

# Lighting the Way 66 HOSPITALITY 2022 ENVIRONMENTAL, SOCIAL, GOVERNANCE REPORT





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## A Message From Our CEO

We are deeply invested in making a positive impact on the world and the communities in which we operate. Our business is built to foster opportunity for everyone from our team members to our franchise owners. Throughout this report, you will see our dedication to using products and providing community support that demonstrates our commitment to "Lighting the Way."

For more than 60 years, we have promised to "Leave the Light On" for travelers and those in need of a clean, comfortable, and affordable place to rest their heads. This year, we reached a milestone as we evolved into an asset-light, fully franchised company. This has been a departure from us as owners and operators of assets, which has been a transformational change. Instead of focusing on three different businesses ownership and asset management, operations, and branding - we are now able to focus solely on branding and franchising.

A diverse and inclusive workforce is critical in our industry, as we want to reflect the rich diversity of our guests through our corporate support team and franchise ownership. In 2022, we were thrilled to launch our 'Light Her Way' program,



a roadmap of the path to franchise ownership for women. We're continuing to develop additional programs for underrepresented groups to increase the accessibility and knowledge surrounding hotel ownership.

In 2022, we continued to raise awareness around human trafficking and supporting the crucial work being done across industries to fight against this global crisis. In 2022, we announced an inaugural \$250,000 donation to the American Hotel & Lodging Association Foundation "No Room for Trafficking" Survivor Fund. We also continued to be a member of ECPAT International, as well as groups that directly provide services and support to survivors including New Friends New Life, National Center for Missing and Exploited Children (NCMEC) and Rebecca Bender Initiative.

While our brand recognition brings people to the door, it's the service experience that builds connection with our quests. To help all of us work together and enhance this service delivery, we continue to implement our Lightkeeper Service Culture - a set of four guideposts to follow in all our interactions. We call them our Beacons of Light and include Heart for Service, Care, Respect and Own the Experience.

Despite the many changes in 2022, we were honored to be named USA Today's No.1 "Best Budget-Friendly Hotel" in its annual Readers' Choice Awards. These rankings are a testament to the hard work and dedication of our owners and team members across the country.

We believe travel should be accessible for everyone, and when we come together with a common purpose to Leave the Light On, extraordinary things happen. As we continue our ESG journey, we're committed to Lighting the Way by protecting the planet through offering sustainable solutions to our owners, creating an environment where everyone feels valued, focusing on safety protocols, and operating ethically to build a culture of trust.

Together, we can make a difference and continue Lighting The Way.



Julie Arrowsmith President & Interim CEO

## Transition to Franchise

In 2022, we transitioned our business to a fully franchised model. To date, Motel 6 and Studio 6 are the largest standalone brands in the economy and extended stay segments.

We've held true to our value proposition for more than 60 years as our business model has proven simple and delivers real value for our guests, franchise owners and shareholders. Over the years, we've continued to deliver on this value proposition through a suite of innovative offerings that meet quests' needs and today we offer five different product solutions - Motel 6, Motel 6 Classic, Studio 6 Extended Stay, Studio 6 Suites, and our Dual Brand.





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## About **G6** Hospitality

We celebrated our 60th anniversary in 2022 by reflecting on our groundbreaking contributions to the hospitality industry. We operate our business in alignment with our values: Respect, Care, Fun and Winning Spirit. We celebrate our iconic heritage of providing a great experience to our guests, team members, franchisees and partners. We embrace our business model on fairness, honesty, trust, and communication, providing an environment for long-term successful partnerships.



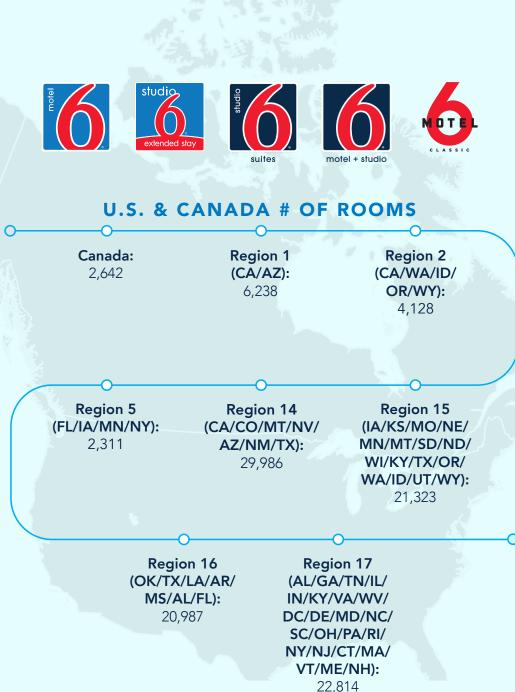
BRANDS

1,435 (0)OPEN PROPERTIES

116,969 ЬСС NUMBER OF ROOMS

U.S. and Canada COUNTRIES IN WHICH WE OPERATE 

4 Million (~\_^ MY6 MEMBERS

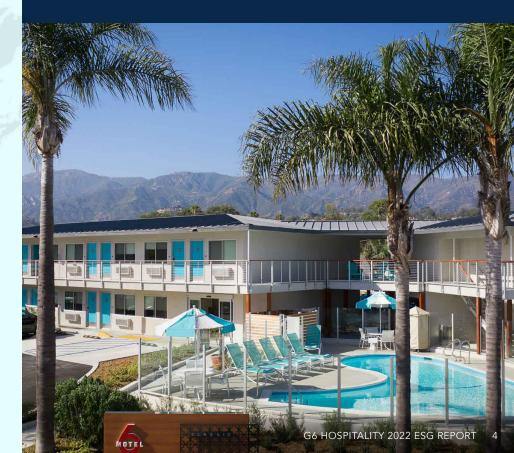


## We'll Leave the Light On. For You.™

In 2022 G6 Hospitality owned, operated and franchised over 1,400 economy lodging locations under the Motel 6 and Studio 6 brands in the U.S. and Canada.

In 1962, we opened our doors with a promise of clean, comfortable rooms for just \$6 a night. A lot has changed since then, but one thing that hasn't is our commitment to keeping travel as light and burden-free as possible. We believe everyone has a right to travel so we strive to make travel accessible to everyone we meet along the way.

roads before.



We're an optimistic helping hand for whatever's up next, sharing the can-do, know-how of a friend who's traveled these



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## Our Awards $\bigcirc$

In 2022, Motel 6 was named the "Best Budget-Friendly Hotel Brand"in USA TODAY's 10Best

Readers' Choice Awards and is consistently ranked

in Entrepreneur Magazine's Annual Franchising 500.





Motel 6 | Studio 6 ranked #1 in our revenue

Franchise Rankings named G6 as a No.3 Best Motel Franchise.

We have received letters of recognition and appreciation from many law enforcement agencies. including San Luis Obispo County, Santa Ana Police Dept., Arizona Anti-Trafficking Network, to name just a few, for our partnership and efforts to protect public safety and our community.

In 2022, former Chief Financial Officer (current CEO) Julie Arrowsmith and Chief Development Officer Tina Burnett were included in Hotel Management's annual Influential Women in Hospitality list.



Franchise Rankings WINNER

Hospitality - Motel Franchises FranchiseRankings.com

Jenna Berg, Vice President of Brand Marketing was included in Ad Age's annual 2022 40 Under 40 list.





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# Our Goals and Commitment

Leading into the future means prioritizing responsible business practices and responding to the needs of our team members, guests, franchisees, and communities. Lighting the Way, our ESG platform, is our commitment to operating our business with respect and care for our guests, partners and our local communities.





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## **Protecting the Planet** WE PROMOTE SUSTAINABLE SOLUTIONS.

