

DiamondRock Hospitality Company

GRESB Real Estate Assessment 2020

SUBMITTED: 31 Jul 2020 7:26:21pm Fri UTC

GRESB Standing Investment Benchmark Report 2020 **DiamondRock Hospitality Company** ssessmen Estate ESB DiamondRock Hospitality Company 58 \sum 50 \sum 53 \sum 75 \sum 81 84 Status: Listed Location: United States of America Hotel | Listed 1st out of 11 Property type: Hotel R В G S 2020 Rankings GRESB Score within Hotel / Listed **GRESB Score within Americas / Listed** GRESB Score within Hotel / Americas 16th 1st out of 11 out of 79 Management Score within Americas / Listed Management Score within Americas / Listed Management Score within Americas 23rd 23rd out of 319 out of 81 out of 81

GRESB Model

Performance Score within Hotel / Americas

The 2020 GRESB Assessment structure fundamentally changed, establishing a new baseline for measuring Performance. This affects the comparability of benchmark scores with previous years. Please refer to the <u>Results Communication to Stakeholders</u> for guidance on interpreting the 2020 results.

Performance Score within Hotel /

Listed

out of 11

1st



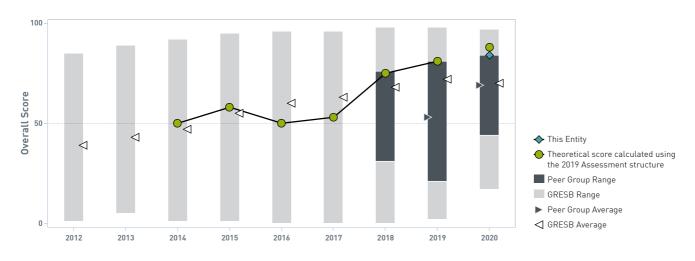
Performance Score within Americas /

Listed

out of 79

16th





Theoretical score

Methodology: this is an estimate that does not take into account changes to validation requirements or indicator specific scoring methodology.

The 2020 GRESB Assessment structure fundamentally changed, establishing a new baseline for measuring Performance. The split between Management and Performance components brings a stronger focus on consistent data collection and reporting.

GRESB advises against a direct comparison between 2020 GRESB Scores and prior year results. Changes to the 2020 Assessment produced inconsistent impacts regardless of geographic region, property type or investment strategy. Most participants experienced score shifts ranging +/- 4 points. A small number of participants experienced greater point swings, typically driven by shifts in portfolio structure rather than performance issues. Compounding the structural changes, Covid-19 negatively impacted data collection efforts across the industry, with disproportionate impact on certain regions and property types. Objective comparison between years is therefore not possible.

GRESB calculated a 2020 Theoretical Score to support the interpretation of this year's results, providing insight into the impact of the Assessment restructuring on a participant's results. This score provides an "estimate" based on the Indicator and Aspect weights compared to past year's. This year-on-year context will only be provided in 2020 GRESB Benchmark Reports. The goal of the Theoretical Score is to demonstrate the movement due to structural changes between the 2020 Benchmark and the 2019 Benchmark. It is not directly comparable with the 2019 GRESB Score and should only be used for directional guidance. This 2020 Theoretical Score calculation does not take into account 1) indicators removed from the 2020 GRESB Real Estate Assessment; 2) changes in score weightings of elements within an indicator (e.g. Data coverage weight within Energy consumption score), 3) changes in portfolio asset count or structure; 4) benchmarking at a more granular level within property types; or 5) updates to validation requirements.

