

# Sonesta ESG Report

2022 - 2023

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# Sonesta welcomes the world.



## OUR MISSION

### TO WOW EVERY

Guest, Team Member, Partner and Community in which we operate by delivering quality and amazing hospitality.



## OUR VISION

### TO EXCEED

expectations for every guest, franchise and owner every time.



## OUR PROMISE

### TO CONTINUE

to grow, evolve and enhance our guest experience through our service and offerings.

## OUR VALUES



### Strive To

### GO BEYOND

Everything we do is guided by our Culture of Caring approach: Respect and care for all is practiced daily. Through prioritizing new ideas, beliefs and backgrounds, we create deep connections with each other.



### Do The

### RIGHT THING

We are passionate about exceeding expectations — for our guests, our employees and our owners. We are persistent and resilient and constantly seek new and creative ways to succeed and win.

# Message From Our Leadership

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At Sonesta, we believe our service and performance stands for itself.

For more than 85 years, we have been welcoming guests to our hotels, supporting our employees and caring for our communities. Today, as the eighth largest hotel company in the United States, these attributes continue to be the pillars of our Company. They are what makes Sonesta ... Sonesta, and I'm proud and humbled to be part of this legacy and exciting evolution.

As we rapidly expand to new locations and welcome more guests and team members, we remain true to the principles that have made us successful: providing unparalleled hospitality to everyone who walks through our doors, caring for one another and earning the trust of the communities in which we operate and live.

While we have long been committed to caring about our planet, our communities, our people and our guests, we have never before taken the time to document and measure these efforts. In the past year, we have begun the hard work to formalize our approach to managing the Company's environmental, social and governance (ESG) efforts. We understand ESG's importance to our long-term growth and view it as a tool to mitigate risks, harness new opportunities and create accountability. We are developing policies and procedures to guide our actions and establishing systems of accountability and governance to integrate our approach across our entire organization. Moving forward, we are committed to sharing our progress and performance against key metrics. Together with my Leadership Team, I am personally committed to this work and will continue to oversee it as it unfolds.

Already, we are making notable progress:

- **Guest Satisfaction:** America's Best Value Inn (a Sonesta franchise brand) took the number one spot in 2023 in guest satisfaction among economy brands for the second year in a row. In addition, U.S. News & World Report ranked 10 Sonesta hotels in its Best Hotel Rankings for 2023.
- **Employee Engagement:** While the labor market in our sector continues to fluctuate, our team members remain highly engaged. *In 2022, we experienced the highest-ever employee engagement for Sonesta with a score of 83, placing Sonesta in the top 10% among industry peers.* In addition, 82% of our employees agree that Sonesta has a great culture, with 85% saying they feel like they belong on our team.
- **Environmental Stewardship:** In 2023, we completed an initial assessment of our greenhouse gas (GHG) emissions and water consumption. Guided by this insight, we are working across the organization to develop measurable goals and action plans to mitigate our impacts. Additionally, we announced our support of the American Hotel & Lodging Association's (AHLA's) new #ResponsibleStay initiative, an industry-wide commitment to make meetings, events and guest experiences more environmentally responsible.
- **Human Rights:** Last year, I joined the Advisory Council of AHLA's No Room For Trafficking (NRFT) and our Chief People Officer, Jennifer Rausch has joined as an Industry Impact leader. We work closely with this organization to ensure all of our team members are fully trained to recognize, prevent and report on trafficking and exploitation in the travel and tourism industry. I'm pleased to report that since 2021, we've trained nearly 5,000 employees to recognize the signs of trafficking.

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## Looking Forward

With new franchising capabilities, growth momentum and an expanding global footprint, Sonesta's future is exceptionally bright. We are thrilled with the continued confidence and investment that Service Properties Trust(SVC) our primary capital partner and minority owner) provides, demonstrating our capabilities as a hotel brand and manager. This is evidenced by our renewed agreement to manage nearly 200 SVC-owned hotels through 2037. This long-term agreement with SVC serves as the solid foundation on which Sonesta will further accelerate our trajectory as one of the fastest-growing companies within the hotel industry.

As we grow, we will continue to do what we do best: Deliver quality, value and amazing hospitality. In doing so, we will get better every day — in ways that will support our business, our people, our communities and our planet.

I want to thank our Sonesta team members, the Sonesta Leadership Team, our franchise owners and our partners for their ongoing support. Together, I have no doubt our journey ahead will be anything less than spectacular.

**John Murray**  
President and CEO

# Who We Are

At Sonesta, we open our doors and welcome the world. Since 1937, we have offered service with a passion, loyalty with a purpose and a commitment to the many faces — new and familiar — who stay with us.

## By The Numbers

Year founded:

**1937**

Headquarters

**Newton, MA, USA**

Number of team members

**More than 8,000**

Number of hotels

**1,065**

Hotels managed by Sonesta

**208**

Hotels operated by franchisees

**857**

Average occupancy rate

**62%**

Number of available-room nights

**13,611,499**

Sonesta has been practicing the art of hospitality for more than 85 years. Throughout, our direction has remained the same: to provide our guests an authentic quality experience and treat all who walk through our doors with integrity.

Sonesta is one of the fastest-growing hospitality companies in the United States,<sup>1</sup> with approximately 1,065 properties totaling over 65,000 guest rooms across 17 brands in eight countries. We own, manage and franchise a diverse portfolio of hotels and resorts, ranging from economy through luxury hotels, with full service, limited service and extended stay service offerings.



The Fifty Sonesta Select New York

**In 2022, we added 80 hotels to our portfolio and welcomed more than 50 new Sonesta franchises.**

<sup>1</sup> Ranked eighth by Smith Travel Research (STR) as of 2023.

## Sonesta Offers Identifiable Differentiation Between Brands and Thoughtful Market Distribution

Our brand acquisition strategy reflects our ongoing commitment to ensuring our portfolio includes well-recognized, robust and differentiated brands in each market. We manage more than 200 hotels in the US and Canada, and have over 800 franchise properties across North and South America and Egypt.

### Our Brands

- The Royal Sonesta
- The James Hotels
- Classico, A Sonesta Collection
- Sonesta Hotels & Resorts
- MOD, A Sonesta Collection
- Sonesta Select
- Sonesta Essential
- Sonesta ES Suites
- Sonesta Simply Suites
- Sonesta Posadas del Inca
- Sonesta Nile Cruises
- Hotel RL
- Red Lion Hotels
- Red Lion Inn & Suites
- Signature Inn
- GuestHouse Extended Stay
- Americas Best Value Inn
- Canadas Best Value Inn
- Knights Inn



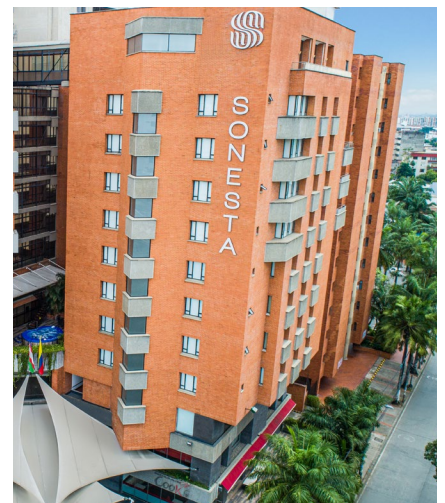
The Royal Sonesta, offered for franchising in November 2022, redefines upscale travel with properties in exciting destinations, gourmet culinary options, noteworthy meeting and event spaces and high-touch service. Above, The Royal Sonesta New Orleans.