**ESG** Platform

We do our part to respect the environment and protect the planet. We work side-by-side with our team members, owners, guests and neighbors to build healthy and thriving communities.

# Lighting the Way

## **Opening Doors**

WE CREATE A PLACE WHERE **EVERYONE FEELS WELCOME**, VALUED AND SAFE.

We are committed to helping our team members grow and advance their careers, and we commit to advancing diversity and belonging throughout G6 and the broader hospitality industry. We focus on safety protocols as protecting our communities, team members and guests is paramount.

With a heart for service, we maintain high standards of ethics and integrity and operate on a foundation of sound corporate governance.



Our commitment to Lighting the Way makes G6 Hospitality's Motel 6 and Studio 6 the place teammates choose to work, owners choose to invest and guests choose to stay.





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## **Our Commitment**

We are working diligently to build upon the longstanding legacy of our business. Our path forward is clear: we will hold ourselves accountable and improve our performance every day to provide a positive experience at every property for every guest in every community where we operate. We envision a world where travel is accessible for all and communities are well-supported.

THIS IS OUR PASSION. THIS IS OUR PROMISE.



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## We commit to the following by 2025:



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## **PROTECTING THE PLANET**

- Track and disclose GHG Emissions data and progress
- Require LED lights across all hotels in the system
- Require low flow water fixtures across all hotels in the system
- Minimize soap to landfill by recycling all used guest soap bars where available



- Double our investment in programs that contribute to sustainable solutions and economic opportunity for all
- Provide unconscious bias assessments and training to all team members and franchise owners
- Commit to conducting pay equity assessments across the enterprise
- Commit to creating a National Day of Service
- Commit to participating in the AHLA Foundation Apprenticeship program
- Provide anti-human trafficking training to 100% of corporate support team members and franchise owners annually
- Expand our proprietary training across the economy lodging industry

## **OPERATING RESPONSIBLY**

- Incorporate Safety & Security as a component of Brand Standards
- Outline a framework for how the organization measures cyber-risk
- Provide training to franchisees on preventing crime through environmental design
- Track and document PCI-DSS compliance for 100% of franchised properties
- Commit to having 100% of our material contract suppliers acknowledge our Vendor Code of Conduct





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Lighting the Way is intrinsic to who we are through all of our business practices. Inspired by our Heart for Service, we recognize the importance and need to play our part in helping the international community reach the global Sustainable Development Goals (SDGs). Adopted by the United Nations in 2015, these goals serve as the blueprint to achieve a better and more sustainable future for all.

## **PROTECTING THE PLANET**



We promote sustainable solutions in our communities and recognize our critical responsibility to protect our planet. As we continue to repair and maintain assets, we focus on responsible consumption and sourcing, including water conservation and energy efficiency.

**OPENING DOORS** 





We create a place where all feel welcome and valued. We invest in the communities where we do business and commit to diversity, equity and inclusion throughout all of our operations to create a safe, welcoming place for all. We commit to the safety and wellbeing of our team members, guests and the

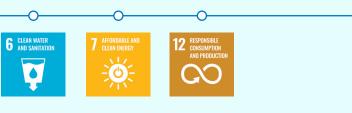
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communities in which we operate.



We hold ourselves and our partners to the highest ethical standards building a culture of trust throughout all business operations.









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# **Environment: Protecting the Planet**

WE PROMOTE SUSTAINABLE SOLUTIONS

We strive to use our business to promote sustainable operations and do our part to preserve the environment. At G6 Hospitality, we are committed to managing our operations efficiently to minimize the impact of our business on the planet. We are focused on integrating more sustainable and efficient practices across our business – from the design and daily operations of our hotels, to setting a positive example as leaders in our communities.



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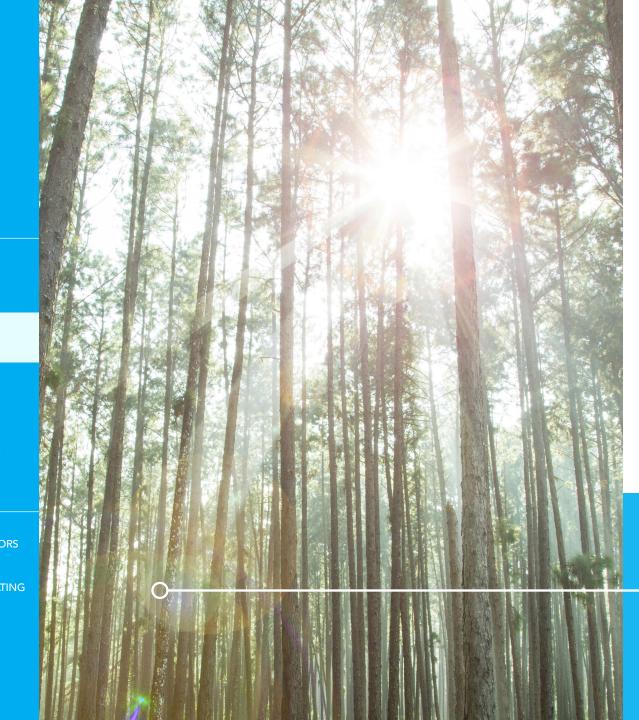
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## **Protecting the Planet**

We reduce waste by not creating it. Sustainable operations is firmly embedded in the DNA of the Motel 6 and Studio 6 operational model. Source reduction is a well-established sustainability principle and our "what you need, when you need it" approach leads to less waste, a reduced carbon footprint and increased efficiency which drives value for owners, operators and guests while making a positive impact on our environment.

To that end, the Motel 6 and Studio 6 design and operational model don't include or require:

- Exercise rooms, restaurants, bars, business centers, conference rooms, event spaces and other common areas that give rise to much of the waste that is generated by the hospitality industry. This allows owners to avoid the 3 - 5% of "unavoidable food waste" that is written off by traditional limited service, full service and luxury service hotels.

• Single-use plastics in guest rooms or food service. This encourages guests to use sustainable practices when they travel. As many hotel companies must determine how to eliminate single-use plastics without compromising guest expectations, we make a positive impact on our environment while appealing to more eco-conscious consumers and the next generation of travelers.





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## Corporate Support Team Basic Carbon Footprint

KWH ELECTRIC USED 2022: 3,180,550



MCF GAS USED 2022: 6744

WATER USAGE FOR 2022: 5,723 K GALLONS FOR IRRIGATION AND WATER

## **Equipment Recycling**

E-waste is a catchall term for computer hardware and other electronic equipment that is broken beyond repair or has reached the end of its useful service life. E-waste can be dangerous if it is not disposed of correctly. Many electronic products carry toxic elements in their internal components such as beryllium, cadmium, mercury and lead. These toxins can pollute soil and ground water. G6 Hospitality is committed to safely recycling its e-waste through certified partners.

## G6 PREVENTED OVER **120,000 LBS**. OF E-WASTE THROUGH CERTIFIED RECYCLING PARTNER.





# **1,747 METRIC TONS** OF CARBON DIOXIDE (CO2) EQUIVALENT

COVERING A BUILDING SPACE OF 272,443 SQUARE FOOTAGE





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## **Sustainable Practices**

G6 Hospitality is committed to incorporating common sense, sustainable upgrades into the design and construction of hotels as they are renovated or built. We monitor and manage water usage and energy consumption at our owned properties, and will ultimately require all hotels to identify and report on environmentally sustainable solutions that are implemented across properties. We plan to update our brand standards to extend certain requirements across our system to meet our 2025 goal.

#### UPGRADES



Spent \$7.7M+ since 2019 on water and energy efficiency investments

Implemented Sharp Biohazardous Waste Containers across the owned portfolio and will update brand standards to expand to the franchise portfolio

## THIRD-PARTY COLLABORATION ANOMALY MANAGEMENT



Oversight for water consumption anomalies help identify and troubleshoot leaks, usage spikes, and more.



