

# ENVIRONMENTAL SUSTAINABILITY AND SOCIAL RESPONSIBILITY REPORT 2020

SKAMANIA LODGE, COLUMBIA RIVER GORGE, WASHINGTON





# TABLE OF CONTENTS

1	FROM OUR CEO	3
2	KEY HIGHLIGHTS & PROGRESS	5
3	ABOUT PEBBLEBROOK	9
4	ESG APPROACH	13
5	ENVIRONMENTAL SUSTAINABILITY	20
6	SOCIAL RESPONSIBILITY	30
7	CASE STUDIES	39
8	PEBBLEBROOK FOR THE GOALS	43
9	2020 AND BEYOND	47
10	SUPPLEMENTARY INFORMATION	49



# FROM OUR CEO





# FROM OUR CEO



2019 was our 10th year as a public company and proved to be a transformative and successful year for sustainability. We published our inaugural Environmental Sustainability and Social Responsibility Report, highlighting the benefits of our years-long sustainable investment and operating strategies. We also launched an Environmental, Social, and Governance (ESG) committee, headed by our lead independent trustee. And across our portfolio, many Pebblebrook properties prioritized environmental sustainability and social responsibility throughout their operations. While we are motivated by the spirit of continuous improvement that drives our company, the present global challenges also inspire us to be more active in these critical areas.

The commitment to sustainability runs throughout Pebblebrook and all our activities. Our ESG commitments have been embedded throughout each stage of our business model. With our ESG committee at the helm, we aim to further integrate an environmentally sustainable and socially responsible approach to the growth of our portfolio of lifestyle hotels and resorts.

We are deeply committed to celebrating the sociocultural fabric of the communities in which our properties operate. As an example, in 2019, the Donovan Hotel was redeveloped and rebranded as Hotel Zena Washington DC: the first hospitality establishment solely dedicated to celebrating the accomplishments of women. As you will read in this latest iteration of our Environmental Sustainability and Social Responsibility Report, we remain committed to active and comprehensive community engagement as we continue to expand our support of charities and community activities. We are also very active and take leadership roles in industrywide associations such as the American Hotel & Lodging Association and National Association of Real Estate Investment Trusts and with the initiatives our industry promotes.

Our completion of Pebblebrook's first solar energy project at Chaminade Resort & Spa has inspired hotels across our portfolio to consider more renewable energy opportunities, and we are presently looking toward further investment in renewable energy opportunities and low-carbon technologies. While our commitments are apparent in our 22.2% reduction in Greenhouse gas emission intensity, and the financing of nearly \$6 million in energy conservation and greenhouse gas emissions reduction projects in 2019, we intend to more completely understand our portfolio-wide exposure to water, climate, biodiversity, and socioeconomic risks by undertaking a risk assessment over the course of 2020.

As we reflect on our achievements from this past year, we recognize that there is still work to be done. The impact of COVID-19 presents Pebblebrook with a challenge that tests our resiliency as a company but one that we are fiercely prepared to handle. We are committed to taking aggressive actions to mitigate the impact of COVID-19 on our business, hotel associates and guests and continuously support our operating partners in establishing and updating the best health and safety practices.

Every effort is being made to protect the health and safety of those who stay in and work in our hotels, as well as our company employees and the communities in which our properties serve. We continue to demonstrate our united effort to reduce the business impact while recognizing that almost all the hardworking hotel employees of our operating partners who have been furloughed because of COVID-19 face extremely challenging times. As such, we are working diligently with our political leaders to ensure our employees and others in the hospitality industry are receiving the financial support and assistance needed to endure this crisis and prepare for the future ahead, whatever that may be.

Like many, we have been incredibly troubled, saddened, and outraged by recent events in this country. The deaths of George Floyd, Breonna Taylor, and Ahmaud Arbery are horrifying reminders of the countless injustices that members of the Black community have suffered for far too long. We must link arms as citizens of the world and become educated and enlightened about what we can do to help others as well as ourselves. At Pebblebrook, we are committed to listening, learning and doing more. In 2020, we will be launching a Racial Equity Team to ensure any systemic injustices are not brushed aside at our company, and that diversity is welcomed, fought for, and celebrated.

Finally, we would like to acknowledge the many individuals who are committed to working towards a sustainable future for Pebblebrook, even during these challenging times.

**Jon E. Bortz**

*Chairman, President, and Chief Executive Officer*



# KEY HIGHLIGHTS & PROGRESS





# KEY HIGHLIGHTS & PROGRESS<sup>1</sup>



## CAPITAL INVESTMENTS IN SUSTAINABILITY PROJECTS

INVESTMENT PROJECTS <sup>2</sup>	2016	2017	2018	2019
Energy Conservation and Greenhouse Gas Emission Reduction	\$2,685,958	\$912,319	\$2,788,318	\$5,913,798
Water Conservation	\$2,343,780	\$2,437,671	\$1,385,963	\$689,105
Waste Reduction	\$138,191	\$97,500	\$147,078	\$159,276
<b>Total Investments</b>	<b>\$5,167,928</b>	<b>\$3,447,490</b>	<b>\$4,321,359</b>	<b>\$6,762,179</b>

## SUSTAINABILITY BEST PRACTICES<sup>3</sup>

**63%** of our properties have a sustainability coordinator or green champion, up from 56% in 2018.

**96%** of hotel green teams meet at least quarterly, up from 90% in 2018.

**80%** of our properties have meeting rooms with digital thermostats, up from 77% in 2018.

**48%** of our properties have undertaken building re-commissioning over the past three years, up from 34% in 2018.

**98%** of our properties have a preventative maintenance plan that checks building energy and water equipment at least quarterly, up from 97% in 2018.

**61%** of our properties have a water efficiency program, up from 44% in 2018.

**94%** of our properties have faucets with low-flow aerators to conserve water, up from 85% in 2018.

**45%** of our properties sub-meter water consumption, up from 36% in 2018.

**74%** of our properties have eliminated plastic straws from the property, up from 64% in 2018.

**48%** of our properties have eliminated single-use plastics (or reduced to an absolute minimum) from the property, up from 44% in 2018.

**65%** of our properties have implemented a food waste prevention strategy, up from 53% in 2018.

### CURRENT PORTFOLIO-WIDE INITIATIVES

- Identify opportunities to implement renewable energy, particularly onsite solar-powered photovoltaic (PV) systems that convert sunlight directly into electricity
- Test shower timers at Hotel Spero as a pilot for the entire portfolio
- Replace single-use guestroom amenity bottles with reusable, pump-topped bottles
- Assist our hotel operators to eliminate single-use plastics in more than 60% of the portfolio
- Provide all hotel employees with safety devices by the end of 2020
- Change out paper guest portfolios to electronic versions to reduce paper waste

<sup>1</sup> All metrics represent YE 2019 figures unless otherwise stated.

<sup>2</sup> Due to our major corporate acquisition in 2018, the 2016 through 2018 figures do not capture all efficiency projects from our acquired properties.

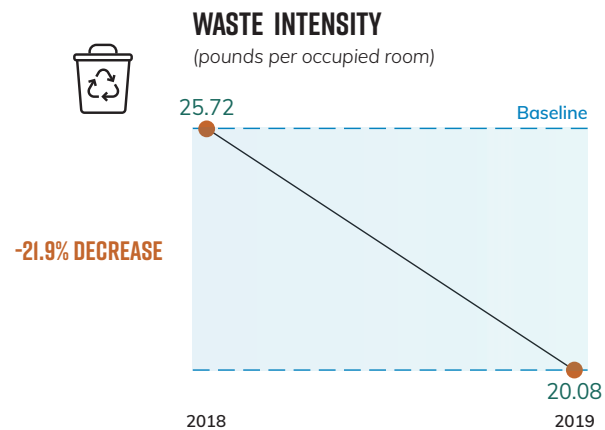
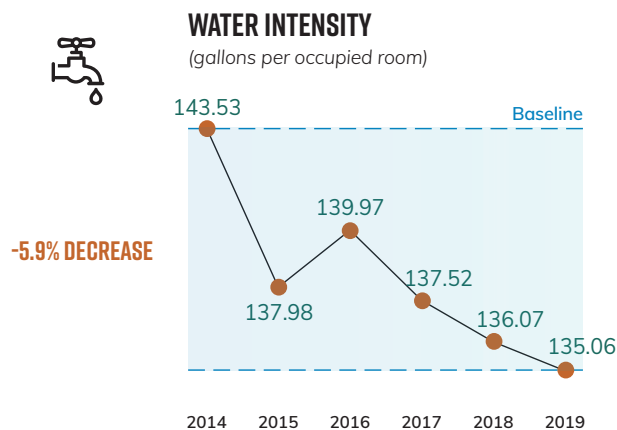
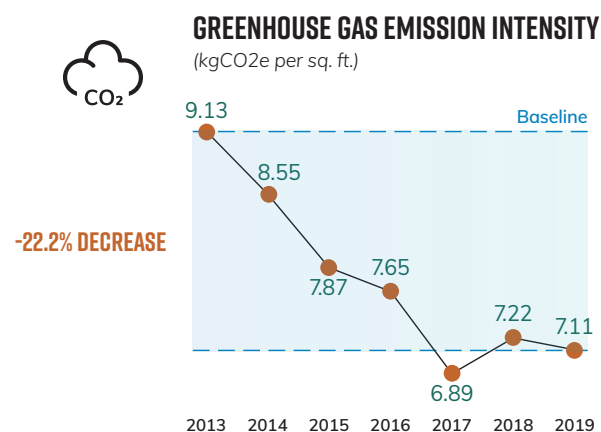
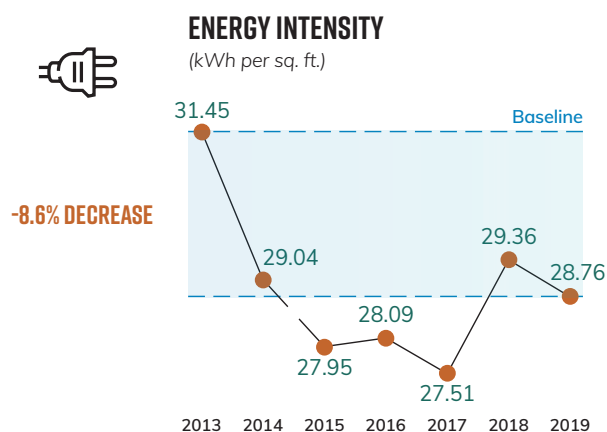
<sup>3</sup> All percentages, referring to a percentage of applicable properties, are based on survey responses from 54 properties.





## ENVIRONMENTAL PERFORMANCE PROGRESS <sup>4</sup>

	BASELINE <sup>5</sup>	2019	% CHANGE
Energy intensity (kWh per sq. ft.)	31.45	28.76	-8.6%
Greenhouse gas emission intensity (kgCO <sub>2</sub> e per sq. ft.)	9.13	7.11	-22.2%
Water intensity (gallons per occupied room)	143.53	135.06	-5.9%
Waste intensity (pounds per occupied room)	25.72	20.08	-21.9%



<sup>4</sup> Environmental performance progress may reflect capital investments from previous years, and does not exclusively reflect the investments made during the same reporting period.

<sup>5</sup> The baseline year for all Energy and Greenhouse Gas Emissions, Water and Waste indicators throughout this report are 2013, 2014 and 2018, respectively.



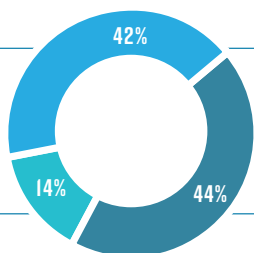


## SOCIAL HIGHLIGHTS



### AGE DIVERSITY

- Under 30 years old: 42%
- 30 to 50 years old: 44%
- Over 50 years old: 14%



### DIVERSITY, EQUITY AND INCLUSION

- 2 out of 6 independent board members are women
- 1 out of 6 independent board members is Black or African American
- 54% of management employees are women
- 61% of employees are women
- Non-Fraternization Policy implemented in light of #MeToo Movement

<sup>6</sup> N/A indicates insufficient data was available for calculating a metric.

<sup>7</sup> Excludes the employees who joined from LaSalle Hotel Properties in November 2018.



### COMMUNITY & GIVING

	2018 <sup>6</sup>	2019
Total Donations	\$70,000	\$129,598
Total Cash Donations	\$30,000	\$89,598
Total Employee Donations	N/A	\$16,655
Total Donations per employee	N/A	\$327
Total Value of In-Kind Donations	\$40,000	\$40,000
Total Donated Room Nights	N/A	86
Total Volunteer Hours (hours)	125 <sup>7</sup>	280
Total Volunteer Hours per employee (hours)	4.5	5

### 8TH ANNUAL PEBBY AWARDS

Each year we express our appreciation for and celebrate our hotel management teams by holding the annual Pebby Awards, which acknowledge and reward teams that have shown outstanding performance in key categories over the last year, including environmental stewardship. Properties are assessed and recognized for the best implementation of energy conservation programs and green initiatives to reduce the hotel's carbon footprint and energy expenses combined with social responsibility and community programs to benefit our communities and external stakeholders.

# ABOUT PEBBLEBROOK





# ABOUT PEBBLEBROOK



## 2019 URBAN LIFESTYLE

EBITDA Contribution: 62%  
41 hotels  
8,788 Rooms



## 2019 UNIQUE LIFESTYLE RESORTS

EBITDA Contribution: 17%  
8 resorts  
1,901 Rooms



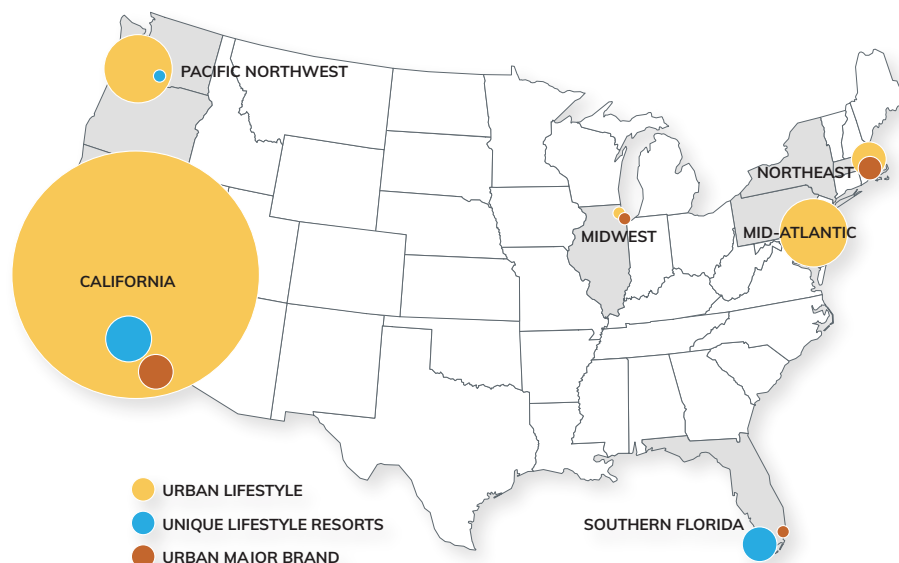
## 2019 URBAN MAJOR BRAND

EBITDA Contribution: 21%  
7 hotels  
3,324 Rooms

Pebblebrook Hotel Trust (Pebblebrook) is a premier lifestyle lodging REIT with a diversified portfolio of 56 hotels and resorts in key gateway cities throughout the United States. With over 14,000 rooms nationwide after our major corporate acquisition in 2018, Pebblebrook is the largest urban lifestyle oriented hotel owner in the United States. We own a powerful mix of Urban Lifestyle Hotels, Unique Lifestyle Resorts, and Urban Major Brands.

