



SUSTAINABILITY YEAR END REPORT

100% GREEN IN **2020**

RESPECT: PEOPLE + PLANET

Despite the unprecedented year when we saw travel pause and the hospitality industry decimated by a global pandemic, we remained committed to the vision + values that PM Hotel Group was founded upon.

Respect- for one another, our communities, and our planet- isn't fleeting. We maintained our dedication to sustainability throughout 2020.

WE CHOOSE TO BE THE CHANGE WE WANT TO SEE IN THE WORLD. DOING GOOD MATTERS!



More than **20%** reduction YOY in overall electric consumption



More than **30%** reduction YOY in overall natural gas consumption



More than **38%** reduction YOY in overall water consumption



ALL IN: OUR 100% GREEN ENERGY PLEDGE

In 2019 PM Hotel Group joined the EPA's Green Power Partnership pledging to use 100% green energy across our entire hotel portfolio. We were the first company in our industry to make this commitment. We remain the only hotel management company exclusively using green energy. We believe that green energy isn't just about the future; it's critical today.

In 2020 the financial impact of the pandemic left many hotels struggling to just keep their doors open. We stayed true to our pledge.



2020

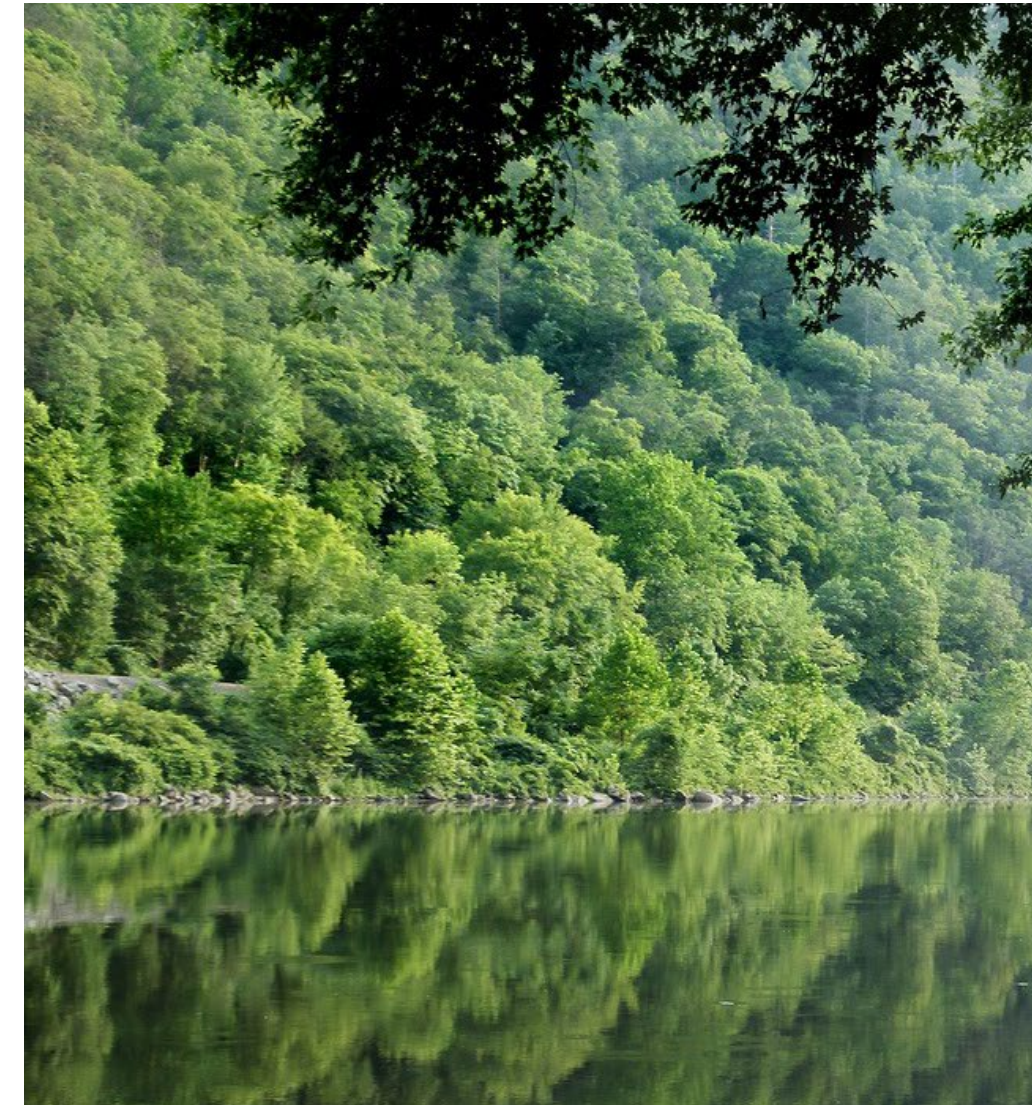
- EPA Green Power Partner
- Used 56,359,579 kWh of Green Electricity