Many of our franchisees are demonstrating their own initiative and commitment to sustainability by installing solar panels at their properties.

#### **OPERATIONAL BEST PRACTICES**



Air Conditioner Cleaning / Filter replacements and annual cleaning improves unit efficiency and lengthens life of the unit, cutting back on waste



Thermostat setting protocols and best practices to help control energy consumption throughout our properties

#### LIMITED AMENITIES





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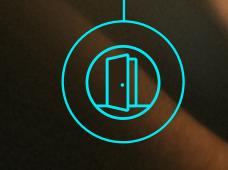
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# Social: Opening Doors

WE CREATE A PLACE WHERE EVERYONE FEELS WELCOME AND VALUED. THE SAFETY AND WELLBEING OF EVERYONE WHO WALKS THROUGH OUR DOORS IS CENTRAL TO EVERYTHING WE DO.

Creating a place where our team members can advance their personal and professional pursuits is key to making our guests feel welcome. We are committed to supporting our team members and fostering their growth by advancing learning and development, diversity and belonging, and wellbeing.

We want our guests to feel confident when staying at our properties. Protecting those who choose to stay or work with us is a top priority.

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## **Lightkeeper Service Culture**

Our Lightkeeper Service Culture is built upon our values and we follow them in all of our interactions. We call our values Beacons of Light:



HEART FOR SERVICE

We put our guests and fellow team members first. We show up prepared to serve others as we would wish to be served.

## 

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We find opportunities to make others' days better and brighter. We look for ways to show we care — in small and big ways.

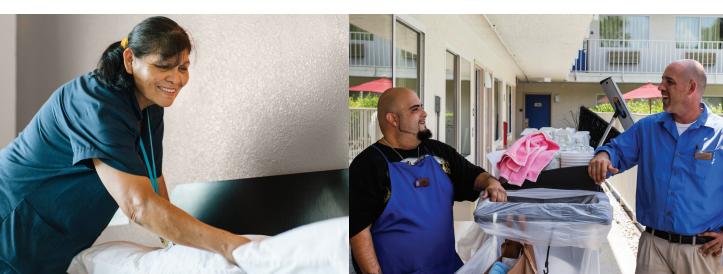
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We look for the best in others. We value the fact that everyone is different, and we treat everyone with respect.

## OWN THE EXPERIENCE

We are responsible for delivering great service experiences. We aim to be our best in every interaction. When problems occur, we own the solution.







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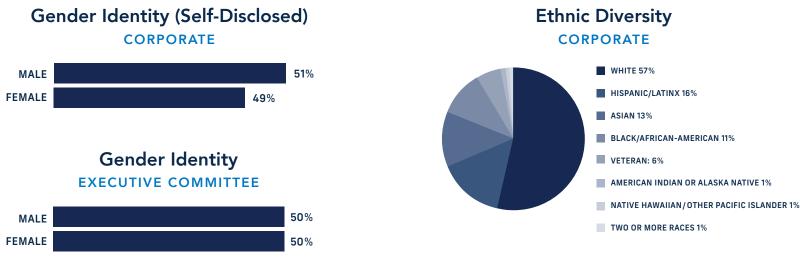
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# Advancing Diversity and Belonging

We respect, value and actively celebrate diversity. We strive to create an environment where the guests, franchise owners, team members, suppliers and partners who walk through our doors feel included and are treated equitably.

# **Diversity in the Workplace**

G6 Hospitality recognizes the importance of building a diverse workforce, with targeted efforts to further increase representation across our organization and at leadership levels. Total corporate headcount by December 31, 2022 was 236 team members.





To ensure all feel welcome at our properties, we implemented a G6 Values Hotline for guests to voice any concerns that may relate to diversity and inclusion. All reports are then investigated by our corporate office within 24-hours.



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## Culture of Belonging

Our purpose is creating a welcoming place where guests choose to stay, and where our team members choose to work. We work to promote and advance a culture of diversity, inclusion, equality and belonging in the workplace and community where all individuals are encouraged to be their authentic selves.

## **DIVERSITY IN LEADERSHIP**

CODE@6 recognizes the importance of building a diverse workforce, with targeted efforts to further increase representation across our organization and at leadership levels. We consistently evaluate representation within our workforce, seek to expand recruitment and retention efforts to underrepresented groups, and identify ways to advance these individuals into leadership roles.

### INCLUSIVE COMMUNITY ENGAGEMENT

CODE@6 leverages its voice and influence to advocate for marginalized communities and support causes that advance Diversity and Belonging for all. Our franchise owners have longstanding relationships with diverse suppliers and vendors, and our team members frequently work with local organizations to support underrepresented minorities.

## FRANCHISEE DIVERSITY

CODE@6 strives to have a diverse franchisee population and is committed to representing the communities we live in and serve. Through our partnerships with third-party organizations such as the National Association of Black Hotel Owners, Operators & Developers, Hotel Opportunities Latin America, Latino Hotel Association, Asian American Hotel Owners Association, and the American Hotel and Lodging Association, we strive to build relationships and create development opportunities for underrepresented minorities and women.

## **LEARNING & DEVELOPMENT**

CODE@6 partners with the Learning & Development team and provides team members with learning and resources to understand key topics, as well as their role in advancing Diversity and Belonging. We are committed to ongoing learning, such as unconscious bias, and evaluate new learning opportunities regularly.

## **OWNERS ADVISORY COUNCIL**

The Owners Advisory Council is a group of appointed representatives that own one or more of our properties. This group provides input and recommendations on matters that impact ownership, branding, franchising and operations.

## YOUNG PROFESSIONALS COUNCIL

The Young Professionals Council is a group made up of individuals that own one or more of our properties. This group strives to promote the franchise and development of our brands, while also focusing on creating new initiatives by partnering with various internal departments.



Our Council on Diversity, Inclusion & Equity (CODE@6), represents a broad range of diverse perspectives to educate and advise G6 Hospitality and our leaders around milestones and social issues.



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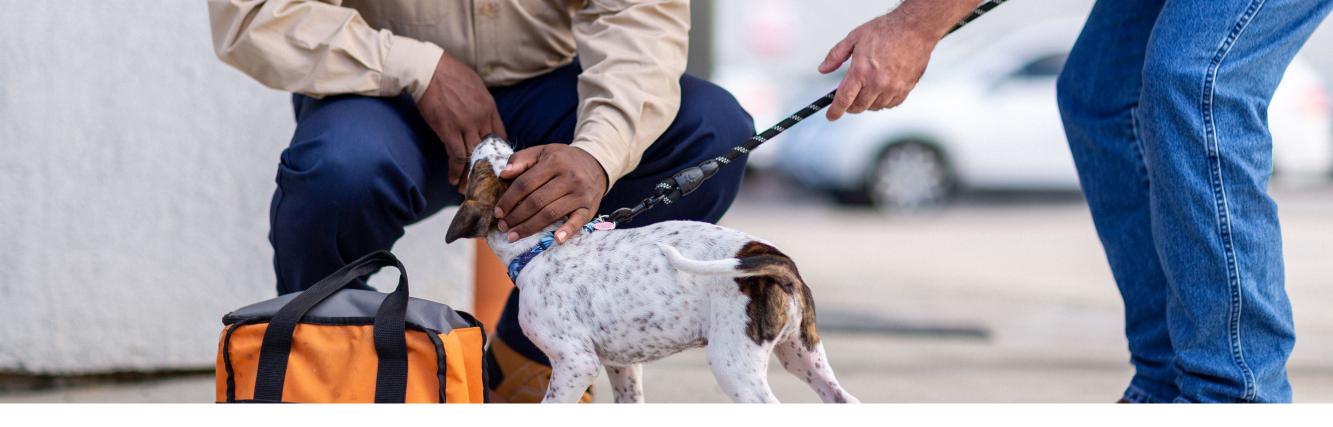
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#### **SKI FOR ALL**

Motel 6 has always offered clean, comfortable

accessible for budget-friendly travelers. In 2022,

we decided to focus on the too often overlooked,

We put real Economy Movers and their authentic

stories front-and-center in our work, truly shining a

everything — creating one diverse 360 campaign

We backed every campaign with a brand action

to support our Economy Mover guests and their

rooms at an affordable rate - making trips

multicultural travelers.

communities.

light on how and why they travel.

effort that spoke directly to guests.