## DIVERSIFIED PORTFOLIO IN KEY GATEWAY CITIES

At the end of 2019, 41 Pebblebrook properties were categorized under the Urban Lifestyle segment, within which Pebblebrook takes three distinct approaches to asset ownership: Urban Iconic<sup>8</sup>, Urban Contemporary<sup>9</sup>, and individually curated urban lifestyle hotels known as the Unofficial Z Collection. For the eight Unique Lifestyle Resorts, unique lifestyle experiences are offered at top drive-to resort settings in the U.S., including Key West, Naples (Florida), San Diego, Santa Cruz, and the Pacific Northwest. Moreover, we have seven branded hotels offering more traditional hotel experiences in desirable urban locations, including Boston, San Diego, and Chicago, with major brands such as Marriott International and Hyatt.



## PORTFOLIO HIGHLIGHTS



**56**  
PROPERTIES



**14,013**  
GUESTROOMS



**11,843,508**<sup>10</sup>  
SQUARE FOOTAGE

<sup>8</sup> Distinctive, urban, lifestyle-oriented, independent and soft branded hotels with a sophisticated, iconic design and standout features, each with a unique story and soul

<sup>9</sup> Exceptional independent, soft-branded and lifestyle branded urban hotels with unparalleled locations, offering authentic, unique experiences and lifestyle lodging

<sup>10</sup> Reflecting the portfolio as of YE 2019



## CORE VALUES

- All for one and one for all
- Conduct ourselves with the highest degree of honesty and integrity
- Treat everyone with respect
- Relentlessly pursue continuous improvement (we are never satisfied)
- Be humble
- Have fun and celebrate successes



HOTEL ZENA, WASHINGTON DC

As a hotel property owner, we rely on our third-party hotel operators to drive sustainability in all Pebblebrook properties. Examples include appointing green champions and sustainability taskforces and seeking more environmentally friendly operational supplies and equipment, among many others. Our overall Environmental, Social, and Governance (ESG) strategy supports our independent third-party operators in improving their ESG performance, which in turn positions our company as an ESG leader in the U.S. lodging sector. Pebblebrook is committed to delivering long-term, industry-leading total returns to shareholders, including a reliable stream of income, through opportunistic investment in high-quality lodging properties and utilizing a conservative capital structure. Guided by our essential principles and values of humility, honesty, integrity, respect, and the relentless pursuit of continuous improvement, maintaining this mission is possible.

## RAMPING UP SUSTAINABILITY THROUGH LIFESTYLE BRANDING

At Pebblebrook, we focus on unique, experiential, lifestyle, urban hotels and resorts by differentiating ourselves through asset repositioning into the lifestyle theme. The Unofficial Z Collection truly embraces the lifestyle brand. Most recently, we renovated the Donovan Hotel in Washington DC to Hotel Zena Washington DC – the seventh addition to our Unofficial Z Collection and an art-infused tribute to female empowerment. While our major corporate acquisition shed light on the need for a more structured ESG program, our lifestyle model showcased the link between our corporate strategy and sustainability. As such, sustainability is a natural fit at Pebblebrook since lifestyle experiences are best encapsulated with aspects of health and wellness, locally sourced food, respect for the environment, and authentic local experiences.

Lifestyles of Health and Sustainability (LOHAS) consumers emerged as a key target market for Pebblebrook given their informed purchase decision-making based on personal, family and community health, environmental sustainability, and social justice. There are over 100 million self-identifying LOHAS people worldwide, and most consider themselves global citizens who love to travel, purchase environmentally friendly foods, and opt for products made under fair trade guidelines.<sup>11</sup> Furthermore, LOHAS consumers are highly informed and cannot be lured by greenwashing strategies. Therefore, we view our lifestyle branding as both a way to elevate guest experiences while also committing to acquisitions and redevelopment projects that favor ESG matters.

<sup>11</sup> [https://www.lohas.se/wp-content/uploads/2015/07/Superbrands2010LOHAS\\_CarlPeyron.pdf](https://www.lohas.se/wp-content/uploads/2015/07/Superbrands2010LOHAS_CarlPeyron.pdf)





HOTEL ZELOS SAN FRANCISCO, SAN FRANCISCO, CALIFORNIA

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The Unofficial Z Collection is a local grouping of lifestyle hotels created to provide original, stylish, and interactive travel experiences for guests with design, art, play, and sustainability at the forefront.

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## WHY LIFESTYLE HOTELS?

- Ability to generate higher EBITDA per key
  - More flexible marketing and operational strategies, including implementing sustainability practices given lack of or reduced brand restrictions, especially with non-branded lifestyle properties; enhanced control over capital reinvestment projects – scope, design, and timing
  - Higher demand growth due to secular trends from both business and leisure travelers
  - Higher multiples are consistently achieved on asset sales due to terminable management agreements and limited encumbrances of franchise or brand agreements
  - Better operating performance throughout the economic cycle – more loyal guests and more flexible operating standards
-



# ESG APPROACH





# ESG APPROACH



The importance of ESG runs throughout Pebblebrook and all our activities, which is reflected in our ESG approach. Our commitments are embedded across the stages of our business model, and the ESG Committee, formed in 2019, sets our priorities and oversees the delivery of our programs.

## ESG CORE AIMS

Our six core aims underpin the Pebblebrook ESG vision and provide the framework for embedding ESG throughout our business model. They are:

1. Exhibit complete transparency
2. Create sustainable livelihoods for employees and partners
3. Reduce the carbon footprint at both the property and portfolio level
4. Invest responsibly into projects that support the surrounding community
5. Hold ourselves and relevant stakeholders to the highest standard of ethical corporate governance
6. Sustain an inclusive and equitable work environment, enabling collaboration among our diverse network of employees, suppliers and partners

## PEBBLEBROOK ESG VISION

A resilient portfolio of lifestyle hotels and resorts operating in an environmentally sustainable manner and being managed with the health and well-being of employees, guests, operators, and suppliers as a priority. The sociocultural fabric of the communities in which our properties operate is celebrated as we strive to contribute to local economic development and social equity within those communities.





## ESG INTEGRATED THROUGHOUT OUR BUSINESS MODEL

Our business strategy drives our relentless approach to generate superior returns for our stakeholders. Commitment to and delivery of a robust ESG program also enhances the value of our activities, and we have therefore decided to embed ESG considerations through each stage of our business: Transact, Vision, Assess, Reposition, Operate, and Re-Evaluate.

### 1 TRANSACT

Underperforming assets may not be performing well in terms of utility usage and design for sustainability and guest experience.

**Example:** Conducting environmental due diligence and technical assessments prior to acquisition or major renovation.

### 2 VISION

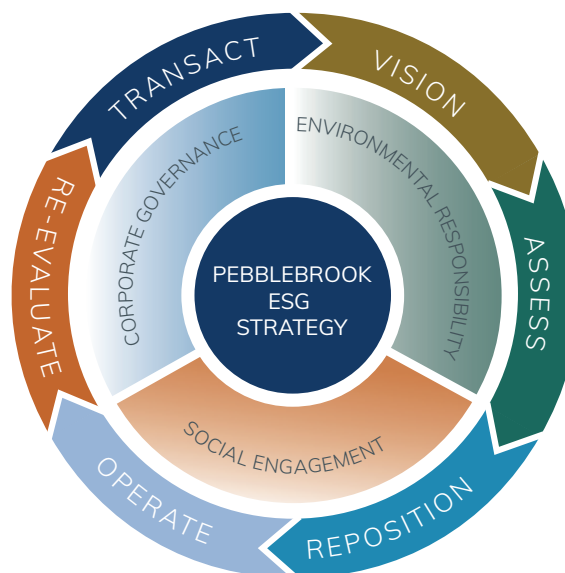
Create an authentic personality for the hotel through community engagement, local design, sourcing and other efforts that support the narrative.

**Example:** Creating linkages between hotels and the local community, such as our most recent repositioning project, Hotel Zena Washington DC, an art-infused tribute to female empowerment in Washington DC.

### 3 ASSESS

Assess the hotel through an ESG lens to ensure the guest experience is not infringing on the environment or human rights.

**Example:** Conducting climate-related risk assessments, and continuously engaging with General Managers through satisfaction surveys and implementing best practices from American Hotel & Lodging Association (AHLA) and our other operating partners.



### 4 REPOSITION

Thread environmental friendliness throughout the entire renovating and re-launching process to ensure the hotel is positioned for maximizing the health and wellness of guests and associates.

**Example:** Positioning properties to exemplify healthy lifestyle aspects for hotel guests and employees.

### 5 OPERATE

Help our operators find innovative ways to leverage ESG efforts to enhance the guest experience holistically and improve operational efficiencies that reduce utility consumption.

**Example:** Setting environmental targets for energy usage, greenhouse gas emissions, water consumption, and waste generation and monitoring performance against them routinely.

### 6 RE-EVALUATE

Constantly track and update ESG targets to improve hotel value through environmental and social initiatives.

**Example:** Evaluating against sustainability indexes such as SASB, GRI and GRESB.





## ESG GOVERNANCE

At Pebblebrook, the board takes an active and informed role in the company's risk management policies and strategies. As such, three board members (Cydney C. Donnell, Bonny W. Simi, and Phillip M. Miller) launched the inaugural ESG Committee in 2019 to address the material environmental and social risks identified by the company.

**6 OF 7 TRUSTEES  
ARE INDEPENDENT**

At the highest level, our board's diverse expertise has been integral to the effective oversight of our company. In addition, we promote transparency and accountability through the policies and practices of our code of business conduct and ethics, and accessible policies regarding anti-corruption, anti-bribery, anti-fraud and whistleblowing. In our commitment to these goals, we established the following committees to thread these core values throughout our engagements: [Audit Committee](#), [Compensation Committee](#), [ESG Committee](#), and [Nominating and Corporate Governance Committee](#).

**50%**

of independent trustees  
are diverse

**38%**

of the ESG committee  
is comprised of  
independent trustees

**33%**

of independent  
trustees are female

## MANAGEMENT'S ROLE IN ESG GOVERNANCE

Like our board, Pebblebrook's executive team is also committed to the sustainable management of environmental and social issues. Our Chief Financial Officer, Raymond Martz, is a member of our ESG Committee, adding a sustainability lens to decision-making at all levels of our company.

Furthermore, we aim to continue to be a positive contributor to both the community and the industry. Our executive officers are actively

involved in industry sustainability groups, including the U.S. Green Building Council's LEED User Group: Hospitality and Venues (LUGHV) and the Sustainability Committee of the American Hotel & Lodging Association, to help accelerate the hospitality industry's awareness and adoption of ESG practices, particularly as the landscape evolves to address the Sustainable Development Goals adopted by the United Nations and low carbon solutions.

## TRUSTEES ON ESG COMMITTEE



### BONNY W. SIMI

Ms. Simi brings more than 25 years of operations, human resources and technology experience to the Board, with executive leadership experience in the travel industry and experience as a director of a NYSE-listed hospitality and leisure company. Additionally, Bonny is a United States Olympian having competed three times in the luge.



### CYDNEY C. DONNELL

Ms. Donnell brings to the committee experience in the public real estate industry and investment experience in publicly traded real estate securities, along with experience from teaching courses in real estate investment and real estate capital markets and portfolio management, including modules on corporate governance, at the business school level.



### PHILLIP M. MILLER

Mr. Miller brings to the ESG committee his extensive experience as a senior executive in the financial services industry, along with his significant marketing and consulting expertise. Additionally, Phillip belongs to the Executive Leadership Council (ELC) – a black executive leadership and mentoring organization for Fortune 500 companies.

## BOARD OVERSIGHT OF ESG RISKS





## ESG COMMITTEE

An ESG committee is essential to encourage a sustained commitment to ESG. The purpose of our committee is to add a sustainability lens to decision-making at all levels of our company and to hold Pebblebrook to a high standard of social and environmental responsibility. The committee considers and discusses essential ESG material matters during the planning and review of relevant policies, strategies, and major plans of action. It also serves as a liaison between upper management and asset managers during semi-annual planning sessions and monthly operations meetings. The current chair of the ESG Committee is Pebblebrook's lead independent trustee, Phillip M. Miller, and is comprised of eight individuals, which includes our Chief Financial Officer, Raymond Martz.

While Pebblebrook adheres to social and governance targets, we do not have formal environmental performance targets. Nevertheless, the ESG committee engages properties through an annual sustainability survey to monitor the progress of various best practices related to utility efficiencies, waste reduction, health & well-being, and green building specifications, among others. The results of the survey, which are transformed into actionable metrics through data analysis and cross-referenced with environmental data, help to identify leaders, understand impacts, and inform future strategy and planning.

**In 2020, we will be launching a Racial Equity Team to ensure any systemic injustices are not brushed aside at our company, and that diversity is welcomed, fought for, and celebrated.**

COMMITTEE MEMBERS	COMMITTEE ROLE	DEPARTMENT	TITLE
Phillip M. Miller	Chairperson	Board of Trustees	Lead Independent Trustee
Cydney C. Donnell	Member	Board of Trustees	Board Trustee
Bonny W. Simi	Member	Board of Trustees	Board Trustee
Raymond Martz	Member	Finance and Investor Relations	Chief Financial Officer
Susan Patterson	Member	Administration and Human Resources	Vice President
Gabrielle Gordon	Member	Finance and Investor Relations	Vice President
Austin Segal	Member	Asset Management	Vice President
Zoe LaClair	Member	Asset Management	Director

For more information on our ESG Committee, please see our [ESG Committee Charter](#).

## ESG COMMITTEE HIGHLIGHTS

- Provides oversight of ESG strategy
- Meets on a quarterly basis at least, or as required
- Recommends to the Board ESG guidelines applicable to the company
- Reviews annual ESG performance
- Consists of no fewer than three independent trustees

ENVIRONMENTAL SUSTAINABILITY POLICY

HUMAN RIGHTS POLICY

SUPPLIER CODE OF CONDUCT

CODE OF BUSINESS CONDUCT AND ETHICS

CORPORATE GOVERNANCE GUIDELINES





## UNDERSTANDING RISKS

Our Environmental Sustainability Policy was launched in 2019 and set out our understanding of the significant risks associated with inaction towards ESG issues. We identified six key risks pertinent to our business model:

- **Climate change**, which brings about rising sea levels, greater fluctuation and extremes in weather patterns, and increased frequency and severity of weather events such as hurricanes, floods and droughts that could affect our hotels and their surroundings, as well as the production of goods and services upon which our hotels depend.
- **Environmental degradation** and the loss of ecosystem goods and services would compromise our clean air, water, and food. This may result in an increased cost to build, renovate, and operate hotels.
- **Rising public concern** towards environmental issues gives sustainable businesses a competitive edge. Therefore, businesses that are found to be both non-compliant with environmental laws and regulations, as well as lagging in resource conservation efforts, could suffer from a bad reputation.
- **Business competitors** pursuing sustainability could also become more competitive through innovative approaches to capital allocation. Through innovation, monetary savings can be gained alongside energy and operational efficiency improvements.
- **Toughening of environmental laws and regulations** penalizes businesses that are unable to keep up with the changes.