In 2022, we acquired four boutique and lifestyle hotels in New York City, including The Shelburne Sonesta New York.



We launched the Sonesta Essential brand in January 2023. Above, Sonesta Essential Vacaville Napa Valley.



We have a long-standing presence in Latin America, with operations in Peru since 1998 and extending to Colombia, Ecuador and Chile. Above, Sonesta Hotel Cali, a 180+ room hotel that marks our 14th property in Latin America, opened in April 2022.





# Our Approach to ESG

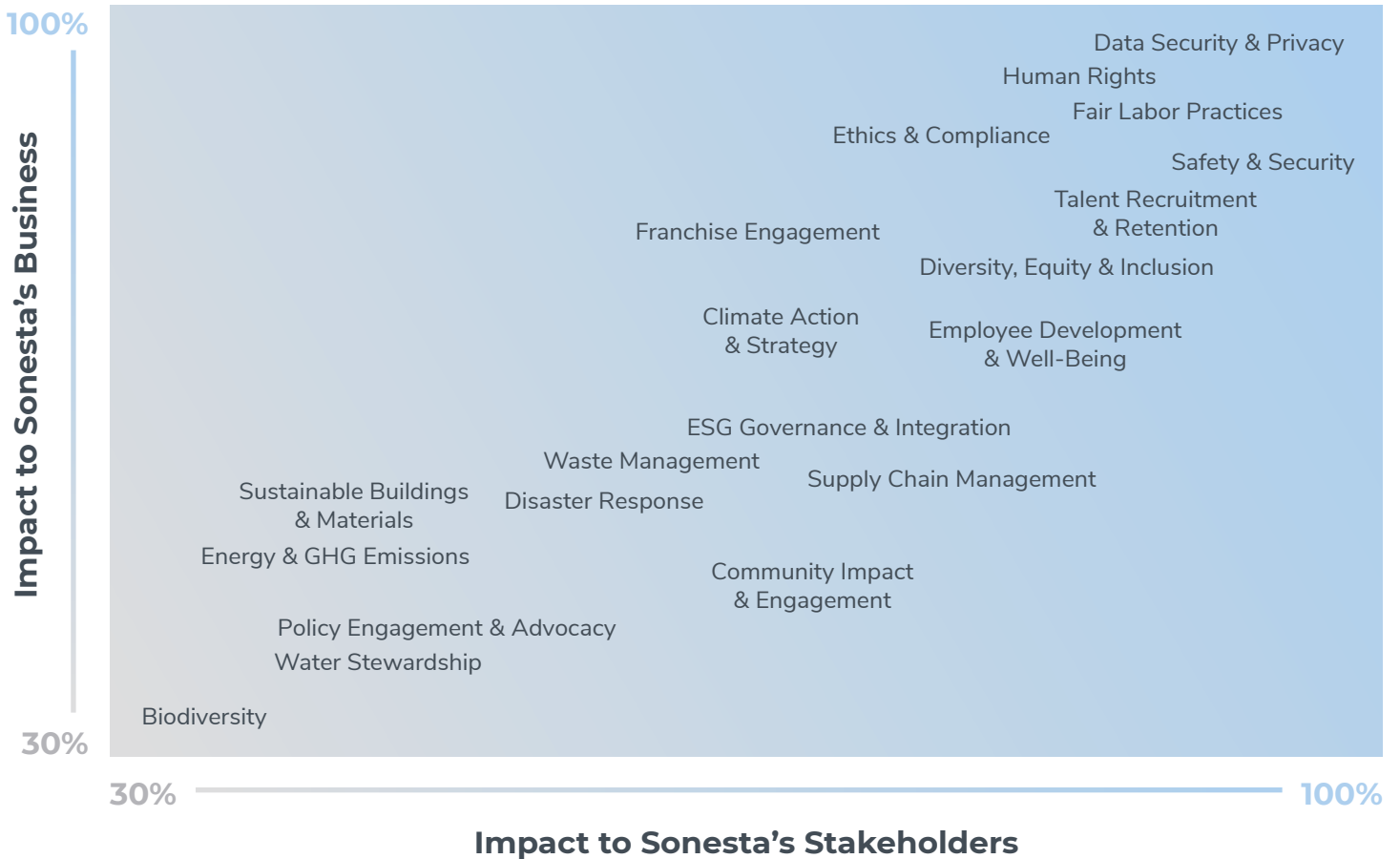
Our legacy showcases our dedication to being a responsible company that puts people first. In 2022, we worked to enhance our understanding of the ESG issues most important to Sonesta and our stakeholders.

## Materiality Assessment and Results

In February 2023, we worked with a third-party partner to conduct our first non-financial materiality assessment in line with leading sustainability frameworks such as the Sustainability Accounting Standards Board (SASB) and industry-specific guidance such as the Sustainable Hospitality Alliance (SHA) standards.

Through our assessment, we identified key focus areas to guide our ESG strategy and inform our efforts and business priorities.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"><li>• Climate Action and Strategy</li><li>• Waste Management</li><li>• Sustainable Buildings and Materials</li><li>• Energy and GHG Emissions</li><li>• Water Stewardship</li><li>• Biodiversity</li></ul>	<ul style="list-style-type: none"><li>• Human Rights</li><li>• Fair Labor Practices</li><li>• Safety and Security</li><li>• Talent Recruitment and Retention</li><li>• Diversity, Equity, and Inclusion</li><li>• Employee Development and Wellbeing</li><li>• Disaster Response</li><li>• Community Impact and Engagement</li></ul>	<ul style="list-style-type: none"><li>• Data Security and Privacy</li><li>• Ethics and Compliance</li><li>• Franchise Engagement</li><li>• Supply Chain Management</li><li>• Policy Engagement and Advocacy</li></ul>



Looking ahead, we are committed to establishing baselines within our strategic priority areas, defining goals and targets and closely monitoring our performance. We recognize the importance of continuously refining our materiality assessment and will continue to engage with our stakeholders, adapting to their evolving expectations as our business grows. Central to our efforts is a commitment to regular communication and engagement with these key stakeholders.

## ESG Governance

Within Sonesta, our Corporate Strategy Team manages our cross-functional ESG strategy and activities, with input and support from our Legal, Human Resources, Information Technology, Procurement, Operations and Facilities departments. Our Executive Leadership Team oversees progress and results. We are expanding our ESG governance and management structure to ensure integration into our operations and promote accountability over our performance.

# Putting People First

The human side of hospitality is the core of Sonesta's culture.

## Our Guests. Our Privilege.

In 2022, with many people traveling once again, we welcomed more than 3 million guests to our hotels — some for work-related events, others to enjoy a break with family and friends and explore the world. Sonesta was there for their health and happiness, seeking to provide a memorable and positive experience.