We integrated diversity throughout

We partnered with the Share Winter Foundation, an organization that empowers a diverse community of youths to ski. Motel 6 sponsored a winter full of ski trips for youths who otherwise wouldn't have had the opportunity and showed the nation that everyone deserves the opportunity to ski. In addition, we partnered with IndyPass, a collection of independent resorts that believe the larger mountains have made skiing unaffordable. The partnership offered My6 members 10% off season passes, and existing IndyPass holders 10% off their Motel 6 stay.

## PETS STAY FREE

We partnered with Sperling's Best Places to identify top pet-friendly road trip destinations across the U.S. We emphasized National Pet Month, National Pet Day, and National Dog Day to highlight Motel 6's long-time partner Patriot Paws, a non-profit organization that matches dogs to families that need their love the most.

#### **FAMILY REUNIONS**

We partnered with The Black Family Reunion, an organization that assembles thousands of families each year in Cincinnati to celebrate the historic strengths and values of the Black Family, becoming the official My Black Family Reunion lodging partner.

#### TRUCKER

We partnered with Red Eye Radio and TruckerPath to help truckers, who kept the economy moving and going when everything shut down, feel seen, understood and appreciated for all they do.



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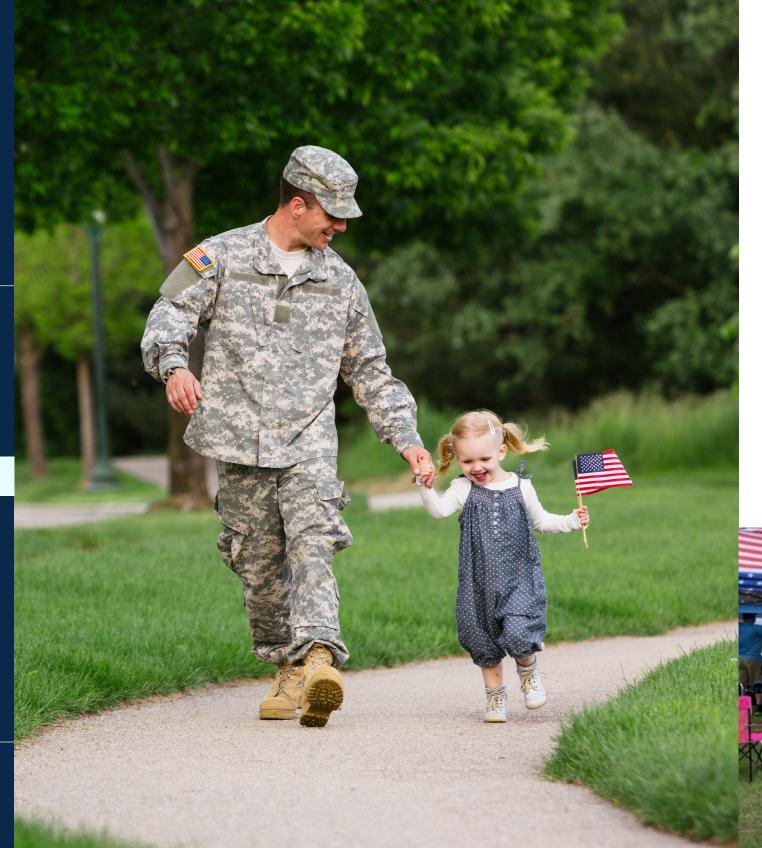
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## **Veterans**

We appreciate the sacrifices of those in our armed forces and are committed to supporting them both during and after their service.

- Through our Operation Next Step program, G6 Hospitality supports veterans and their families as they transition to the next phase of their careers.
- We support the military community with financial and in-kind donations to Guard and Patriot Paws.
- Motel 6 and Studio 6 offer all active and retired military personnel and their families up to a 10% discount at all locations.





Dallas-area and national organizations, such as Carry the Load, the National





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# **Team Member** Wellbeing

We take a holistic approach to supporting the physical, mental and financial wellbeing of our team members.



**TWO WEEKS OF PARENTAL** LEAVE AT 100% FOR BIRTH AND NON BIRTH PARENTS.

### FINANCIAL WELLBEING

In 2022, G6 completed a compensation study to ensure pay equity across corporate support team based on benchmark analysis across hospitality industry and our demographic areas.

#### **HEALTH & WELLNESS**

We offer comprehensive benefits to support our team members' wellbeing, such as medical, dental and vision plans, virtual doctor visits, wellness programs, flexible spending accounts, life and disability insurance and a team member assistance program. G6 also utilizes a hybrid work schedule to allow team members to achieve greater worklife balance.

## MENTAL HEALTH

In partnership with our healthcare provider, we offer mental wellbeing benefits such as personalized therapy, motivational and behavioral therapy and support group sessions.

G6 has introduced for 2023 a Mental Health Day to allow corporate team members a day to recharge and rejuvenate their mental health.

## **COMMUNITY SERVICE**

Our G6 corporate team members have a Heart for Service and are committed to giving back to their communities. To support this commitment, G6 introduced for 2023 two community service days per year. One of those days is allocated for a company-sponsored community service day, while the second day is used for team members to give back to a charity of their choice.

## **RELIEF FUND FOR TEAM MEMBERS AND** FRANCHISEE EMPLOYEES

Our Care@6 Team Member Relief Fund is an anonymous fund created to support both G6 team members and employees of our franchise owners in financial hardship due to unforeseen circumstances, such as a weather-related event, excess medical bills or family emergency.











TEAM MEMBER RELIEF FUND www.careat6.com









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# **Diversity Incentive Ownership Program**

In 2022, G6 launched its "Light Her Way" program, which provides tools and resources to women seeking hotel ownership opportunities. We have always promoted the belief that everyone has the right to travel, but it is just as important that everyone have the right to ownership. The launch of "Light Her Way" will empower women on the path to ownership and is an example of how we live up to our values.



"Light Her Way" is a franchise roadmap providing knowledge and dedicated expertise for female entrepreneurs on the path to hotel ownership. Women interested will gain insight into construction and renovation, market identification, financing, and the brand application process, as well as access to additional resources to support the launch and continuing operations of their franchise property. G6 commits to launching additional programs for various underrepresented ownership groups in 2023.



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# Safeguarding Journeys

We are fully commited to prioritizing the safety and security of all team members and guests staying at our hotels. We advance safety and wellbeing by focusing on cleanliness and hygiene, responding promptly to incidents and standing with survivors in the fight against human trafficking:

## SAFETY AND SECURITY

Our Safety & Security Team is dedicated to ensuring that safety and security is a top priority for team members, franchise owners, and guests. Our Critical Incident Rapid Response Team prepares and plans ahead for a range of potential issues, responds in a timely manner to reports of critical incidents on property and serves to protect our guests and team members.







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## POLICIES AND PROCEDURES TO ENSURE THE SAFETY OF TEAM MEMBERS AND GUESTS

As part of our commitment to operating responsibly, we evaluate and implement Brand Standards annually and recommend best practices to our franchise owners. G6 policies and procedures are designed to deter crime at our hotels, including human trafficking. We continue to refine and enhance our policies and procedures to respond to the evolving and adaptive nature of the crime.