- **Reliance on operating partners**, and not operating or managing any of our hotel properties is a result of U.S. federal income tax laws restricting REITs and their subsidiaries from operating or managing a hotel. Instead, we retain third-party managers to operate the hotels pursuant to management contracts. Our ESG philosophy and practices may be impacted by the business decisions made by our third-party managers.

To further understand our portfolio-wide exposure to water, climate, biodiversity, and socioeconomic risks, Pebblebrook will undertake a risk assessment over the course of 2020.

## OUR COMMITMENTS

The Pebblebrook Environmental Sustainability Policy sets out our commitments on climate change, energy usage, water consumption, waste generation and disposal, and responsible consumption and production.

At a high-level, we are committed to:

- understanding and reducing our carbon footprint.
- becoming as energy efficient as possible while progressing towards greater use of renewable energy sources.
- accessing water with the understanding that fresh water is an increasingly scarce resource and a fundamental human right.
- minimizing all forms of waste at our hotels while also increasing our overall diversion rate.
- supporting the conservation of natural resources, minimization of waste and not polluting the environment through our purchasing decisions in construction, renovation, and the operations of the hotels in our portfolio.





## STAKEHOLDER ENGAGEMENT

Understanding the priorities and concerns of our key stakeholders is an important feature of our ESG approach and helps us make sure that our programs are adding value across the board. We engage with our stakeholders in different ways, as set out in the table below.

STAKEHOLDER GROUP	INSTANCES OF ENGAGEMENT
Corporate employees	<ul style="list-style-type: none"> <li>Engaging corporate employees on ESG matters through training and awareness-building "lunch and learns"</li> <li>Conducting employee satisfaction surveys annually beginning in 2020</li> <li>Monitoring of inclusion and diversity metrics of our board and employees annually</li> <li>Integrating health &amp; well-being for employees through a corporate wellness room and a Desk Wellness Series</li> </ul>
Hotel guests	<ul style="list-style-type: none"> <li>Providing lifestyle experiences through aspects of health and wellness, locally sourced food, respect for the environment, and authentic local experiences</li> <li>Communicating the need to reduce waste by encouraging property teams to eliminate paper guest portfolios</li> <li>Highlighting the importance of single-use plastic elimination during asset manager meetings and suggesting the shift toward reusable water bottles</li> <li>Incorporating sustainability questions into hotel-level guest surveys</li> </ul>
Industry associations	<ul style="list-style-type: none"> <li>Participating in industry associations through active membership and board involvement</li> </ul>
Management companies	<ul style="list-style-type: none"> <li>Conducting an annual sustainability survey</li> <li>Participating in collective engagement with other REITs and sustainability leaders</li> </ul>
Suppliers and vendors	<ul style="list-style-type: none"> <li>Vetting general contractors through an ESG questionnaire</li> <li>Requiring all employees involved in development projects to participate in project orientations during which physical health and safety is a key topic</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Consulting the local community on the impacts of proposed development projects through public consultation sessions</li> </ul>





# ENVIRONMENTAL SUSTAINABILITY



# ENVIRONMENTAL SUSTAINABILITY



Environmental sustainability is an integral part of our business, one which bolsters our ability to deliver long-term, industry-leading total returns to our shareholders. We are deeply committed to pursuing continuous improvement of our portfolio's environmental performance and taking active steps to promote the engagement of stakeholders, from hotel operators to vendors, in our sustainability efforts.



**22.2% REDUCTION IN GREENHOUSE GAS EMISSION INTENSITY FROM BASELINE**



**12 ENERGY STAR® TOP PERFORMERS**



**NEARLY 50% OF PROPERTIES HAVE ELIMINATED SINGLE-USE PLASTICS**

Our approach to environmental sustainability is aligned with our key commitments and status as a real estate investment trust. As such, we focus on supporting our third-party operators with sustainability program development, investing in performance-related efficiency projects, environmental procurement, and climate change and resiliency. We continuously monitor and evaluate energy usage, water consumption, and waste production by running detailed benchmarking throughout our portfolio internally and through participation in the Cornell Hotel Sustainability Benchmarking Index. We also engage third party consultants to assess energy performance and further reduce the environmental impact of our standing investments. In addition, we have responded to the potential risk of climate-related hazards and extreme weather events through the development of a disaster recovery plan to protect our standing investments.

## GREEN ENGAGEMENT AT OUR HOTELS

**Green Champions:** Since our inception, Pebblebrook has emphasized the value of sustainability at the operational level to its third-party operators to integrate environmental stewardship into operational decision-making. Presently, we designate green champions in many of our hotels. These individuals are key to our ESG commitments since they are charged with overseeing all sustainability initiatives. They work primarily with hotel employees to instill sustainable practices throughout the property.

**Reducing plastic bottles in guestrooms:** Another instance of our environmental stewardship includes the implementation of more environmentally friendly toiletries in our guestrooms. Over 74%<sup>12</sup> of our properties have replaced the use of small plastic toiletry bottles with larger permanent dispensers, greatly reducing the consumption of single-use plastics. For more information on our commitment to eliminating single-use plastics, see [page 25](#).

**Pebby Awards:** To further engage our properties, we developed annual property recognition awards known as the Pebby Awards, which recognize properties for various operational achievements, including outstanding environmental stewardship. This initiative has raised the environmental conservation bar since numerous properties have made outstanding strides in energy efficiency since the program's inception.



### PORTFOLIO-WIDE BEST ENVIRONMENTAL PRACTICES

- 94% of our properties use an environmental management system.
- 74% of our properties have eliminated plastic straws from the property.
- 63% of our properties have a Sustainability Coordinator or Green Champion.
- 44% of our properties have a green team or sustainability taskforce.
- Pebby Awards: annual award recognizing leadership in energy conservation

<sup>12</sup> Based on a current portfolio of 54 properties.





## ENVIRONMENTAL PERFORMANCE

Our corporate acquisition completed in 2018 presented the opportunity to expand our utility consumption commitments into a holistic ESG strategy. An essential part of a sustainability program is the tracking of environmental performance and progress toward set targets. We began by setting up the framework for tracking environmental performance and engaging third-party energy consultants to structure more credible datasets. Since 2013, we decreased our intensities in energy usage and greenhouse gas emissions by

8.6% and 22.2%, respectively. Furthermore, our water intensity has dropped by 5.9% between our baseline year and 2019. Finally, we established 2018 as the baseline year for waste to begin tracking our waste progress. Between 2018 and 2019, we saw a decrease in waste generated by 21.9%. Our improved efficiencies in energy use, water consumption, and waste generation is a testament to our sincere ESG commitments.

ENVIRONMENTAL INTENSITY	BASELINE	2019	% CHANGE
Energy intensity (kWh per sq. ft)	31.45	28.76	-8.6%
Greenhouse gas emission intensity (kgCO <sub>2</sub> e per sq. ft)	9.13	7.11	-22.2%
Water intensity (gallons per occupied room)	143.53	135.06	-5.9%
Waste intensity (pounds per occupied room)	25.72	20.08 <sup>13</sup>	-21.9%

We have always made an effort to invest in efficiency projects that will have an impact on our environmental footprint, an aim we continuously pursue. The below table highlights our total investments in energy conservation and greenhouse gas emission reduction, water conservation, and waste reduction. While 2019 represents a significant increase in efficiency investments,

it is partly the result of improved recording and documentation. Furthermore, we resumed many projects in 2019 that were halted by our major corporate acquisition in 2018. Nevertheless, we do recognize our sustainability commitments are playing a role in both stronger data and eventually greater investments in portfolio-wide efficiency initiatives.

EFFICIENCY INVESTMENTS <sup>14</sup>	2016	2017	2018	2019
Energy Conservation and Greenhouse Gas Emission Reduction	\$2,685,958	\$912,319	\$2,788,318	\$5,913,798
Water Conservation	\$2,343,780	\$2,437,671	\$1,385,963	\$689,105
Waste Reduction	\$138,191	\$97,500	\$147,078	\$159,276
<b>Total Investments</b>	<b>\$5,167,928</b>	<b>\$3,447,490</b>	<b>\$4,321,359</b>	<b>\$6,762,179</b>

<sup>13</sup> 65% of waste data was estimated using volume-to-weight conversion factors.

<sup>14</sup> Due to our major corporate acquisition in 2018, the 2016 through 2018 figures do not capture all efficiency projects from our acquired properties.

# ENERGY & GREENHOUSE GAS EMISSIONS



In 2019, we invested nearly \$6 million in energy conservation and greenhouse gas emission reduction projects. The use of efficient LED lighting has become standard practice at Pebblebrook, and nearly 60% of our portfolio has a minimum of 90% LED property lighting. We are continuously planning and investing in retrofitting our hotels with energy efficiency lighting and intend to apply this standard across our portfolio. In addition, over 65% of our properties have high-efficiency boilers, intelligent heating and cooling thermostats, energy-efficient chillers, kitchen ventilation improvements, and other energy-efficient upgrades.

## ELECTRICAL CONSUMPTION REDUCTION AT PEBBLEBROOK

Nine of our properties are engaged in utility demand response programs including the Westin Michigan Avenue Chicago, by reducing or shifting their electricity usage during peak periods.

## CONNECTIONS TO NATURE THROUGH BIOPHILIC DESIGN

Skamania Lodge, The Hotel Zags and other Pebblebrook properties are connecting guests and employees with nature through biophilic design approaches. Not only does this design approach increase nature connectivity, but it also helps to reduce energy consumption through increased natural lighting and greater times spent outdoors.



SKAMANIA LODGE, STEVENSON, WASHINGTON

Climate change adaptation is an environmental objective at Pebblebrook, and as such, we are committed to lowering the carbon footprint of our standing investments. This year, our actual greenhouse gas emission intensity decreased by 22.2% against our baseline year, which is largely the result of the increase in the carbon efficiency of the electric power grid. In addition, several of our properties implemented energy efficiencies, independently and as part of portfolio-wide initiatives, to further reduce their carbon footprints. For example, in 2019, Hotel Zelos San Francisco invested in a Stem energy project, which helped the property conserve energy with AI-powered energy storage.

## LEVERAGING AI-POWERED ENERGY STORAGE FOR ENERGY EFFICIENCY

Hotel Zelos San Francisco utilizes intelligent energy storage solutions from Stem, which save electricity on-site for later use. This project has saved \$300 per month after a rebate of \$26,000. In addition, this is part of a larger efficiency program at the hotel, which also included a full transition to 100% LED efficient light bulbs.

## RENEWABLE ENERGY GENERATION

In 2019, Chaminade Resort & Spa became Pebblebrook's first hotel to complete a solar energy project. As a result, the project is anticipated to cover nearly one-third of the property's annual energy consumption.



# WATER



Unlimited access to water has become a standard requirement in the hotel industry, given its importance in creating a comfortable environment for guests, delivering essential services like linen and towel replacement, and providing recreational activities. In recognition of water as a fundamental human right, Pebblebrook is committed to water conservation at our properties where, in 2019, nearly \$700,000 thousand was invested in water conservation projects.

During the repositioning of The Hotel Zags in Portland, Oregon, a guestroom toilet flapper was installed, which has an annualized water reduction rate of 2.5 million gallons. Where applicable, stormwater management measures are implemented to minimize runoff and protect adjacent natural resources. Other water conservation projects include installing low flow faucets and showerheads during renovations. Across the portfolio, Pebblebrook is shifting to better overall water conservation with a slight reduction in water intensity of 5.9% from our baseline.

## UTILIZING INNOVATIVE TECHNOLOGY TO REDUCE WATER CONSUMPTION

Pebblebrook is currently piloting a portfolio-wide initiative on shower timers. Utilizing smart sensors and displays, the pilot hotel, Hotel Spero, has saved up to 30 seconds per shower. According to United States Geological Survey, a reduction by 30 seconds in shower time which translates to approximately 1 to 2.5 gallons of water per shower.



HOTEL SPERO, SAN FRANCISCO, CALIFORNIA

## WATER CONSERVATION AT HOTEL SPERO

By using low-flow toilets, faucets, and showerheads, Hotel Spero saves 1.1 million gallons of water each year. To date, Hotel Spero's water conservation and sustainability efforts have saved the equivalent of 75 months of water usage by the typical American family.

# WASTE

According to AHLA, a 300-room hotel can generate upwards of three tons of waste per day.<sup>15</sup> With this in mind, we encourage our properties to participate in recycling programs in both the guestrooms and public spaces. Over 81% and 70% of our properties actively recycle in both common areas and guestrooms, respectively. In addition, many of our properties have or are preparing to engage in programs that reduce single-use plastics, most notably plastic straws. Many properties are using innovative strategies to improve waste efficiency, in particular a grease-to-bio-diesel recycling program that 34 properties carry out. This, and other waste reduction projects, have led to notable achievements in waste efficiency at hotels such as Hotel Zephyr Fisherman's Wharf and Argonaut Hotel with waste diversion rates of 63% and 62%, respectively.

The importance of collaboration and continuous learning on proper waste etiquette is highlighted at Sir Francis Drake in San Francisco, California. Sir Francis Drake is committed to proper recycling and aims to eliminate waste-to-landfill opportunities wherever possible. Pebblebrook continuously supports property teams to undertake waste reduction measures, and advocates for the role of green champions. The hotel has increased the awareness of proper waste disposal through an annual training regime proctored by their waste disposal vendor, Recology. Key topics include differentiating waste types, implementing signage, and utilizing a sorting bin as a last line of defense. In turn, one of the property's green champions actively sorts through waste in pursuit of a maximized and credible diversion rate.



HOTEL ZEPHYR FISHERMAN'S WHARF, SAN FRANCISCO, CALIFORNIA

<sup>15</sup> <https://www.ahla.com/resources/implement-recycling-program-4>





**OUR COMMITMENT TO REDUCE PLASTIC WASTE**

On May 11, 2019, 187 countries from around the world concluded a two-week, UN-backed convention on the world’s plastic crisis by adding plastic to the Basel Convention. For decades, humans have relied heavily on plastics, yet the repercussions are that 100 million tons of plastic are now floating in our oceans. At Pebblebrook, we take long-term sustainability seriously and want to set an example to the rest of the lodging industry that action is needed now.

Over 74% of our properties have already eliminated plastic straws, and we are committed to reducing single-use plastics throughout our portfolio to an absolute minimum and eliminate where possible. Currently, over 48% of our properties have eliminated, or reduced to an absolute minimum, single-use plastics, and we are aiming to eliminate waste across 60% of our properties as a first step. Many of the remaining properties are either in the process of implementing plastic waste strategies or planning to address this issue within the next 12 months. For example, Hotel Spero has replaced single-use shampoo, conditioner, and bath gel containers with larger, pump-topped bottles, keeping around 144,000 amenity bottles out of landfills each year. Pebblebrook corporate headquarters has also committed to the single-use plastic goal by investing in a Bevi machine, which has eliminated all bottled and canned water, saving over 10,000 bottles between October 2019 and March 2020. In addition, only reusable and compostable cups are permitted in the office.