## Supporting Guest Well-Being

In 2023, we formalized our global Health and Safety Policy and are in the process of implementing it throughout our properties. It is based on industry standards and the fundamentals that have guided our practices for many years. This includes our Stay Safe with Sonesta health and cleanliness program, which we implement in the United States with Ecolab Inc. The program includes enhanced:

- Public area cleaning and sanitizing
- Guest service measures
- Guest room cleaning and sanitizing protocols
- Meeting and event space protocols

All hotel-based team members participate in Stay Safe with Sonesta training. In addition to health and hygiene practices, team members are trained in food safety and responsible alcohol service.

Sonesta also engages internal and external stakeholders to maintain a secure environment for all those who visit our properties. We train Sonesta employees on how to mitigate and handle risks at our hotels, conduct thorough safety and security assessments and have procedures and response plans in place to address emergency and crisis situations.

**VERIFIED™**  
with **Forbes** TRAVEL GUIDE

## Verified Excellence

In 2021, Sonesta became the first hotel company to be Sharecare Health Security VERIFIED with Forbes Travel Guide (now Forbes Verified). The new Verified badge as of 2023 signifies that Sonesta supervises properties on 130+ safety and security requirements in the following areas:

**Emergency Procedures**

**Key Controls**

**Physical Property**

**Guest Room Security**

**Fire and Safety Systems**

**Carbon Monoxide Detection**

**Fire Extinguishers and  
Emergency Lighting**

**Emergency Egress  
and Access Controls**



## Focusing on Mind, Body and Soul

In 2022 and 2023 starting with our “Check-in on YOU” campaign, we promoted opportunities for guests to reduce stress and achieve calm in their daily lives during their stay.

- **Helping our guests get a good night’s sleep:** In 2022, we offered a complimentary three-month membership to the award-winning Aura app for mental wellness and sleep when booking certain room types. We also partnered with sleep expert Dr. Rebecca Robbins, an instructor in medicine at Harvard Medical School and an associate scientist at Brigham and Women’s Hospital, to incorporate sleep awareness throughout our operations — from food and beverage to room design. She inspired our new slumber package, which includes a sleep tracker ring, sleep mask and ear plugs, a bookmark with sleep tips and a QR code to meditation videos and a sleep itinerary for guests.
- **Making fitness accessible:** We collaborated with obé Fitness to offer our Travel Pass members access to more than 10,000 on-demand classes from five to 60 minutes at all skill levels.
- **Providing a warm welcome to pets:** We understand that pets are an important part of many of our guests’ lives. Through our Pets Are Welcome at Sonesta (PAWS) program, Sonesta operates hundreds of pet-friendly hotels in the United States and Canada, with no breed or weight restrictions. Learn how we are helping reduce the number of dogs and cats in local shelters in the Community section.

# Our Employees. Our Family.

We don't just care for our guests; we care for each other.

## Attracting, Developing and Retaining Our People

Our team members enhance our business and our guests' experiences with their unique skills and contributions. We seek to attract those with a passion for people in a wide variety of areas, including guest services, event planning, human resources, public relations, marketing, sales, finance, information technology and food and beverage services.

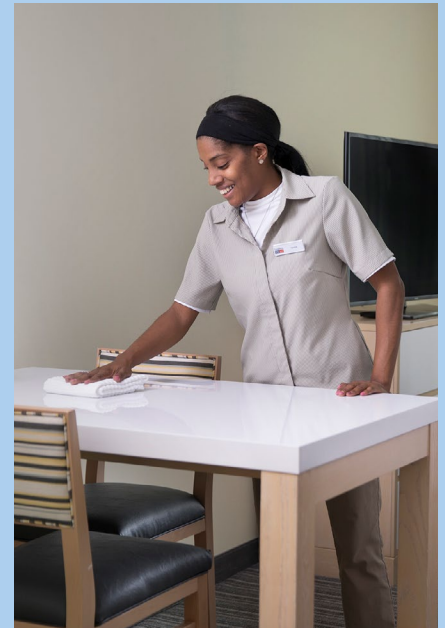
In 2022, we refreshed our careers site and introduced new recruiting technology to make the research and application process as seamless as possible. We received 40% more applications compared to 2021 and hired 5,682 new employees.



*“Sonesta’s growth and culture influenced my decision to join this amazing team of leaders. As a business travel seller with a depth of skills in marketing, the brand position of Sonesta was very exciting to me.”*

*– Tabitha Scott  
Regional Account Director,  
Sales and Marketing*

**Our employees continue to be our best brand advocates, with 34% of open roles filled by employee referrals in 2022.**



## Inspiring Careers in Hospitality

We are working to build a pipeline of future Sonesta team members by inspiring students to consider jobs or careers in the hospitality sector.

In New York State, Sonesta White Plains teamed up with the White Plains Youth Bureau to create the Sonesta Hospitality Inspiration Program (SHIP). Through the six-week mentorship program, local high school students gain experience in different areas within the hospitality industry. This program was suspended during COVID but will be restarting in Q4 of 2023.

# Helping Employees Build Rewarding Careers

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Developing Sonesta team members has always been a priority. It happens on the job (decentralized), on demand (centralized/online), virtually (live webinars) and in person (traditional training). We also offer mentoring programs, management development workshops, job shadowing and tuition assistance to hotel employees with at least six months of continuous employment.

## Team Members in Their Own Words: Career Journeys



“I was born and raised in Colombia before moving to the U.S. when I was 18 years old. I have been working in hotels since 2004 starting as a valet before moving on to other roles (Bellman, Night Auditor, Front Desk Supervisor, Food and Beverage Manager, Executive Housekeeper and Assistant General Manager). Now, I am the General Manager for Sonesta Simply Suites Charlotte University. Due to hard work and dedication, I have been able to become the leader that I am today.”

– Jorge Alzate, General Manager, Sonesta Simply Suites Charlotte University, North Carolina



“Working at Sonesta has allowed me to achieve goals established in my life, which as part of my personal growth, fills me with a lot of satisfaction.”

– Maria Isela Martinez, Sous Chef, Sonesta Suites Scottsdale



“Having served in the Navy earlier in my life, I came to Sonesta with some great life experiences. I have grown quickly in my career, starting as a Room Service Attendant, getting promoted to a Night Auditor, and now I am an Assistant Office Manager. My team and I get to engage with our guests and provide a standard of excellence we are proud of every day.”

– Ron Henry, Sonesta Fort Lauderdale Beach. Since this interview, Ron has been promoted to Director of Security

# Elevating Experiences

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As we continue to grow, we are taking steps to build a strong internal pipeline of talent. One such step is through our participation in AHLA's Elevate program.

Launched in 2022, the program matches high-potential Sonesta managers with mentors who give them the tools and knowledge they need to take the next step in their Sonesta career. The program, funded by the U.S. Department of Labor in partnership with AHLA, also includes more than 140 hours of on-the-job learning and classroom education, as well as a speaker series with members of Sonesta's Leadership Team. Those who complete the program earn industry certification. The Company currently offers two Elevate tracks: General Lodging (which includes finance, food and beverage, human resources management, marketing and sales, rooms management, supervisory and leadership and operations) and Maintenance and Engineering.

