

responsible procurement principles

introduction

citizenM is the home of “affordable luxury for the people”. It’s a lifestyle brand and a hybrid hotel that answers the frustrations of modern travelers. These nomads are looking for luxury, contemporary design, tech-friendly facilities, great central locations, humongous beds and affordable prices – something we have in spades.

At citizenM, we not only operate hotels, we build them too. You’ll find our hotels now in New York, Boston, London, Paris, Amsterdam, Rotterdam, Taipei, Copenhagen, Zurich, Glasgow, Shanghai, Kuala Lumpur, and coming soon to a city near you.

Every year citizenM purchases significant quantities of equipment, materials and services from our suppliers. When spending, we always consider ethical, environmental and social factors. This includes our choices of design, material, manufacture, transportation, construction, operation, product usage and disposal. By working collaboratively with our supply chain, we reduce overall impact and work towards our sustainability strategy of having a positive influence on the world.

responsible procurement principles

Responsible procurement principles (Key Principles) underline how citizenM operates as a company and with suppliers. We work hard to minimise our environmental impact while maximising our social impact. This includes obtaining sustainable building credentials, building a responsible supply chain, establishing meaningful community partnerships, promoting equality, and creating a safe working environment for all. All suppliers must comply with our Key Principles and ensure their suppliers and subcontractors also comply with these standards. Any supplier-specific environmental, social and governance requirements will be covered in underlying supplier contracts.

Our Key Principles derive from [citizenM rules](#) – please review them together. The citizenM rules define desired attitudes and appropriate behaviour for our employees and business partners.

our approach

Our collaborative relationship with suppliers is based on a four-step approach, helping us mitigate risks and identify opportunities. The four steps are:

1. Requirements – setting clear requirements for suppliers through our Key Principles.
2. Assessments – using the EcoVadis platform to assess our suppliers.
3. Dialogue – opening possibilities for supplier improvement.
4. Alignment – creating internal alignment by training key citizenM employees and driving supplier adherence across the business.

scope

Our Key Principles apply to all procurement and supply chain activities involving citizenM's suppliers. Adhering to the Key Principles is integral to our contractual conditions. Business partners are responsible for complying to these principles no matter their role in the supply chain process.

key principles

citizenM is reliant on its suppliers and all parties within their supply chain to adhere to the Key Principles set out below. These principles must be implemented, executed and duly managed. They are:

1. international labour standards

To comply with all applicable (local and international) laws and regulations (environmental, employment, health and safety) while adhering to the UK's Modern Slavery Act, the ILO Fundamental Conventions, and the UN Declaration of Human Rights, including:

a. child labour

Not to employ any person below the applicable minimum legal age for employment. Workers under the age of 18 shall not perform work likely to jeopardise their health or safety, including night shifts and overtime. Where people below the age of 18 are legally employed, not to involve them in hazardous activities. The definition of hazardous activities should be determined by applicable local law.

b. forced labour

- To prohibit forced, bonded, compulsory, involuntary or exploitative prison labour, slavery and trafficking of persons.
- To grant employees the freedom to leave their employment on reasonable notice or terminate their contract.
- To undertake the necessary due diligence so there is no modern slavery or human trafficking in your operations and supply chain.

suppliers are required upon request to provide:

- Evidence of applicant/employee documentation.
- Evidence that all staff, including temporary workers, have a written contract of employment and have not had to pay any direct or indirect fees to obtain work.
- Evidence that all staff, including temporary workers, are being paid at least the legal minimum wage.
- Evidence that workers are not having wages taken off them for accommodation, food or to repay any supposed debt.
- Details of how workers are informed of their statutory rights in their own language including sick pay, holiday pay and any other benefits they may be entitled to.

c. working hours and wage

- Working hours must not exceed the maximum set by local law.
- Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

d. freedom of association

- To respect the right of all employees who want to form or join trade unions (and other representations), and carry out representative functions at work in line with legislation.
- To allow employees to bargain collectively and engage in peaceful assembly, as well as respect the right of employees to refrain from such activities. Employees should not be discriminated against or be treated unfavourably or differently because they carry out representative functions.

e. discrimination

Suppliers will not discriminate against employees or prospective employees in any way on grounds of race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices like wages, promotions, rewards, and access to training.

f. disciplinary procedures

- To treat employees fairly and with respect.
- Not to tolerate verbal, sexual, physical and other forms of abuse.

2. ethics

To conduct business with honesty and integrity – not just in line with high ethical and legal standards, but also while complying with all relevant legislation and regulations.

- To prohibit bribery for business advancements and not tolerate corruption in any form.
- To respect intellectual property rights and safeguard customer and supplier information.

3. health and safety

Suppliers must comply with all health, safety and security laws of the jurisdictions they do business.