GOALS & TARGETS	TARGET	2018	2019	PROGRESS
Eliminate single-use plastics	60%	44.3%	48.1%	+3.8%



## HOTEL SPERO SETTING THE BENCHMARK IN HOTEL WASTE REDUCTION

- Instead of traditional cleaning products, Hotel Spero utilizes Tersano – or "magic water." By infusing tap water with ozone, the water transforms into a stabilized aqueous ozone, effectively eliminating germs, odors, mold, and mildew; while also killing viruses and bacteria such as E. coli, salmonella, and more. By using just water and oxygen, hazardous waste is minimized.
- Hotel Spero has replaced single-use shampoo, conditioner, and bath gel containers with larger, pump-topped bottles, keeping around 144,000 amenity bottles out of landfills each year. Also, reusable water bottles have replaced plastic cups to help reduce the use of single-use plastics at the property.
- By partnering with Recology, Hotel Spero achieves 75% waste diversion through recycling and composting training and programs.

Repositioning underperforming properties into lifestyle hotels is a core strategy at Pebblebrook to generate superior returns, and as such, we strive to reduce waste at every given opportunity during this stage of our corporate strategy. For example, we aim to reuse or recycle building materials that are removed as part of renovation projects, which includes the liquidation of existing furniture so that it finds a second life and is not disposed of. In 2019, used materials and Furniture, Fixtures & Equipment (FF&E) from a recent renovation, valued at over \$300,000, were donated to Habitat for Humanity by Le Parc Suite Hotel in Los Angeles, California. Where possible, demolition and construction debris are sent to recycling facilities diverting it from landfills. Overall, approximately 90% of the materials removed from hotels as part of renovation projects are reused or recycled.<sup>16</sup>



L'AUBERGE DEL MAR, DEL MAR, CALIFORNIA

## TRANSFORMING FOOD WASTE THROUGH AEROBIC DIGESTION AT L'AUBERGE DEL MAR

The ORCA food waste disposal system "digests" up to 2,400 pounds of food waste per day. Within 24 hours, this technology turns food waste into environmentally safe water that flows straight into the municipal sewage system.

Through a process called "aerobic digestion," the ORCA technology constantly churns all this material, adding oxygen that accelerates the time it takes to transform the food waste disposal into earth-friendly water.

<sup>16</sup> Waste Diversion rates for hotels are calculated by dividing the quantity of waste diverted from landfills (i.e. recycled, donated or reused) by total waste generated





ENVIRONMENTAL PERFORMANCE INDICATOR	ENERGY USAGE RATE REDUCTION	GREENHOUSE GAS EMISSION RATE REDUCTION	WATER CONSUMPTION RATE REDUCTION	WASTE DIVERSION
2019 PROPERTY LEADERS <sup>17</sup>	Villa Florence San Francisco on Union Square	Harbor Court Hotel San Francisco	Embassy Suites San Diego Bay – Downtown	Hotel Spero
PROGRESS	-32.5%	-52.2%	-39.6%	75.0%

## RESPONSIBLE PROCUREMENT

Responsible purchasing is a pillar of Pebblebrook’s ESG strategy. Environmental specifications are highlighted in supplier contracts to ensure the goods and materials consumed by Pebblebrook properties are environmentally friendly. Low-to-zero VOC paints and adhesives have become a staple throughout the renovation and repositioning process. Furthermore, protocols for controlling and eliminating airborne particulates are enforced as well. Where possible, FSC-certified lumber and wood are utilized in the materials for both the construction phase of hotel repositioning and the property’s FF&E.

Pebblebrook is committed to incorporating ESG requirements into the vetting process and contracts of our suppliers and partners. In 2019, we created an ESG questionnaire that was used to screen general contractors for the development of our new headquarters. Going forward, we will use this ESG questionnaire as a filter for our future suppliers and vendors. Moreover, asset managers review and approve all energy-related capital projects, which includes a vetting of the vendor, reviewing contract language, and addressing market feedback prior to their inclusion in the capital budget.

### ENVIRONMENTAL PROCUREMENT AT OUR HOTELS

The Nines, a Luxury Collection Hotel, Portland and several other Pebblebrook properties have opted for BeeKind guestroom amenities, which contain no parabens, phthalates, or artificial colors. In addition, BeeKind donates a portion of profits to UC Davis’ Honeybee Research program for the support of honeybee and sustainable pollination research.



THE NINES, PORTLAND, OREGON

### TROPICAL HARDWOOD/VIRGIN REDWOOD BAN AT HOTEL VITALE

Hotel Vitale has agreed to not use any tropical hardwoods, tropical hardwood wood products, virgin redwood or virgin redwood wood products in the construction of the initial improvements or any other improvements on the premises. This commitment has been formalized by a lease requirement.



HOTEL VITALE, SAN FRANCISCO, CALIFORNIA

<sup>17</sup> Based on a year-over-year percentage change from 2018 except Waste Diversion, which is based on the rate of waste being diverted from landfills.

# ENVIRONMENTAL SUSTAINABILITY



## CLIMATE CHANGE & RESILIENCY

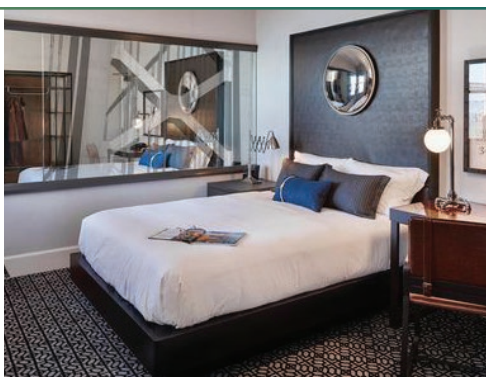
Climate change continues to be an important issue for Pebblebrook. As global sea levels rise, some of our properties in Boston and other coastal markets have experienced nuisance flooding with wet sidewalks and roads becoming a daily occurrence during high tide. Given the high proportion of coastal hotels and resorts, resiliency to climate change is a key priority for our company.

While flooding is an obvious and immediate physical risk facing our properties, we also recognize that other climate-related issues pose threats to our assets, including but not limited to greater fluctuation and extremes in weather patterns, and increased frequency and severity of weather events such as hurricanes, floods and droughts.

We promote resiliency through a priority-based approach to asset value enhancement. At the Hyatt Regency Boston Harbor, we recognized that physical risks such as the flooding of patios, walkways, and event space posed a significant financial impact on the property. We therefore commissioned civil engineers to understand the resiliency of the hotel and develop a method for addressing surface water runoff. Furthermore, we engaged local stakeholders, such as the Boston Conservation Commission and the Massachusetts Port Authority, to understand sea-level rise along the supply chain as flooded airport runways also pose a significant risk of financial implications to our property's bottom line. Resulting from this engagement, the areas experiencing nuisance flooding at Hyatt Regency Boston Harbor were rebuilt to withstand rising sea levels. In addition, this project resulted in a greater understanding of climate change resiliency.

### CLEAN ELECTRICITY AT HARBOR COURT HOTEL SAN FRANCISCO

In addition to being fully retrofitted with energy efficient LED lighting, Harbor Court Hotel San Francisco is part of the CleanPowerSF program, which is a solution to the climate crisis. The program provides the hotel with electricity of which nearly 50% is derived from renewable sources.



HARBOR COURT HOTEL, SAN FRANCISCO, CALIFORNIA

### CLIMATE CHANGE ADAPTATION AND MITIGATION

The Field of Greens initiative at The Hotel Zags is one example of how Pebblebrook properties address climate change. The Hotel Zags utilizes an urban green roof that is visually pleasing and enhances stormwater management, reduces heat fluctuations, improves urban air quality, and boosts biodiversity in the city.



THE HOTEL ZAGS PORTLAND, PORTLAND, OREGON

## GREEN BUILDINGS

We promote resiliency to our properties by promoting green building certifications and undertaking unique measures to address climate-related issues in alignment with each property's unique position.

GREEN BUILDING CERTIFICATION	# OF PROPERTIES	SCOPE OF PORTFOLIO <sup>18</sup>
Benchmarked against ENERGY STAR®	55	98.2%
ENERGY STAR® Top Performer <sup>19</sup>	12	2,169,032 sq.ft
LEED certified	2	4.1%
Green Key Eco-Rating	3	5.9%
Green Seal	2	1.6%
TripAdvisor Green Leader (Platinum)	4	7.0%
TripAdvisor Green Leader (Gold)	15	22.2%
TripAdvisor Green Leader (Silver)	13	26.6%
TripAdvisor Green Leader (Bronze)	11	27.7%

<sup>18</sup> Calculated as a percentage of Total Gross Floor Area.

<sup>19</sup> Properties with an ENERGY STAR® score of at least 75.



# SOCIAL RESPONSIBILITY



# SOCIAL RESPONSIBILITY



Pebblebrook's approach to social responsibility is based on the understanding that our people, and those who operate the hotels we own, are the driving force behind the success of our company.

Within our approach to human capital management, we are highly aware of and compliant with mandated labor policies and industry-accepted best practices. Moreover, we fully believe that living and working in a sustainable manner is essential for Pebblebrook and our partners; therefore, we continuously work toward creating a healthy, safe, and fair work environment for all. Finally, we strive to ensure that the communities in which our properties operate are not negatively impacted by our operations and repositioning. We take every instance to minimize the impact on the local community and participate in numerous community engagement initiatives each year. For example, we encourage our property partners to engage local organizations where possible, and presently, 28 hotel general managers sit on local boards and committees.



61% OF OUR EMPLOYEES  
IN 2019 WERE WOMEN



280 VOLUNTEER HOURS



NEARLY \$130,000 IN TOTAL DONATIONS



43% OF OUR BOARD IS DIVERSE





# HUMAN CAPITAL MANAGEMENT



Prior to the annual Executive Planning Session, an Employee Satisfaction survey is typically administered, and the results are shared with the executive planning committee. The Employee Satisfaction Survey was not administered in 2018 due to our major corporate acquisition. The next survey will be administered in September 2020, and will then continue on an annual basis.

## LABOR PRACTICES

Pebblebrook is deeply committed to preparing our employees for continued success and growth. We commit to non-discrimination and fairness in all labor practices, including but not limited to, employee remuneration, recruitment, and promotions. In turn, Pebblebrook complies with all relevant labor standards and policies. Beyond compliance, Pebblebrook commits to maintaining a living wage for all employees and working toward developing a sustainable workplace for all. Additionally, we affirm the standards and recommendations set forth by the United Nations (UN) Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights to ensure we cultivate a sustainable work environment for all our employees, leaving no one behind.

### Human Trafficking and Modern Slavery

Given that our work environment is all office staff, we have a low risk of issues relating to human trafficking or modern slavery. Nevertheless, we are fully committed to the Sustainable Hospitality Alliance's (formerly International Tourism Partnership) Principles on Forced Labour, and we intend to share these values with our employees, third-party operators, suppliers, vendors, and partners. We also believe an onus is placed on hotel operators to ensure that human trafficking is prevented wholly and in all its forms in the lodging sector. Therefore, we are committed to helping our third-party operators train and prepare hotel frontline staff to identify potential warning signs and carry out the protocol for reporting suspicious activity.



### TRAINING AND MONITORING SEX TRAFFICKING, HARASSMENT AND OTHER SOCIAL ISSUES

Pebblebrook Hotel Trust strongly supports AHLA's 5-Star Promise. Our pledge to AHLA complements the practices and policies in-place by our company and our hotel operating partners which are designed to ensure that the hotel employees at our more than 50 owned hotels across the United States abide

by the law, respect individual's rights, and do not tolerate sexual harassment of any type at our properties.

We have dedicated a significant amount of resources to assist our hotel operators with sexual harassment awareness training and avoidance programs, in addition to training and resources to prevent human trafficking. We will continue to engage with our hotel operators to provide the resources to further assist them in ensuring the safety of our hotel employees and our guests.

Pebblebrook is committed to funding the purchase of hotel employee safety devices for use at all of our owned hotels by the end of 2020, as well as to provide funding for additional training and education programs on sexual harassment and human trafficking at our corporate level and our hotel properties. Through our pledge to the 5-Star Promise, Pebblebrook intends to contribute to positive, industry-wide improvements to continue to make hotels a safe place for all our employees and guests.

# HUMAN CAPITAL MANAGEMENT



## Professional Development

We administer both a rotational analyst program and an internship program for young professionals with leadership potential. The analyst program is an individualized development and training program that allows recent college graduates an opportunity to grow their early career under the direct leadership of a vice president at the company. Analysts may contribute to any of our three major functional areas: Asset Management, Investments, or Strategic Planning/Corporate Finance. As the third year commences, the company will assist each participant in taking their next career step,

### CORPORATE ESG TRAINING AND AWARENESS-RAISING

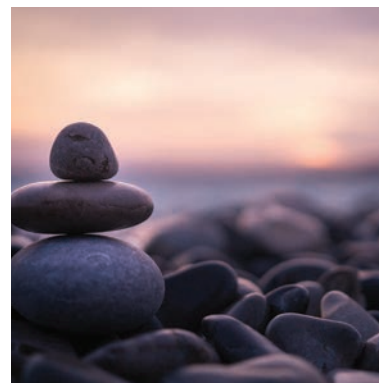
Our aim of continuous learning has partly manifested into regular training and awareness-raising sessions on relevant topics, including health and safety, green purchasing, climate change, and compliance and business ethics, among others. Our most recent ESG Training “lunch-and-learn” was attended by 56 employees.

VP works with the intern to update their resume and discuss their final year and future career path. At Pebblebrook, we foster the continuous development of all our associates by encouraging professional development. One of Pebblebrook's associates is an active member of the Castell Project – a program designed for high-potential women in the hospitality industry preparing to enter the C-suite.

## EMPLOYEE HEALTH & SAFETY

Creating a healthy environment for our guests, employees, and contractors is a top priority at Pebblebrook. We are joining the “Healthy Building” movement by trying to create a high-quality indoor work environment, which includes the utilization of building systems, equipment, and materials that enhance and promote indoor environmental quality, including appropriate temperature,

whether it be at our company, at another company, or through a graduate school program. The internship program gives junior undergraduate students the opportunity to shadow current analysts in the analyst program. Each intern is given a handful of projects in any of the three major functional areas listed above. The intern works with an analyst and a VP to complete the projects and present the findings. At the end of the program, a



### CORPORATE WELLNESS AT PEBBLEBROOK HQ

Being fervently committed to health and wellbeing, Pebblebrook has a dedicated wellness room, which offers private space for meditation, yoga, aromatherapy, stress coloring, massages, and visual relaxation. Once per quarter, Pebblebrook also hosts a web-based Desk Wellness Series for all employees to engage on common topics like nutrition, fitness, ergonomics, and stress management.

humidity, lighting, air quality, CO2 levels, and acoustics. Additionally, we work with the various properties to eliminate identified or potential indoor air pollutants as part of any project we undertake. On-the-job safety is prioritized, and workers on major renovation and new construction projects undergo a project orientation that educates them on the rules, regulations, and standard operating procedures (SOPs) about site safety as well as the steps to take during an emergency.