Since the program launched in 2022, more than 90 participants have gone through the program, of whom:

- 80% remain with the Company.
- 43% have been promoted, including 37% to General Manager/Hotel Manager.
- 69% of program participants are women.
- 68% of participants are non-white.



Karoline Montoya completed the Elevate program in June 2022, when she worked as a Room Division Manager at the Royal Sonesta San Juan in Puerto Rico. In 2023, she was promoted to Hotel Manager of the Miami Airport Hotel. "Elevate gave me the opportunity to learn about new areas of the business that I had not previously worked in," Montoya says. "I also met people who I know I can go to when I need assistance — people I can always count on." Montoya still participates in Elevate today as a mentor

## 2022 HIGHLIGHTS

More than **90%** of our employees at Sonesta-managed hotels participated in training with more than **50,000** hours completed.

**26%** of open roles were filled internally.

**100%** of the eligible workforce across all locations received regular performance and career development reviews.

**29%** of our new hires are referred by existing employees in 2023..

# Engaging Our Team Members

## Living a Day in the Life of a Sonesta Employee

At The Chase Park Plaza Royal Sonesta Hotel in St. Louis, members of the hotel's Management Team have developed a unique way to better understand the employee experience. For one day every month, members of the Management Team swap their regular job for a line-level job function in an operational department. Assignments could include Housekeeper, Greeter, Bellhop, or Attendant. On the job, executives spend time with employees, learning about challenges, opportunities and the personal goals of everyone they meet.



“What I like about working with Sonesta is that I have learned a lot as well have grown as an employee. My coworkers are not just coworkers, we are like a family.”  
- Janelle Seidele, Lead Front Desk Agent

We believe all team members should be empowered to influence change. Each year, we ask for their feedback on how we are doing and where improvement is needed through our Employee Engagement Survey. Developed and implemented by Glint/LinkedIn, the survey is an anonymous confidential tool that helps drive our workplace strategy and cultivate meaningful change.

In 2022, we experienced the highest-ever engagement for Sonesta with a score of 83, putting Sonesta in **the top 10% of industry engagement benchmark scores**. Our score continued to improve in May 2023.

### Key Strengths

#### Culture

Sonesta has a great culture.



+10 vs. U.S. benchmark  
(+1 vs. U.S. top 10%)

#### Communication Flow

There is a good flow of communication between leadership, departments, and teams.



+15 vs. U.S. benchmark  
(+5 vs. U.S. top 10%)

#### Belonging-Team

I feel like I belong on our team.



+4 vs. U.S. benchmark  
(No HP benchmark available)

### Employee Feedback

“I feel, as a brand, there are opportunities to improve on, as well as a company. I think overall, my experience with the team has been delightful. Everyone has been willing to help when needed.”

“I’m viewed as a valuable team member; my input/voice is heard by my colleagues and managers.”

“Since the moment I started working here in the food/beverage/banquet department, everyone has welcomed me and has given me respect. The staff are easy to work with. I can honestly say that my work relationship with my staff is fantastic, and I’m happy to be a part of the Sonesta team.”



# Fostering Diversity, Equity and Inclusion (DEI)

We work every day to build a workplace that welcomes new ideas, beliefs and backgrounds and treats all employees fairly and with respect. Our approach is embodied in our [Commitment to Diversity, Equity & Inclusion](#).

We provide equal employment opportunities by prohibiting discrimination against any applicant, contractor, vendor or employee on the basis of legally protected characteristics, including race, color, religion, national or ethnic origin, age, ancestry, sex, pregnancy (including childbirth, lactation and related medical conditions), gender, gender identity, sexual orientation, mental or physical disability, genetic information (including characteristics and testing) or membership in any other category protected by applicable law.

## Zero Tolerance for Workplace Harassment

Sonesta considers harassment to be a form of discrimination and does not tolerate any form of it in the workplace. We respond promptly to complaints of harassment, and when allegations are substantiated, we take disciplinary action, up to and including termination of employment.

To support our culture of inclusion, team members receive annual training based on our “Better Together” curriculum. These courses, in partnership with industry-leading experts, cover core DEI concepts such as racial identity and racism, unconscious bias, psychological safety, bystander intervention, microaggressions in the workplace and LGBTQ+ inclusion. Hotels enhance this training with on-site activities and communications to mark cultural events such as Black History Month, Hispanic Heritage Month, Juneteenth and Pride Month. Additionally, our anti-harassment and nondiscrimination policy is outlined in our Employee Handbook, which is provided to all team members upon hire.

## Increasing Gender Diversity

While we are committed to diversity at all levels of the Company, we are particularly focused on increasing the number of women in executive roles. One way we do this is through a targeted development program. In 2022, we introduced our Diversity in Leadership initiative in partnership with AHLA. More than half (56%) of participants in our first cohort were women, and nearly 60% of mentors were women.

Since January 2020, the number of women General Managers on our owned/managed Property Management Team has grown by 20%.<sup>2</sup> 33% of Sonesta’s board members are women, and within our corporate leadership team, 31% are women including our Chief Operating Officer, Chief Commercial Officer, Chief Brand Officer and Chief People Officer.



Sonesta's first graduating Elevate class of 2022.

# Industry Partnerships

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Sonesta partners with industry organizations to promote more diversity within our industry and within our own firm.

Sonesta supports the American Hospitality and Lodging Associates (AHLA) initiatives which provided resources and apprenticeships to community-based partners across the country as well as their National Human Trafficking Prevention and Awareness campaigns through education and ongoing communications. In addition, we have leaders who participate in multiple committees and engage with AHLA's Legislative efforts. Each year, Sonesta sponsors the AHLA's Night of a Thousand Stars, meant to showcase and celebrate our thousands of team members working day and night to make our guests feel at home.

Sonesta is a corporate sponsor of AHLA's ForWard: Women Advancing Hospitality program, as well She Has a Deal (SHaD), a movement that seeks to close the gender-wealth gap by creating new pathways for women in commercial real estate ownership and development.

Sonesta is a sponsor of industry organizations; The Asian American Hospitality Owners Associations (AAHOA), The National Association of Black Hospitality Owners, Operators, and Developers (NABHOOD), and the Latino Hotel Association (LHA). Sonesta is an annual sponsor of all three organizations and attends and supports their annual conferences and events.



Award presentation at the AHLA Night of a Thousand Stars in 2023. Sonesta Team Member Sandra Hudgins of Sonesta Select Chattanooga at Hamilton Place, won the event's North Star Award, the top prize of the evening for lodging industry employees. The annual event raises funds for the AHLA Foundation, who help connect the unemployed or underemployed with new career pathways and provide educational programs and resources to support their professional development.

