVID-19 pandemic, to engage franchisees to achieve high levels of cleanliness and address health and safety concerns through best practices and communication.

- **Innovation Award** – recognizes exceptional contributions to improve the business and work environment.

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.



2023 Best of Choice Award Ceremony

“Our goal is to have a program that reduces risks, fits our organization’s short-term goals and long-term strategies, and is employee-owned, manager-supported and company-enabled.”

ROB MUEHLBERG | HEAD OF SECURITY OPERATIONS

Human Rights

At Choice, we condemn human trafficking in all forms.

We take a proactive approach in our efforts to support human rights – from establishing an enterprise-wide policy and providing training, to forming partnerships with human trafficking prevention organizations that offer essential tools and resources for our hotels. We continue to equip our hotels with training and best practices to help drive awareness and prevent human trafficking.

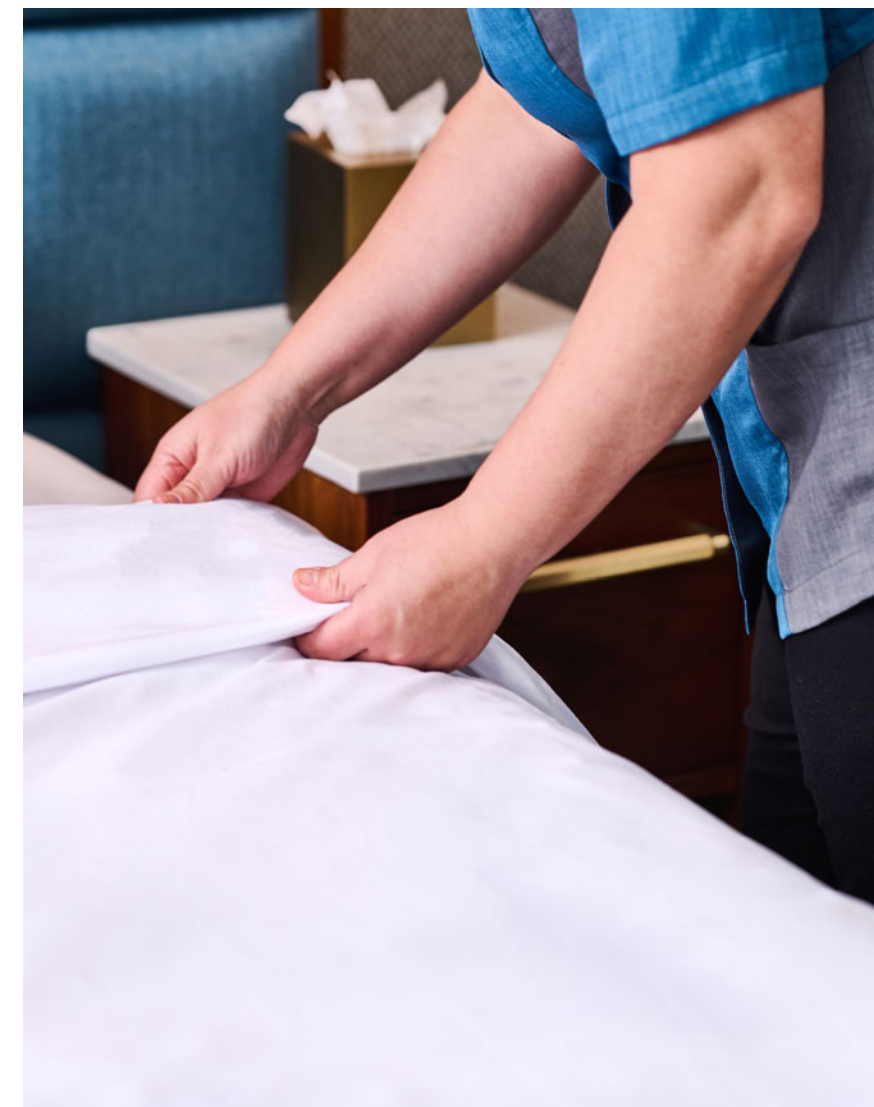
HUMAN RIGHTS POLICY

Our [Human Rights Policy](#) outlines our commitment to ethical, non-exploitative and non-discriminatory business conduct. We are committed to conducting our business in a manner consistent with the principles contained in the United Nations Universal Declaration of Human Rights.

Training and Resources

In 2023, we conducted an assessment of our human trafficking awareness approach to enhance the educational tools we make available to franchisees and associates. We subsequently introduced refreshed training materials and resources across all brands, which were made available to all domestic hotels and corporate associates in early 2024. These materials include a new online training available in multiple languages that is required annually for all franchised owners or their manager-level designees, all on-property managed hotel associates and all Choice corporate associates in the U.S. In 2024, the new training will also roll out to all hotels in our international direct markets. A new brand standard will require hotels to display back-of-house posters that outline the warning signs of human trafficking.

Also available to franchisees is a new human trafficking prevention microsite. The site was developed as a hub for our hotels to access relevant resources. Included on this site are videos from our partners that can be used as conversation starters for franchisee staff meetings and a summary of U.S. laws relating to human trafficking prevention specific to the hotel industry.



Partnerships

Choice maintains relevant and strong partnerships to combat human trafficking and support victims. Last year, Choice Hotels International Senior Vice President and General Counsel Simone Wu became a member of the inaugural 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 new NRFT Survivor Fund over the next five years.

We joined PACT, formerly ECPAT-USA, in 2015, to take measures to prevent and protect children from human trafficking. We are also a signatory of the Tourism Child

Protection Code of Conduct (The Code), an industry-driven tourism initiative in preventing child trafficking.

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 now available for booking through the ReloShare platform.



Cambria Hotel Austin Downtown, TX

In 2023, Choice hotels donated

\$25,000

to PACT as a Catalyst for Protection sponsor

\$25,000

to Polaris

2.5 million

Choice Privileges points to Polaris



Community Impact and Service

Giving back to the communities where we live and work is a priority for Choice and our associates.

We strive to improve lives and uplift communities through our signature national partnerships with organizations like the American Red Cross and Operation Homefront, that help people all over the country. And we're focused on local impact as well through associate giving and volunteerism. Through the *Your Community, Your Choice* program, we provide grants to winning franchisees to donate to a local cause or charity of their choice. Our Choice Privileges program also enables members to give their points to the causes they care about, turning their rewards into cash donations for our partner charitable organizations, including the American Red Cross, Operation Homefront, Polaris, Fisher House Foundation, Boys & Girls Clubs of America and the Executive Leadership Council.

Associate Volunteerism and Matching Gift Program

We encourage our corporate associates to donate their time through our paid volunteer leave program. They are able to take up to eight hours of paid volunteer leave per year for personal volunteerism with a non-profit organization of their choosing.

Choice also offers a generous matching gift program, matching corporate associate donations up to \$1,500 per calendar year, subject to available funds.

In 2023, Choice associates donated

\$46,000

to charities under the matching gift program, which Choice matched 1:1 for a total impact of more than \$90,000



Signature Impact Partnerships



American Red Cross

The American Red Cross is committed to delivering vital services to those in crisis, including food, shelter and clothing. Each year, the organization responds to an average of more than 62,000 disasters around the country, from home fires and severe weather to natural disasters.

Choice is a member of the American Red Cross Annual Disaster Giving Program (ADGP) and Disaster Responder Program, and provided a commitment of \$250,000 to support disaster recovery efforts in 2023. These programs pre-invest in disaster relief to help ensure the American Red Cross is prepared to respond when necessary.

Last year, Choice also sponsored a matching campaign for Choice Privileges members to support the American Red Cross' wildfire relief efforts for the island of Maui in Hawaii. The campaign raised over \$62,000.

\$312,000

donated and raised to support American Red Cross preparedness and recovery efforts in 2023

\$320,000

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



Serving America's Military Families

Operation Homefront

Operation Homefront is a national nonprofit organization that helps military families thrive in the communities they work so hard to protect. Eighty-five percent of Operation Homefront expenditures go toward delivering life-changing programs, like critical financial assistance, transitional and permanent housing, and family support services.



Our VALOR Choice Resource Group leads an annual bike drive event in support of Operation Homefront. During its 14th edition in 2023, members and associates collected, assembled and delivered more than 80 children's bikes to Operation Homefront military families.

Choice is proud to support military families in need. In 2023, Choice donated and raised more than \$320,000 for Operation Homefront, including cash, in kind and matching donations. This included 2 million Choice Privileges points and Choice's sponsorship of an Operation Homefront year-end holiday matching campaign, which generated nearly \$200,000.

We're pleased to continue our Choice Privileges Military Membership program, which offers a discounted rate when booking at participating Choice-branded hotels for military personnel, veterans, their dependents, and members of government and military-oriented associations, as well as an automatic upgrade to Gold Status membership and 2,500 extra Choice Privileges Points on their next stay. Learn more about the [Choice Privileges Military Membership program](#)

“We are deeply grateful for Choice’s generous investment to help our military families overcome their financial hardships and have a real opportunity to thrive, not simply struggle to get by, in the communities they have worked so hard to protect.”