To maximize guest comfort and enhance employee working conditions, cutting-edge technology such as automatic temperature, humidity, and ventilation controls are implemented. While occupants are given some control input, property engineers and technicians establish appropriate standards for the hotel environment, which are monitored through building management systems. Hilton San Diego Gaslamp Quarter and Viceroy Santa Monica Hotel invested nearly \$75,000 and \$70,000, respectively, on smart thermostats in their guestrooms in 2019. At our corporate office, employees are provided with generous health and wellness benefits. We provide employees with standing desks, ergonomic desk chairs, a desk wellness series, and complimentary fitness center memberships. Furthermore, there were no reported injuries from 2016 to 2019 at Pebblebrook.





# HUMAN CAPITAL MANAGEMENT

## DIVERSITY & INCLUSION

Inclusion, representation and diversity matter to Pebblebrook, both corporately and at our hotels. The diversity of our company's employees is fundamental to our ability to deliver on our objectives. We require a diversified workforce since our hotels provide hospitality to a diverse population, and we have a duty to honor and participate in the communities we serve. Pebblebrook is committed to creating and maintaining a work environment of respect for all human beings regardless of race, gender identity, sexual orientation,

accessibility needs, religion, political orientation, veteran status, and culture. To engage our employees on diversity and inclusion, all Pebblebrook employees must partake in annual anti-harassment and diversity training, which includes a test that must be passed as part of employment agreements. In 2020, we will be launching a Racial Equity Team to ensure that systemic injustices are not brushed aside and that diversity is celebrated at our company.

### CELEBRATING AND REFLECTING ON JUNETEENTH

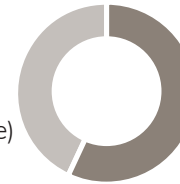
In honor of this year's 155th anniversary of the emancipation of those enslaved in the United States, Pebblebrook declared Juneteenth a company holiday to acknowledge the journey of the past while looking forward with hope for a brighter future. We asked each employee and their families to spend the day celebrating Black culture and educating themselves on race relations and discrimination.

Our CFO, Raymond Martz, celebrated Black culture at Washington DC's Black Lives Matter Plaza on Juneteenth, listening to the discussions and demonstrations with his family.



### BOARD OF TRUSTEES

■ 43% Diverse  
(Gender and Race)



### MANAGEMENT EMPLOYEES

■ 54% Female  
■ 46% Male



### EMPLOYEES

■ 61% Female  
■ 39% Male



### GRADUATE INTAKE

■ 62% Diverse  
(Gender and Race)



### STAY WITH PRIDE IN CHICAGO

Hotel Chicago Downtown, Autograph Collection is a designated LGBTQ+ friendly hotel in Chicago and is TAG Approved®. TAG hotels represent the very best in the world of hospitality as an all-out effort to qualify travel businesses based on the desire to host LGBTQ+ travelers, hotel employment policies and the involvement with the local LGBTQ+ community.



HOTEL CHICAGO DOWNTOWN, CHICAGO, ILLINOIS

### HOTEL ZENA WASHINGTON DC: AN "ART-INFUSED TRIBUTE TO FEMALE EMPOWERMENT"

Through art and inclusive design, Hotel Zena Washington DC is an ode to the accomplishments of women in one of the most culturally diverse cities in the world with a female-majority population – Washington DC. "Hotel Zena will be the first hospitality establishment solely dedicated to celebrating the accomplishments of women," said Jon E. Bortz, Chairman, President and CEO, Pebblebrook Hotel Trust.



HOTEL ZENA, WASHINGTON DC



## 2019 HUMAN CAPITAL METRICS

DEMOGRAPHICS	EMPLOYEES	BOARD
<b>GENDER</b>		
Percent of Employees Men (%)	39%	71%
Percent of Employees Women (%)	61%	29%
<b>RACE</b>		
Percent of Employees Black or African American (%)	7%	14%
Percent of Employees Asian (%)	16%	0%
Percent of Employees Hispanic or Latino (%)	0%	0%
Percent of Employees White (%)	77%	86%
<b>AGE</b>		
Percent of Employees under 30 years old (%)	42%	0%
Percent of Employees 30 – 50 years old (%)	44%	0%
Percent of Employees over 50 years old (%)	14%	100%
<b>EMPLOYMENT CONTRACT</b>		
Percent of Employees Permanent (%)	100%	N/A
Percent of Employees Temporary (%)	0%	N/A

## HUMAN CAPITAL GOALS

- Pebblebrook strives for gender parity among its corporate employees
- Pebblebrook strives to prevent a gender pay gap among company employees

### LABOR PROGRAMS & BEST PRACTICES



- Employment agencies are carefully vetted to ensure employees are coming from legitimate sources.
- In 2018, a non-fraternization policy was instituted indefinitely in light of the #MeToo movement to eliminate any instance of sexual harassment in the workplace.
- To encourage professional development, Pebblebrook offers a tuition assistance program to eligible employees who complete courses with a grade of B or better. Pebblebrook will reimburse an employee at 80% to a maximum of \$2,500 per calendar year for any class(es) taken.
- Individualized work plans for participants of the rotational analyst program.
- Blind resume screening was used to recruit candidates for our rotational analyst program resulting in a cohort representing over 60% diversity.





# COMMUNITY ENGAGEMENT



## SUPPORTING CHARITIES AND COMMUNITY GROUPS

Through volunteering, donations, and sourcing locally, Pebblebrook is deeply committed to our community. In 2019, all our 56 employees volunteered 280 hours, and donated over \$129,000 to registered charities. Organizations that Pebblebrook engages through volunteering or donations include Capital Area Food Bank, Community of Hope, Food & Friends, MANNA, Dress for Success, Cystic Fibrosis Foundation, and Make-A-Wish Foundation, among others. In 2019, our annual Charity Work Day was held in partnership with Community of Hope (COH), an organization that creates opportunities for low-income and homeless families in Washington, DC to achieve good health, a stable home, family-sustaining income, and hope. At two COH sites, Pebblebrook employees helped with cleaning and organizing storage rooms, playrooms, donation closets, offices, and hallways. Along with the cleaning projects, our employees created fun and inspirational bulletin boards in the computer lab and play areas at Girard Street Apartments.



### COMMUNITY & GIVING METRICS

	2018 <sup>20</sup>	2019
Total Donations	\$70,000	\$129,598
Total Cash Donations	\$30,000	\$89,598
Total Employee Donations	N/A	\$16,655
Total Donations per employee	N/A	\$327
Total Value of In-Kind Donations	\$40,000	\$40,000
Total Donated Room Nights	N/A	86
Total Volunteer Hours (hours)	125 <sup>21</sup>	280
Total Volunteer Hours per employee (hours)	4.5	5

<sup>20</sup> N/A indicates insufficient data was available for calculating a metric.

<sup>21</sup> Excludes the employees who joined from LaSalle Hotel Properties in November 2018



has good health, a stable home, family-sustaining income, and a hope-filled future. COH offers innovative and integrated programs including a range of housing programs, comprehensive healthcare, and other critical supports for the whole family. They provide medical, dental, behavioral health, and

For forty years, Community of Hope (COH) has worked to improve health and end family homelessness to make Washington, DC more equitable. Their vision is everyone in Washington, DC

patient support services at three community health centers and a community resource hub. Their services support approximately 17,000 under-resourced neighbors each year.

COH believes everyone deserves to have access to integrated, culturally competent, and trauma-informed healthcare. Last year, they provided quality health services for 13,835 patients in 65,070 visits. They work to end and prevent family homelessness in Washington, DC and are the only nonprofit in DC providing all services along the homelessness continuum, having impacted 1,228 families in 2019.

## SNAPSHOT OF COMMUNITY ENGAGEMENT PROGRAMS



- **Public Consultation in Hotel Development:** Our Design & Construction team engages local resident groups, city agencies and other relevant stakeholders through a community engagement process, which discusses development projects and any potential impacts on the community.



- **Supporting Community Initiatives:** At The Hotel Zags, 5% of package proceeds support the largest LGBTQ+ community center in the Pacific Northwest – the Q Center.



- **28 hotel general managers** sit on local boards and committees.



- **Charity Work Day:** Each year, Pebblebrook hosts a volunteering event for employees to give back to the community. In 2019, our annual Charity Work Day was held in partnership with Community of Hope, an organization that creates opportunities for low-income and homeless families in Washington, DC to achieve good health, a stable home, family-sustaining income, and hope.



- **Gift Program:** Pebblebrook encourages the involvement of its employees in civic and charitable activities by supporting their involvement through our Employee Matching Gift.





## DRIVING IMPACT THROUGH RENOVATION DONATIONS AT LE PARC SUITE HOTEL

Used materials and FF&E from a recent renovation, valued at over \$300,000, was donated to Habitat for Humanity by Le Parc Suite Hotel in Los Angeles, California. Pebblebrook encourages all properties to donate previously used materials to local charities, when applicable.



LE PARC SUITE HOTEL, WEST HOLLYWOOD, CALIFORNIA

## CHARITABLE MATCHING GIFT PROGRAM

Pebblebrook encourages the involvement of its employees in civic and charitable activities by supporting their participation through our Employee Matching Gift Program. Contributions range from a minimum of \$25 to a maximum of \$1,000 per employee per calendar year and will be matched \$1.00 for each \$1.00. Furthermore, Senior Management has a charitable contribution budget of \$25,000 per year.

## INDUSTRY LEADERSHIP

Pebblebrook is an active member of both National Association of Real Estate Investment Trusts (NAREIT) and AHLA, both of whom have focused on fighting sex trafficking, harassment, forced labor, minimum wage, and other material ESG matters. As Chair of the Board of AHLA, our CEO, Jon E. Bortz, has taken an active role in some of the educational campaigns for these social issues. In addition, our CFO, Raymond Martz, co-chairs the Global Finance

Committee (GFC), a league of financial leaders from the U.S. and international hotel brands, operators and owners, that are presently commissioned with the revision of the 11th Edition of the Uniform Systems of Accounts for the Lodging Industry (USALI). This edition includes the incorporation of Energy, Water, and Waste (EWW) metrics in the hope of improving monitoring and benchmarking of sustainability performance across the hotel industry.

ORGANIZATION	PEBBLEBROOK'S ROLE
American Hotel & Lodging Association (AHLA)	Chair of the board
American Hotel & Lodging Association (AHLA) – Food & Beverage Committee	Committee member
American Hotel & Lodging Association (AHLA) – Safe Stay Advisory Council	Committee member
Autograph Brand Advisory Committee	Committee member
California Hotel Lodging Association	Board member
Federal Realty Investment Trust	Board trustee
Hospitality Asset Managers Association (HAMA)	Board member
Hospitality Asset Managers Association (HAMA) – Membership Committee	Committee member
Hospitality Financial and Technology Professionals (HFTP®) – Global Finance Committee	Committee co-chair
National Association of Real Estate Investment Trusts (NAREIT)	Active member
U.S. Green Building Council's LEED User Group for Hospitality & Venues	Founding member

# CASE STUDIES





# BIODIVERSITY CASE STUDY



## ARTIFICIAL REEFS TO FIGHT RED TIDE AT LAPLAYA BEACH RESORT & CLUB IN NAPLES, FLORIDA

At LaPlaya Beach Resort & Club ("LaPlaya") in Naples, Florida, two artificial reefs were installed to boost biodiversity, clean water, and fight red tide at Vanderbilt Beach. For decades, the Gulf of Mexico has been affected by red tide, which has threatened local biodiversity, human health, and the local tourism-dependent economy. Utilizing a donation from club members, LaPlaya invested in two mini reefs from Ocean Habitats to fight the phenomenon.



Ocean Habitats is dedicated to bringing coastal water to life through innovative artificial reef solutions known as "mini reefs." These artificial reefs act as an alternative habitat that can filter over 30,000 gallons of water per day and house over 300 fish and 200 crabs per year. In turn, these "reefs" improve water quality, create homes for fish, shrimp, and crabs providing a greater chance at survival and establishing a small local food chain in dead zones – an area with

limited biodiversity. The rejuvenation of local coastal ecosystems is essential in reducing red tides, which are formally known as harmful algal blooms.



A harmful algal bloom is the out-of-control algal growth in both fresh and saltwater areas that creates an illusion of red water. While natural, harmful algal blooms can be both toxic and non-toxic, and worsened by the climate crisis. Florida's gulf coast has seen some of the worst cases of harmful algal blooms, which has averted many beachgoers from its smell and claimed the lives of countless manatees, turtles, fish, and even a 26-foot juvenile whale shark off the coast of Sanibel Island. In

general, red tide poses threats to human health, biodiversity, and local and regional economies.

While artificial reefs take 6 to 12 months to establish, depending on the location, LaPlaya is committed to the long-term rejuvenation of local biodiversity by investing in 23 mini reefs. Furthermore, the project has put sustainability matters top-of-mind at LaPlaya Beach Resort & Club, which will likely see further integration of ESG matters into operational decision-making.

### THREATS TO HUMAN HEALTH

Harmful algal blooms can poison swimmers and pets, and even cause death

Illnesses from poisonous seafood, particularly shellfish

Diminishes water quality since boiling does not kill toxins

### THREATS TO BIODIVERSITY

Red tide has been one of the greatest challenges in marine conservation having killed hundreds of manatees, turtles, and dolphins in southwest Florida

The rarest species of sea turtle in the world, the Kemp's ridley sea turtle, is a casualty of harmful algal blooms in Florida

Toxic blooms can poison fish, shellfish, mammals, and birds

Depleted oxygen levels can cause death or sea life to leave the area, disrupting the local ecosystem and food supply chain

### THREATS TO LOCAL AND REGIONAL ECONOMIES

The economic health of markets dependent on coastal tourism and recreation is at risk from 'red tides' since tourist arrivals will likely decrease if amenities like beaches and water sports cannot be enjoyed

Local fisheries experiencing harmful algal blooms may experience less demand

# RENEWABLE ENERGY CASE STUDY



## SOLAR ENERGY FIELD INSTALLATION AT CHAMINADE RESORT & SPA IN SANTA CRUZ, CALIFORNIA

In 2019, Chaminade Resort & Spa (“Chaminade”) became Pebblebrook’s first hotel to complete a solar energy project. The project includes a solar field with 1,092 panels spanning over three-quarters of an acre. As a result, the solar energy project is anticipated to cover nearly one-third of the property’s annual energy consumption.

The Chaminade solar energy field project came about from our core value of never being satisfied and always aiming for continuous improvement. Given the hotel's location and availability of excess land, Chaminade was the ideal guinea pig for assessing the feasibility of solar-powered technology to reduce energy costs across our hotels. The project's success has reinforced our commitment to leveraging innovative strategies to drive profitability responsibly.

### MINIMIZING DEFORESTATION AT CHAMINADE RESORT & SPA IN CALIFORNIA

To reduce the forest-risk of the solar energy project, an arborist was procured to work directly with our contractor to implement a biodiversity mitigation plan. In turn, the removed trees were replanted, and waste was reduced to an absolute minimum.