Aspects, Strengths & Opportunities



MANAGEMENT COMPONENT

Benchmark group: Americas | Listed (81 entities)

Aspect Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
<u>Ω</u> Leadership ΩΩ 7 points	23.33%	7%	6	5.8	
A Policies 4.5 points	15%	4.5%	4.5	4.15	57
Reporting 3.5 points	11.67%	3.5%	3.5	2.89	52 0 25 50 75 100%
Risk Management 5 points	16.67%	5%	4.67	4.02	
Stakeholder Engagement 10 points	33.33%	10%	9.76	7.7	

PERFORMANCE COMPONENT

Benchmark group: Hotel | Listed (11 entities)

Aspect Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
Risk Assessment 9 points	12.86%	9%	7.74	5.9	
2 points	2.86%	2%	2	1.47	5 0 25 50 75 100%
Q Tenants & Community Q 11 points	15.71%	11%	10.62	6.59	

1/6/2021

2020 DiamondRock Hospitality Company: Benchmark Report

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Aspect Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
Energy 14 points	20%	14%	10.67	10.17	3 0 25 50 75 10b%
GHG 7 points	10%	7%	7	5.92	
Water 7 points	10%	7%	4.78	5.04	² ₀ ₂₅ ₅₀ ₇₅ _{10b%}
➡ Waste ↓ 4 points	5.71%	4%	2.62	2.3	³ ₀ ₂₅ ₅₀ ₇₅ 10b%
Data Monitoring & Review 5.5 points	7.86%	5.5%	0	0.94	
Building Certifications	15%	10.5%	9.96	6.31	³ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓ ↓



DiamondRock Hospitality Company

Public Disclosure Assessment 2020

SUBMITTED: 16 Jul 2020 3:41:02pm Thu UTC

2020 DiamondRock Hospitality Company: Benchmark Report

Public disclosure

Participation & Score

> c



Global Average: C Comparison Group Average: C

GRESB Public Disclosure Level

85







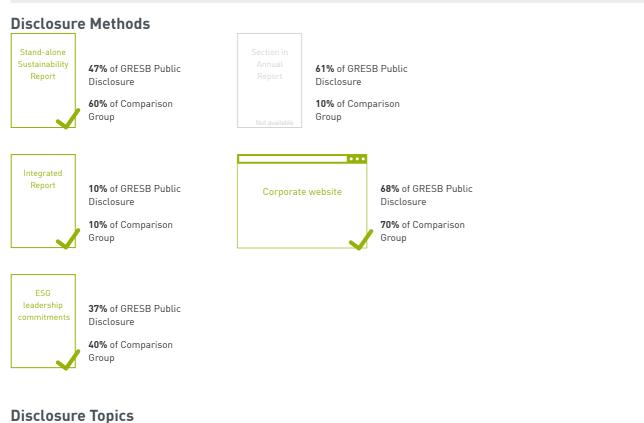
GRESB Real Estate Assessment

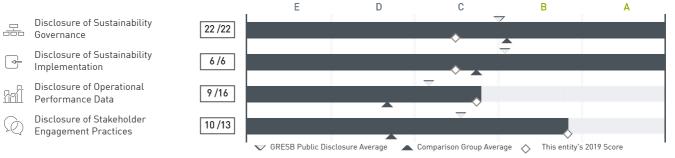


The GRESB Real Estate Assessment is the investor-driven global ESG benchmark and reporting framework for listed property companies, private property funds, developers and investors that invest directly in real estate.

The Assessment is shaped by what investors and the industry consider to be material issues in the sustainability performance of real estate investments. The methodology is consistent across different regions, investment vehicles and property types and aligns with international reporting frameworks.

The data is self-reported by Assessment participants and subjected to a multi-layer validation process after which it is scored and benchmarked. The result is high-quality data that investors and participants can use in their investment, engagement and decision-making processes





Public Disclosure Comparison Group (United States of America / Hotel)

Chatham Lodging Trust	Hospitality Properties Trust	Summit Hotel Properties, Inc.
CorePoint Lodging Inc	Pebblebrook Hotel Trust	Sunstone
DiamondRock Hospitality Company	RLJ Lodging Trust	Xenia Hotels & Resorts
Hersha Hospitality Trust		

* 2020 GRESB Real Estate Participant

Comparison Group

The GRESB Public Disclosure Level is an overall measure of ESG disclosure by listed property companies, based on a selection of indicators aligned with the existing GRESB Real Estate Assessment. The Public Disclosure Level provides insight into the ESG disclosure activities of both GRESB participants and non-participants and offers investors insights that are currently not captured in the GRESB Real Estate Assessment.

The data in this Report has been collected by GRESB and was available for review to the entity between April 1 and July 1 2020.