BRIG. GEN. (RET.) JOHN I. PRAY JR. | PRESIDENT AND CEO OF OPERATION HOMEFRONT OPERATIONS

SPOTLIGHT: SUPPORTING LOCAL COMMUNITIES

Your Community, Your Choice

Every year, Choice invites all franchisees in the U.S. to participate in the Your Community, Your Choice program. This program allows them 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, and where our hotel owners play a vital role in serving and giving back to their communities.

In 2023, Choice awarded a total of \$75,000 in grants after receiving a record number of franchisee applications. Choice associates helped select the 15 winning franchisees, voting for the projects they believed were most deserving.

Each winning franchise owner had \$5,000 donated directly to the non-profit of their choice.

The chosen organizations serve a range of community needs, from helping meet the nutritional needs of school-aged children and providing a pathway to self-sufficiency for those experiencing homelessness, to offering emotional support and shelter for family members visiting seriously ill patients in the hospital, and supporting active-duty military and veterans.

> Learn about the recent [Your Community, Your Choice grant winners](#)



Choice Hotels Local Business Grant Program

“Being a *Your Choice, Your Community* grant winner is an awesome way for us to support, with Choice Hotels’ help, the Choices for People Student Work Experience Program. We were able to provide interactive hands-on and online training to two students entering the workforce. This was a valuable experience for our entire team, as we practiced our training skills and witnessed the students’ personal and professional growth. My favorite part was when one of the students commented they didn’t realize work could be so fun!”

JANEL ROWELL | GENERAL MANAGER, COMFORT INN ST ROBERT/FORT LEONARD WOOD

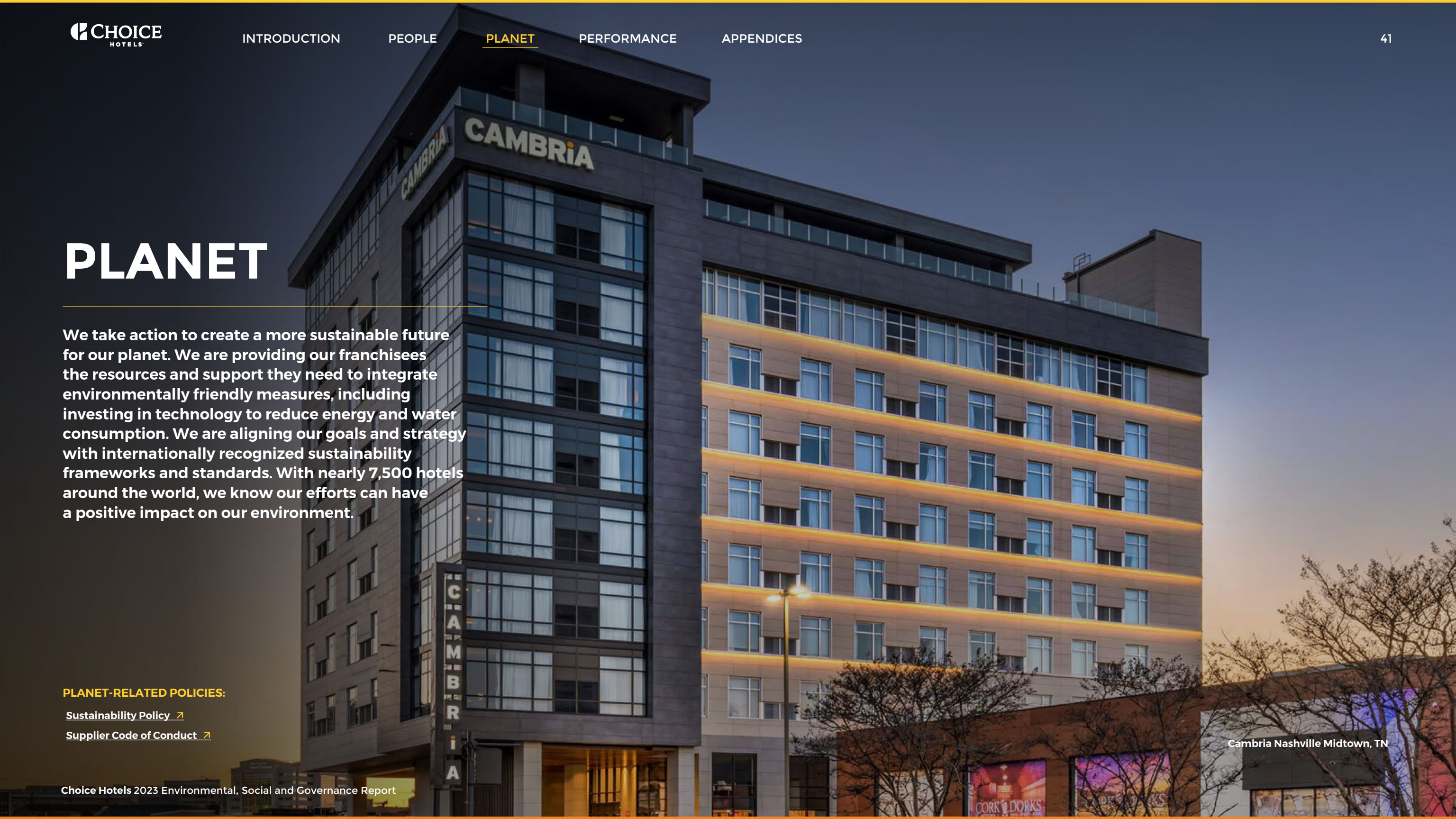
PLANET

We take action to create a more sustainable future for our planet. We are providing our franchisees the resources and support they need to integrate environmentally friendly measures, including investing in technology to reduce energy and water consumption. We are aligning our goals and strategy with internationally recognized sustainability frameworks and standards. With nearly 7,500 hotels around the world, we know our efforts can have a positive impact on our environment.

PLANET-RELATED POLICIES:

[Sustainability Policy](#)

[Supplier Code of Conduct](#)



Commitment to Green

Building a better tomorrow means taking action today.

We recognize the profound and evolving impacts of climate change on the travel and tourism industry, and strive to prepare our business – and the small businesses of our franchisees – for continued resiliency in light of increasing risks in the years to come.

We are proud to have achieved our ESG reporting goal to align our disclosures with SASB, TCFD and CDP ahead of our 2025 commitment. We continue to take significant steps forward in our sustainability journey, including signing the Science Based Targets initiative (SBTi) public commitment letter in December 2023.

Our ongoing progress can be seen through Choice’s Commitment to Green initiative, which we continue to evolve to be more ambitious. It encapsulates the full set of our hotel-facing environmental sustainability initiatives. We provide a dynamic suite of integrated resources that our owned, managed and franchised hotels can easily adopt and integrate to advance their sustainability best practices. In 2023, we increased engagement with our franchisees to drive continued adoption of our utilities tracking dashboard, refreshed and expanded our Room to be Green certification program, and invested in several of our hotels’ sustainability journeys through a pilot Environmental Property Improvement Plan (ePIP).



Quality Inn Ontario Airport Convention Center, CA



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



Utilities tracking dashboard



Room to be Green program



Environmental Property Improvement Plans



Qualified vendor solutions



Franchisee engagement

Utility Tracking Dashboard

In 2023, we continued the rollout of our automated utilities tracking dashboard across Choice's domestic hotels. As of year-end 2023, more than 2,600 properties had onboarded onto the dashboard, which represents more than half of the system.

Powered by Schneider Electric, the dashboard enables hotels to automatically track their energy and water consumption and 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 current and upcoming state and local regulations related to utility reporting and energy efficiency for commercial buildings, which vary by jurisdiction and often include steep non-compliance penalties.

In a recent survey, franchisees noted the benefits they value most in using the dashboard including the automation of the utilities collection and measurement, the easy access to all utility data in one place, and the ability to see monthly, yearly and seasonal trends. Ongoing communication with our franchisees will continue to emphasize the value of the tool to drive further adoption.