# RENEWABLE ENERGY CASE STUDY



Through a partnership with Enact Systems and Nuance Energy, Chaminade began producing onsite solar energy in May 2019 utilizing a 390kW ground mount, which is designed to save over \$130,000 in electricity costs per year, and energy savings of over 400,000 kWh per year. Given the total investment of \$971,016, the solar project has yielded a capitalization rate of 8.5%, an internal rate of return of 16.5%, and an average cash-on-cash return of 12.9%.

While the solar project at Chaminade is the signature initiative, several additional energy-related measures have been carried out at the property as well. Electric car charging stations are fully available to guests throughout their stay, which is helping Chaminade reduce pollution and increase energy efficiency. The property hosts six Tesla-specific and four universal charging stations located in the valet parking lot, and compact fluorescent lighting has been used throughout the property to decrease energy consumption further. Chaminade's commitment and dedication to innovation and environmental sustainability not only reduces its environmental impact but also inspires renewable energy opportunities at other Pebblebrook properties. Renewable energy opportunities are being considered at the following properties: Skamania Lodge in Stevenson, Washington, and Southernmost Beach Resort and The Marker Key West Harbor Resort.





# PEBBLEBROOK FOR THE GOALS





# PEBBLEBROOK FOR THE GOALS



**Launched in 2015, the UN Sustainable Development Goals (SDGs) are a set of 17 actionable goals that seek to address global challenges and achieve a better and more sustainable future for all. We recognize that all goals are interconnected, and therefore aspire to contribute to all 17 SDGs.**

As such, we are working toward incorporating the SDGs into our approach to sustainability. The opportunities that we intend to pursue in our strategy are aimed at making a collective impact and positive contribution toward global goals. We will use the SDGs to help inspire and frame our programs so we can play our role in contributing to the global development agenda.

GOALS	DESCRIPTION	PROJECT	SCOPE
<b>3</b> GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all at all ages	Wellness Room	Corporate
		Desk Wellness Series	Corporate
<b>4</b> QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Rotational analyst program for young professionals with leadership potential	Corporate
		Tuition reimbursement program	Corporate
		Summer internship program for junior undergraduate students	Corporate
<b>5</b> GENDER EQUALITY 	Achieve gender equality and empower all women and girls	Funding the purchase of hotel employee safety devices for use at all our owned hotels by the end of 2020	All properties
		A non-fraternization policy implemented in light of the #MeToo movement	Corporate
		Fully committed to the Sustainable Hospitality Alliance's (formerly International Tourism Partnership) Principles on Forced Labour, and we intend to share these values with our employees, third-party operators, suppliers and vendors, and partners	Corporate
		Recognition of the Universal Declaration of Human Rights	Corporate
<b>6</b> CLEAN WATER AND SANITATION 	Ensure availability and sustainable management of water and sanitation for all	Eliminated hazardous waste from housekeeping by infusing tap water with ozone instead of chemical-based cleaning products	Hotel Spero
		80% of properties have toilets where over 90% are considered low-flow or dual flush (0.8 to 1.6 galls/3-6L per flush)	Properties
		94% of properties have faucets, where over 90% have low-flow aerators to conserve water	Properties
		87% of properties have showers where over 90% are considered to be low-flow to conserve water	Properties
		61% of properties have a water efficiency program	Properties
		Artificial Reef Installation in southwest Florida	LaPlaya Beach Resort & Club



GOALS	DESCRIPTION	PROJECT	SCOPE
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy for all	Electrical Charging Station	Chaminade Resort & Spa
		Solar Energy Project	Chaminade Resort & Spa
		CleanPowerSF Initiative Electricity, where nearly 50% is derived from renewable sources	Harbor Court Hotel San Francisco
		59% of properties have at least 90% LED interior light bulbs	Properties
		94% of properties have an environmental management system	Properties
		93% of properties have over 90% guestrooms with digital thermostats	Properties
		61% of properties have over 90% of guestrooms with occupancy sensors for reducing heating/cooling when guestrooms are unoccupied	Properties
		80% of properties have over 90% of meeting rooms with digital thermostats	Properties
		21% of properties have at least 90% of meeting rooms with occupancy sensors for reducing heating/cooling when they are unoccupied	Properties
		Artificial Intelligence powered energy storage	Hotel Zelos San Francisco
		21% of properties are considered an ENERGY STAR® Top Performer	Properties
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Rotational analyst program for young professionals with leadership potential	Corporate
		Pledged to AHLA's 5-Star Promise on Sexual Harassment	Corporate
		Own and rejuvenate historic buildings	Hotel Monaco Washington DC
<b>10</b> REDUCED INEQUALITIES 	Reduce inequality within and among countries	TAG approved hotel	Hotel Chicago Downtown, Autograph Collection
		Incorporating Diversity & Inclusion into the design of Hotel Zena Washington DC	Hotel Zena Washington DC





GOALS	DESCRIPTION	PROJECT	SCOPE
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns	Solar Energy Project	Chaminade Resort & Spa
		The ORCA is a machine that “digests” up to 2,400 pounds (over 1 ton) of food waste per day, and transforms into environmentally safe water	L'Auberge Del Mar
		74% of properties have eliminated plastic straws from the property	Properties
		48% of properties have eliminated single-use plastics or reduced to an absolute minimum	Properties
		Inaugural sustainability report with GRI alignment published in November 2019	Corporate
<b>13</b> CLIMATE ACTION 	Take urgent action to combat climate change and its impacts	Assessed the climate change resiliency of the property given nuisance flooding occurring at the property	Hyatt Regency Boston Harbor
		Urban Green Roof	The Hotel Zags
<b>14</b> LIFE BELOW WATER 	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Artificial Reef Installation in southwest Florida	LaPlaya Beach Resort & Club
<b>17</b> PARTNERSHIPS FOR THE GOALS 	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Board Memberships	Corporate

# 2020 AND BEYOND





# 2020 AND BEYOND



Pebblebrook takes its commitments seriously. While we rely on our third-party hotel operators to drive sustainability in their hotels that we own, we plan to undertake a more proactive approach to supporting our independent and third-party operators in the following initiatives over the short-term to position our company as an ESG leader in the U.S. lodging industry.<sup>22</sup>

## GOALS AND OBJECTIVES<sup>23</sup>

### SHORT-TERM

- Provide resources and training for properties to establish green committees
- Create and implement satisfaction surveys for employees and general managers
- Environmentally efficient and responsibly sourced materials will be used in the renovation process as readily achievable
- Benchmarking ourselves against sustainability assessments and ratings, such as the Global Real Estate Sustainability Benchmark (GRESB)
- Setting and progress toward environmental targets on energy, greenhouse gas emissions, water, and waste
- Reach our goal of eliminating single-use plastics in 60% of our properties
- Consider green forms of finance
- Align with the recommendations from the Task Force on Climate-Related Financial Disclosures
- Form a Racial Equity Team to advance diversity, equity and inclusion within our company and sphere of influence

### MEDIUM-TERM

- Conduct ESG surveys with vendors and SMEs to discover sustainable practices and hold stakeholders accountable for responsible practices. Vendors include architects, interior designers, general contractors, purchasing agents, landscape architects, engineers, operators, and restaurateurs, among others

### LONG-TERM

- Become a sustainability leader among our peers through leadership in ESG ratings and assessments

## RESPONSE TO COVID-19

While COVID-19 has had a significant impact on our company and partners, the case for sustainability has become clearer. Although we may have to reevaluate our processes and do things differently, we are still deeply committed to our environmental sustainability and social responsibility goals.



### PROGRESS

- Previously, we committed to incorporate ESG requirements into the vetting process and contract of our suppliers and partners. In 2019, we created an ESG questionnaire that was used to screen general contractors for one of our major development projects. Going forward, we will be using this ESG questionnaire as a filter for our suppliers and vendors.
- Between 2018 and 2019, our properties moved the needle closer to our single-use plastics goal by increasing participation by 3.8 percentage points.
- While benchmarking against GRESB in 2020 was an inaugural goal, Pebblebrook decided to postpone participation until 2021 in light of COVID-19.
- During this second year of sustainability reporting, Pebblebrook has integrated SASB Standards into our disclosures.

<sup>22</sup> Our commitments are currently focused on our hotel operations, separate from leased space to other tenants.

<sup>23</sup> This report contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of Pebblebrook Hotel Trust's business, plans and objectives. These forward-looking statements are based on Pebblebrook's beliefs, assumptions, estimates and expectations of future performance, taking into account information currently available to Pebblebrook. These beliefs, assumptions, estimates and expectations can change as a result of many possible events or factors, not all of which are known to Pebblebrook. If a change occurs, Pebblebrook's business, plans and objectives may vary materially from these forward-looking statements. You should carefully consider these risks when you make an investment decision concerning Pebblebrook's securities.

# SUPPLEMENTARY INFORMATION





## ESG Performance Tables

Company Profile	2016	2017	2018	2019
Total Number of Properties	63	63	63	56
Total Number of Rooms	15,253	15,253	15,253	14,013
Economic Performance	2016	2017	2018	2019
Revenue (USD) (In thousands)	\$816,421	\$769,317	\$828,678	1,612,213
Adjusted EBITDA (USD)	\$273.2M	\$233.1M	\$254.9M	\$478.7M
Revenue Per Available Room (RevPAR) (USD)	\$211.28	\$207.33	\$202.10	\$210.65
Occupied Rooms	4,479,974	4,422,486	4,409,532	4,232,254
Occupancy Rate	84.25%	83.17%	82.93%	82.75%
Social and Governance Performance <sup>24</sup>	2016 <sup>25</sup>	2017 <sup>26</sup>	2018	2019
<b>EMPLOYEES</b>				
Total Number of Employees	26	28	53	56
<b>EMPLOYEE DEMOGRAPHICS</b>				
<b>Gender</b> Percent Male Employees	35%	43%	42%	39%
Percent Female Employees	65%	57%	58%	61%
<b>Race</b> Percent Asian	12%	14%	21%	16%
Percent Black or African American	0%	4%	6%	7%
Percent Hispanic or Latino	4%	0%	0%	0%
Percent White	85%	82%	73%	77%
Percent Other	0%	0%	0%	0%
<b>Age</b> Percent under 30 years old	35%	43%	34%	42%
Percent 30 – 50 years old	54%	43%	47%	44%
Percent over 50 years old	12%	14%	19%	14%
Percent of Permanent Employees				100%
<b>BOARD OF TRUSTEES<sup>27</sup></b>				
Total Number of Board Members	(6) 7	(6) 7	(6) 7	(6) 7
Percent Male	(67%) 71%	(67%) 71%	(67%) 71%	(67%) 71%
Percent Female	(33%) 29%	(33%) 29%	(33%) 29%	(33%) 29%
Percent Diverse <sup>28</sup>	43%	43%	43%	43%
<b>DONATIONS AND COMMUNITY SERVICE</b>				
Total Amount of Charitable Donations			\$70,000	\$129,598
Total Cash Donations			\$30,000	\$89,598
Total Value of In-Kind Donations			\$40,000	\$40,000
Total Volunteer Hours			125 <sup>28</sup>	280
Average Volunteer Hours Per Employee			4.5	5
Total Donated Room Nights				86

<sup>24</sup> Pebblebrook company employees at year-end respective calendar year

<sup>25</sup> Excluding social and governance data prior to major corporate acquisition

<sup>26</sup> Percent diverse is calculated using gender and racial diversity as variables

<sup>27</sup> Data points in parentheses capture independent trustees only

<sup>28</sup> Excludes the employees who joined from LaSalle Hotel Properties in November 2018

## ESG Performance Tables

Environmental Performance <sup>29</sup>		2016	2017	2018	2019
Floor Area Coverage for Intensity Metrics		12,080,088	12,264,448.00	12,264,448.00	11,843,508.00
Occupied Rooms for Intensity Metrics		4,394,399	4,422,486	4,409,532	4,233,905
Investment in Energy Conservation and GHG Reduction Projects		\$2,685,958	\$912,319	\$2,788,318	\$5,913,798
Investment in Water Conservation projects		\$2,343,780	\$2,437,671	\$1,385,963	\$ 689,105
Investment in Waste Reduction projects		\$ 138,191	\$ 97,500	\$ 147,078 <sup>30</sup>	\$ 159,276
ENERGY	BASELINE	2016	2017	2018	2019
Total Energy Consumption (megawatt hours)		339,372.67	337,343.48	360,088.57	340,560.70
Total Direct Energy Consumption (megawatt hours)		156,618.02	158,965.21	178,996.52	164,569.68
Total Indirect Energy Consumption (megawatt hours)		182,754.65	178,378.27	181,092.04	175,991.02
Total Energy Consumption of Electric Power (kilowatt hours)		160,920,656.13	155,681,862.10	156,357,741.01	149,997,675.28
Energy Consumption per square foot (kilowatt hours)	31.45	28.09	27.51	29.36	28.76
% Energy from Renewables <sup>31, 32</sup>		10.85%	10.77%	10.04%	10.43%
GREENHOUSE GAS EMISSIONS	BASELINE	2016	2017	2018	2019
Total Greenhouse Gas Emissions (metric tons CO2e)		92,440.03	84,477.07	88,498.13	84,168.20
Total Scope 1 Emissions (metric tons CO2e)		28,464.78	28,885.89	32,375.99	29,828.82
Total Scope 2 Emissions (metric tons CO2e)		63,975.25	55,591.19	56,122.13	54,339.38
Greenhouse Gas Emissions per square foot (kgCO2e)	9.13	7.65	6.89	7.22	7.11
WATER	BASELINE	2016	2017	2018	2019
Total Water Consumption (kilo-gallons) <sup>33</sup>		615,082.83	608,176.35	599,996.36	571,851.07
Water Consumption per occupied room (gallons)	143.53	2,328,341.81	2,302,197.94	2,271,233.31	2,164,691.82
WASTE <sup>34</sup>	BASELINE	2016	2017	2018	2019
Waste Generated per occupied room (pounds)	25.72			25.72	20.08
Non-diverted waste per occupied room (pounds)	17.95			17.95	17.19
Waste Diversion Rate (%)	30.22%			30.22%	14.41%

<sup>29</sup> 2016 through 2018 are based on 61 properties while 2019 reflects 2019 dispositions and is based on the current portfolio

<sup>30</sup> Based on year of project completion

<sup>31</sup> Based on percentage of energy from renewables from EPA eGRID, including hydro

<sup>32</sup> The same percentages of renewables were used uniformly to calculate all three years of data

<sup>33</sup> 100% of water consumption purchased through municipal utilities.