> Check-in and identity verification process for guests

**Daily wellness** checks

Do Not Rent process to ensure that rooms are not rented to individuals if we learn that they have created unsafe conditions during a hotel stay

SAFETY AND SECURITY PROCEDURES

**Recommended online Usage** Authentication step required for WIFI service requiring the last name and room number

**CP-TED (Crime Prevention** through our Environmental Design) certified safety and security team

Enhanced background check requirements for team members

> Confidential reporting hotline to ensure we respond promptly to incidents

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Required personal safety devices to our franchise partners for use for their hotel staff



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## Learning & Development

We are committed to providing team members with the opportunity to obtain, maintain or improve job-related skills.

## LEARNING@LIGHTSPEED

We remain on the leading edge of remote and hybrid training, all supporting a digital continuing education environment. We have a dedicated learning platform, Learning@Lightspeed where members have access to training across a variety of topics to help them build skills for their current and future roles. Our online training platform is available to every team member and franchise owner and includes more than 200 courses. We have also introduced Blue Ocean Brain which is a micro-learning platform that provides relevant, accessible learning that reflects the challenges facing today's leaders. We continue to develop new digital approaches to educate team members, leaders and franchise partners.

## FRANCHISEE TRAINING

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Last year we trained more than 500 franchise owners and general managers in our virtual GM training program. We used a blended learning model which includes live online classes, webinars, pre-recorded video lectures and interactive simulations with senior leaders and hospitality experts. We've also expanded and enhanced our learning experiences with new training formats, engaging expert testimonials, and a comprehensive reboot of our approach to the learning experience from the first course to the final knowledge check. We know that everyone learns a different way so we proudly support an engaging and self-paced training program with guidance from our growing list of experts across the organization.

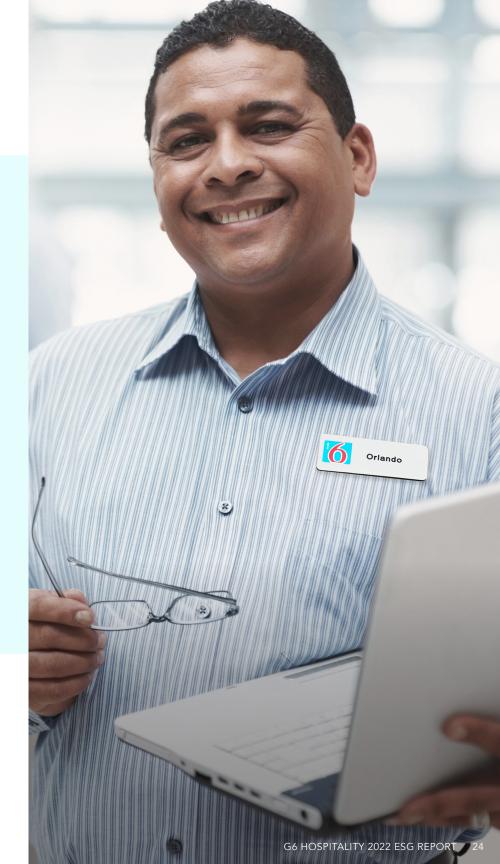
## **EDUCATION ASSISTANCE**

We provide reimbursement opportunities for our corporate support office team members, giving them an opportunity to participate in courses of study at an accredited institution or organization specializing in job and career-related education and training. Also all G6 Corporate team members are eligible for up to the IRS annual reimbursement limit of \$5,250. We also encourage our team members to attend hospitality related conferences and events.



Work moves *fast*, you need learning that won't slow you down







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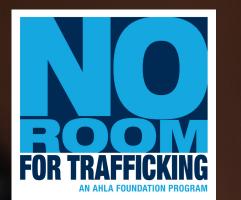
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## Commitment to Human Rights

## G6 HOSPITALITY CONDEMNS ALL FORMS OF HUMAN TRAFFICKING.

Trafficking of people violates basic human rights and constitutes a global societal problem in which multiple stakeholders must partner to eradicate this problem. G6, with a focus on its Motel 6 and Studio 6 brands, takes a proactive, zero-tolerance stance on human trafficking. There is nothing more important to G6 than the safety and wellbeing of our guests, our team members, franchise owners, and the communities in which we operate. G6 implements a variety of practices that help to identify and prevent human trafficking through enhanced safety and security procedures; employee and franchise education, training and response; and partnerships and advocacy.

# "We recognize

the ongoing impact the hotel industry has on combatting human trafficking and we are proud to be a **\$250,000 inaugural donor** of the American Hotel & Lodging Association Foundation's, 'No Room for Trafficking Survivor Fund'. The fund will provide communitybased organizations with resources they need to engage and support human trafficking survivors."



**Farah Bhayani** General Counsel & Chief Compliance Officer

## AMERICAN HOTEL & LODGING ASSOCIATION FOUNDATION -"NO ROOM FOR TRAFFICKING" SURVIVOR FUND

The American Hotel & Lodging Association Foundation (AHLAF) announced an inaugural \$250,000 donation from G6 Hospitality to launch the "No Room for Trafficking" Survivor Fund and expand the hotel industry's ongoing work to support human trafficking prevention and survivors.

"No Room for Trafficking" is an AHLAF national awareness program that builds on the industry's ongoing commitment and work to end human trafficking. No Room for Trafficking is committed to supporting economic stability for survivors of human trafficking while continuing to advance training and education to prevent human trafficking within the industry.

The inaugural donation redoubles our efforts to better train hotel employees across the industry and provides support to human trafficking survivors. We are grateful to be on the ground floor of building the "No Room for Trafficking" Survivor Fund, and will continue to do everything we can to ensure the hotel industry is supporting, listening to, and learning from survivors.





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## **Education, Training and Response**

Our commitment to anti-trafficking efforts is made clear through our comprehensive awareness, training and response program. The Anti-Human Trafficking Rapid Response Team plans, coordinates and executes anti-human trafficking awareness training ahead of signature events. We often partner with law enforcement to support our efforts.

As we transitioned to a franchise model, we prioritized education and training so that our franchisees understand the importance of remaining vigilant. Our Safety and Security and Legal teams have

become recognized experts in the field and shine a spotlight on the best practices recommended to detect and deter this crime in hotels.

We train all corporate support team members, as well as franchise owners and their property team members, to be the "eyes and ears" of our brand and to notify local police and the G6 Hotline upon observing any signs of suspected human trafficking or prostitution.



**ROOM NEXT DOOR** is offered through G6's online learning management system. All G6 Hospitality corporate support team members and franchise owners are required to provide this training to their hotel team members.

WHAT'S BEHIND THE DOOR is a video series designed to supplement G6's anti-trafficking training efforts. The short videos highlight a single topic to enhance the Room Next Door Training by keeping G6's anti-trafficking efforts top of mind.

## **ENHANCED REPORTING AND TRAINING to**

ensure franchise owners proactively mitigate issues identified and escalate to law enforcement and the G6 Hotline and G6 Safety & Security team. This training has led to an increase in escalation and reporting of human trafficking activity and enables our Safety & Security team to respond promptly and provide additional training as appropriate.



## THE RAPID RESPONSE TEAM responds

promptly to reports of trafficking activity that come into the hotline to investigate and ensure adherence to anti-human trafficking policies. The team works closely with local law enforcement and anti-trafficking and survivor organizations in the community.



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**G6 SOAP PACKAGING** includes the National Human Trafficking Hotline on the back. This packaging was created to provide in-room collateral in a space where someone is alone and has access to this resource.