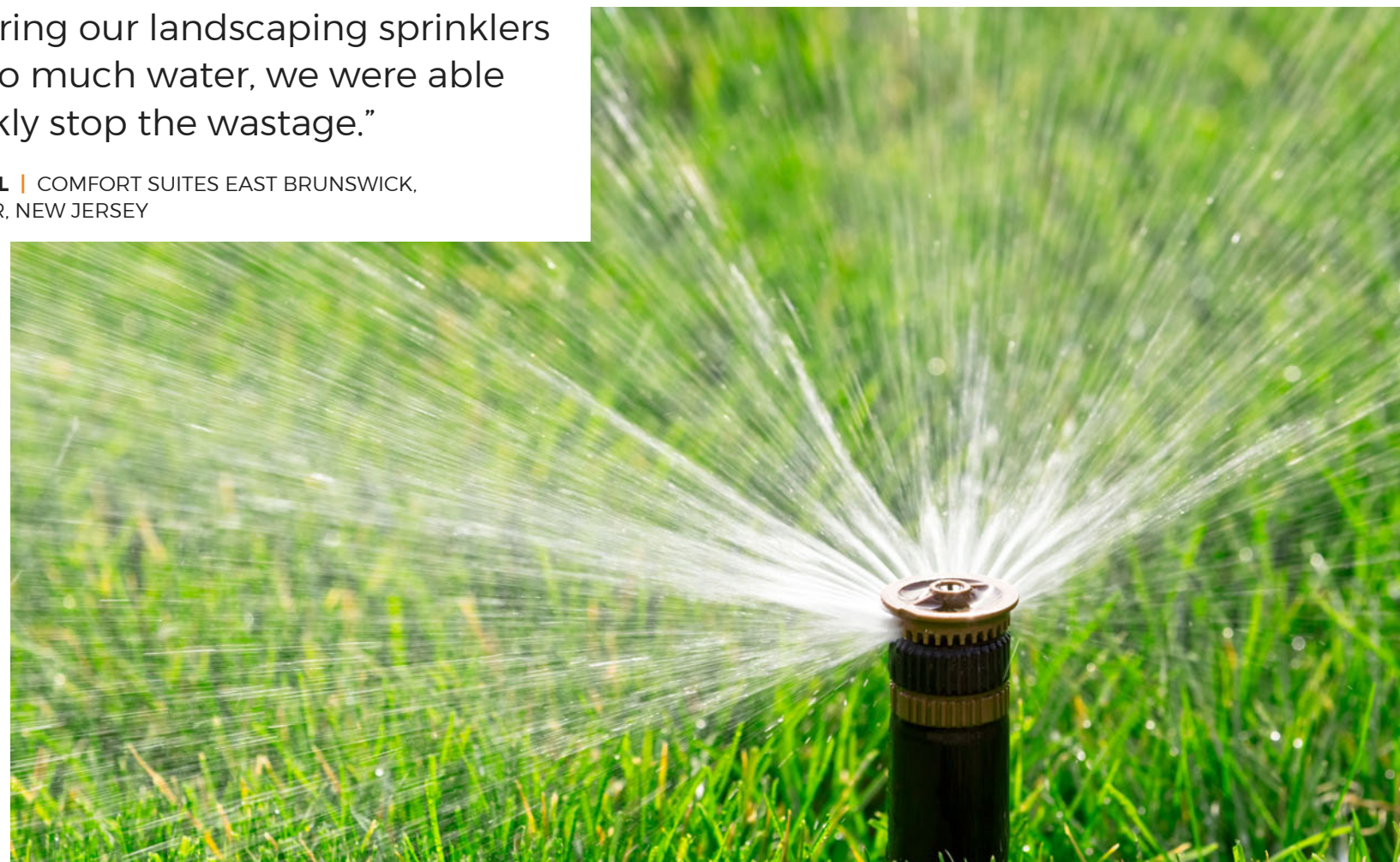
The ongoing aggregation of reliable and robust data is also informing our sustainability strategy and goals as we evaluate our Scope 3 emissions and work towards setting science-based targets validated by SBTi.

>2,600

properties onboarded onto the dashboard as of year-end 2023

“The utilities tracking dashboard helps us identify energy- and cost-saving opportunities, and the unnecessary usage of energy or water. After discovering our landscaping sprinklers used too much water, we were able to quickly stop the wastage.”

PARTH PATEL | COMFORT SUITES EAST BRUNSWICK,
SOUTH RIVER, NEW JERSEY



Room to be Green®

Our refreshed Room to be Green certification program, part of our broader Commitment to Green initiative, helps our hotels improve their environmental practices, position themselves for third-party certifications and potentially achieve greater savings. In 2023, we revamped the program taking into account the most recognized third-party certification standards, the most frequent sustainability requests from corporate clients, and expectations from our broader stakeholders and industry.

The new program has expanded to four certification levels, ranging from low-cost solutions to a best-in-class approach that requires more innovative, capital-intensive actions designed for sustainability trailblazers. We also updated the program's five pillars to broaden their scope, covering energy, water, waste, employee and guest engagement and biodiversity. All domestic and international hotels in direct markets are required to meet the Level 1 standards by early 2025. Each higher level thereafter is designed to encourage hotels to take additional meaningful and attainable steps to improve sustainability, positioning them for third-party certifications. Many hotels have already taken the extra step to reach these higher levels.

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
- Level 2**

A broader approach for hotels with advanced building solutions

Example requirements: all of the above, plus occupancy sensors, 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



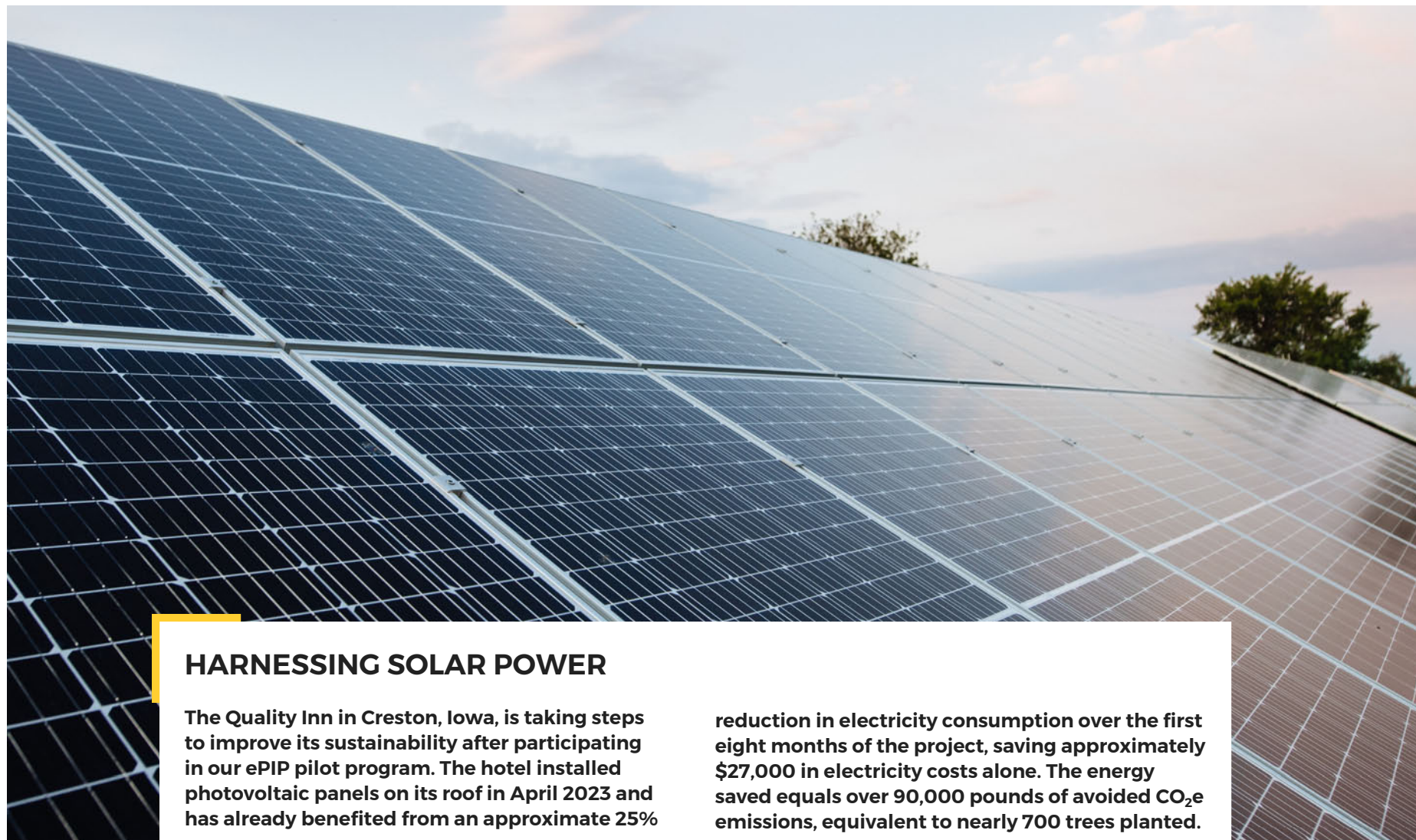
Environmental Property Improvement Plans

Our Environmental Property Improvement Plan (ePIP) pilot program is helping hotels integrate sustainable solutions while maximizing their return on investment. All 35 hotels selected for the program have participated in sustainability audits conducted by third-party experts and received recommended enhancements and solutions to drive a more sustainable investment.

