



# Purpose With Heart.<sup>®</sup>



## Annual

# Report

2024



# Purpose With Heart

## Introduction



Purpose With Heart is a catalyst for constructive change in Red Roof's business. It is our long-term commitment to improve the way we work. It is a comprehensive focus on environmental, societal and governance objectives that ensures we operate responsibly while fostering innovation and growth.

When we began this initiative, our aim was to be thoughtful about our work and measure our positive impacts.

In this 2024 report—our second annual report—we have outlined our ongoing efforts and noteworthy achievements to establish policies and habits that are solution-oriented. Our goal is to advance a long-term sustainable future for our business, our people and the communities we serve.

Purpose With Heart reflects our values and business strategy, echoing our belief that the right habits can change our business and the world for the better. Our habits that have enabled this progress are aimed at upholding high standards and embracing innovative new ideas; we are being thoughtful and intentional in how we do what we do. In this work we are documenting, we are holding ourselves accountable for continuous improvement.

As we create a lasting ethos in this work, Purpose With Heart remains 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 reflects our values and business strategy, echoing our belief that the right habits can change our business and the world for the better.**



# Heart For The Planet

is our environmental pillar. We 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 Update

Last year, we introduced our bulk dispenser amenities program with Green Suites Hotel Solutions®. We are still in the process of onboarding our properties to the program, but as of December 2024, we have 19,500 guestrooms enrolled in the program—a 26% increase in program enrollment from last year!

The lifespan of Styrofoam® in landfills is estimated to be nearly 500 years. Transitioning to a responsibly recycled cup will reduce our environmental impact and protect our planet for future generations.

## Initiative 2:

### Launch of RoomOne Solutions PTAC Recycling Partnership

We are removing barriers to complicated packaged terminal air conditioner (PTAC) recycling by introducing our partnership with RoomOne Solutions. When not properly recycled, PTACs, the heating and cooling units found in hotel rooms, release harmful refrigerant gas into our atmosphere. The EPA highly regulates refrigerants, so responsible recycling is key to supporting a healthier future. RoomOne provides our properties with environmental, regulatory and operational support through a free-to-franchisee recycling program.

Each PTAC contains between 1 and 2.5 pounds of refrigerant gas—imagine the impact possible by keeping this out of the environment! After the refrigerant has been properly reclaimed, the remaining parts are upcycled into refurbished PTACs. This is a full, healthy life cycle for PTACs in Red Roof properties.

## Initiative 3:

### Compostable Coffee Cups in Lobbies and Guestrooms

In Q1 of 2025, Red Roof will launch a branded, compostable lobby and guestroom coffee cup program. This is an innovative and eco-conscious initiative designed to reduce single-use plastic and paper waste while promoting environmental responsibility.

We have partnered with RDI Global Hospitality Solutions to produce the cup. The cup is made with FSC-certified paper with a water-based, environmentally friendly coating. It can be processed in standard recycling facilities and decomposes easily. This cup will be used in our lobbies and guestrooms. In the guestrooms, cups will be individually wrapped in clear compostable wrapping.

Eliminating single-use foam cups will have lasting effects on our future communities. According to a publication from the Society of Environmental Journalists, the lifespan of Styrofoam® in landfills is estimated to be nearly 500 years<sup>1</sup>. Transitioning to a responsibly recycled cup will reduce our environmental impact and protect our planet for future generations.

<sup>1</sup> Joseph A. Davis (2019). *Styrofoam Facts — Why You May Want To Bring Your Own Cup*. Society of Environmental Journalists. <https://www.sej.org/publications/backgrounders/styrofoam-facts-why-you-may-want-bring-your-own-cup>

# 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 industrywide challenges.



# At Red Roof, Diversity Starts at the Top



Diverse teams generate more innovative solutions and create a sense of belonging for all team members.

## 46%

01

### Minority Group

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

## 60%

02

### Women Leaders

60% of Red Roof's leaders (director and above) are women.

## 59%

03

### Female Brand Team

59% of Red Roof brand team members are female.

## 21%

04

### Minority Ethnic Group

21% of Red Roof's brand team members are part of a minority ethnic group.

Red Roof's DEI&B committee continued its commitment to creating and maintaining a culture of diversity, equity, inclusion and belonging that continuously fosters growth and opportunity for all. In 2024, the committee published seven internal newsletters to raise awareness and acceptance of all people Red Roof serves.

## Nearly 1,000 Trained on Cultural Competency with Seema Jain of Seva Global

- 622 Red Roof owners and operators participated in "Building Culture Across Cultures" at the Red Roof—Elevate, 2024 Brand Conference. This session was designed to help owners and operators build a culture of understanding at their properties with team members and guests of different cultures.
- 177 brand team members participated in an in-person cultural competency training designed to increase understanding between brand team members and Red Roof's franchise community.
- 183 owners, operators, brand and property team members participated in a two-part e-learning course, "Growing Business Through Understanding Cultures." This course, designed specifically for Red Roof, was introduced in July 2024.
- 15 business partners joined Red Roof's National Sales Team at Red Roof headquarters to participate in a session to increase cultural awareness in the B2B space.

*"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 continued in 2024.



RIDE with Red Roof, the brand's initiative to grow and support the population of underserved entrepreneurs and Red Roof's women in leadership program, SHE, inspired by Red Roof, teamed up for a special session at the Red Roof—Elevate, 2024 Brand Conference. The session facilitated by Karen Hough, founder and CEO of ImprovEdge, introduced nearly 250 attendees to the core principles of improv and how they can be applied to daily business interactions to foster collaborative environments, dissolve assumptions, develop active listening skills and enhance communications.