**AMBER ALERTS** G6 implemented AMBER Alerts on the Company's property management system for all hotels. This life-saving tool will empower Motel 6 and Studio 6 properties across the country to play a part in keeping their communities safe and helping reunite missing children with their families.



THE G6 ACCOUNTABILITY INITIATIVE is designed to encourage accountability and excellence in reporting incidents of trafficking and other proactive anti-trafficking measures. Through awareness and training programs, franchise owners and their team members are taught to report incidents to law enforcement, hotel management, and the company.

Similarly, failure to report trafficking may result in termination of franchise agreement (pursuant to Brand Standards), additional action from the Rapid Response Team, routine requests for data and check-ins and/or additional trainings. G6 has updated signage to all of its properties to be displayed in public areas. G6 complies with all anti-trafficking signage ordinances throughout the country.



FRANCHISE OWNER CODE OF CONDUCT, we set the ethical standards by which our franchisees must operate, setting clear expectations on our efforts to combat trafficking.



## Through our BRAND STANDARDS AND



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## Survivor Support, Partnership and Advocacy

G6 Hospitality recognizes that trafficking survivors often face significant challenges in accessing resources and social services to rebuild their lives. G6 remains committed to providing for survivors, aiding in their support, and working with anti-trafficking task forces and organizations to assist in the rescue of victims.

G6 partners with anti-trafficking and survivor service organizations as well as law enforcement. In addition to being an ECPAT-USA member, we are a member of the Texas Businesses Against Trafficking Alliance. Through our active membership in the American Hotel & Lodging Association, G6 participates in the industry-wide "No Room for Trafficking" campaign, issue round tables, public awareness, and state advocacy days. In addition, we provide financial support to several organizations working at the forefront of anti-trafficking efforts and survivor support programs including New Friends New Life and Truckers Against Trafficking. G6 works with law enforcement anti-trafficking units (in compliance with G6's privacy policy) across the country to support efforts to prevent and respond to trafficking incidents. G6 also partners with law enforcement agencies across the U.S. and Canada to provide operational support using our assets.

In 2022, we continued to work with our long-term partners, including New Friends, New Life, Texas Business Against Trafficking Alliance, ECPAT International and It's A Penalty. G6 added partnerships with the Rebecca Bender Initiative, International Association of Human Trafficking Investigators, the Arizona Anti-Trafficking Network, the National Center for Missing and Exploited Children and Shared Hope International.









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# Governance: **Operating Responsibly**

WE OPERATE ETHICALLY

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We integrate our Lightkeeper Culture into our business and maintain a robust governance program designed to achieve our ESG goals and ensure we operate with high ethical standards. Reputations and trust are built over time, but they can be lost in a moment. So we strive to Do the Right Thing always. Our commitment creates a culture where team members are encouraged to speak up and take action.



# TO BUILD A CULTURE OF TRUST.



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# **Oversight by Management**

G6's Executive team, owners and all leaders are committed to strong governance practices. G6 is strongly committed to transparent leadership from all stakeholders including its franchise owners. We have created the following councils and committees to further strengthen and build our institutional culture of trust:

## **ESG COMMITTEE**

Our Environmental, Social and Governance committee oversees our ESG strategy and helps develop measurable, sustainable goals as we continue on our ESG journey. The committee meets on a quarterly basis and oversees the production of annual reporting and updates on our progress toward our 2025 Goals.

The committee consists of representatives from key areas of expertise throughout the organization including: legal, risk management, safety and security, communications, public relations, human resources, training and development, construction and design, finance and tax, franchise and corporate operations support, as well as brand performance and quality.

The committee's executive oversight includes our Chief Executive Officer, General Counsel and Chief Compliance Officer, and Chief Human Resources Officer.

Cross-functional team responsible for reviewing current processes, franchise properties' compliance and determining appropriate actions.

## ENTERPRISE RISK MANAGEMENT COMMITTEE

Select leaders responsible for identifying company's top risks and collaborating with stakeholders to implement mitigation strategies.

Cross-functional team responsible for oversight, central coordination and management of the antihuman trafficking program.

## **FRANCHISE REVIEW COMMITTEE**

## **ANTI-HUMAN TRAFFICKING TASK FORCE**





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## **Doing the Right Thing: Our Compliance** Program

The success of our business is dependent on the trust and confidence we earn from our team members, guests, vendors and partners. We launched our first compliance manual in the form of a Code of Conduct in 2019. Our Code of Conduct ensures integrity remains at the heart of everything we do. We also require employees and franchisees to take additional trainings throughout the year to maintain a culture of compliance. Annual trainings include:

## **ANTI-CORRUPTION POLICY**

Our success is also based on the quality of the services we provide to our guests and never on unethical or illegal behavior. We do not tolerate acts of bribery or corruption. Our Anti-Corruption policy underscores our commitment to complying with laws and regulations where we conduct business around topics such as bribery, extortion and retaliation.

## **DIVERSITY, ANTI-HARASSMENT AND ANTI-RETALIATION POLICIES**

G6 Hospitality strives to create an environment where all who walk through our doors feel included and are treated equitably. We do not tolerate any form of discrimination or harassment based on race, religion, color, national origin, gender, sexual orientation, disability, age or any other characteristic protected by applicable law and we prohibit retaliation against anyone who reports a concern or participates in an investigation. Our comprehensive diversity policy outlines our philosophy on diversity and belonging as well as our key focus areas.

We expect all team members to conduct themselves with the highest level of integrity in all dealings with other team members, guests, suppliers, vendors, contractors, and any others doing business with G6. We avoid conflicts or the appearance of a conflict between our company's interests and our personal interests. We ensure that our business decisions are based on merit and fair treatment and avoid conflicts of interest.

## **COMPLIANCE CORNER**

We believe that affecting change and culture in an organization isn't a one-time training event, and we employ strategies to embed ethics into our daily culture. In 2020, we began "Compliance Corner" which provides short engaging videos, articles and messages from leaders as a monthly resource on compliance and risk topics for our team members.

## CONFLICTS OF INTEREST STATEMENT



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## HOTLINES

In 2022, we updated and rolled out an enhanced Hotline to make reporting and reponding to incidents easier for our team members and franchisees. We believe everyone should feel comfortable speaking up, particularly with respect to ethics and safety concerns. All team members are encouraged to report instances of questionable, unethical behavior along with safety and security incidents through the G6 Hotline. All reported instances are investigated to determine the appropriate course of action.

In 2020, we activated a Values Hotline for our guests to report situations where we are not living up to our values. It gives our guests a voice and provides us with insight into situations where we are not meeting our commitment to ensuring all guests feel welcome at our hotels.

#### **OWNER'S AND SUPPLIER'S CODE OF CONDUCT**

Our Code of Conduct isn't just for our team members. In 2020, we also rolled out an Owner's Code of Conduct for our franchisees and a Supplier's Code of Conduct to ensure those with whom we do business hold themselves to the same high standards of conduct. These Codes ensure integrity remain at the heart of everything we do and serve as a guide for our owners and suppliers to make thoughtful and ethical decisions.

#### DUE DILIGENCE

We conduct enhanced due diligence on all of our new franchisees, development consultants and key vendors in order to maintain our integrity standards.

#### **BRAND STANDARDS**

Motel 6 and Studio 6 require all properties to follow minimum standards that are outlined in our Brand Standards. These standards are the guide to ensure our owners deliver on our Brand Promise: To deliver clean, comfortable rooms and great experiences at all Motel 6 and Studio 6 hotels. Some of our ESG related requirements include reducing the use of plastics and Styrofoam for guest use and encouraging use of recyclable products.