Hotels were assessed in detail through the lens of utilities efficiency and environmental performance, enabling the implementation of highly targeted sustainable solutions during the regular course of their renovation cycles, such as green product selections and technology solutions during new construction and lifecycle decisions.

As of year-end 2023, one hotel has completed its sustainable investments, five hotels are currently integrating sustainable solutions and two hotels are making final decisions about which solutions to implement. Among the recommendations are water mitigation solutions, such as low-flow water fixtures, water leak detection technology, energy-saving occupancy sensors for thermostat controls in guest rooms and the replacement of natural gas water heaters with electric heat pump models. In addition, the pilot program identified one of the best returns on investment for our hotel owners is shifting to a sustainable heating and cooling system during a lifecycle replacement.

Choice initiated and invested in the ePIP pilot program to support our hotels' sustainability journeys and further propel our enterprise-wide sustainability goals. Moving forward, we plan to embed the insights we've acquired into our existing property improvement plan processes so more hotels can benefit from the findings.



HARNESSING SOLAR POWER

The Quality Inn in Creston, Iowa, is taking steps to improve its sustainability after participating in our ePIP pilot program. The hotel installed photovoltaic panels on its roof in April 2023 and has already benefited from an approximate 25%

reduction in electricity consumption over the first eight months of the project, saving approximately \$27,000 in electricity costs alone. The energy saved equals over 90,000 pounds of avoided CO₂e emissions, equivalent to nearly 700 trees planted.

“Choice’s support and guidance was crucial for us to navigate the ePIP program and get this project going. This is what true partnership is all about.”

CHINTAN THAKKAR | CHA, PRESIDENT & CEO DECORUM MANAGEMENT GROUP



Park Inn by Radisson Florence, SC

Qualified Vendor Solutions

Working with suppliers committed to the same principles we value is fundamental to our business. As part of Choice's Commitment to Green, our procurement team has identified several new and existing 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 is working 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 Engagement

Engaging with our franchisees is an ongoing priority that supports our progress toward our sustainability goals. Examples of the ways we engage our franchisees on sustainability topics include:

- **Key meetings**, such as regional meetings and the Choice Hotels Annual Convention, with touchpoints including sustainability-focused education sessions, panel discussions and one-on-one consultations.
- **Forums for in-person dialogue**, including owners associations' meetings and the Franchisee Sustainability Roundtable.
- **Sustainability webinars** and training resources on Choice University.
- **Surveys, sweepstakes and interactive campaigns** to seek franchisee input and drive greater awareness throughout the year on our sustainability initiatives.

SPOTLIGHT: CAMBRIA'S COMMITMENT TO SUSTAINABILITY

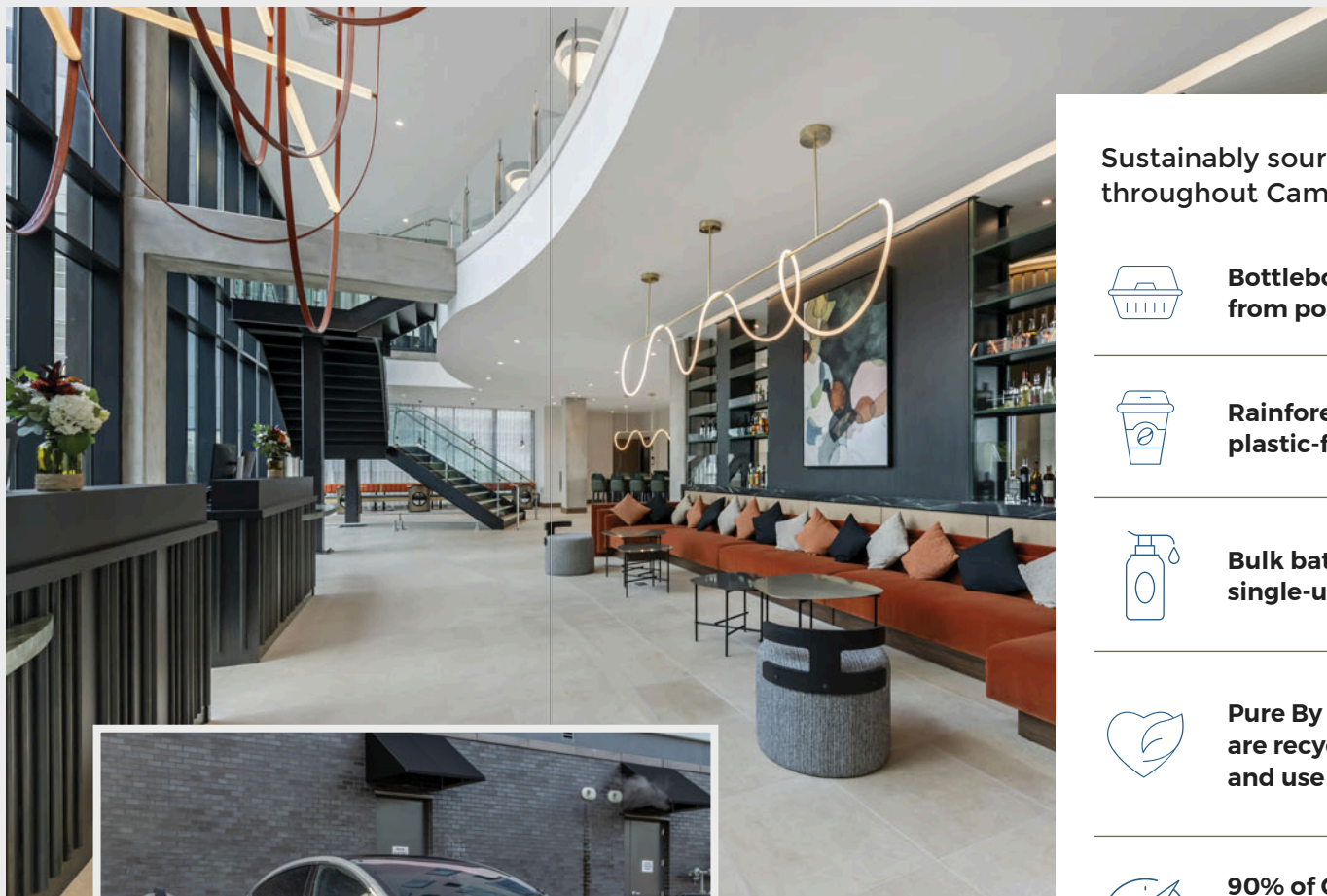
Choice's Cambria brand is a leader in adopting sustainable best practices and technologies, which resonates with our Cambria guests.

We are proud of our hotel sustainability trailblazers that invest in sustainable practices, benefiting our guests and our planet, including these Cambria hotels.

The Cambria Hotel Austin Downtown, which opened in October 2023, features:

- An HVAC system to control climate automatically.
- Electric vehicle charging stations.
- Biodegradable to-go food and beverage packaging.
- Light sensors and LED lighting.
- Grease and battery recycling programs.
- A composting system.
- Hydration stations on guestroom floors.

The Cambria Hotel Arundel Mills - BWI Airport, LEED Gold certified, has a solar roof, drought-resistant landscaping and a central hot water system. Green transportation features include electric vehicle charging stations and Tesla Model X guest shuttles.



Sustainably sourced products are required throughout Cambria hotels and include:



Bottlebox to-go food containers made from post-consumer recycled bottles.



Rainforest Alliance certified coffee with plastic-free compostable coffee cups.



Bulk bath amenity dispensers to reduce single-use plastics.



Pure By Gloss bathroom amenities that are recyclable, cruelty-free, paraben-free and use responsibly sourced palm oil.



90% of Cambria hotels are already using our utilities tracking dashboard.



Most Cambria properties are equipped with water stations to reduce single-use plastic bottles.

Climate and Energy

To advance our sustainability journey, we are focused on assessing our carbon footprint and understanding our climate-related risks and opportunities.

Our developing approach to climate and energy includes a wide variety of stakeholders and considers integration of our sustainability efforts across the organization. Our efforts in 2023 to understand the impacts of climate change on our business and industry, and to establish baseline data, are critical first steps to setting targets and advancing climate-related initiatives.