<sup>34</sup> Based on 81.8% (2018) and 87.6% (2019) of the portfolio by floor area



## ESG Performance Tables

Best Practices & Specifications	2020 (Calendar Year 2019)		
	% of Portfolio	% of Portfolio Applicable <sup>35</sup>	% of Gross Floor Area <sup>36</sup>
<b>HOTEL-LEVEL ESG GOVERNANCE</b>			
The property has a sustainability coordinator or a green champion.	63.0%	63.0%	59.2%
The property has a green team or sustainability task force/management team.	44.4%	44.4%	41.6%
The green team meets at least quarterly.	50.0%	96.4%	44.8%
<b>HEALTH AND WELLBEING</b>			
A health and wellness assessment has been conducted within the past four years.	14.8%	14.8%	9.9%
HVAC system filters are routinely checked and changed.	98.1%	98.1%	97.5%
Carbon monoxide and radon tests are regularly conducted.	57.4%	57.4%	47.4%
Low- or no-VOC paints, finishes, and other items are specified for renovations or additions.	81.5%	84.6%	86.8%
<b>WATER</b>			
The property has a water efficiency program.	61.1%	61.1%	63.1%
At least one measure to improve water efficiency has been implemented over the last four years.	87.0%	87.0%	84.7%
A water efficiency assessment has been conducted within the past four years.	44.4%	44.4%	36.6%
Over 90% of toilets are low-flow or dual flush (0.8 to 1.6 galls/3-6L per flush).	79.6%	79.6%	84.4%
Over 90% of faucets have low-flow aerators to conserve water.	94.4%	94.4%	95.8%
Over 90% of showerheads are low-flow to conserve water.	87.0%	87.0%	84.5%
The property reuses gray water.	3.7%	3.7%	3.8%
Native or drought-tolerant landscaping is used to reduce irrigation needs.	46.3%	64.1%	44.2%
The property installed a leak detection system for water piping or toilet tanks.	7.4%	7.4%	4.9%
The property has a smart irrigation system and/or automatic sprinkler system equipped with moisture sensors to prevent watering during or after rain.	20.4%	36.7%	19.8%
Water consumption is sub-metered in at least ONE area of the property.	42.6%	45.1%	50.2%

<sup>35</sup> Based on a percentage of properties where the indicator is applicable

<sup>36</sup> Based on a percentage of the total portfolio

## ESG Performance Tables

Best Practices & Specifications	2020 (Calendar Year 2019)		
	% of Portfolio	% of Portfolio Applicable <sup>35</sup>	% of Gross Floor Area <sup>36</sup>
<b>ENERGY</b>			
An Energy Audit has been conducted within the past four years.	27.8%	27.8%	24.3%
At least one measure to improve energy conservation has been implemented over the last four years.	85.2%	85.2%	89.9%
The property is benchmarked in the ENERGY STAR®.	98.2%	98.2%	96.8%
The property received the ENERGY STAR® Label.	11.1%	11.1%	9.7%
At least 90% of interior light bulbs are LED.	59.3%	59.3%	62.0%
At least 90% of guestrooms have digital thermostats.	92.6%	92.6%	94.2%
At least 90% of guestrooms have occupancy sensors for reducing heating/cooling when guestrooms are unoccupied.	61.1%	61.1%	63.6%
At least 90% of meeting rooms have digital thermostats.	75.9%	80.4%	78.6%
At least 90% of meeting rooms have occupancy sensors for reducing heating/cooling when they are unoccupied.	20.4%	21.2%	17.7%
HVAC systems are installed with variable frequency, speed drives, and/or electronically commutated motors in at least ONE area of the property	87.0%	87.0%	89.4%
Building re-commissioning has been undertaken in the past three years to improve building operation and maintenance.	48.1%	48.1%	38.0%
At least 90% of windows are enhanced with reflective and/or insulating characteristics.	25.9%	25.9%	21.8%
Boilers are high efficiency (>85% efficiency).	68.5%	77.1%	63.7%
Chillers are high efficiency (>85% efficiency).	48.1%	65.0%	50.7%
The property generates power onsite.	5.6%	5.6%	11.2%
Waste heat is reused in at least one area of the property.	7.4%	7.4%	10.7%
The property has a preventive maintenance plan that checks building energy and water equipment at least on a quarterly basis.	98.1%	98.1%	97.5%

<sup>35</sup> Based on a percentage of properties where the indicator is applicable

<sup>36</sup> Based on a percentage of the total portfolio



## ESG Performance Tables

Best Practices & Specifications	2020 (Calendar Year 2019)		
	% of Portfolio	% of Portfolio Applicable <sup>35</sup>	% of Gross Floor Area <sup>36</sup>
<b>WASTE</b>			
A waste stream audit or waste assessment has been conducted within the past four years.	14.8%	14.8%	17.8%
At least one measure to improve waste management has been implemented over the last four years.	94.4%	94.4%	95.1%
At least one food waste prevention strategy has been implemented over the last year.	59.3%	65.3%	50.1%
Recycling bins are placed in guestrooms.	70.4%	70.4%	72.3%
Recycling is practiced in at least one common area.	81.5%	83.0%	85.1%
Plastic straws have been eliminated from the property.	74.1%	74.1%	75.9%
Single-use plastics have been eliminated or reduced to an absolute minimum.	48.1%	48.1%	45.1%
The property composts food waste	51.9%	53.8%	52.9%
The amount of food waste generated is measured at the property.	24.1%	26.5%	21.7%
Excess food is donated to community kitchens or similar programs.	14.8%	16.7%	18.0%
<b>OTHER</b>			
The property took advantage of a rebate, tax credit, or other incentives to help pay for energy or water-saving systems in the past year.	20.4%	20.4%	26.1%
The property received at least one environmental fine or penalty within the previous calendar year.	1.9%	1.9%	0.9%
The property is third-party labeled or certified for its sustainability initiatives at the time of design, construction, and/or renovation.	5.6%	5.6%	5.4%
The property is third-party labeled or certified for its operational sustainability initiatives.	14.8%	14.8%	13.8%
At least one environmental management system is in place at the property.	94.4%	94.4%	95.0%
<b>ASSESSMENTS</b>			
A Building and Safety Materials assessment has been implemented within the past three years.	14.8%	14.8%	12.1%
An Energy Supply assessment has been implemented within the past three years.	11.1%	11.1%	7.2%
A Health & Well Being assessment has been implemented within the past three years.	7.4%	7.4%	6.2%
An Indoor Environmental Quality assessment has been implemented within the past three years.	9.3%	9.3%	10.8%

<sup>35</sup> Based on a percentage of properties where the indicator is applicable

<sup>36</sup> Based on a percentage of the total portfolio

## Sustainability Accounting Standards: Real Estate

Energy Management			
Code	Topic	Unit	Value
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	100%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property subsector	Gigajoules (GL)	1,226,018.51
	Percentage grid electricity, by property subsector	Percentage (%)	56.0%
	Percentage renewable, by property subsector	Percentage (%)	10.4%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%)	-2.16%
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating, by property subsector	Percentage (%) by floor area	98.2%
	Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	1.59%
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	N/A	During the vetting phase of a potential acquisition, the condition of HVAC systems is reviewed. Furthermore, financial statements are reviewed for any inconsistencies to understand energy performance opportunities or risks prior to acquisition. Also, properties with existing building management systems (BMSs) are prioritized since BMSs are installed in all Pebblebrook properties.



## Sustainability Accounting Standards: Real Estate

Water Management			
Code	Topic	Unit	Value
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	100%
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	100%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage, by property subsector	Thousand cubic meters (m <sup>3</sup> )	2,164,691.82
	Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%)	9.0%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%)	-0.8%
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Water management strategies are prioritized among Pebblebrook's portfolio-wide initiatives. In 2019, shower timers were piloted as a solution to reducing water consumption across our portfolio. Furthermore, toilet flappers are installed during most repositioning projects to lower toilet-related water consumption.

## Sustainability Accounting Standards: Real Estate

Management of Tenant Sustainability Impacts			
Code	Topic	Unit	Value/Description
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector	Percentage (%) by floor area	0%
	Associated leased floor area, by property subsector	Square feet (ft <sup>2</sup> )	0.00
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for water withdrawals, by property subsector	Percentage (%) by floor area	50.2%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	N/A	<p>This year, Pebblebrook added a new category to our annual “Pebby Awards” – which are awards that mirror the timeline of the Oscars announcements, highlighting outstanding accomplishments achieved by our hotels. The new category, Best Cinematography was introduced for best implementation of energy conservation programs and green initiatives to reduce the hotel’s carbon footprint and energy expenses combined with social responsibility and community programs to benefit our communities and external stakeholders.</p> <p>Furthermore, we have implemented more stringent cost tracking in our internal capex system for sustainability initiatives. We are also now using the annual sustainability report to track our portfolio-wide progress, allowing us to review where we have opportunities and where we have been improving well.</p>



## Sustainability Accounting Standards: Real Estate

Climate Change Adaptation			
Code	Topic	Unit	Value/Description
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Square feet (ft <sup>2</sup> )	763,913.00
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	N/A	Our Chief Financial Officer, Raymond Martz, is a member of our ESG Committee that was formed in 2019. The purpose of our committee is to add a sustainability lens to decision-making at all levels of our company. Accordingly, the ESG committee acts as a cross-departmental link for all ESG risks and opportunities.
Activity Metrics			
Code	Metrics	Unit	Value
IF-RE-000.A	Number of assets, by property subsector	Number	56
IF-RE-000.B	Leasable floor area, by property subsector	Square feet (ft <sup>2</sup> )	11,734,986.00
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	100%
IF-RE-000.D	Average occupancy rate, by property subsector	Percentage (%)	82.8%

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>ORGANIZATIONAL PROFILE</b>			
<b>102-1</b>	<b>Name of the organization</b>	Pebblebrook Hotel Trust (“Pebblebrook”)	<a href="#">2019 Annual Report</a> (p. 4)
<b>102-2</b>	<b>Activities, brands, products, and services</b>	<p>Pebblebrook Hotel Trust is an internally managed hotel investment company, organized in October 2009 to opportunistically acquire and invest in hotel properties located primarily in major U.S. cities, with an emphasis on the major gateway coastal markets.</p> <p>By the end of 2019, our company was party to hotel management agreements with Access Hotels and Resorts, AccorHotels, Benchmark Hotels and Resorts, CoralTree Hospitality Group, Davidson Hotels and Resorts, HEI Hotels and Resorts, Highgate, Hyatt, InterContinental Hotels Group, JRK Property Holdings, Kimpton Hotels and Restaurants, Marriott International, Noble House Hotels &amp; Resorts, OLS Hotels and Resorts, Provenance Hotels, Pyramid Hotel Group, Sage Hospitality, sbe Hotel Group, Schulte Hospitality Group and Viceroy Hotel Group.</p>	<a href="#">2019 Annual Report</a> (p. 4 and 32)
<b>102-3</b>	<b>Location of headquarters</b>	<p>Our company leases our headquarters located at 4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland 20814.</p> <p>We lease office space that was formerly used as our headquarters at 7315 Wisconsin Avenue, 1100 West, Bethesda, Maryland 20814 and 7550 Wisconsin Avenue, 10th Floor, Bethesda, Maryland 20814.</p>	<a href="#">2019 Annual Report</a> (p. 30)
<b>102-4</b>	<b>Location of operations</b>	Our operations acquire and invest in upper upscale and full service hotel and resort properties located in or near urban markets in major United States gateway cities. By the end of 2019, we owned properties in Atlanta (Buckhead), Georgia; Boston, Massachusetts; Chicago, Illinois; Key West, Florida; Miami (Coral Gables), Florida; Los Angeles, California (Beverly Hills, Santa Monica, and West Hollywood); Naples, Florida; Nashville, Tennessee; New York, New York; Philadelphia, Pennsylvania; Portland, Oregon; San Diego, California; San Francisco, California; Seattle, Washington; Stevenson, Washington; and Washington, DC	<a href="#">2019 Annual Report</a> (p. 31-32 and F-14)
<b>102-5</b>	<b>Ownership and legal form</b>	Pebblebrook Hotel Trust is an internally managed hotel investment company, and our common shares began trading on the NYSE on December 9, 2009, under the symbol “PEB.”	<a href="#">2019 Annual Report</a> (p. 4 and 34)



## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>102-6</b>	<b>Markets served</b>	<p>Our company invests in hotel properties located primarily in major U.S. cities in markets with high barriers-to-entry that also provide diverse sources of meeting and room night demand generators. Furthermore, our company targets investments in resort properties located near our primary urban target markets, as well as in selected destination resort markets.</p> <p>In 2019, our investments focused on both branded and independent full-service hotels in the “upper upscale” segment of the lodging industry in cities including Atlanta, Boston, Chicago, Key West, Los Angeles, Miami, Nashville, Naples, New York, Philadelphia, Portland, Santa Monica, San Diego, San Francisco, Seattle and Washington, DC</p>	<a href="#">2019 Annual Report</a> (p. 4)
<b>102-7</b>	<b>Scale of the organization</b>	<p>As of December 31, 2019, the Company owned 56 hotels with a total of 14,013 guest rooms and employed 56 full-time employees.</p> <p>Total revenues for the fiscal year were \$1,612 million.</p>	<p><a href="#">2019 Annual Report</a> (p. 4 and F-8)</p> <p>Environmental Sustainability &amp; Social Responsibility Report 2020 (“<a href="#">Performance Tables</a>”, p. 50)</p>
<b>102-8</b>	<b>Information on employees and other workers</b>	<p>Our company currently employs 56 full-time employees. None of our employees are members of a labor union; however, some employees of our third-party operators at several of our hotels are currently represented by labor unions and are subject to collective bargaining agreements.</p> <p>Our contractors performed all construction and renovation projects ongoing in 2019. Major hotel franchisors hire employees in hotels under management agreements.</p>	<p><a href="#">2019 Annual Report</a> (p. 8)</p> <p>Environmental Sustainability &amp; Social Responsibility Report 2020 (“<a href="#">Performance Tables</a>”, p. 50)</p>

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>102-9</b>	<b>Supply chain</b>	<p>Our management agreements with major hotel franchisors require the managers to furnish chain services that are generally made available to other hotels managed by such operators. Such services may, for example, include the development and operation of computer systems and reservation services; management and administrative services; marketing and sales services; human resources training services; and additional services as may from time to time be more efficiently performed on a national, regional or group level.</p> <p>Pertaining to our major renovation and development projects, our supply chain also extends to building materials, construction machinery and equipment, and FF&amp;E.</p>	<p><a href="#">2019 Annual Report</a> (p. 33 and 72)</p> <p>Environmental Sustainability &amp; Social Responsibility Report 2020 (<a href="#">"Environmental Sustainability"</a> p. 28 and 29)</p>
<b>102-10</b>	<b>Significant changes to the organization and its supply chain</b>	Our reporting boundary reflects our merger with LaSalle Hotel Properties ("LaSalle"), which added 36 properties to our portfolio on November 30, 2018.	Global Reporting Initiative Standards
<b>102-11</b>	<b>Precautionary principle or approach</b>	See the "ESG Approach" section of this report for details on how we address ESG risks facing our Company.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"ESG Approach,"</a> p. 13)
<b>102-12</b>	<b>External initiatives</b>	<p>See the "Social Responsibility" section of this report for details on our industry leadership, which includes but is not limited to our President &amp; CEO, Jon E. Bortz, who presently chairs the American Hotel &amp; Lodging Association.</p> <p>Furthermore, our contribution to the UN Sustainable Development Goals is outlined in the "Pebblebrook For The Goals" section of this report.</p>	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Social Responsibility"</a> and <a href="#">"Pebblebrook For The Goals,"</a> p. 30 and 43)
<b>102-13</b>	<b>Membership of associations</b>	Pebblebrook is a member of NAREIT and AHLA.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Social Responsibility,"</a> p. 30)

