

# Purpose With Heart<sup>SM</sup>



## Annual

## Report

**2023**



**RedRoof**

# Purpose With Heart

## Introduction



In late 2022, Red Roof® started a project to rethink the way we do business. Our project has become a focus for the company's ambitions, goals, and milestones on an evolving set of environmental, societal and governance objectives.

In 2023, Purpose With Heart was born, and in our first year, we have made remarkable progress and sound baseline measures for continued performance improvement in the years ahead.

Red Roof's commitment to pressing environmental and societal challenges is a responsibility consistent with the history and vision of our company. We work to establish policies and habits that are solution-oriented; and that advance a long-term sustainable future for our business, our people, and the communities we serve. By working with all our stakeholders – including our team members, our franchisees, our business partners and suppliers – we will improve our sustainability, better serve our communities, and deliver improved business performance for our franchisees and our company.

Purpose With Heart will drive constructive change in our business by dedicating our organization to continually improving our operations, our supply chain, and our communities. We will measure and evaluate our societal and environmental impacts and develop habits and practices that enable us to contribute to a healthier world and improved quality of service for our guests. We will communicate our progress transparently so that all our stakeholders will see the benefit and value of this work. And we will do this ethically, responsibly, transparently and 'With Heart.'

We aim to move beyond programmatic policy elements toward lasting behaviors that will strengthen our business and improve our contribution to a healthier and kinder world.

Purpose With Heart is a long-term commitment to improve the way we work and to create a lasting ethos as an example for our people, our partners, and the communities we serve. We see it as an evolving program through which we will find continuous improvement in our business, in our responsibility as an employer and franchisor, and as a place of hospitality to our millions of Red Roof guests.



**Purpose With Heart is a long-term commitment to improve the way we work and to create a lasting ethos as an example for our people, our partners, and the communities we serve.**



# Heart For The Planet

is our environmental pillar. We will focus programs and practices on reducing greenhouse gas emissions, energy consumption and waste, as well as responsible stewardship of natural resources.



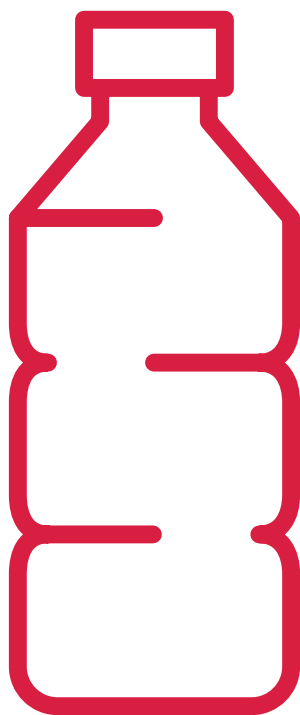
# Initiative 1:



## Removal of Single-Use Soap and Bathroom Amenities in Guestrooms

We are partnering with Green Suites® to transition from single-use amenity products to bulk dispensers in each guest room. We have set a goal to transition properties by April 2024. We expect this program to enhance the customer experience while also significantly reducing the amount of waste being sent to local landfills.

This new program has the potential to keep over 40 million single-use packages out of landfills per year. Replacing single-use plastics from our guest rooms represents a reduction of nearly 90% of the plastic used in our hotels. The data below is based on research developed through Green Suites in partnership with the Rocky Mountain Institute<sup>SM</sup>.



### Reduction in single-use plastics: A measurable improvement

**14,864,808**

Single-Use Items Purchased 2021

**9,097,896**

Single-Use Items Purchased 2022

**1,738,386**

Single-Use Items Purchased 2023

**88%**

**An 88%  
reduction in  
the purchase  
of single-use  
plastics**

## Initiative 2:

### Transition to 100% Compostable Utensils at our Corporate Headquarters

**As we returned to more in-person meetings and people in the office, our team transitioned to 100% Compostable Single-Use Dining Products (utensils, plates and coffee cups, and catering support).**

- The new dining products are plant-based products made tree-free, allowing us to reduce waste while maintaining forest health.
- In addition to the utensils, we are transitioning all catering products (bowls, tongs, serving plates, etc.) to compostable materials.
- We've begun investigating 100% recycled fiber mailing envelopes through our existing freight vendors to reduce our plastic use footprint even more.