## RIDE with Red Roof – Road to Inclusivity and Diversity in Entrepreneurship

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.

### In 2024, RIDE with Red Roof:

- Organized eight impactful and educational events to spotlight RIDE's strategic efforts to advance women and underrepresented demographics.
- Was showcased through participation in panels at three esteemed industry events.
- Welcomed over a dozen new "Riders" to the program. These are potential owners from underrepresented markets navigating various phases of hotel ownership. From learning the fundamentals of hotel ownership to understanding and applying for loans and exploring building and conversion processes, with the help of RIDE with Red Roof, these individuals are on the path to becoming future hotel owners.
- Continued to grow Red Roof's community of owners from underserved markets and network of minority-owned business vendors.

## SHE.

Inspired by RedRoof

In 2024, SHE, inspired by Red Roof's dedicated website [she-leads.com](https://she-leads.com) published 18 articles featuring best practices and resources for women in the hospitality industry and beyond. The articles have been viewed 2,100 times in 2024.



Where SHE intends to motivate with resources to inspire personal and professional development, 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. Together, RIDE with Red Roof and SHE, inspired by Red Roof are motivating and activating owners and leaders, resulting in the addition of over 30 women or representatives of underserved markets to the Red Roof ownership community.

# 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 \$150,975 in donations for its beneficiary organizations across three purpose-driven promotions and employee donation campaigns in 2024.

These promotions demonstrated significant growth of nearly 29% in the average total donated per promotional campaign, highlighting the continued success and impact of our cause marketing efforts.



*This year, Red Roof had the honor of naming a Canine Companions' puppy as a result of raising over \$50,000 for Canine Companions. Red Roof's esteemed Circle of Excellence winners voted and the winning name was "Rojo" (or, "red" in Spanish.) Rojo is the second Red Roof-named puppy in the past three years.*



Canine Companions' puppy, Rojo

"We're grateful for Red Roof's continued support of our life-changing mission through Room In Your Heart," said Jeanine Konopelski, chief marketing officer for Canine Companions. "Our service dogs, provided free of charge, open doors to the wider world for people with disabilities – a goal we couldn't achieve without the generosity of partners like Red Roof and programs like Room In Your Heart."



# 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 multiple communication channels to ensure we are timely notified and respond promptly to incidents.

Team members and franchisees are encouraged to report any incidents that may be considered an ethical violation to our impartial 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.

Franchisees are required 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 crisis communication team. 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 applicable laws and regulations.

## Taking a Stand Against Human Trafficking

Red Roof supports various human trafficking prevention organizations and events, including the American Hotel & Lodging Association (AHLA) Foundation’s No Room for Trafficking initiative, The SOAP Project, the Ohio Attorney General’s Office Human Trafficking Summit, Freedom a la Cart®, and more. At Red Roof’s 2024 brand team member Mid Year Meeting, attendees labeled makeup removal wipes with the national human trafficking hotline number—a service project associated with The SOAP Project.

**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 in 2024.

*“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

# 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 at all levels can access thousands of courses to broaden their understanding of our business.

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

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



*"Getting back into the swing of things can be difficult on your own. With the education program, not only does it help you get into school, but it also relieves you from the financial burden you would have with traditional education options."*

– Mistie Clucas, general manager, Red Roof Inn Louisiana

*"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

Fifty-seven Red Roof team members have graduated from the Innovative Leadership Development Program, presented by the Innovative Leadership Institute, which is intended to equip leaders with skills and knowledge to drive change and achieve business objectives. Of these 57 graduates, 60% are female and 15% represent diverse ethnic groups.

*"The ILI program provided by Red Roof gave me insights, experiences and support for the ever-changing environment we face. The diverse perspectives, experiences and outlooks of my classmates and the study subjects are now an invaluable part of my leadership journey!"*

– Tony Rowell, director, site reliability and integration, Red Roof

# 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 Step Into Summer challenge resulted in participating brand team members walking, running, swimming, playing and logging almost 12 million steps for a total of 5,400 miles.

Red Roof participated in the Columbus Community Cup, a one-day athletic challenge against other Columbus companies in field-day activities. An added component to the athletic competition is a charity challenge where brand team members donated a total of 89 pounds of food and 39 books. Red Roof came in fifth place overall.

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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## 2024 Purpose With Heart Committee:

**Ebony Holt,**  
*Director of Human Resources*

**Lisa Jordan,**  
*Vice President of Marketing*

**Mallorie Kemo,**  
*Director of Procurement*

**Heather Latiolais,**  
*Executive Assistant to the President*

**Emily Maddox,**  
*Design Brand Standards Manager*

**Jane Palumbo,**  
*Vice President of Franchise Operations*

**Edelyn Parker-Frye,**  
*Senior Director of  
Communications and Events*

**Lina Patel,**  
*Director of Strategic Franchise  
Initiatives*

**Michael Sharp,**  
*Vice President of Design,  
Construction and Procurement*

**Slone Thacker,**  
*Manager of Finance*

**Steve Woodward,**  
*Vice President of Quality,  
Training and Development*



Red Roof Franchising, LLC  
7815 Walton Parkway | New Albany, OH 43054  
redroof.com | redrooffranchising.com | 800.RED.ROOF

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