SPOTLIGHT HOTEL DU PONT

At the **HOTEL DU PONT** we undertook a comprehensive \$2.6M energy efficiency project to upgrade the historic 1913 building and minimize its environmental impact. Together with Seiberlich Trane Energy Services, we implemented comprehensive equipment upgrades that will significantly lower the hotel's operating costs. **The program is projected to save over \$360K in year one.**

While many of the carefully considered conservation initiatives are behind the scenes, they will not only improve the guest experience, but also significantly reduce our impact on the planet. The project is funded with PACE financing and grants from Delaware's Department of Natural Resources and Environmental Control. **Our goal remains to conserve energy, reduce water waste, and minimize the hotel's carbon footprint while still being good for the bottom line; evidence that doing good for the planet is also good business.**



PROJECT HIGHLIGHTS:

-  Comprehensive LED lighting upgrade
-  New building automation system
-  Intelligent exhaust controls
-  Smart thermostats
-  Ozone laundry system
-  Low-flow shower heads + below sink flow restrictors
-  Replaced steam kitchen equipment with electric
-  Upgraded various HVAC units to high efficiency
-  Variable frequency drives for hot + cold water pumps and glycol loop
-  Used thermal imaging to upgrade and repair steam + façade insulation

FINANCIAL IMPACT:

- Cash flow positive starting in year 1
- Year 1 savings: Over \$360K
- Simple payback in 7 years

UTILITIES + CONSUMPTION

With the COVID-19 pandemic severely impacting global demand for travel and accommodations, our properties proactively reduced energy usage across the portfolio. However, the magnitude of the reduction was constrained as the properties must maintain key amenities, particularly in the public areas.

At the onset of the COVID-19 pandemic, our properties implemented various energy reduction measures such as adjusting the air-conditioning temperature in common areas, turning off guestroom HVAC units, closing off guestroom floors and amenities, and shutting down unnecessary equipment like elevators, pool HVAC systems, etc. Together these actions resulted in lower energy consumption and higher flow through.