*From left to right: AHLA CEO Chip Rodgers, Sandra Hudgins, Sandra's sister Lena Cooke, Sonesta CEO John Murray, AHLA Foundation President Anna Blue and AHLA Foundation Chair Tom Bardenett.*

# Team Members in Their Own Words: Culture of Inclusion



*“Pride Month for me means stepping into your light and choosing to have complete happiness in celebrating who you are – whilst having love, compassion and respect regardless of how we may be different from one another. It’s about standing together, united and lifting each other up.”*

– Elaine Uy, Assistant General Manager, Sonesta Select Arlington Rosslyn



*“Juneteenth is special to me because it is a time to reflect on our African American ancestors who were finally emancipated from enslavement. The holiday represents the restoration of the African American men and women who could then reunify their families, open schools, own a business and be a part of the legislative process. It’s not just a holiday but a representation of hope, inspiration and empowerment to change our lives and future generations.”*

– Zenina Malden, Assistant General Manager, Sonesta Simply Suites Las Vegas



*“I am grateful that I can bring my traditions and heritage to my working environment. Being Cuban born and raised, cafecito is such an important part of my daily life.”*

– Yoan Nieves, Director of Sales, Sonesta Simply Suites Miami Airport

## 2022 HIGHLIGHTS

More than half — **55%** — of our total workforce<sup>3</sup> and **43%** of our leaders are women.<sup>4</sup>

Team members completed **14,000** DEI courses, totaling more than **13,000** hours.

Ethnic minorities make up **72%** of our total workforce.<sup>5</sup>

A total of **100%** of our workforce received training on diversity, discrimination and/or harassment.

<sup>2</sup> Includes full service, focused service and corporate employees as of December 31, 2022.

<sup>3</sup> Sonesta-managed hotels and corporate employees.

<sup>4</sup> Sonesta-managed hotels and corporate employees.

# Putting Safety First

When our team members are healthy and safe, our business thrives.

Our approach to employee health and safety is guided by our newly formalized [Health and Safety Notice of Commitment](#) and supported by our health and safety management systems. Sonesta complies with all workplace-related regulations, including those of the Occupational Safety & Health Administration (OSHA). Our compliance is monitored by third-party auditors and Sonesta's Internal Audit Team.

Upon hire, every employee receives extensive training in personal and job safety, including accident prevention, hazard communication, blood-borne pathogens and active shooter training. Additionally, all maintenance and engineering employees receive quarterly safety training on topics such as equipment safety; back safety and injury prevention; ladder, plumbing and heating, ventilating and air conditioning (HVAC) safety; and electrical safety, totaling up to 12 hours of training per employee annually.

## 2022 HIGHLIGHTS

Sonesta team members participated in more than **8,000 hours** of online safety training, as well as additional on-site training.



## Disability Inclusion: Raising Awareness and Recognizing Strengths

Neurodiverse individuals are an underrepresented community of talent who bring great strengths to the workforce. To leverage this untapped resource, the Chase Park Plaza Royal Sonesta Hotel in St. Louis forged a partnership with [Special School District of St. Louis County](#) to help differently abled high school graduates obtain on-the-job training and skills building.



# Empowering Employee Well-Being

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Our Culture of Caring starts with taking care of our team members. We offer a generous benefit program that provides full-time team members and their families with access to quality health care. Emphasizing affordability, these benefit packages start as low as \$50 a month and include life insurance, retirement benefits and more. Benefits are available the first of the month after hire.

## Medical Care



Despite rising U.S. health care costs, Sonesta covered all increases in 2022 and decreased standard medical rates up to \$30 a month. In addition, all enrollees have access to a doctor 24/7 via telehealth.

Team members and their dependents also have 24/7 access to a free, confidential employee assistance program. It offers short-term counseling for stress, anxiety, grief, alcohol and drug abuse and depression, as well as assistance with financial and legal services and work-life resources.

Another health benefit for our team members through Blue Cross Blue Shield plans is that team members are eligible for reimbursement for certain fitness and/or weight loss expenses such as health club memberships; online fitness memberships, subscriptions, programs or classes; cardiovascular and strength-training equipment; and in-person or online weight-loss programs.

## Financial Wellness



We are committed to paying our team members fairly and equitably. Our pay practices are grounded in market-competitive and performance-based principles to attract, retain and reward industry-leading talent.

We leverage tools and processes to establish equitable pay decisions, including salary ranges, by level and objective performance goals. Managers provide all team members with clear information about how compensation decisions are made.

Team members can participate in DailyPay for access to earnings before payday. DailyPay converts employee-reported hours into an available balance, minus withholdings. Employees can transfer funds from the available balance to their bank account or card for the cost of an ATM fee.

In addition to base pay, the Sonesta 401(k) plan helps employees save and invest for retirement. Sonesta matches 100% of employee contributions up to 3% of pay and an additional 50% of the next 2% of pay.



## Additional Benefits



Sonesta Gwinett Place Atlanta Team

Sonesta Perks at Work is a one-stop shop for employee discounts and personal savings — and is also available for up to five friends or family members. Discounts and corporate rates are available for various items, including groceries, restaurants, movie tickets and cellphone plans, as well as for travel, rental cars and computers. Team members and their families and friends are also eligible for the Sonesta Hotel Discount Program, which offers reduced rates on stays at Sonesta properties.

# Supporting Fair Labor Practices

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## Labor Practices in Our Supply Chain

Our suppliers are expected and encouraged to uphold the highest standards of safe and healthy work environments for their employees and to comply with all applicable labor laws and regulations, as guided by the United Nations Universal Declaration of Human Rights and the International Labour Organization's Fundamental Conventions. This includes prohibiting child labor and forced labor, providing fair wages and benefits and allowing workers to organize and bargain collectively in accordance with the United Nations Guiding Principles on Business and Human Rights and the Sustainable Hospitality Alliance's Principles on Forced Labour.



When it comes to our employees, treating them with respect and dignity is nonnegotiable. From our beginning, we've understood the immense responsibility that comes with taking care of our people.

Sonesta is devoted to applying strong human rights principles across our business and our supply chain, as outlined in our recently published Human Rights Commitment. Key principles include:

- Zero tolerance for forced or child labor or any form of forced, bonded or compulsory labor
- Freedom to work and move without abusive, threatening, unlawful or intimidating tactics by employers or others
- Fair pay and compliance with all applicable laws and regulations, including those concerning hours, compensation, opportunity, overtime, benefits and working conditions
- The right to freedom of association and to organize and bargain collectively (with approximately 14% of our employees globally being covered by a collective bargaining agreement established between unions and corresponding facilities)



Sonesta recognizes, respects and is committed to human rights, as set out in the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Fundamental Conventions.



# Our Community. Our Roots.

Our communities are where we work and live. That's why our pursuit of health and happiness extends beyond our hotels to support our friends and neighbors.

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## Supporting Our Communities

Our team members are passionate about giving back. Through the Sonesta Matching Gift Program, we match up to \$300 per employee per calendar year to support local charitable organizations. We also donate \$50 for up to four hours of volunteer time. From fighting hunger to supporting veterans, our team members helped make their communities stronger in 2022.



With the Birthday Party Project, team members at Royal Sonesta in downtown Chicago assembled 200 goodie bags and created 150 handmade cards for young kids and teenagers living in local homeless shelters. ***"This organization is near and dear to my heart, as there are so many kids in Chicago, and across the country, who are unable to celebrate their birthdays and enjoy being with loved ones,"*** said Kelsey Knight, Hotel General Manager.