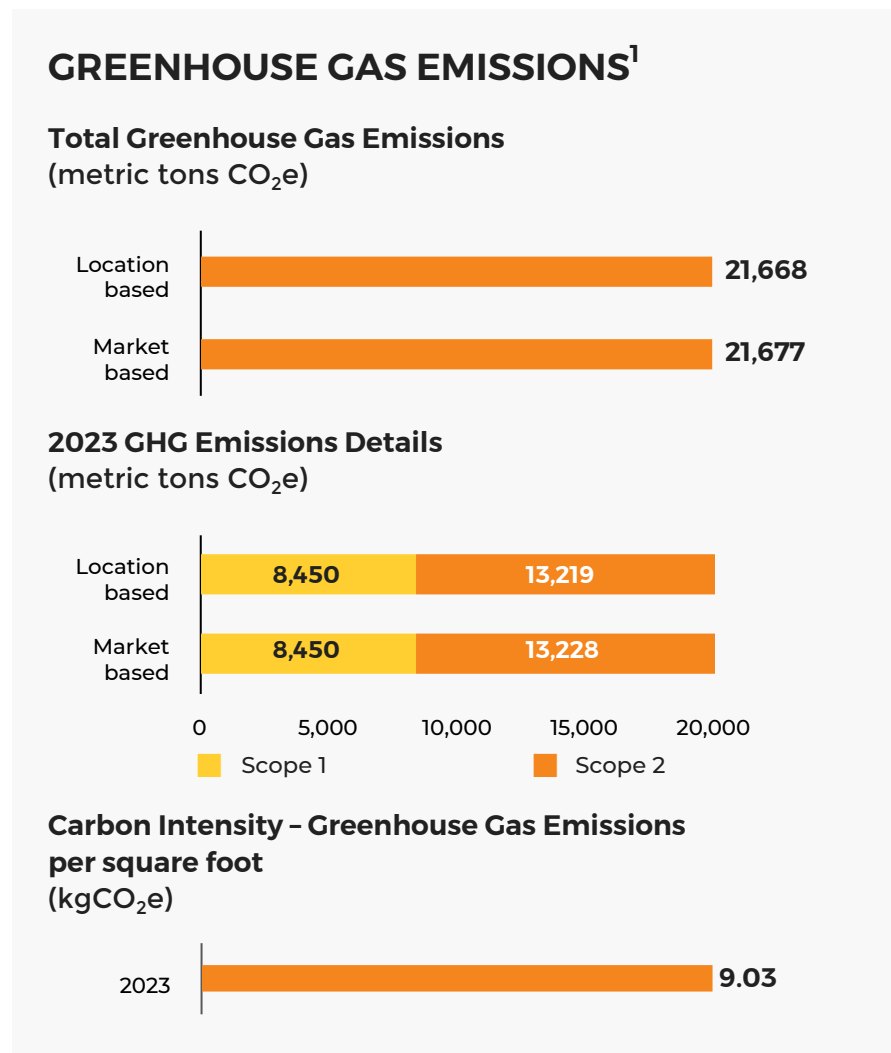
Science Based Targets

In 2023, we signed the Science Based Targets initiative (SBTi) public commitment letter to set near-term science-based targets for reducing our greenhouse gas (GHG) emissions. We have engaged a third-party consulting firm to help guide our work and the SBTi validation process. As part of this project, we plan to calculate our full Scope 1, 2 and 3 inventory and determine appropriate decarbonization pathways.

Our sustainability initiatives currently underway will help support this effort. The continued rollout of the automated **utilities tracking dashboard** will enable us to develop a solid understanding of a significant portion of our Scope 3 emissions, while reducing the burden on time-strapped franchisees and avoiding the pitfalls of manual data entry. The refreshed **Room to Be Green program** provides hotels with guidance on how to improve their energy efficiency and reduce their carbon footprint.



1. 2023 GHG emissions include managed hotels, corporate facilities, and fleet (vehicles and aviation).



TCFD Report

In 2023, we published our inaugural Task Force on Climate-related Financial Disclosures Report based on the results of a climate strategy project to better understand the risks and opportunities associated with climate change. The project included two scenario-based workshops to gather cross-functional perspectives from across the business. Our objective moving forward is to better understand the risks and opportunities at the regional and hotel levels.



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](#)

Energy Efficiency

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 LED lighting. Through brand reimagining efforts, more than 2,700 of the existing Comfort, Quality, Clarion, Clarion Pointe, MainStay and Sleep Inn properties in the U.S. have also installed LED exterior signage and we anticipate another approximately 300 hotels to install energy-efficient signage by the end of 2024. These improvements can reduce signage electricity usage by 50% to 70%.

Choice continues to work with CleanO2 on a pilot program to install small-scale carbon capture devices at our hotels. Last year, Radisson Blu Mall of America in Bloomington, Minnesota, became the first hotel in the world to use the CarbinX technology and has reduced its gas consumption and GHG emissions. The units connect directly to natural gas heating appliances to capture and store the carbon dioxide emitted. The gas is then turned into potassium carbonate and is used as an ingredient in various products such as soaps and detergents.

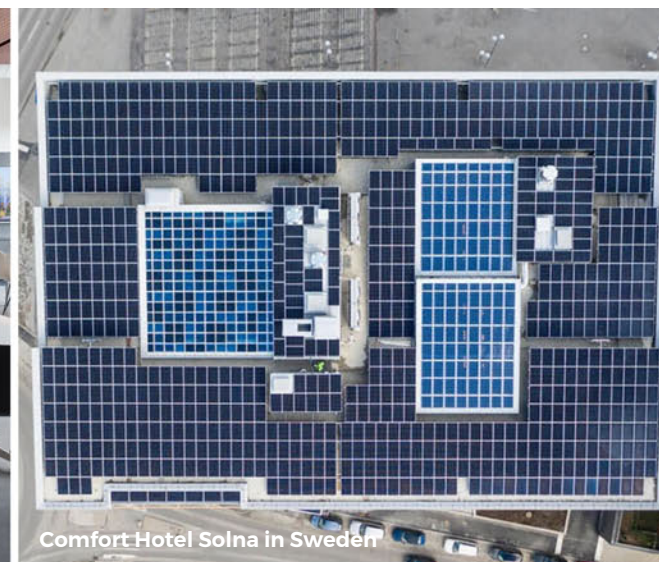
Choice is well positioned to address the growing consumer demand for EV charging. Guests who drive to hotels accounted for 82% of all Choice room nights in 2022, well above the industry average¹. To find a hotel with a charging station, travelers can use the EV charging filter on ChoiceHotels.com and the Choice Hotels mobile app. Several of our corporate offices also offer EV charging stations and/or encourage associates to use alternative transportation through shuttle service, metro subsidies, or secured bike storage with locker rooms and showers.



CarbinX unit at the Radisson Blu Mall of America, MN



St. Louis Park office, MN



Comfort Hotel Solna in Sweden

Our corporate offices, including our **new worldwide headquarters in North Bethesda, Maryland**, have also focused on incorporating sustainable design features and technology to improve energy efficiency and reduce water use and waste. These efforts include the use of energy-efficient lighting systems, daylight harvesting and low-flow water fixtures. Our St. Louis Park, Minnesota, office achieved LEED Gold certification and our North Bethesda office is pursuing the same level.

THE POWER OF SMART THERMOSTATS

Smart thermostats improve energy usage efficiency as they automatically adjust the temperature of a guest room based on real-time occupancy data. By not heating or cooling a room when it is unoccupied, hotels reduce their carbon emissions and save on energy costs. More than 2,300 guest rooms in our managed hotels use smart thermostats and have reduced their guest room HVAC usage by up to 52%.

GENERATING CLEAN ENERGY

We are proud of the commitment our owners continue to make to integrate environmentally friendly systems and technology into their hotels and operations. Several of our hotels are investing in photovoltaic panels to generate clean energy onsite and reduce their carbon footprints, while increasing their energy independence in the event of disruptions from the grid.

The Comfort Hotel Solna in Sweden is the first zero-energy hotel in Scandinavia; it uses solar panels and other energy-saving features to produce more energy than it consumes. The Quality Inn Ontario Airport Convention Center in California installed 420 photovoltaic panels on its rooftop, which generate approximately 76 kilowatts of energy and save 420 tons of CO₂e annually.

¹. According to data from DK Shifflet.

Water

Reducing water consumption is a priority in our hotel operations.

Our refreshed Room to be Green program includes more ambitious water-saving criteria and ideas for each level, from implementing a preventative water consumption maintenance program to using smart irrigation systems. All domestic and international hotels in our direct markets are required to meet Level 1 of the Room to be Green program, which means they must have water-saving guest bathroom fixtures and offer guests a towel and linen reuse program, encouraging guests to join us in our efforts to reduce water usage. Some of the more advanced measures that have been installed by our franchisees include rain sensors in landscape sprinkler systems and xeriscape in drought-prone areas.



Radisson Blu Aqua Hotel, Chicago, IL – LEED Silver certified

Total Water Consumption
managed hotels and corporate assets
(cubic meters)

2023 410,461

Water Intensity
managed hotels (cubic meters /
occupied rooms)

2023 0.05

Our Housekeeping Upon Request program also helps our hotels lower their water and energy consumption. By enabling guests to opt out of daily housekeeping, this program helps reduce the number of laundry cycles needed, saving energy and water usage.

Our required laundry program with Ecolab across our domestic hotels helps reduce our environmental impact through concentrated formulations that are biodegradable¹, non-toxic to aquatic life¹, and contain no or low phosphorus.

Our 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 in water and energy.