- To limit worker exposure to potential safety hazards (including electrical sources, fire, heat, vehicles and fall hazards) through proper design, engineering regulations, administrative controls, preventive maintenance, training and safe work procedures.
- To provide a safe, healthy working environment (in line with relevant international standards and national laws) for employees, contractors, tenants, guests, partners or others who may be affected by the company's activities.
- Suppliers will provide workers with appropriate protective equipment at no cost and ensure proper equipment maintenance.
- To provide additional relevant health and safety training where necessary.
- Supplier employees must be free to raise safety concerns without fear of retaliation in any form.
- Supplier will record, track and report all occupational injuries and illnesses as required by applicable laws and in a manner which will:
 - (i) encourage worker reporting of job-related injuries;
 - (ii) classify and record cases of injury and work-related illness;
 - (iii) provide necessary medical treatment; and
 - (iv) investigate and implement corrective actions to eliminate their causes.

4. environment

- As a minimum, suppliers must comply with all applicable local and national environmental legislation, regulations and directives and have developed, reviewed and recorded processes to ensure they achieve compliance.
- Suppliers should have action plans in place to manage their environmental impacts e.g. energy reduction, carbon emissions, water and waste management programs. Where appropriate, suppliers must also comply with additional environmental requirements specific to their products and services.

5. privacy and security

Suppliers commit to protecting and respecting the personal data of everyone they do business with including suppliers, customers, consumers and employees. Suppliers comply with the European General Data Protection Regulation, the California Consumer - Privacy Act, and other privacy and information security laws and regulatory requirements when personal data is collected, stored, processed, transmitted and shared.

6. responsible sourcing of materials

- Suppliers using construction products and materials, should ensure all timber products supplied for citizenM sites must be certified as legally and sustainably sourced through the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest - Certification (PEFC). Suppliers must provide evidence including certificates, delivery notes and invoices to confirm compliance with this requirement. FSC is the preferred scheme.
- Aligned with living-future.org we ask suppliers to not use the materials outlined below within the delivery of any citizenM contract or construction of any of our works. The red list contains the worst classification of materials prevalent in the building industry – they pollute the environment, can cause bioaccumulation along the food chain until they reach toxic concentrations and harm construction workers. The red list of materials includes alkylphenols; asbestos; chlorofluorocarbons (CFCs); formaldehyde, the requirement is to eliminate the formaldehyde content inbound boards and products used in internal fit-out and structures; hydrochlorofluorocarbons (HCFCs), the requirement is to eliminate HCFC use in line with legislation; polychlorinated biphenyls (PCBs); phthalates;
- short-chain chlorinated paraffins; wood treatments containing creosote, arsenic or pentachlorophenol; materials containing microbead plastics. Find more information [here](#).
- Suppliers should incorporate the use of recycled materials where practicable and feasible in the manufacturing process.

How will we implement our Key Principles?

implementation

Social and environmental responsibility is central to the way we do business and this approach is reflected in our supply chain management. To ensure the Key Principles are adhered to, citizenM has commissioned EcoVadis, a global supply chain assessment specialist.

citizenM will work with suppliers to implement the Key Principles and will require selected suppliers to duly complete an EcoVadis assessment of the social, environmental and ethical impact of their operation(s). Suppliers will be selected based on citizenM's internal

risk framework.

The EcoVadis system provides supplier scorecards so citizenM can assess the improvement of a supplier's sustainability performance.

monitoring and review

- citizenM reserves the right to monitor and review suppliers' adherence to these Key Principles on a regular basis as well as set targets to improve their performance.
- If non-adherence is identified or reasonably suspected, citizenM is entitled to audit (the allocation of costs for and the scope of such audit to be agreed) such (non-) adherence whether itself or through a third party.

corrective action

- If a completed EcoVadis assessment shows, or it subsequently transpires, a new or existing supplier is not adhering to these Key Principles, citizenM will seek to work with them to address such non-adherence through a mutually agreed remediation plan.
- Failure to agree on a mutually acceptable corrective action plan may affect citizenM's ability and willingness to continue business relations with the relevant supplier.
- Suppliers are expected to identify, correct and monitor the continued compliance of any activities that fall below the Key Principles' standards.
- Suppliers will immediately report any serious non-adherence to these Key Principles to citizenM and together agree on a schedule for corrective action.
- Where serious breaches of these Key Principles are identified and persist, citizenM may consider termination of the business relationship with the supplier concerned subject to the terms and conditions of the relevant underlying contract between citizenM and such supplier.

engagement and communication

- citizenM will communicate these Key Principles internally, to relevant employees and managers, and externally to all current and potential business partners.
- Where appropriate, relevant training and guidance will be given to employees regarding supplier adherence to these Key Principles.
- citizenM will aim to work with suppliers, where appropriate, to share best practices on responsible supply chain management.

responsibilities

Responsibility for distributing this policy lies with the Sourcing and Procurement department at citizenM. The implementation of this policy is the collective responsibility of all employees, agents, consultants, suppliers, contractors and subcontractors. Suppliers should appoint a relevant point of contact who will ensure this document's Key Principles are met.

reporting violations, incidents, raising concerns and seeking guidance

All violations or suspected violations of the citizenM rules or Key Principles should be promptly reported. Concerns can be raised [here](#) through citizenM's Speak Up platform. All reports of ethical violations will be kept as confidential as reasonably possible.