Sonesta ES Suites Flagstaff team members honor local veterans by supporting Honor Flight, which escorts veterans to Washington, D.C., to visit memorials, and Wreaths Across America, which lays wreaths on headstones of veterans.



Team members from Sonesta ES Suites Somers Point hotel helped students at the Sunflower Life Skills After School Center of Galloway, New Jersey, create watercolor paintings that were auctioned off to raise money for underprivileged children at the center. ***"It feels great to be able to offer a resource that helps facilitate the growth of young children,"*** said William Ashenfelder, Hotel General Manager.



Team members from our hotels in northern Virginia volunteered their time and energy at So Others May Eat (SOME), preparing meals for homeless people in Washington, D.C., and packing holiday gift boxes with personal care items. ***“We all had a fun time, but it also made us realize how many people still struggle with basic needs that many of us take for granted,”*** said Hannah Adlam, Area Director of Operations.



Team members from The Royal Sonesta Kauai Resort raised \$25,000 to support the Hawaii Lodging & Tourism Association 44th Annual Charity Walk – Kauai Chapter. The walk benefits nonprofits on the Island. In Seattle, Sonesta team members organized a benefit wine reception and special bottle sale to support HIV testing in the LGBTQ+ community.

## Supporting Local Businesses and Artisans

When possible, we strive to source goods locally and support local businesses and vendors. This includes teaming with local tour guides to help guests explore nearby attractions, as well as welcoming local artists to our sites.



Artist Steffi Lynn Tsai  
 @haveanicedayy\_  
 Sonesta Simply Suites Jersey City



Sonesta Philadelphia Rittenhouse Square

# Combatting Human Trafficking

Since 2021, we've trained nearly 5,000 employees to recognize the signs of trafficking.



#EndItMovement

Human trafficking and sexual exploitation impact the lives of thousands worldwide, particularly children and young adults. At Sonesta, we realize that the travel and tourism industry has a meaningful role to play in helping to end this serious issue.

As outlined in our Human Rights Commitment, Sonesta condemns all forms of human trafficking and the commercial exploitation of any person. We are fully committed to protecting individuals from abuse and exploitation and expect our employees and business partners to help us meet this commitment.

Sonesta CEO John Murray joined AHLA's No Room For Trafficking (NRFT) Advisory Council and our Chief People Officer Jennifer Rausch joined NRFT as an Industry Impact Leader, pledging the Company's support and making a \$25,000 contribution to industry-wide anti-trafficking efforts. As an NRFT Advisory Council member, Mr. Murray helps champion and shape the hotel industry's unified efforts to support human trafficking survivors with critical resources on their path toward empowerment and self-sufficiency.

Sonesta is also a longtime partner of Protect All Children From Trafficking (PACT), formerly ECPAT-USA, which is committed to aid in the cause against sexual exploitation of children and trafficking through education and advocacy.

## Every Employee Has a Role to Play

As part of our commitment, we ask all Sonesta team members to help raise awareness about ending human trafficking and to ensure that every child has the right to grow up free from the fear of exploitation.

We train all our employees annually on how to recognize instances of human trafficking. We also provide ongoing communications during the year and participate in events such as Shine a Light on Slavery Day and World Day Against Trafficking.

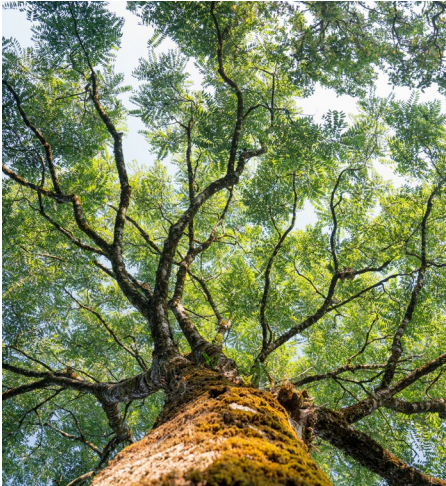


Since 2017, Sonesta Hotels has been a member of The Code, a travel and tourism organization focused on the protection of children from sexual exploitation. They provide a set of best practices and criteria that Sonesta has committed to implementing in our own operations and policies.

# Caring for the Environment

At Sonesta, protecting our planet is both a responsibility and a corporate business imperative.

## Our Approach



Environmental stewardship is increasingly important to our guests. Within our hotels, we are working to integrate environmental practices into our guest experience in several ways. We also recognize the risks to our business posed by the impacts of climate change, increased energy costs, water scarcity and biodiversity loss. We are committed to better understanding our impacts, how we are affected by environmental risks and working toward measurable improvements. This includes developing action plans that will help us to:

- Reduce our GHG emissions as part of our efforts to reach net-zero emissions.
- Conserve natural resources.
- Reduce and, where possible, eliminate landfill waste.
- Protect biodiversity on our properties and in our communities.

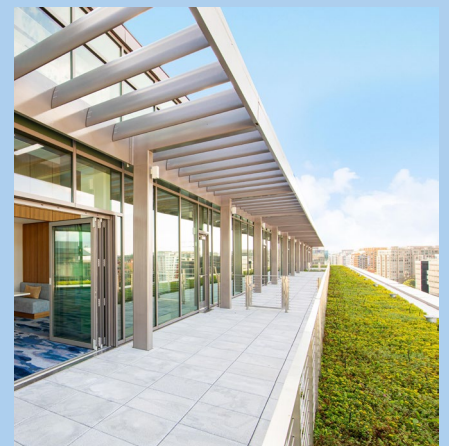
Our commitment is outlined in our recently published Environmental Policy statement, which applies to the Sonesta corporate office and all Sonesta-owned, leased and managed hotels. Sonesta is working with owners, franchisees and suppliers to improve the environmental impact of Sonesta's value chain through direct engagement and specific requirements outlined in our Acquisition, Development & Construction (AD&C) guidelines and Supplier Code of Conduct.

We have introduced our environment management system to all Sonesta properties, owned and managed. This system provides us with detailed environmental information such as energy use, water use and waste. We are also installing building management systems at a growing number of our hotels, allowing us to better monitor and control our heating and cooling, lighting and fire and security systems. This system dynamically adjusts in response to local energy demand fluctuations to alleviate load on the electrical grid. Additionally, it employs smart sensors to conserve energy such as dimming lights based on occupancy or slightly slowing down elevators and escalators during off-peak hours.

## Green Building Practices

Sonesta seeks to proactively protect the environment through green building projects and certifications. Our Architectural Design and Construction standards include requirements for properties and franchisees such as the use of recycled content in building materials and flooring, water-efficient landscaping, energy star appliances, energy efficient lighting and fixtures, water fountains and bottle fill stations, as well as provisions for electrification and electric vehicle charging stations.

We have recently contracted with a third-party consultant to review our building standards, specifications and certifications against current industry standards for sustainability. We will review their recommendations to identify further improvements.