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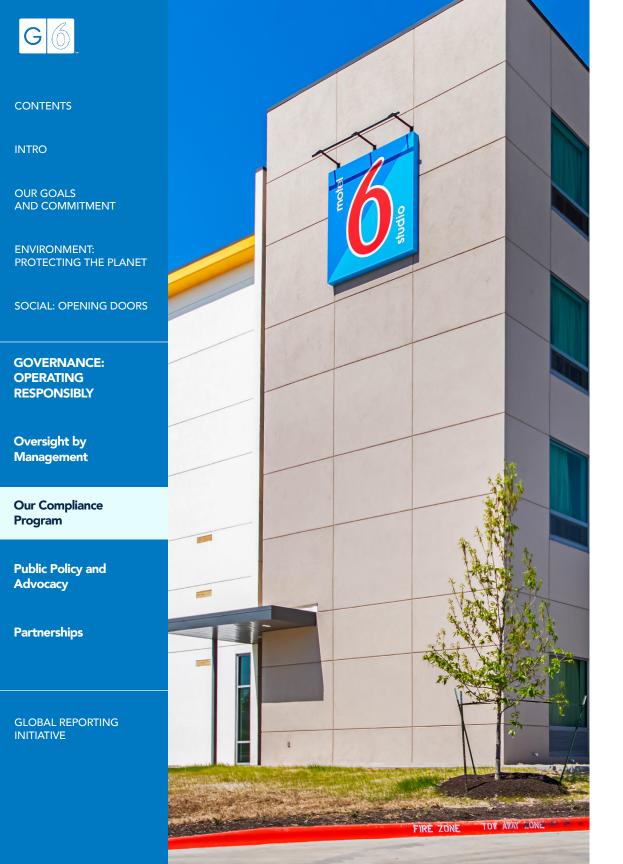
### **OVERSIGHT & ENTERPRISE RISK ASSESSMENT**

On an annual basis we conduct and review an enterprise risk assessment to identify key risks to our brand and business. It is our steadfast belief that we are responsible for ensuring that we mitigate operational risks to the extent that we are able. We engage in a methodical review of our business and operational risks to ensure that we are deploying resources thoughtfully and intentionally. Although operational risks and risk profiles change over time, some of our current areas of focus are our team members and guests. We have focused on a number of risk areas, including some of the following: Discrimination Prevention, Human Trafficking, Data Security & Privacy, Fraud, and Guest Safety.

To continue enhancing the protection of our brands we've implemented the following:

- Senior leadership and Safety and Security team increased focus with hands on education and site visits. The team conducted trainings on Do Not Rent policies, Anti-Human Trafficking awareness, and physical security.
- Safety and Security conducted due diligence on 103 new properties identified by the Development team, providing additional requirements to enable guest safety.
- In fourth quarter of 2022, we began implementation of a data analytics solution that will identify red flags that could indicate fraudulent behavior and revenue avoidance.
- G6 continued franchise business reporting packages for performance and quality reviews in 2022 to enhance business operations.
- Visits are conducted by Brand Performance team to review business operations.





## Cybersecurity and Data Privacy at G6

We are committed to protecting the privacy and security of the data we collect. We handle the personal data of our team members, guests, vendors and third parties with care and vigorously protect it. Our Information Security Policy and Privacy Policy outline our process for collecting personal information and how it is used, as well as the oversight of the function at G6 Hospitality.

## **IT GOVERNANCE**

The G6 Hospitality Chief Information Security Officer (CISO) is responsible for establishing and maintaining the company's security posture and strategy, informed by the company's overall business goals and priorities. The CISO conducts detailed quarterly briefings with the CEO and Chief Information Officer and holds monthly security briefings with the full G6 Executive Committee. The G6 CISO also acts as a subject matter expert to the G6 Enterprise Risk Management Committee, which oversees and steers all enterprise risk management activities, including maintaining and publishing the G6 Enterprise Risk Register.

We use a risk-based approach to both IT governance and the application of security and privacy controls. This allows the company to place the greatest emphasis and spending on those areas with the potential greatest impact to the company, its guests, team members, and franchisees.

We align with the NIST CSF (National Institute of Standards and Technology Cybersecurity Framework) to manage security risks and aid in regulatory compliance.

## **REGULATORY COMPLIANCE**

We comply with all relevant data privacy and data breach laws in the 50 U.S. states, U.S. territories, the District of Columbia, and Canada. G6's CISO and Legal team track and monitor pending legislation to ensure that G6 complies fully with all future laws and regulations as well.

We are fully compliant with the Payment Card Industry Data Security Standards (PCI DSS) and undergo annual audits by an external assessment firm.

Our websites and mobile applications meet all applicable Americans with Disabilities (ADA) standards for access and use.

## **PRIVACY PROGRAM**

G6 Hospitality is dedicated to ensuring the confidentiality of the guest, team member, and franchisee personal information entrusted to it. To meet this obligation, We publish a comprehensive Privacy Policy outlining the personal information it collects, the purpose to which this information is used, and the parties with whom it is shared. This policy also provides a way for individuals to exercise their privacy rights under applicable laws. G6 Hospitality does not sell, trade, or rent personal information to parties outside the company and our franchisees.



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G6 Hospitality is dedicated to developing and maintaining an ever evolving, best in class, cybersecurity posture to protect sensitive information and infrastructure. G6 employs a multi-layered, defense-in-depth approach to secure its systems, networks, and information. The company's goal is to provide its team members, franchisees, and customers with security and privacy protections that meet or exceed industry standards in the most cost-effective manner possible.

G6 Hospitality integrates security and data privacy standards and controls into all applicable business processes, including software development, product and partner selection, communications, project management, contract negotiation, e-commerce, and customer interaction.

#### **VENDOR RISK MANAGEMENT**

As companies increasingly rely on external parties for data processing and critical services, the ability of these external parties to protect the sensitive information and access with which they are entrusted is critical. G6 Hospitality relies on a thorough and mature Third-Party Risk Management Program to ensure all G6 partners meet the company's security and privacy standards before granting access or sharing information with them. Third parties that are critical to revenue or handle sensitive G6 information are monitored throughout the year to ensure these standards are maintained.

AWARENESS - A CULTURE OF SECURITY AND PRIVACY

G6 strives to create a strong security culture through an extensive security and fraud awareness program for all team members. G6 employs a wide variety of training options, including monthly video-based training, phishing and social engineering simulation, dedicated PCI training for those who deal with credit card information, informal "lunch & learn" sessions, company bulletins, and testing of its cyber incident response plans for both technical teams and executives.

#### **CLOUD MIGRATION**

For several years now, G6 has undergone an enterprise-level digital transformation. A critical part of this transformation has been to move key functions to the cloud and reduce reliance on on-site technical resources. This effort allowed G6 to take advantage of not only the elasticity and resiliency of the cloud, but also allowed the company to focus on the improved security, governance, risk, and compliance architecture being built into these services, including container security, API security, cloud HSM, and SecDevOps. A benefit of this effort has been a significant reduction in the physical space and electric power needs of the company, furthering our commitment to our environmental goals.





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## **Public Policy and** Advocacy

We are committed to representing our diverse interests in the communities where we live and operate. Our leaders serve on the boards or actively participate in numerous public policy and advocacy groups including:

- International Franchise Association World's largest membership organization for franchisors, franchisees and franchise suppliers that provides industry-leading events, advocacy, education and growth opportunities to the franchise community
- AHLA Foundation Helps people build careers, improve their lives, and strengthen the lodging industry by giving them the necessary tools, resources and education.
- AHLA Executive Committee and Advocacy Cabinet -Provides strategic advice and direction to AHLA's advocacy agenda and policies leading to AHLA's advocacy positions, engagement with policymakers and community leaders and representation of the hospitality industry
- Texas Hotel Lodging Association Board Largest state hotel association in the nation advocating for legislation and providing resources to promote the lodging industry in Texas.