## Initiative 3:

### Reduction of Copiers and Paper Usage at Corporate Headquarters

**We have adopted new ways of working that have allowed the office to reduce the number of printed pages per year.**

- From 2020 to 2022, the Red Roof corporate office was able to reduce printing by nearly 380,000 pages over the course of 3 years.
- In addition to the pages saved, the printer count was reduced from seven printers to four, conserving electricity and materials used to operate these machines.



# Room In Your Heart

is our societal pillar. It includes our legacy social responsibility program, and it is our means to participate in community-based initiatives and commitments related to industry-wide challenges.



# At Red Roof, Diversity Starts at the Top



01  
**46%**

## Minority Group

46% of Red Roof's senior leadership team are part of a minority group.

02  
**48%**

## Women Leaders

48% of Red Roof's leaders (director and above) are women.

03  
**58%**

## Female Brand Team

58% of Red Roof brand team members are female.

04  
**29%**

## Minority Ethnic Group

29% of Red Roof's brand team members are part of a minority ethnic group.

Red Roof launched its DEI&B committee committed to creating and maintaining a culture of diversity, equity, inclusion and belonging that continuously fosters growth and opportunity for all. The committee publishes a monthly newsletter.

05  
**188**

## Trained on DEI&B

188 brand team members took Diversity, Equity, Inclusion and Belonging Training in 2023.

06  
**35**

## Trained on Culture

35 brand team members were trained on cultural competency by Seema Jain of Seva Global.

***"Red Roof is a perfect example of a company that is authentic and ready to ride the cultural competency journey with a team inspired to learn more about their colleagues, franchisees, vendors, and guests of diverse backgrounds."***

*– Seema Jain, Founder and CEO, Seva Global*

Room In Your Heart's efforts to advance women and underserved markets in hotel ownership and industry leadership saw great advancements in 2023. Red Roof announced the rebranding of its women in leadership initiatives to SHE, inspired by Red Roof<sup>SM</sup> and introduced RIDE with Red Roof<sup>SM</sup>.

## SHE, inspired by Red Roof

- In 2022, Red Roof celebrated 31% of its properties being owned or partially owned by women. In 2023, that number increased to 35%— a 13% YOY increase in properties owned or partially owned by women.
- SHE, inspired by Red Roof launched she-leads.com, a website that features articles, best practices, and resources for women in the hospitality industry and beyond.
- Red Roof hosted its inaugural SHE Leads Forum, attended by over 200 women and male allies, an 85% increase in attendance over 2022's Forum on Leadership for Women Entrepreneurs.



## RIDE – Road to Inclusivity and Diversity in Entrepreneurship

- In 2023, RIDE with Red Roof was developed to connect underserved hoteliers with lenders and reduce barriers for those seeking funding.
- The program equips owners and operators with the resources they need to build success throughout their ownership journey.
- RIDE helps forge relationships with vendors and other partners, creating a network of entrepreneurs and experts.
- Red Roof celebrated two fully woman-owned properties since launching its new RIDE with Red Roof initiative, Red Roof Inn & Suites, Richland, Miss., and HomeTowne Studios by Red Roof, Madison, Ala.



Where SHE intends to **motivate** with resources to inspire personal and professional development in the areas of ownership, personal branding, wellness, and side hustles, RIDE intends to **activate** by providing franchisees in underserved markets access to capital, educational resources and the connections to build a strong network of industry partners.



# At Red Roof Doing Good is a Mandate



Through Room In Your Heart's purpose-driven promotions, Red Roof allows guests to do good while traveling. Room In Your Heart supports a range of organizations that benefit children, active military and veterans, working families, and pets.