PORTFOLIO BENCHMARKING | ELECTRICITY



ELECTRICITY

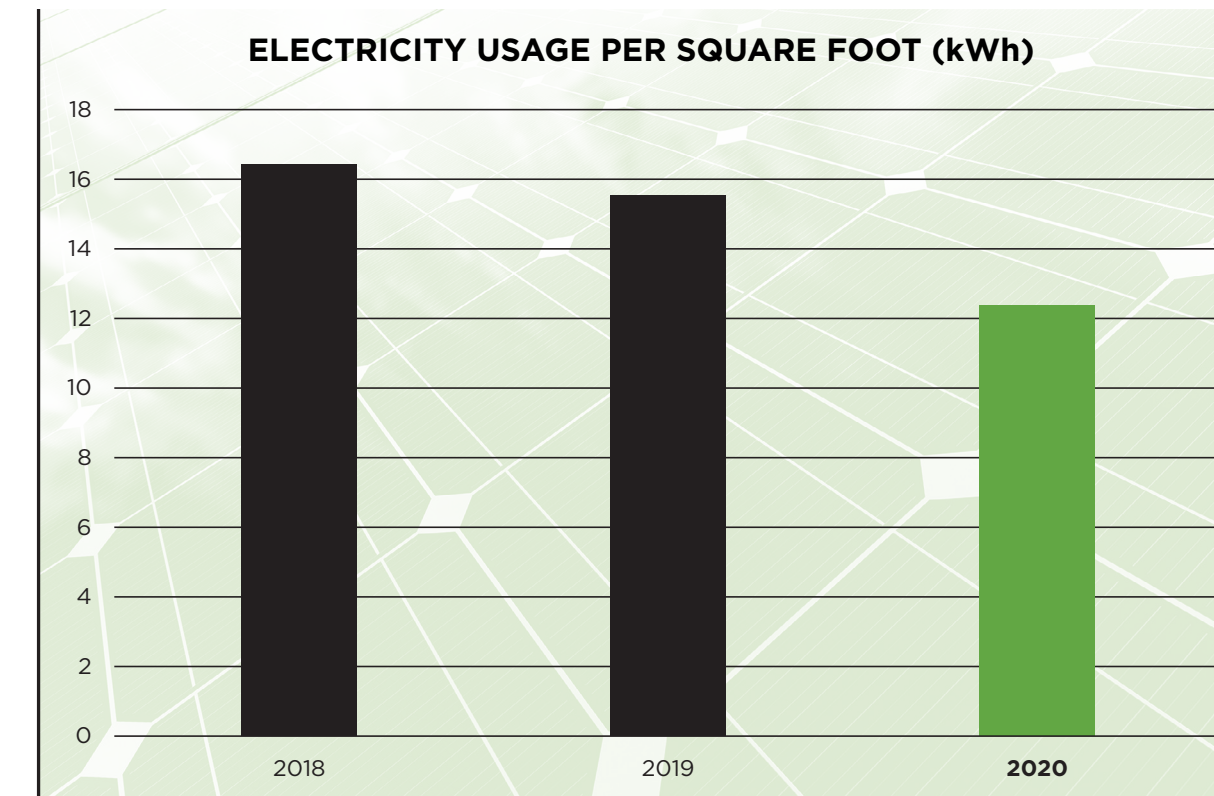
12.36

usage per SF (kWh) in 2020



20%

more than 20% reduction YOY
in overall electric consumption



PORTFOLIO BENCHMARKING | NATURAL GAS



NATURAL GAS

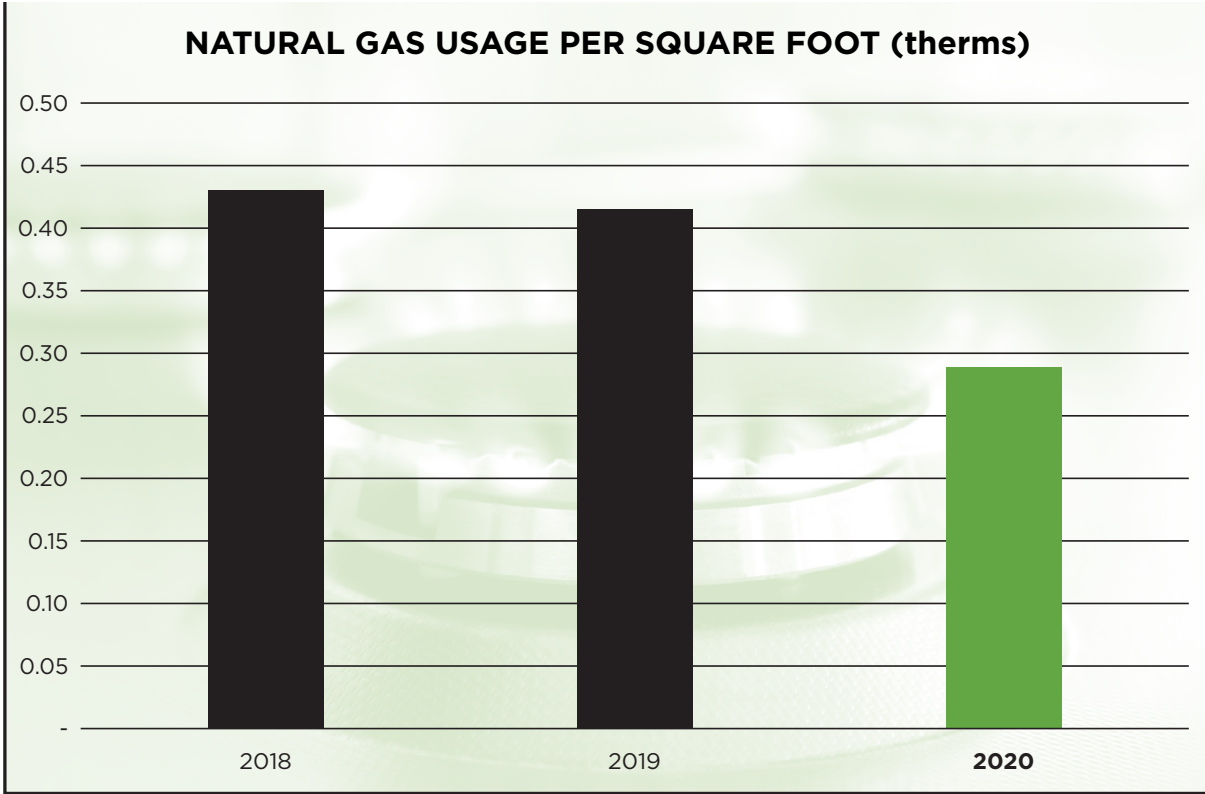
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usage per SF (therms) in 2020