## Reducing Waste

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Waste reduction, recycling and food upcycling and donation are all critical components of our waste reduction approach. Our efforts include:

- Partnering with our waste management vendors to track waste output and increase recycling
- Supporting textile recycling programs and composting at select hotels
- Providing recycling bins in all guest rooms and employee areas and educating our staff and guests about the importance of waste reduction and recycling
- Providing water dispensers and coolers to reduce the number of single-use plastic bottles
- Collaborating with local communities and organizations to support recycling initiatives
- Reusing and refurbishing casework and furniture, when possible, and donating unneeded furniture in good condition to local charities
- Replacing single-use soap and shampoo with refillable bottles
- Reduction in linen/towel changes during housekeeping reduces usage of chemicals and replacement of materials

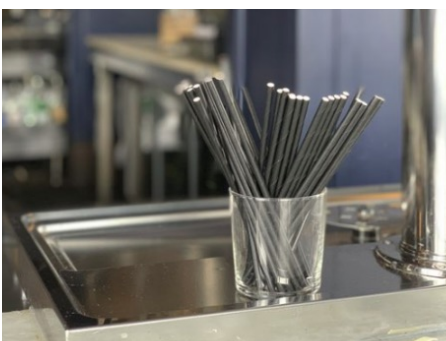
## Leading the Way in Waste Reduction



When it comes to reducing waste, The Royal Sonesta Chase Park Plaza in St. Louis means business.

Before the pandemic, the hotel diverted 58 tons of food waste in 2019 for composting and repurchased it for the hotel's micro-greeneries where fresh ingredients are grown on-site for use in our kitchens. For 2024, the hotel is partnering with Total Organics recycling to revive this program.

The hotel currently buys an average of 40 pounds of nutrient-rich compost per month for its kitchen's micro-greeneries. These micro-greeneries are used to grow basil, arugula, bulls' blood (beets), chives, radish and mizuna, as well as larger plants, including lettuce, kale and mustard greens. All greens harvested from the micro-greeneries are used in dishes prepared for the hotel's restaurants.



Another way The Royal Sonesta Chase Park Plaza is helping the planet is through the "Skip the Straw" initiative, in which the hotel's restaurants and bars only provide paper straws in drinks upon request.

## Lowering Energy Use and GHG Emissions

At the forefront of our ESG priorities, we are committed to climate action, shaping our strategies with informed and responsible management of our environmental footprint. We recognize this will require a multiphase approach and are working to establish a baseline for our energy consumption and key environmental indicators across our entire portfolio.

In 2023, we undertook an environmental data consolidation exercise for our Scope 1 and 2 GHG emissions, utilizing data from owned and managed hotels. The evaluation included electricity, natural gas and steam consumption, applying the U.S. Environment Protection Agency (EPA) emissions factors and consistent with the World Resources Institute's GHG Protocol. Recognizing

the value of a comprehensive and data-driven approach to sustainability, this consolidation serves as a foundational step toward better management of our environmental impact.

Based on the reported data, Sonesta's total GHG emissions for 2022 were 240,462 MT CO<sub>2</sub>e, as presented in the table below. Eighty-three percent of Sonesta's GHG emissions come from indirect emissions sources (Scope 2), mainly from purchased electricity at our hotels. Natural gas consumption for heating and cooling (Scope 1) accounted for 14% of emissions. Steam used at a small number of Sonesta locations represented the remaining 3% of GHG emissions.



Total Emissions (MT CO <sub>2</sub> e)	
Scope 1	40,444.0
Scope 2	200,017.9
<b>Total</b>	<b>240,462.0</b>

Energy Consumption & Emissions (by Source)			
	Total Consumption	Total Emissions (MT CO <sub>2</sub> e)	%
Electricity (kWh)	284,371,182.6	200,017.9	83%
Steam (Mlbs)	39,208.0	6,186.8	3%
Natural Gas (Therms)	6,476,702.1	34,257.2	14%
<b>Total</b>		<b>240,462.0</b>	

## Addressing Our Impact

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As we work to develop our long-term climate strategy, we continue to focus our efforts on reducing energy use at our properties through our smart metering systems and central utility management platform. These programs allow us to track and benchmark our energy and water use at Sonesta-managed hotels and address increases where necessary. Each property is also registered in the Energy Star Portfolio Manager platform. We continuously review opportunities to reduce energy consumption through equipment, technology and operational modifications.

Key steps we are taking include:

- **Energy Star:** Replacement of guest-room appliances with Energy Star rated products
- **Bright Future:** Transitioning to LED lights in both renovations and new builds and ensuring “lights off” in unoccupied spaces
- **Smart Comfort:** Integrating advanced energy management and HVAC systems to regulate room temperatures and operational hours in unused spaces
- **Guest-Centric:** Encouraging guests to close curtains and blinds, shielding interiors from sun-induced heat
- **Systems Maintenance:** Maintaining equipment for optimal efficiency and life span
- **Sustainable Sourcing:** Prioritizing locally sourced products and materials, minimizing the environmental toll of transportation





Drought tolerant landscaping at Sonesta Select Scottsdale Mayo Clinic, Scottsdale, AZ

## Conserving Water

From our guest rooms to our corporate offices, we are constantly working to preserve one of nature's most precious resources — water.

In 2023, we compiled our water consumption data, finding that Sonesta Hotels consumed approximately 1.12 billion gallons of water across 206 of our managed and owned properties. Moving forward, we are working to identify ways to reduce our consumption, especially at properties located in water-stressed areas.

### Efforts include:

- Installing water-efficient fixtures and systems in guest rooms, kitchens and public areas
- Promoting water-saving practices among our guests such as providing educational information on water conservation
- Providing guests with the option to reuse towels and to opt out of daily cleaning services to reduce water consumption
- Installing water-efficient landscaping at our properties





## Biodiversity

For many, travel involves the opportunity to see the natural beauty of the world — from waterfalls and redwood forests to wildlife and beautiful flora. At Sonesta, we are committed to doing our part to protect and help preserve this biodiversity for our guests and future travelers.

Shown above, at the Royal Sonesta Harbor Court Baltimore, 30,000 honeybees thrive on the rooftop garden next to a sculpture by local artist Bob Benson and Rick Ames. Together with herbs from an on-site garden, the hotel uses the honey in its restaurant. The hotel is proud to have been the first in the city to introduce an on-site bee garden in 2011 and to continue its efforts more than a decade later.

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## Supplier Environmental Responsibility

We expect our suppliers to minimize the environmental impact of their operations and to comply with all applicable environmental laws and regulations. As outlined in our [Supplier Code of Conduct](#), we expect suppliers to:

- Have an environmental management system.
- Source their products and materials in a sustainable way such as using certified sustainable wood products or organic cotton, as well as source products locally to reduce the environmental impact of transportation.
- Manage their use of chemicals and hazardous materials in a responsible way such as using nontoxic cleaning products or minimizing the use of harmful pesticides.
- Use packaging that is reusable, recyclable or made from sustainable materials; minimize the amount of packaging used; and use packaging that is the appropriate size and weight for the product being shipped.
- Take measures to reduce their energy and water use such as using energy-efficient equipment or installing low-flow water fixtures.
- Measure and report their carbon footprint, as well as take steps to reduce their GHG emissions. This could include using renewable energy sources, reducing travel-related emissions or investing in carbon offsets.



# Conducting Our Business Responsibility

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We hold ourselves to high standards and continually strive to reflect Sonesta values in our culture, hotels and services. This is essential to earning and maintaining the trust of our customers, guests and owners while mitigating risks to our business. Our approach is woven through our organization by robust governance practices, policies and training.