In 2023, Choice properties in the U.S. that opted for this program saved²:

143 million
gallons of water

896,000
Therms of energy

4,700
metric tons of CO₂e

431,000
pounds of waste

We are monitoring water consumption data as we continue to roll out the new automated utilities tracking dashboard across our owned, managed and franchised portfolio. Once we are able to collect sufficient data, we will analyze the information and work to identify additional opportunities for water conservation.

1. When used as directed.

2. Source: Ecolab, verified by a third-party consultant.

Waste

Our Room to be Green program includes standards and best practices to reduce waste and increase recycling, and all domestic hotels are required to offer recycling for staff and guest use.

In addition, franchisees are encouraged to use sustainable disposable serving products, participate in food waste reduction or donation programs, and get involved in recycling soap and bottled bath amenities through partnerships like Clean the World.

We are focused on reducing the use of single-use plastics. Our goal is to make bulk amenities standard across domestic brands¹ by the end of 2025. We are rolling out bulk bath amenities to upscale, midscale and economy brands. Each of those new larger bottles replaces the equivalent of 20 to 25 individual mini-bottles on average per month and produces approximately 85% less plastic and liquid waste since no partially empty bottles are thrown away by the housekeeping teams. Our new bulk amenities bottles and caps are made of 100% recyclable materials.

We also previously set goals to phase out single-use polystyrene products across domestic brands² by year-end 2023. Polystyrene products have now been eliminated from the brand standards for all applicable brands.

Choice is piloting a program in our managed locations to measure and reduce usage of single-use plastics. We hope to use these learnings to identify additional improvement opportunities that can be scaled across the portfolio.

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.

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

Our digital registration program allows guests to check-in using a touch screen tablet, which has saved more than 26 million letter-sized sheets of paper at our hotels. We also implemented digital Guest Services Directories, putting important hotel amenities and guest services information online, further reducing the printing needs and paper usage of our hotels.

Our Service Operations team also focuses on finding alternative methods to discard physical technology assets from our offices and divert them from going to the landfill. We partner with two external vendors to repurpose, donate or recycle our technology equipment and materials. In 2023, we diverted more than 11,000 pounds of electronic waste through these practices. Additionally, in early 2024, Choice became the first hotel company to close its last data center and migrate its entire IT system infrastructure to the cloud.

PARTNERSHIP WITH CLEAN THE WORLD



Choice is proud to partner 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.

	2022 Restated	2023	Historical Impact
Soap distributed (bars)	24,031	19,977	1,004,259
Soap collected (pounds)	2,629	2,184	183,132
Plastic collected (pounds)	3,621	2,313	114,817
Carbon footprint reduction (kgCO ₂ e)	1,630	1,354	113,368
Water saved (gallons)	8,752	7,277	609,766

The 2022 data for this partnership is being restated due to the integration of Radisson Hotel Group Americas. The corrected statistics for 2022 have been added to this table.



Responsible Sourcing

Our procurement team is strengthening the implementation of responsible practices, including recently adding a new Supplier Code of Conduct

The team is also rolling out an augmented survey for new and existing vendors to gather additional information on their essential sustainability-related practices, goals and certifications. These initiatives help provide our franchisees with more sustainable solutions and products.

These improvements also help us advance our goal of providing the hotels in our system with suppliers of cage-free eggs, in order to source 100% of eggs used (shell, liquid and egg products) from cage-free sources globally by YE 2025.

All of our suppliers who sell egg products in our domestic market, which represents more than 80% of hotels globally, offer cage-free options. This is a meaningful step towards our goal. Globally, approximately 13% of our hotels' total egg spend is from cage-free eggs. In early 2024, 100% of the all-day dining restaurants at our managed hotels shifted to using only cage-free eggs. We continue to work actively with our suppliers domestically and internationally to accelerate our progress towards our goal.

~13%

of our global hotels' 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

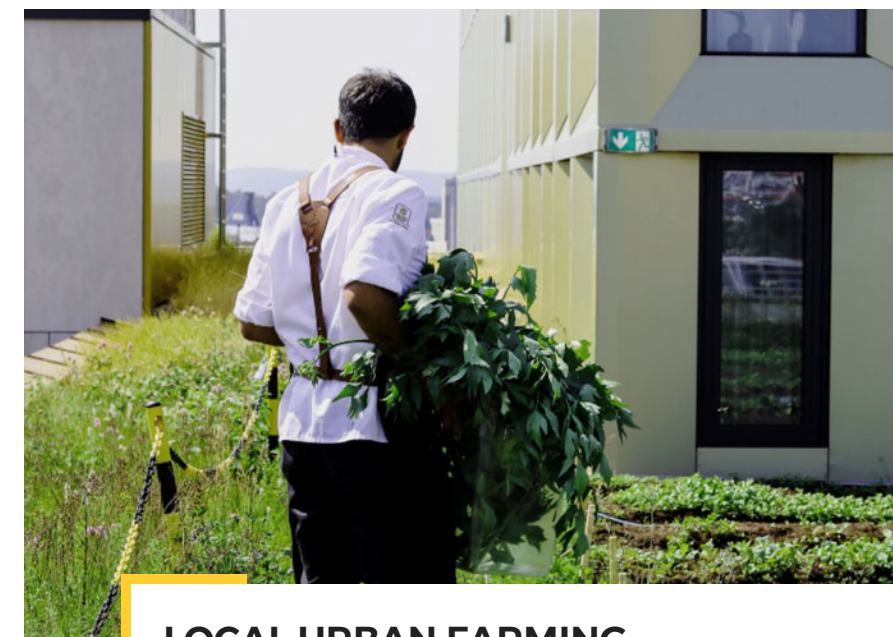
1. Countries and regions that do not have data account for less than 4% of our total portfolio of hotels.

2. Includes only eggs and scrambled egg mix

3. Data available for 93% of the hotels in Canada

Cage-free percentage of total eggs spend in 2023¹

Reporting countries	% of suppliers offering cage-free eggs	Cage-free % of total eggs spend
Caribbean & Latin America ¹	No data	No data
Australia and New Zealand ²	100%	69%
Canada ³	100%	0.5%
China ¹	No data	No data
Czech Republic	100%	100%
Denmark	100%	100%
Finland	100%	100%
India ¹	No data	No data
Ireland	100%	100%
Japan	0%	0%
Lithuania	100%	100%
Norway	100%	100%
Rest of Europe ¹	No data	No data
Sweden	100%	100%
Thailand ¹	No data	No data
USA – Franchised hotels	100%	10%
USA – Managed hotels	100%	32%



LOCAL URBAN FARMING... ON A HOTEL ROOFTOP

The Clarion Hotel The Hub in Oslo, Norway, is using its large rooftop to grow produce for guests to enjoy at the hotel's Norda restaurant. The 200-square-meter GrowHub field aims to produce 10,000 vegetables per year, with a focus on local and older varieties of vegetables. The garden is managed by a local urban farmer, and uses rainwater and composted waste from the restaurant.

REGIONAL SPOTLIGHT: ASIA-PACIFIC

Choice’s regional offices are leveraging our enterprise-wide sustainability strategy and tailoring it to the needs of their local markets. Choice Hotels Asia-Pac™ is a prime example.

To gather data to inform their roadmap, the Asia-Pac team conducted a franchisee survey and found that 88% of the franchisees in the region recognized the importance of green initiatives.



Hotel Harry, Ascend Hotel Collection, Sydney, Australia

Based on franchisee feedback and their own analysis of key regional trends, the Asia-Pac team has implemented the following programs in their market:



Removing single-use plastics, such as cutlery, from the procurement and ordering platform.



Recycling out-of-commission uniforms.



Shifting to large-format amenities, which can reduce plastic consumption by as much as 83% per room, per year, and save hotels nearly 10% on the cost of these amenities.



Requiring new associates to complete training on proper recycling.



Using a paperless check-in process through digital registration tablets.



Creating the “Have Your Say” initiative to establish and embed a culture of formal and informal two-way feedback for associates.



Conducting sustainability audits to demonstrate the energy and cost savings of switching to green energy sources.



Launching guidelines for Acknowledgement of Country, a verbal or written acknowledgement of the traditional owners of the lands where a gathering of people is taking place.

PERFORMANCE

Strong corporate governance drives our success by ensuring we hold ourselves accountable as we work toward our goals and set new ones. We are committed to measuring and reporting our progress on our sustainability efforts and continuing our positive impact on our people, our communities and our planet.

> For more information, please see our [2023 Proxy Statement](#) and [2023 Form 10-K](#).

GOVERNANCE-RELATED POLICIES:

[Anti-corruption Policy](#) ↗

[Code of Ethics and Conduct](#) ↗

[Compliance and Ethics Hotline](#) ↗

[Privacy and Security Policy](#) ↗

Corporate Governance and Ethical Behavior

To promote strong corporate governance and ethical behavior, Choice has implemented numerous policies, a confidential ethics reporting system, and trainings for leadership, staff and suppliers.