We support the right of our team members, as individuals, to participate personally in the political process, including making political contributions. G6 Hospitality's political contributions are strictly regulated and must always be approved by the Legal/ Compliance Department. Our policy does not allow team members to use company funds or resources for personal political activities, including contributions to political candidates or parties.











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# **Our Partnerships**

We strive to have a diverse franchisee population and are committed to representing the communities we live in and serve.

#### **INDUSTRY COLLABORATORS:**

- National Association of Black Hotel Owners, Operators & Developers (NABHOOD)
- Hotel Opportunities Latin America
- Latino Hotel Association
- Asian American Hotel Owners Association (AAHOA)
- American Hotel and Lodging Association (AHLA)
- California Hotel & Lodging Association
- Florida Restaurant & Lodging Association
- Illinois Hotel & Lodging Association
- New York State Hospitality & Tourism Association
- Ohio Hotel & Lodging Association
- Texas Hotel & Lodging Association
- Washington Hospitality Association

## SUPPORT THROUGH BOARD MEMBERSHIPS:

- Mary Fregia, Chief Human Resources Officer Advisory Board for University of Texas at Dallas, Jindal School of Management
- Tina Burnett, Chief Development Officer Texas Hotel & Lodging Association (THLA), Board Member
- Adam Cannon, Chief Brand Officer New Friends New Life, Board of Directors
- Mark VanBeest, Vice President, Brand Services & External Affairs

Sacramento Regional Family Justice Center, Emeritus Board Member, The Initiative Advancing the Blue & Black Partnership, Advisory Board Member

Our commitment to our community captures the spirit of our team members, leadership and our owners. We serve our communities through volunteerism, including our National Day of Service, and philanthropy, with a focus on veterans, racial justice, underserved youth and disaster relief.

## **COMMUNITY INITIATIVES WE SUPPORT INCLUDE:**

- AHLA ForWard
- New Friends New Life
- Truckers Against Trafficking
- ECPAT
- Texas Businesses Against Trafficking
- Patriot Paws
- IAHTI International Association of Human Trafficking Investigators
- Carry the Load
- Equality Texas
- America Competes/Texas Competes
- The Hispanic Leadership Summit/Hispanic Star
- National Guard Anniversary Commemoration
- University of North Texas, College of Merchandising, Hospitality and Tourism
- My Black Family Reunion
- Share Winter Foundation
- National Center for Missing and Exploited Children
- Arizona AntiTrafficking Network







































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# Global Reporting Initiative

Our reporting follows the Global Reporting Initiative (GRI) disclosure framework, an internationally recognized set of indicators for economic, environmental and social aspects of business performance. In the GRI Index, we provide our stakeholders with references where they can locate content of interest. This year's report references the GRI standards that precede the 2021 version. G6 plans to reference the Universal Standards in future reporting.





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## DESCRIPTION

## LOCATION AND/OR RESPONSE

## ORGANIZATIONAL PROFILE

102-1	Name of the organization	G6 Hospitality LLC
102-2	Activities, brands, products and services	Company Overview ( <u>page 5)</u>
102-3	Location of headquarters	4001 International Pkwy, Carrollton, TX 75007
102-4	Location of operations	Company Overview (page 5)
102-5	Ownership and legal form	G6 Hospitality LLC is owned by Blackstone Inc.
102-6	Markets Served	Company Overview ( <u>page 5)</u>
102-7	Scale of the organiation	Company Overview ( <u>page 5)</u>
102-8	Information on employees or other workers	Opening Doors <u>(page 16)</u>
102-12	External iniatiatives	UN Sustainable Development Goals <u>(page 10)</u>
102-13	Membership of associations	Safeguarding Journeys (pages 25-26)
STRATEGY		
102-14	Statement from senior decision-maker	Message from our CEO ( <u>page 3)</u>
102-15	Key impacts, risks and opportunities	Our Strategic ESG Framework (page 8)
ETHICS		
102-16	Values, principles, standards and norms of behavior	Ethics & Compliance (pages 15 & 29)
102.17		
102-17	Mechanisms for advice and concerns about ethics	Ethics & Compliance (page 30)
GOVERNANCE	Mechanisms for advice and concerns about ethics	Ethics & Compliance (page 30)
	Mechanisms for advice and concerns about ethics Governance structure	Ethics & Compliance (page 30) Board of Directors (page 28)
GOVERNANCE		
GOVERNANCE 102-18	Governance structure	Board of Directors (page 28)
GOVERNANCE 102-18 102-19	Governance structure Delegating authority	Board of Directors (page 28) ESG Committee (page 28)



INTRO

OUR GOALS AND COMMITMENT

ENVIRONMENT: PROTECTING THE PLANET DISCLOSURES

DESCRIPTION

SOCIAL: OPENING DOORS

GOVERNANCE: OPERATING RESPONSIBLY

GLOBAL REPORTING INITIATIVE

STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Operating Responsibly <u>(page 28)</u>
102-42	Identifying and selecting stakeholders	Operating Responsibly (page 28)
102-43	Approach to stakeholder engagement	Operating Responsibly <u>(page 28)</u>
102-44	Key topics and concerns raised	Operating Responsibly <u>(page 28)</u>
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	Entities are included as evidenced in our FDD
102-46	Defining report content and topic boundaries	We have defined report content in considerati information of greatest interest to our stakeho
102-49	Changes of reporting	Issuance of first ESG report from G6 Hospitalit
102-50	Reporting period	Our first reporting period is 2019-2021, with ar
102-51	Date of most recent report	December 2021 (covering 2019-2021 year to d
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<u>Bhayani Farah@g6hospitality.com</u>
ECONOMIC		
201-1	Economic performance	Access to our economic performance can be f
203-1	Indirect economic performance	Protecting the Planet (page 13)
205-1	Communication and training on anti-corruption policies and procedures	Operating Responsibly <u>(page 29)</u>
ENVIRONMENTAL		
302-1	Energy	Protecting the Planet (page 13)
303-1	Water	Protecting the Planet (page 13)
306-1	Waste	Protecting the Planet (page 13)

## D here: <u>Motel 6</u> and <u>Studio 6</u>.

**LOCATION AND/OR RESPONSE** 

ation of our value chain impacts and the holders.

ality to serve as baseline for future reporting.

annual reporting afterwards.

date at time of issuance).

e found here: <u>Motel 6</u> and <u>Studio 6</u>.



OUR GOALS AND COMMITMENT

ENVIRONMENT: PROTECTING THE PLANET

SOCIAL: OPENING DOORS

GOVERNANCE: OPERATING RESPONSIBLY

**GLOBAL REPORTING** INITIATIVE

## DISCLOSURES

## D

#### SOCIAL

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## LOCATION AND/OR RESPONSE

401-1	Employment	Opening Doors <u>(page 16)</u>
403-1	Occupational Healthy and Safety	Safeguarding Journeys <u>(page 21)</u>
404-1	Training and Education	Opening Doors (page 19)
405-1	Diversity and Equal Opportunity	Opening Doors (page 16)
412-1	Human Rights Assessment	Safeguarding Journeys <u>(page 23)</u>
413-1	Local Communities	Safeguarding Journeys <u>(page 26)</u>
415-1	Public Policy	Operating Responsibly <u>(page 31)</u>
416-1	Customer Health & Safety	Safeguarding Journeys <u>(page 21)</u>
418-1	Customer Privacy	Operating Responsibly (page 31)
102-51	Date of most recent report	December 2021 (covering 2019-2021 year to
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Bhayani_Farah@g6hospitality.com

to date at time of issuance).



G6 HOSPITALITY 4001 International Parkway Carrollton, Texas 75007