## Ethics and Compliance



Our business is built on an unwavering commitment to ethics, integrity and compliance, which is demonstrated daily by our team members through their words, decisions and actions.

All Sonesta employees are guided by our values of Do the Right Thing (see page 3) and our principles of STAR — Stop, Think and Act Responsibly. These are embodied in our Code of Business Conduct and Ethics. We also hold employees and business partners accountable to our Anti-Bribery, Anti-Corruption and Compliance With Laws Policy. Our Chief Compliance Officer oversees compliance with the code, our policies, laws and regulations. All team members receive annual training on our Code of Conduct and Insider Trading Policy. Our team members can report suspected misconduct or ask a question through our confidential Speak Up employee hotline (available by phone or online). We prohibit retaliation or intimidation against Sonesta employees for reporting a concern in good faith.

We expect our suppliers and all partners with whom we do business to abide by our Code of Business Conduct and Ethics and to adhere to the standards outlined in the Sonesta Supplier Code of Conduct. This includes conducting business in an ethical and honest manner and avoiding any practices that are illegal or unethical. Failure to comply with applicable laws and regulations or to adhere to either code may result in termination of the supplier relationship.

### 2022 HIGHLIGHTS

A total of 100% of team members received training on business ethics.

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## Cybersecurity and Data Privacy

We have robust systems and processes in place to support the ethical use, management and protection of systems, information and employee and guest data. Our Chief Information Officer leads our Information Security Program and oversees compliance with our newly formalized Information Security Policy. Aligned with ISO 27001, 27002 and the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), going forward, our policy will serve as the framework for identifying, implementing and maintaining information security throughout Sonesta. Key principles include:

- **Confidentiality:** Ensuring that information is accessible only to those entities that are authorized to have access, many times enforced by the “need to know” principle
- **Integrity:** Protecting the accuracy and completeness of information and the methods that are used to process and manage it
- **Availability:** Ensuring that information assets (information, systems, facilities, networks and computers) are accessible and usable when needed by an authorized entity
- **Safety:** Managing risks to prevent a cybersecurity incident so it doesn't result in injuries, environmental disasters or loss of life

## Privacy Policy

We are committed to respecting our guests' privacy and protecting their personal information. Our Privacy Policy describes how we collect, use and disclose personal information. Our Director of Information Security and Privacy is responsible for implementing our privacy program. To protect our customers' and team members' personal data, team members are required to complete annual cybersecurity and privacy training courses. As a service provider and merchant under the Payment Card Industry's (PCI's) Data Security Standards (DSS), we undergo an annual comprehensive third-party audit to process billions of dollars in credit card payments.

# DISCLOSURE INDEX

## SASB Hotels & Lodging Disclosure (2022)

Topic	Accounting Metric	Unit of Measurement	Code	Response
Energy Management	(1) Total energy consumed – Electricity	kWh	SV-HL-130a.1	284,371,182 <sup>1</sup>
	(2) Percentage grid electricity	Percentage (%)		100%
	(3) Percentage renewable	Percentage (%)		Data collection is in progress. We hope to provide this information in upcoming reports.
Water Management	(1) Total water withdrawn	Gallons	SV-HL-140a.1	Data collection is in progress. We hope to provide this information in upcoming reports.
	(2) Total water consumed	Gallons	SV-HL-140a.1	1,116,889,281 <sup>1</sup>
	Water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed	Percentage (%)	SV-HL-140a.1	Fifty-five (26%) of Sonesta's 208 managed/ owned hotels are located in high-extremely high water stress regions and account for 25% of Sonesta's total water consumption in 2022. <sup>2</sup>
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	Number	SV-HL-160a.1	None <sup>3</sup>
	Description of environmental management policies and practices to preserve ecosystem services	Discussion & Analysis	SV-HL-160a.2	See our Environmental Policy.
Labor Practices	(1) Voluntary and (2) involuntary turnover rate for lodging facility employees	Rate	SV-HL-310a.1	This information is not available.
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations <sup>2</sup>	Reporting Currency	SV-HL-310a.2	This information is not available.
	(1) Average hourly wage and (2) percentage of lodging facility employees earning minimum wage, by region	Reporting Currency, Percentage	SV-HL-310a.3	(1) We track hourly wage by: Corporate: \$30.01 Full Service: \$19.90 Focus Service: \$17.67 (2) This information is not available.
	Description of policies and programs to prevent worker harassment	Discussion & Analysis	SV-HL-310a.4	See our Commitment to Diversity, Equity & Inclusion.
Climate Change Adaptation	Number of lodging facilities located in 100-year flood zones	Number	SV-HL-450a.1	Four (2%) of Sonesta's managed and/or owned hotels are located in areas of high risk of coastal flooding. Twenty-seven (13%) are located in areas of high risk of riverine flooding. <sup>4</sup>

<sup>1</sup>Covers 206 managed and/or owned hotels.

<sup>2</sup> According to the World Resources Institute's (WRI's) Water Risk Atlas tool – [Aqueduct](#).

<sup>3</sup> According to the U.S. Fish & Wildlife Service (USFWS) Critical Habitat for Threatened & Endangered Species designated areas.

<sup>4</sup> According to the WRI's Water Risk Atlas tool – Aqueduct. Coastal flood risk measures the percentage of the population expected to be affected by coastal flooding in an average year, accounting for existing flood protection standards. Flood risk is assessed using hazard (inundation caused by storm surge), exposure (population in flood zone) and vulnerability. Riverine flood risk measures the percentage of population expected to be affected by riverine flooding in an average year, accounting for existing flood-protection standards. Flood risk is assessed using hazard (inundation caused by river overflow), exposure (population in flood zone) and vulnerability.

# Activity Metrics

Topic	Activity Metric	Unit of Measurement	Code	Response
Lodging Facilities	Number of available room-nights	Number	SV-HL-000.A	13,424,988 <sup>1</sup>
	Average occupancy rate	Rate	SV-HL-000.B	62% <sup>1</sup>
	Total area of lodging facilities	Sq. ft.	SV-HL-000.C	25,351., 686 SF <sup>2</sup>
	Number of lodging facilities and the percentage that are: (1) managed, (2) owned and leased and (3) franchised	Number	SV-HL-000.D	Owned and/or managed: 208 Franchised: 857

<sup>1</sup> Covers 256 hotels due to data availability of franchises.

<sup>2</sup> Covers 207 of 208 owned/managed hotels. Franchise property information is not available at this time.

# Forward-Looking Statement

This report contains forward-looking statements based on current expectations, estimates, forecasts, and projections about the industry in which we operate and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “momentum,” “seeks,” “estimates,” “continues,” “endeavors,” “strives,” “may,” variations of such words, and similar expressions, are intended to identify such forward-looking statements. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. In addition, any statements that refer to (1) our goals, commitments, and programs; (2) our business plans, initiatives, and objectives; (3) our assumptions and expectations; (4) the scope and impact of our corporate responsibility risks and opportunities; and (5) standards and expectations of third parties, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update any forward-looking statement.