- Room In Your Heart generated a total **\$156,000** in donations for its beneficiary organizations through its purpose-driven promotions and employee donations in 2023.
- The program has shown substantial growth over the last three years, **increasing donations by 81%**.



**Red Roof was named 2023 Emerging Partner of the Year by St. Jude Children's Research Hospital®**

***"Since 2021, Red Roof has helped raise funds to accelerate research and treatment by St. Jude for childhood cancer and other life-threatening diseases."***

– Lyles Eddins, Senior Vice President of Relational for ALSAC®, the fundraising and awareness organization for St. Jude Children's Research Hospital



St. Jude patient, Ashtyn

## Awards and Recognition:

Company Achievement Award, Creating a Culture for Women to Advance and Succeed, GBTA WINiT Awards

Outstanding Woman of the Year, GBTA WINiT Awards, Marina MacDonald, Chief Marketing Officer

HSMAI Adrian Awards, PR Campaign/Influencer Marketing for Red Roof's Room In Your Heart and Channing Tatum Support Canine Companions

HSMAI Adrian Awards, Top 25 Extraordinary Minds, Edelyn Parker-Frye, Director of Events, Communications, and Partnerships

Trailblazer Woman of the Year, Red Roof's Circle of Excellence Awards, Sharee Brell, SVP of Technology



## Through Room In Your Heart, Red Roof Demonstrates Its Commitment to the Issues Facing Our Industry and Society



- Red Roof recognizes the important role companies can play in helping refugees integrate into their new communities. Red Roof partnered with Tent Partnership for Refugees and is committed to finding employment for 100 refugees working to build a new life.
- Red Roof is committed to eradicating human trafficking.

In 2023, Red Roof joined other brands in supporting the AHLA Foundation's No Room for Trafficking Survivor Fund, which provides grants to community-based organizations that engage and support survivors. Red Roof has pledged \$75,000 over the next 3 years.

Red Roof supports various human trafficking prevention organizations and events, including The SOAP Project, the Ohio Attorney General's Office Human Trafficking Summit, Freedom a la Cart®, and more.

100% of Red Roof properties and brand team members undergo an annual virtual training in human trafficking prevention.

Additionally, in-person human trafficking prevention training opportunities were conducted for more than 1,000 attendees of Red Roof brand events.

At Red Roof's September Regional Transformative, attendees labeled 6,000 makeup removal wipes with The SOAP Project's national human trafficking hotline labels.

100% of Red Roof properties and brand team members undergo an annual virtual training in human trafficking prevention.



***"Red Roof has made a huge impact in the rescuing of missing teens by assisting our nonprofit around the country during our outreaches. Their continued commitment to fighting human trafficking has been instrumental in the fight against this huge crime."***

**– Theresa Flores, Founder, The SOAP Project**

# Lead With Heart

is our governance pillar designed to ensure we operate with the highest ethical standards. These standards include commitments to our team members and franchisees to work in a safe and harassment-free environment while providing a welcoming stay for our guests.



# Ethics and Crisis Hotline



One element of success to our business is based upon the trust we earn from our team members and franchisees. To create an environment of trust and safety, we have implemented hotlines to ensure we respond promptly to incidents.

Team members and franchisees are encouraged to report any incidents which may be considered an ethical violation to our non-partial third-party provider via telephone or email. Reports are tracked confidentially to maintain anonymity. All incidents are followed until there is an appropriate course of action.

All franchisees are to report safety issues, criminal activity, public impact incidents and possible human trafficking to the crisis hotline. This hotline is monitored 24/7 by the safety committee. All reported incidents are reviewed, and the appropriate actions are taken.

Red Roof's legal team tracks pending legislation to ensure that Red Roof complies fully with all laws and regulations.

## Compliance Auditing

An audit of the consolidated financial statements of Red Roof Franchising is completed annually. These financial statements include the balance sheets, statements of operations, statements of changes in members' equity, and statements of cash flow as well as the related notes. The audit is coordinated and managed by the Controller who is assisted by others as required.