We are committed to engaging with our associates and incorporating their feedback into our strategy and decisions. Our open channels of communication promote a positive work environment and foster a culture of integrity and ethical decision-making.

Code of Ethics and Conduct

Our Code of **Ethics and Conduct** is our principal business ethics policy. It is incorporated into the Choice's Associates Handbook and provides ethical guidelines and expectations for all Choice associates, officers and the Board of Directors. We also expect consultants and temporary employees from agencies to adhere to the spirit of the Code of Ethics and Conduct when performing work for Choice.

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 corporate associates are required to complete compliance training courses annually on the following topics: 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. Beginning in 2024, all corporate associates, franchisee owners or their manager-level designees, and all on-property managed hotel associates will be required to complete our newly refreshed **human trafficking prevention training**. All associates are expected to complete the annual compliance training requirements and we hold them accountable to those requirements.

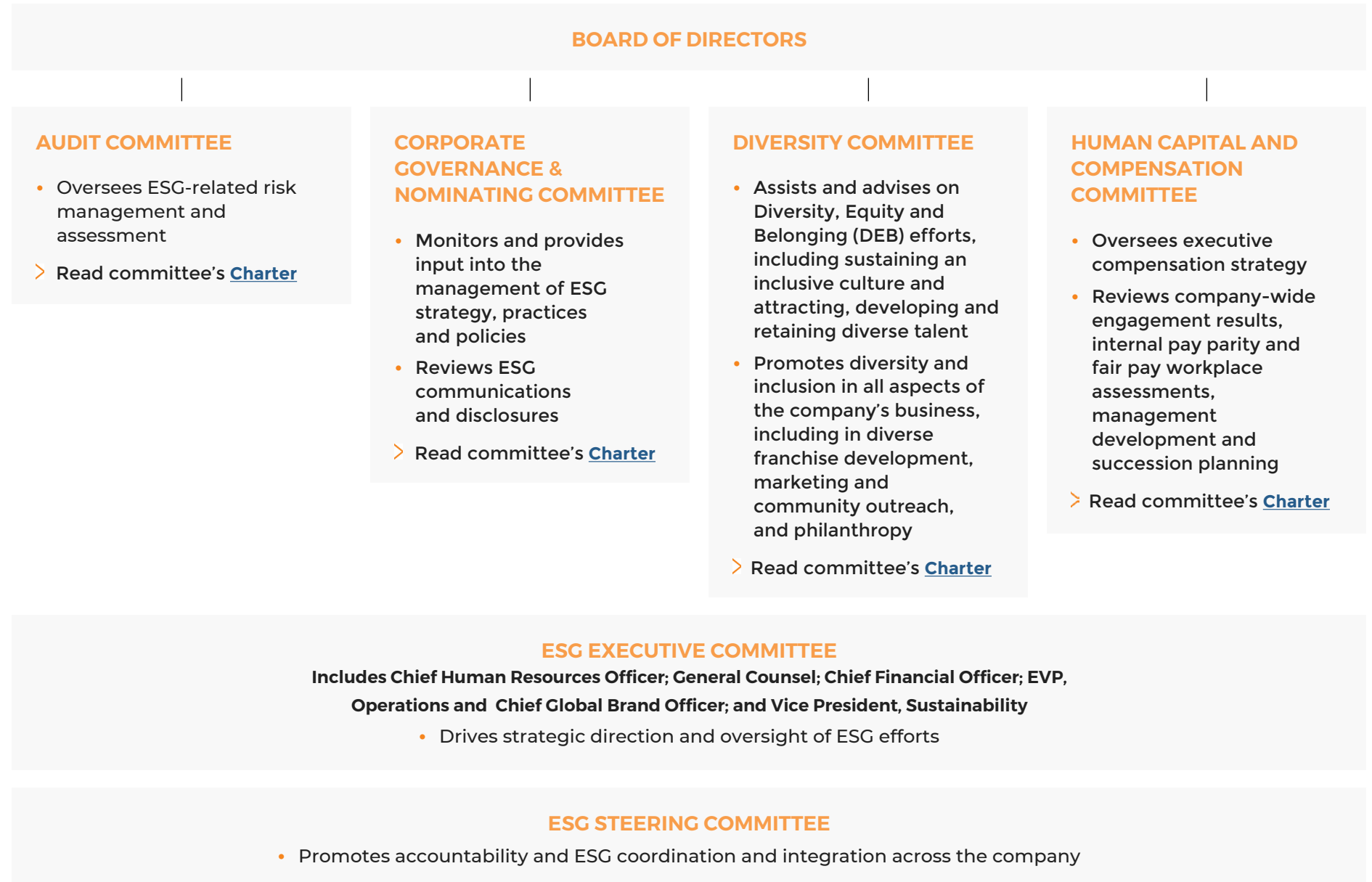
- > **Choice's Compliance and Ethics Hotline**
Available 24 hours a day, 365 days a year
choicehotels.ethicspoint.com

ESG Governance and Oversight

Choice benefits from an active and engaged Board of Directors.

The **Board is composed of 11 members** who review and discuss ESG strategy, initiatives, policies and performance quarterly, either within Board committees or as a full Board. Each of the Board’s committees provides oversight and guidance on various components of our ESG initiatives. The Vice President of Sustainability updates the Board on our ESG and sustainability strategy and progress each quarter, twice a year with the full Board and twice a year with the Corporate Governance and Nominating Committee.

To facilitate stronger integration of our ESG and sustainability efforts across the organization – including setting goals and targets, advancing initiatives, and identifying risks and opportunities – Choice established two governance forums. The ESG Executive Committee meets quarterly to drive strategic direction and oversight of the company’s ESG and sustainability efforts. This committee includes our EVP, Operations and Chief Global Brand Officer; Chief Financial Officer (CFO); Chief Human Resources Officer (CHRO); General Counsel; and Vice President of Sustainability. The ESG Steering Committee, composed of key leaders across the business, meets quarterly to drive cross-functional alignment and progress, ensure accountability and report on results.



Risk Management

Choice conducts an enterprise-wide risk assessment every two years, which informs our list of top risks facing the business. The top risks have included sustainability-related risks, which are shared with our Board of Directors and leadership.

Our Board of Directors plays an active oversight role in understanding the risks facing the business and how the company is managing and mitigating the impact of those risks. Business risks are discussed at the quarterly Audit Committee meeting, including a detailed review of a rotating portion of the risks from 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, and include topics such as information security, human capital, disaster recovery and environmental issues. In addition, the Board and Audit Committee receive regular risk updates from company leaders, and the Audit Committee Chair receives briefings on current topics of interest before each meeting.

In 2023, Choice conducted a climate risk assessment as well, publishing the results in our inaugural **Task Force on Climate-related Financial Disclosures (TCFD) Report**.

Choice maintains a Business Continuity Plan and the company's risk management group oversees insurance purchasing and risk-related issues. 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. Risk across the organization is managed by individual business units, and each group is responsible for identifying risk in their area.



Choice Hotels Office, Scottsdale, AZ

Data Security and Privacy

The Board of Directors and the Board's Audit Committee oversee data security and privacy, with briefings every quarter that alternate between the full Board and the Audit Committee.

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 Chief Information Security Officer (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.

Choice's CISO also leads our cybersecurity team, which oversees information security, regulatory technology compliance and privacy for the organization. The program is heavily focused 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.

Training

We continuously monitor our environment for known vulnerabilities by conducting 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.



We have protocols in place in the event of a confirmed cybersecurity breach. 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.

Policies and Practices

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. 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

We are committed to aligning our advocacy efforts with our corporate sustainability goals.

The ESG Steering Committee helps ensure awareness and coordination of 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.

We collaborate with several trade associations – such as the American Hotel & Lodging Association (AHLA), the U.S. Chamber of Commerce, the U.S. Travel Association and the International Franchise Association (IFA) – to advance sustainability initiatives across the industry. Recent examples include the hotel industry's approach to cleanliness and policies during the COVID-19 pandemic and our support of responsible stewardship of federal land, particularly national parks, forests and wildlife preserves. 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. We do make limited state contributions, such as to political candidates and activities in Maryland, where our U.S. headquarters is located, and in New Jersey.



Radisson Blu Mall of America, MN – LEED certified

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](#)



Radisson Poliforum Plaza Hotel Leon, Mexico

Performance Tables

Environmental data disclosed includes 14 managed hotels and 9 offices.