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>STRATEGY</b>			
<b>102-14</b>	Statement from the most senior decision-maker about the relevance of sustainability and the organization's strategy	See the "From Our CEO" section of this report for a statement from our President & CEO.	Environmental Sustainability & Social Responsibility Report 2020 ("From Our CEO," p. 3)
<b>102-15</b>	Key impacts, risks, and opportunities	See the "ESG Approach" section of this report for details on environmental, social, and governance risks facing our Company.  Disclosures on risk factors can also be found in our 2020 Annual Report.	<a href="#">2019 Annual Report</a> ("Item1A. Risk Factors," p. 8-30 of PDF)  Environmental Sustainability & Social Responsibility Report 2020 ("ESG Approach," p. 13)
<b>ETHICS AND INTEGRITY</b>			
<b>102-16</b>	Values, principles, standards, and norms of behavior	Pebblebrook adheres to a code of conduct that promotes honest and ethical conduct; full, fair, accurate, timely and understandable disclosure; compliance with applicable laws and governmental rules and regulations; and ensure the protection of the company's legitimate business interests.  As the premier lifestyle lodging REIT, we focus on unique, experiential, lifestyle urban hotels and resorts by differentiating ourselves through asset repositioning into the lifestyle theme.	<a href="#">Code of Business Conduct and Ethics</a>  <a href="#">Human Rights Policy</a>  Environmental Sustainability & Social Responsibility Report 2020 ("About Pebblebrook," p. 9)



## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>102-17</b>	<b>Mechanisms for advice and concerns about ethics</b>	Assistance for seeking advice and concerns over ethics are outlined in both the Code of Business Conduct and Ethics and Whistleblower Policy, which may be found on the corporate website.	<a href="#">Code of Business Conduct and Ethics</a>  <a href="#">Corporate Governance Guidelines</a> (p.3 of PDF)  <a href="#">Human Rights Policy</a>
<b>GOVERNANCE</b>			
<b>102-18</b>	<b>Governance structure of the organization, including committees of the highest governance body and those responsible for decision-making on economic, environmental, and social impacts</b>	Pebblebrook's corporate governance and board structure can be found on the corporate website. These guidelines highlight the size of the board, communication with the Board of Trustees, the Lead Trustee, and the Audit Committee, among others.	<a href="#">Corporate Governance</a>
<b>102-22</b>	<b>Composition of the highest governance body and its committees</b>	The Board of Trustees is comprised of 7 members who oversee the functioning of the following committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.	<a href="#">Board of Trustees</a>  <a href="#">Corporate Governance Guidelines</a> (p.2 of PDF)
<b>102-23</b>	<b>Chair of the highest governance body</b>	The Chairperson of the Board of Trustees is Jon E. Bortz, the current President and Chief Executive Officer of Pebblebrook Hotel Trust since its inception in October 2009.	<a href="#">Executive Team</a>
<b>102-24</b>	<b>Nominating and selecting the highest governance body</b>	<p>The Nominating and Corporate Governance Committee are appointed to assist the Board by identifying individuals qualified to become Board members and to recommend to the Board, the trustee nominees for the next annual meeting of shareholders.</p> <p>The qualifications and biographical information will be reviewed during the screening, assessment, and selection of candidates of the Board.</p>	<a href="#">Nominating and Corporate Governance Committee Charter</a>  <a href="#">Corporate Governance Guidelines</a> (p.1-2 of PDF)

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>102-25</b>	<b>Conflicts of interest</b>	<p>Trustees will disclose any potential conflicts of interest to the Board and, if appropriate, refrain from voting on a matter in which they may have a conflict.</p> <p>The process of reporting conflicts of interest by any stakeholder (employee, manager, trustee) can follow the compliance procedures outlined in Section 14 of the Code of Business Conduct and Ethics to ensure prompt and consistent action against violations of the Code.</p> <p>None of our named executive officers have any indebtedness to the Company, or any relationship with the Company, other than as an employee and shareholder.</p>	<p><a href="#">Corporate Governance Guidelines</a> (p.4 of PDF)</p> <p><a href="#">Code of Business Conduct and Ethics</a></p> <p><a href="#">2020 Proxy Statement</a> (p.20 of PDF)</p>
<b>102-28</b>	<b>Evaluating the highest governance body's performance</b>	<p><b>Robust Annual Board Self-Assessment:</b> The Nominating and Corporate Governance Committee conduct an annual evaluation of the Board and each trustee to elicit and deliver feedback.</p> <p>The Compensation Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation level based on this evaluation.</p>	<p><a href="#">2020 Proxy Statement</a> (p.14 of PDF)</p> <p><a href="#">Corporate Governance Guidelines</a> (p.4 of PDF)</p>
<b>102-35</b>	<b>Remuneration policies</b>	<p>All of the Pebblebrook's trustees are compensated through a fixed annual retainer fee. A Committee Chair Fee is also provided to those who lead a committee. Additionally, we adopted a Clawback Policy.</p> <p>For 2019, we did not change from 2018 the amounts we pay as an annual retainer fee to our independent Trustees for their service to us and the amounts of additional yearly compensation we pay to the chairpersons of the Board's standing committees.</p>	<p><a href="#">2020 Proxy Statement</a> (p.14 and 25 of PDF)</p>
<b>102-36</b>	<b>Process for determining remuneration</b>	<p>The Compensation Committee engaged FPL Associates L.P. ("FPL") to assist with its responsibilities related to the Company's independent trustee compensation and executive compensation programs.</p>	<p><a href="#">2020 Proxy Statement</a> (p.31-32 of PDF)</p>

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>STAKEHOLDER ENGAGEMENT</b>			
<b>102-40</b>	<b>List of stakeholder groups</b>	Our primary stakeholder groups are our corporate employees, hotel guests, industry associations, local communities, management companies, and suppliers, and vendors.	Environmental Sustainability & Social Responsibility Report 2020 ("ESG Approach," p. 13)
<b>102-41</b>	<b>Collective bargaining agreements</b>	As of Year-End 2019, our company employed 56 full-time employees. None of our employees is a member of a union; however, some employees of our hotel operating partners are currently represented by labor unions and are subject to collective bargaining agreements.	2019 Annual Report (p.8)  Environmental Sustainability & Social Responsibility Report 2020 ("Performance Tables", p. 50)
<b>102-42</b>	<b>Identifying and selecting stakeholders</b>	Our identified stakeholders are selected by determining the groups or individuals that are directly impacted by our business or directly impact our company.  For more information on our approach to stakeholder engagement, please see the "ESG Approach" section of this report.	Environmental Sustainability & Social Responsibility Report 2020 ("ESG Approach," p. 13)
<b>102-43</b>	<b>Approach to stakeholder engagement (including customer satisfaction)</b>	The approach to stakeholder engagement by our company requires collaboration with key identified stakeholders and sustainable relationships with management companies to identify opportunities and challenges that impact our internal and external stakeholders. This collaboration is integral to achieving both strategic and sustainability objectives.  It should be noted that Pebblebrook relies heavily on its management contracts to uphold the highest levels of guest and employee satisfaction at its properties. Furthermore, we ensure that management contracts are provided the support to achieve unrivaled stakeholder satisfaction.	Environmental Sustainability & Social Responsibility Report 2020 ("ESG Approach" and "Social Responsibility," p. 13 and 30)



## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
REPORTING PRACTICE			
<b>102-45</b>	Entities included in the consolidated financial statements	All 56 hotels are included in both the Annual Report and 10-K filing.	<a href="#">2019 Annual Report</a> (p.31-32)
<b>102-46</b>	Defining report content and topic boundaries	Reporting content that has been defined considers topics of greatest importance to our company and interest to our stakeholders.	Global Reporting Initiative Standards
<b>102-47</b>	List of material topics	Material aspects are reported using the GRI Reporting Standards in the Specific Disclosures section of the Content Index.	Global Reporting Initiative Standards
<b>102-48</b>	Restatements of information	While our baseline and 2018 environmental data has been updated due to improved data management, the restatement does not have a significant effect on Pebblebrook.	Global Reporting Initiative Standards
<b>102-49</b>	Changes in reporting	Our reporting boundary reflects our major corporate acquisition of LaSalle Hotel Properties in November 2018.	Global Reporting Initiative Standards
<b>102-50</b>	Reporting period	Our reporting covers the calendar year of 2019.	Global Reporting Initiative Standards
<b>102-51</b>	Date of most recent report	November 2020	Global Reporting Initiative Standards
<b>102-52</b>	Reporting cycle	Our ESG disclosures are updated on an annual basis.	Global Reporting Initiative Standards
<b>102-53</b>	Contact point for questions regarding the report	Pebblebrook Hotel Trust 4747 Bethesda Ave #1100 Bethesda, MD 20814 United States Phone number: (240) 507-1300 info@pebblebrookhotels.com	<a href="#">Contact Us</a>
<b>102-56</b>	External assurance	We did not seek any assurance during the reporting period.	Global Reporting Initiative Standards

## Global Reporting Initiative Standards

## SPECIFIC DISCLOSURES: Economic Category

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
CATEGORY OVERVIEW			
<b>103-1 to 103-3</b>	<b>Management Approach Disclosures</b>	The business objectives and strategies regarding acquisitions and investments, asset management, financing strategies, competition, and others are disclosed in our Annual Report, 10-K filing, and most recent investor presentation.	<a href="#">2019 Annual Report</a> (p.4-6) <a href="#">Investor Presentation</a> (August 2020)
ECONOMIC PERFORMANCE			
<b>201-1</b>	<b>Direct economic value generated and distributed</b>	Total revenues for the fiscal year were approximately \$1,612 million.	<a href="#">2019 Annual Report</a> (p.39)
<b>201-2</b>	<b>Financial implications and other risks and opportunities due to climate change</b>	To further understand our portfolio-wide exposure to water, climate, biodiversity, and socioeconomic risks, Pebblebrook will undertake a risk assessment over the course of 2020.	Environmental Sustainability & Social Responsibility Report 2020 ("ESG Approach," p. 13)
INDIRECT ECONOMIC IMPACTS			
<b>203-1</b>	<b>Infrastructure investments and services supported</b>	See the "Social Responsibility" section of this report for details on community engagement programs carried out by our Company.	Environmental Sustainability & Social Responsibility Report 2020 ("Social Responsibility," p. 30)

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>ANTI-CORRUPTION</b>			
<b>205-2</b>	<b>Communication and training on anti-corruption policies and procedures</b>	Our employees are required to provide written confirmation that they have read and understood our Code of Business Conduct and Ethics as part of their employment contract, and then on an ongoing annual basis.	<a href="#">Code of Business Conduct and Ethics</a>  Environmental Sustainability & Social Responsibility Report 2020 ("Social Responsibility," p. 30)
<b>205-3</b>	<b>Confirmed incidents of corruption and actions taken</b>	There was no incident of corruption in 2019.	Global Reporting Initiative Standards

## SPECIFIC DISCLOSURES: Environmental Category

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>CATEGORY OVERVIEW</b>			
<b>103-1 to 103-3</b>	<b>Management Approach Disclosures</b>	<p>94.4% of our properties have an environmental management system. We continuously evaluate energy usage, water consumption, and waste production by running detailed benchmarking throughout our portfolio internally and through participation in the Cornell Hotel Sustainability Benchmarking Index.</p> <p>Our disaster recovery plan has also been developed to manage the potential risks of climate-related hazards.</p>	Environmental Sustainability & Social Responsibility Report 2020 ("ESG Approach" and "Environmental Sustainability," p. 13 and 20)  <a href="#">Environmental Sustainability Policy</a>



## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>ENERGY</b>			
<b>302-1</b>	<b>Energy consumption within the organization</b>	In 2019, direct and indirect energy consumption was 164,569.68 and 175,991.02 megawatt-hours, respectively.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)
<b>302-3</b>	<b>Energy intensity</b>	In 2019, energy intensity was 28.76 per square foot.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)
<b>WATER</b>			
<b>303-3</b>	<b>Water withdrawal by source</b>	In 2019, total water consumption was 135.06 kilo-gallons.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)
<b>EMISSIONS</b>			
<b>305-1</b>	<b>Scope 1 emissions</b>	In 2019, scope 1 emissions were 29,828.82 metric tons CO <sub>2</sub> e.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)
<b>305-2</b>	<b>Scope 2 emissions</b>	In 2019, scope 2 emissions were 54,339.38 metric tons CO <sub>2</sub> e.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>305-4</b>	<b>Greenhouse gas (GHG) intensity</b>	In 2019, greenhouse gas intensity was 7.11 per square foot.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)
<b>WASTE</b>			
<b>306-1</b>	<b>Waste generation and significant waste-related impacts</b>	We support the minimization and diversion of forms of waste at our hotels, including waste from construction and renovation activities. While the majority of waste is generated in the operation of our assets, which we do not participate in, we commit to investing in areas that support waste reduction and diversion, as well as monitoring ongoing waste generation and disposal in our portfolio.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Environmental Sustainability,"</a> p. 20)  <a href="#">Environmental Sustainability Policy</a>
<b>306-2</b>	<b>Management of significant waste-related impacts</b>	Our management agreements with major hotel franchisors require the property managers to undertake industry accepted management practices, which includes proper waste management. Property managers are highly encouraged to undertake recycling and composting and reducing waste where possible.  While our third-party operators manage our properties, our company has committed to eliminating single-use plastics in 60% of our portfolio.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Environmental Sustainability,"</a> p. 20)  <a href="#">Environmental Sustainability Policy</a>
<b>306-3</b>	<b>Waste generated</b>	In 2019, the total waste generated was 36,830.28 metric tons.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)

## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>306-4</b>	<b>Waste diverted from disposal</b>	In 2019, total diverted waste was 5,305.42 metric tons.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)
<b>306-5</b>	<b>Waste directed to disposal</b>	In 2019, total landfilled waste generated was 31,523.88 metric tons.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Performance Tables"</a> , p. 50)

## SPECIFIC DISCLOSURES: Social Category

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
<b>CATEGORY OVERVIEW</b>			
<b>103-1 to 103-3</b>	<b>Management Approach Disclosures</b>	Pebblebrook is committed to creating and maintaining a healthy and safe environment for guests, and people work for us. We respect the diversity of our company's employees and their human rights. As employees are our tremendous asset, we have a comprehensive career plan to nurture these talents.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Social Responsibility,"</a> p. 30)
<b>TRAINING AND EDUCATION</b>			
<b>404-2</b>	<b>Programs for upgrading employee skills and transition assistance programs</b>	Pebblebrook has a rotational analyst program that acts as a leadership development program from young emerging leaders.	Environmental Sustainability & Social Responsibility Report 2020 ( <a href="#">"Social Responsibility,"</a> p. 30)



## Global Reporting Initiative Standards

INDICATOR	DESCRIPTION	DISCLOSURES	SOURCES
DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	<p>Pebblebrook's board of trustees is comprised of seven members: 6 members are male, and 1 member is female. 43% of our board is diverse, based on gender and race.</p> <p>Among our employees, 61% of employees are female, and 39% are male. Additionally, 54% of management employees are female. Also, 42% of employees are under 30 years old, 44% are between 30 and 50 years old, and 14% are over 50 years old. 100% of our employees are employed on a full-time basis.</p>	Environmental Sustainability & Social Responsibility Report 2020 ("Performance Tables", p. 50)