Plante Moran®, an independent certified public accounting firm, conducts the annual audit in accordance with auditing standards generally accepted in the United States of America. Auditors obtain sufficient and appropriate audit evidence to provide the basis for an opinion as to the company's consolidated financial statements. Plante Moran issues an Independent Auditor's Report, addressed to the Board of Directors, containing their opinion in accordance with accounting principles generally accepted in the United States of America.



## Information and Technology Security

Red Roof complies with all relevant data privacy and data security laws. Red Roof's legal team tracks pending legislation to ensure that Red Roof complies fully with all laws and regulations. Red Roof is fully compliant with the Payment Card Industry Data Security Standards (PCI DSS) and undergoes annual audits and quarterly scans by an external PCI-certified assessment firm.



# Privacy Program

Because we take the privacy of our guests, team members, and franchisees seriously, we publish the Red Roof Privacy Policy on our website and provide a means for individuals to exercise their privacy rights under applicable laws. To learn more please [see our complete Privacy Policy here.](#)



## Learning and Development

Red Roof is committed to providing team members opportunities to maintain and develop new job-related skills. These skills may be suited to a current role but also can prepare a team member for the next step in their career path.

We have a dedicated learning platform **RED ~ ACADEMY**, where team members, franchisees and franchisee employees of all levels can access thousands of courses to widen their understanding of our business.

Red Roof also provides its corporate team members with a robust tuition reimbursement program.

Red Roof has contributed to brand and property team members receiving their GEDs and Associates Degrees through debt-free education programs.



*"Bringing women into leadership takes commitment on both sides as women grow their skills and the company opens leadership opportunities. Red Roof exemplifies this commitment by investing in women's programs, opening corporate advancement."*

– Peggy Berg, Founder of Castell

*"Red Roof saw a bigger vision for me and actually gave me this opportunity. Now I'm in the process of enrolling in college."*

– Rianna Thomas, Guest Service Representative, Red Roof Inn Rochester – Henrietta, GED Recipient



Ten Red Roof brand team members have participated in the BUILD program through Castell, an AHLA Foundation Project, intended to open the doors to opportunity and accelerate the careers of female leaders and owners in the hospitality industry.



Forty-one additional Red Roof team members have graduated from the Innovative Leadership Development Program, presented by the Innovative Leadership Institute, intended to equip leaders with skills and knowledge to drive change and achieve business objectives. Of these 41 graduates, 51% are female, and 14% represent diverse ethnic groups.



# Health & Wellness

Red Roof is committed to the health and wellness of our team members!



Red Roof promotes health and wellness by holding individual and group challenges that team members can join at no cost.

This year's Summer Wellness Challenge resulted in participating brand team members walking, running, swimming, playing and logging over 210,000 active minutes.

Red Roof has a monthly wellness newsletter that provides healthy ideas for nutrition, exercise, and mental health.

Red Roof has an Employee Assistance Program, a benefit for all team members, to support mental health and improved financial literacy.

*"Prioritizing our team members' well-being is a genuine concern. Our wellness initiatives aim to enhance the health, happiness, and safety of our teams, putting the focus on our most valuable asset – our people."*

*– Yasmin Valdman, Manager HR and Benefits, and Red Roof Wellness Committee Chair*





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## 2023 Purpose With Heart Committee:

**Marina MacDonald**

Chief Marketing Officer, Purpose With Heart Executive Sponsor

**Steve Woodward**

VP of Quality, Training and Development, Purpose With Heart Committee Chair

**Andrea Enderle**

Legal Manager and Paralegal

**Ebony Holt**

Director of Human Resources

**Mallorie Kemo**

Director of Procurement

**Heather Latiolais**

Executive Assistant

**Emily Maddox**

Design and Construction Project Administrator

**Jane Palumbo**

VP of Operations

**Edelyn Parker-Frye**

Director of Events, Communications and Partnerships

**Michael Sharp**

VP of Design, Construction and Procurement

**Slone Thacker**

Senior Financial Analyst

**Janice Woeste**

Director of Finance



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