30%

more than 30% reduction YOY in overall natural gas consumption



PORTFOLIO BENCHMARKING | WATER



WATER

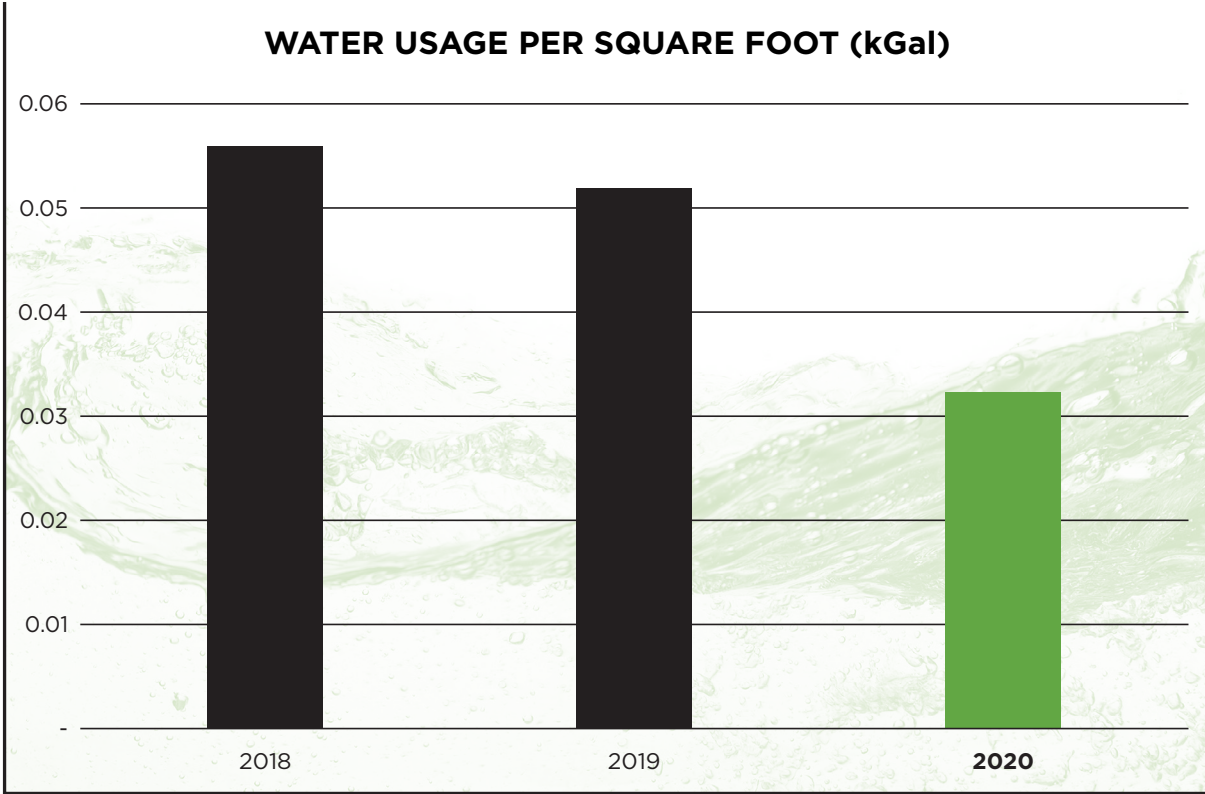
12.36

usage per SF (kGal) in 2020



38%

more than 38% reduction YOY in overall water consumption



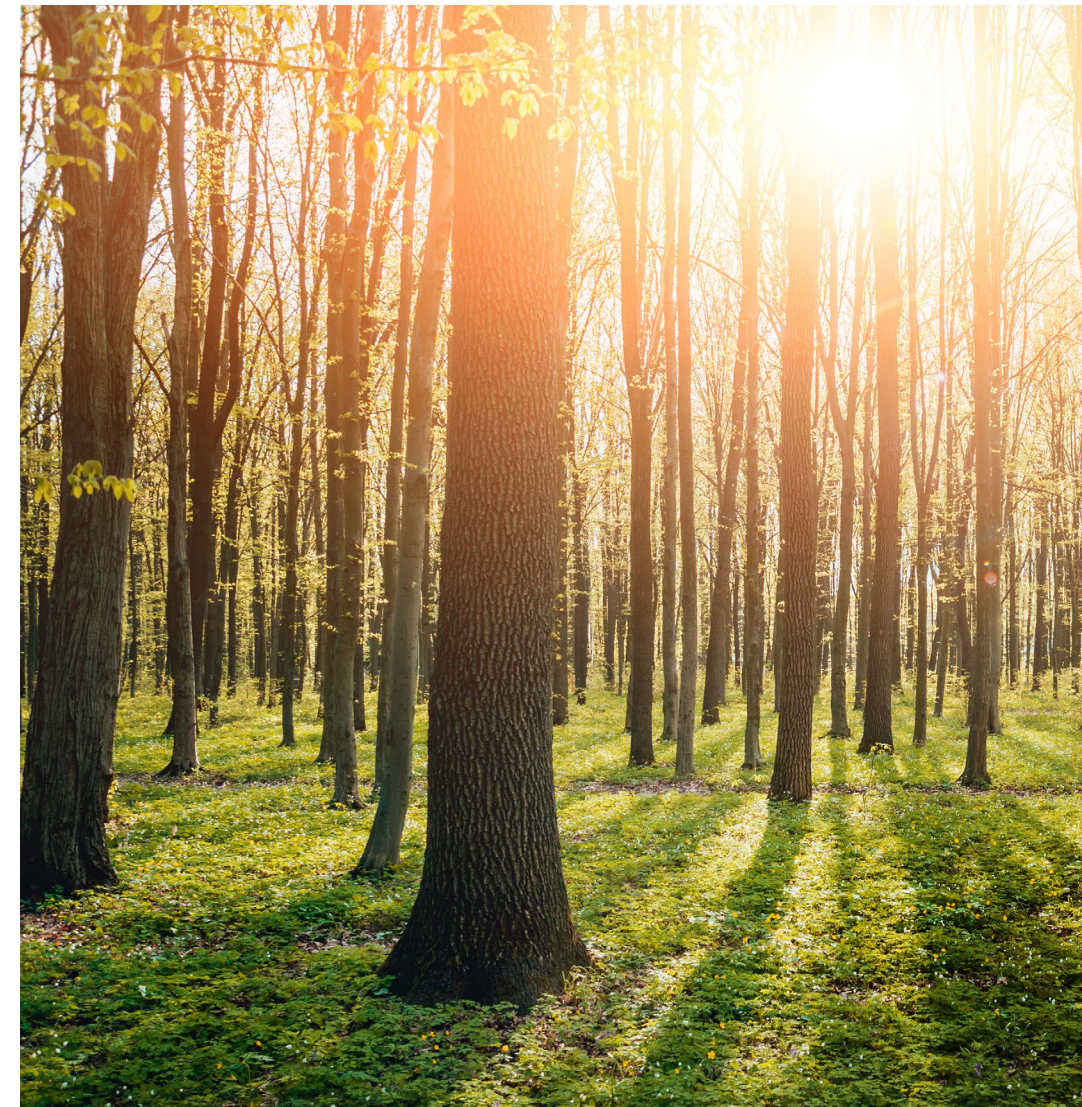


WHY IT MATTERS?

80,000
forest acres disappear daily

10%
By 2030 only 10% of the rainforests
may survive

15%
Deforestation is leading cause of
15% of carbon emissions



ONE TREE PLANTED



In 2020 we launched PM X Grows, a reforestation initiative timed to coincide with the spring solstice. **We partnered with 1 Tree Planted to plant 1000 trees annually.** Their projects aim to restore forests in the wake of major wildfires like those in Paradise, California; repair damage caused by industry and resource extraction; and even support the endangered Southern Resident Orca of the Pacific Northwest.



Peace River State Forest - FLORIDA



Redwood Complex Fire - CALIFORNIA



Orca Project - OREGON



Umpqua North Fires - OREGON



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