2023 Performance

	2023
Company Profile	
Total Number of Properties	23
Total Number of Rooms	2,973
Occupancy Rate	66.9%
Total Floor Area (SqFt) (for portfolio in environmental performance disclosure)	2,399,799

2023 Environmental Performance

	2023
Environmental Performance	
Occupied Rooms for Intensity Metrics	726,323
Energy¹	
Total Energy Consumption (MWh)	73,243
Total Direct Energy Consumption (MWh)	39,454
Total Indirect Energy Consumption (MWh)	33,789
Energy Consumption per square foot (kWh)	30.52
% Energy from Renewables	13.84
Greenhouse Gas Emissions²	
Total Greenhouse Gas Emissions – Market-based (metric tons CO ₂ e)	21,677
Total Greenhouse Gas Emissions – Location-based (metric tons CO ₂ e)	21,668
Total Scope 1 Emissions (metric tons CO ₂ e)	8,449
Total Scope 2 Emissions – Market-based (metric tons CO ₂ e)	13,227
Total Scope 2 Emissions – Location-based (metric tons CO ₂ e)	13,218
Greenhouse Gas Emissions per square foot (kgCO ₂ e)	9.03
Water³	
Total Water Consumption (cubic meters)	410,461
Water Consumption per occupied room (cubic meters)	0.57

1. 2023 energy consumption data includes managed hotels, corporate facilities, and fleet (vehicles and aviation).

2. 2023 GHG emissions include managed hotels, corporate facilities, and fleet (vehicles and aviation).

3. 2023 water consumption data is based on actual and extrapolated data coverage of approximately 97% of all properties by floor area.

GHG Emissions Methodology

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

The accounting period corresponds to the calendar year 2023. Scope 1 and 2 emissions were analyzed using the operational control reporting boundary, where Choice Hotels has accounted for 100% of the Scope 1 & 2 emissions from assets over which it has operational control and has been in the portfolio for the entire year of 2023.

For Choice Hotels, these assets include managed hotels, corporate facilities, aviation, and associated vehicles. Scope 1 & 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.
- Utility consumption ratio, which calculates the ratio of electricity vs. natural gas consumption for the office in 2022. Then, using the extrapolated electricity amount, apply the ratio to estimate natural gas consumption.



Cambria Hotel Burbank Airport, CA

SASB Index

SASB Standards 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 Management¹	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	SV-HL-130a.1	(1) 263,677.37 GJ (2) 46.13 % (3) 13.84% > Appendices – Performance – 2023 Environmental Performance , page 62
Water Management	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	SV-HL-140a.1	(1) 410.46 thousand cubic meters (2) n/a. Approximately 52% 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. > Appendices – Performance – 2023 Environmental Performance , page 62 > Planet – Water , page 50
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	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. ³
	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 WWF Biodiversity Risk Filter . 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 here and our Supplier Code of Conduct here .

1. 2023 energy consumption data includes managed hotels, corporate facilities, and fleet (vehicles and aviation).

2. 2023 water consumption data is based on actual and extrapolated data coverage of approximately 97% of all properties by floor area.

3. In our 2022 report, only properties located within protected areas were disclosed. In 2023, properties within 5Km of the boundary of an area of protected conservation status or an endangered species habitat are disclosed.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE OR LOCATION
Labor Practices	(1) Voluntary and (2) involuntary turnover rate for lodging facility employees	Quantitative	Rate	SV-HL-310a.1	(1) Voluntary turnover rate for our managed hotel employees was 53.8%, which is four point improvement compared to 2022. (2) Involuntary turnover rate for managed hotels employees was 9.3% (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 2023 there were no monetary losses as a result of legal proceedings associated with labor law violations > 2023 Form 10-K: Item 3. Legal Proceedings , page 44
	(1) Average hourly wage and (2) percentage of lodging facility Employees earning minimum wage, by region	Quantitative	Reporting currency Percentage (%)	SV-HL-310a.3	(1) \$18.10 (2) 12% 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.4	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. > People , page 20 > Human Rights , pages 36-37 > Performance , page 54 > Corporate Governance and Ethical Behavior , page 55
Climate Change Adaptation	Number of lodging facilities located in 100-year flood zone	Quantitative	Number	SV-HL-450a.1	One of our managed locations is located within a 100-year flood zone according to Federal Emergency Management Agency (FEMA). ¹

1. Our 2022 calculations included Zone X, however Zone X is not considered a 100-year flood zone.

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	<ul style="list-style-type: none"> > About Choice, page 6 > Appendices – Performance – 2023 Performance, page 62
Average occupancy rate ²	Quantitative	Rate	SV-HL-000.B	<ul style="list-style-type: none"> > About Choice, page 6 > Appendices – Performance – 2023 Performance, page 62 > 2023 Form 10-K: Item 1. Business – Domestic Franchise System, page 12
Total area of lodging facilities ³	Quantitative	Square metres (m ²)	SV-HL-000.C	<ul style="list-style-type: none"> > About Choice, page 6 > Appendices – Performance – 2023 Performance, page 62
Number of lodging facilities and the percentage that are: (1) managed, (2) owned and leased, (3) franchised	Quantitative	Number, Percentage (%)	SV-HL-000.D	<p>Total number of hotels: 7,527</p> <ol style="list-style-type: none"> 1. 14 managed hotels, inclusive of 4 owned hotels (0.2%) 2. 10 fully owned hotels (0.1%) and 6 open partially owned hotels through joint ventures (0.08%) 3. 7,497 franchised hotels (99.7%) <ul style="list-style-type: none"> > About Choice, page 6 > 2023 Form 10-K: Item 1. Business – Overview, pages 4-6; > The Lodging Industry, pages 6-7; > Owned and Managed Hotels, page 12; > Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview, pages 47-49 > 2024 Proxy Statement: Who We Are, Inside Front Cover

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

3. 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.

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 2023 ESG 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 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
Governance: Disclose the organization’s governance around climate-related risks and opportunities.	a. Describe the board’s oversight of climate-related risks and opportunities.	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. <ul style="list-style-type: none"> • The Corporate Governance & Nominating Committee oversees a variety of sustainability and ESG practices, including climate strategy and performance against sustainability and climate targets. • The Audit Committee oversees enterprise risk management, including climate risk assessment and management. > Performance – ESG Governance and Oversight , page 56
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	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>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> > Performance – ESG Governance and Oversight , page 56
Strategy: 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	Time horizons 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"> • Short term: 0-2 years • Medium term: 3-6 years • Long term: 7+ years

TOPIC	DISCLOSURE	RESPONSE OR LOCATION
		<p>Impact Level</p> <p>In assessing climate-related risks, Choice defines impact level as follows:</p> <ul style="list-style-type: none"> • Low impact is defined as potentially minor impact and may affect more than one market in which we do business. • Medium impact is defined as a risk that causes a reduction in operating income or, if not mitigated, may affect multiple markets. • High impact is defined as potentially material impact that could result in a loss in net revenue if not mitigated, potentially across many or all markets. <p>Scenario Analysis</p> <p>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.</p> <p>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.</p> <p>To assess Choice's exposure to physical and transition risks, we performed an analysis under two scenarios:</p> <ul style="list-style-type: none"> • Business as usual, 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. • Decarbonized future, 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. <p>Climate risks and opportunities</p> <p>We are subject to the physical and transition risk associated with climate change and extreme weather events. These risks include, among others:</p> <ul style="list-style-type: none"> • Physical risks, such as changes in sea levels, water shortages, droughts, and natural disasters • Transition risks, 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. <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>Risks</p> <ol style="list-style-type: none"> 1. Extreme weather events (short to medium term, medium impact). 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. 2. Operational costs and complexity (short to medium term, medium impact). 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. 3. Changing stakeholder expectations (medium term, medium impact). A variety of Choice's stakeholders are increasingly focused on our sustainability practices including our efforts around climate and greenhouse gas emissions. These stakeholders include corporate travel managers, meeting planners, government clients, current associates and potential future talent, and investors. We may face a loss of preference, loss of business, or reputational risk if we're unable to meet the evolving expectations of these constituencies.

TOPIC	DISCLOSURE	RESPONSE OR LOCATION
		<p>Opportunities</p> <ol style="list-style-type: none"> 1. 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. 2. 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. 3. 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. <p>> Item 1A. Risk Factors – Business and Operational Risks, pages 24-27</p>
	<p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<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> <p>> Item 1A. Risk Factors – Business and Operational Risks, pages 24-27</p>
	<p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<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>
<p>Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p>	<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> <p>> Performance – Risk Management, page 57</p>

TOPIC	DISCLOSURE	RESPONSE OR LOCATION
	<p>b. Describe the organization's processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<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> <p>> Performance – Risk Management, page 57</p> <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>> Performance – Risk Management, page 57</p>
<p>Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>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> <p>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<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 3rd party certifications.</p> <p>> Performance, page 62</p> <p>> Climate and Energy, page 48</p> <p>> Water, page 50</p> <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>> Utility Tracking Dashboard, page 43</p> <p>> Climate and Energy, page 48</p> <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>> Sustainability 2030 Goals, page 9</p> <p>> Utility Tracking Dashboard, page 43</p> <p>> Climate and Energy, page 48</p>

