

2023  
CORPORATE  
RESPONSIBILITY  
REPORT



DIAMONDROCK  
HOSPITALITY

# ABOUT THIS REPORT

Our tenth Corporate Responsibility Report highlights our approach and progress for material sustainability and social risks and opportunities as a real estate investment trust (“REIT”) with a portfolio of full-service hotel properties in the United States (U.S.). This report includes a GRI Content Index, SASB disclosures, and performance tables with key environmental, social and, governance (“ESG”) metrics.

This report includes environmental and social performance data as of December 31, 2022, unless otherwise noted.

This report is current as of November 1, 2023, data as of year-end 2022.

Please direct your questions and/or comments to [info@drhc.com](mailto:info@drhc.com).



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# CEO'S MESSAGE

Dear Shareholders,

2023 marks the 10th year of DiamondRock's annual Corporate Responsibility Report. This report outlines our commitments to environmental stewardship, our people, community engagement and governance and provides social and environmental performance data from 2022.

Consistent with the disclosures in our last report, we have provided an assessment of climate risks and opportunities in alignment with the Task Force on Climate-related Financial Disclosures (TCFD). We also continue to disclose our performance in accordance with the Sustainability Accounting Standards Board (SASB) Real Estate Infrastructure Segment Standard and the Global Reporting Initiative (GRI) Index which has been updated based on the revised GRI Universal Standards, released in October 2021.

We believe environmental sustainability is key to delivering durable, above-average value to our stakeholders. I am pleased with our overall environmental performance. Not including the disrupted years of 2020 and 2021, 2022 values for energy and carbon intensity are the lowest on record. To move the needle further and begin our journey toward Net Zero, we updated our portfolio-wide targets from 2025 to 2030, to reduce energy, carbon and water intensity using 2019 as a new base year. We

**In 2023, DiamondRock ranked 1st of 7 in Hotel/Americas by GRESB Real Estate Assessment.**

also achieved 3rd party limited assurance of our energy, water, carbon performance for the third consecutive year for our 2022 data.

In 2022, as expected, our reported environmental consumption increased compared to 2021 due to the addition of hotel properties and guest rooms as well as increasing demand levels across our portfolio following three years of pandemic-related disruption. In an effort toward enhanced data completeness, 2022 data included vehicle emissions, whereas prior years did not include this source.

Despite the year-over-year increase, we are pleased to report that energy and carbon intensity compared to 2019 is notably lower, reflecting our commitment to energy efficiency and responsible resource use. In 2022, our energy intensity per square foot decreased by 6% compared to 2019, while greenhouse gas emissions intensity per square foot decreased by 11% compared to 2019.

Water intensity per occupied room increased by 12% from the 2019 baseline given DiamondRock's best practice to circulate water across the portfolio for health and safety reasons throughout the pandemic. 2022 water intensity decreased by 16.2% from 2021 as operations began to normalize and occupancy increased.

In 2022, waste diversion from landfills decreased as compared to 2021 and the 2019 baseline. The current diversion rate is 10% toward a goal of 50% by 2030, representing an opportunity for increased recycling across the DiamondRock portfolio.

Community engagement remains a high priority. In 2022, we contributed \$550,000 in-kind donations, 1,400 room nights, and 550 volunteer hours to five organizations – Achievement Trust, AHL&A Opening Doors, Rubinstein Taybi Syndrome Children's Foundation, and KEEN Greater DC.

Identifying and executing on major return on investment projects is a cornerstone of DiamondRock's strategy to create shareholder value as well as improved resource efficiency, reducing energy, water and carbon. In 2022, we invested over \$10.3 million in energy, water, and waste efficiency projects and energy conservation programs. To help achieve our energy and carbon intensity reduction goals, many of our investments were in low carbon opportunities, including renewable energy and investments to reduce energy consumption from non-renewable sources. In 2021, we invested in a solar panel project at Cavallo Point, the Lodge at the Golden Gate Bridge. Additionally, at Burlington Hilton, we invested in energy efficient boilers and hot water pumps to reduce energy consumption. At Renaissance Charleston, improvements were made to windows and window seals to reduce the energy used to cool the building. The Key West Margaritaville experienced decreased energy consumption due to investments in new chiller coils and HVAC equipment replacement. At the Orchards Inn Sedona, investments in the chiller were designed to reduce energy consumption.

In 2023, DiamondRock ranked #1 out of 7 in the Hotel / Americas Sector by GRESB Real Estate Assessment, a global organization that sets the standard for evaluating ESG excellence within the real estate industry. ISS, a prominent proxy advisor, also awarded the Company its coveted ISS ESG Corporate Rating Prime Status, which is a designation held by the top 20% of the real estate industry worldwide.

DiamondRock is driven to remain a leader in environmental, social and governance (ESG) areas.



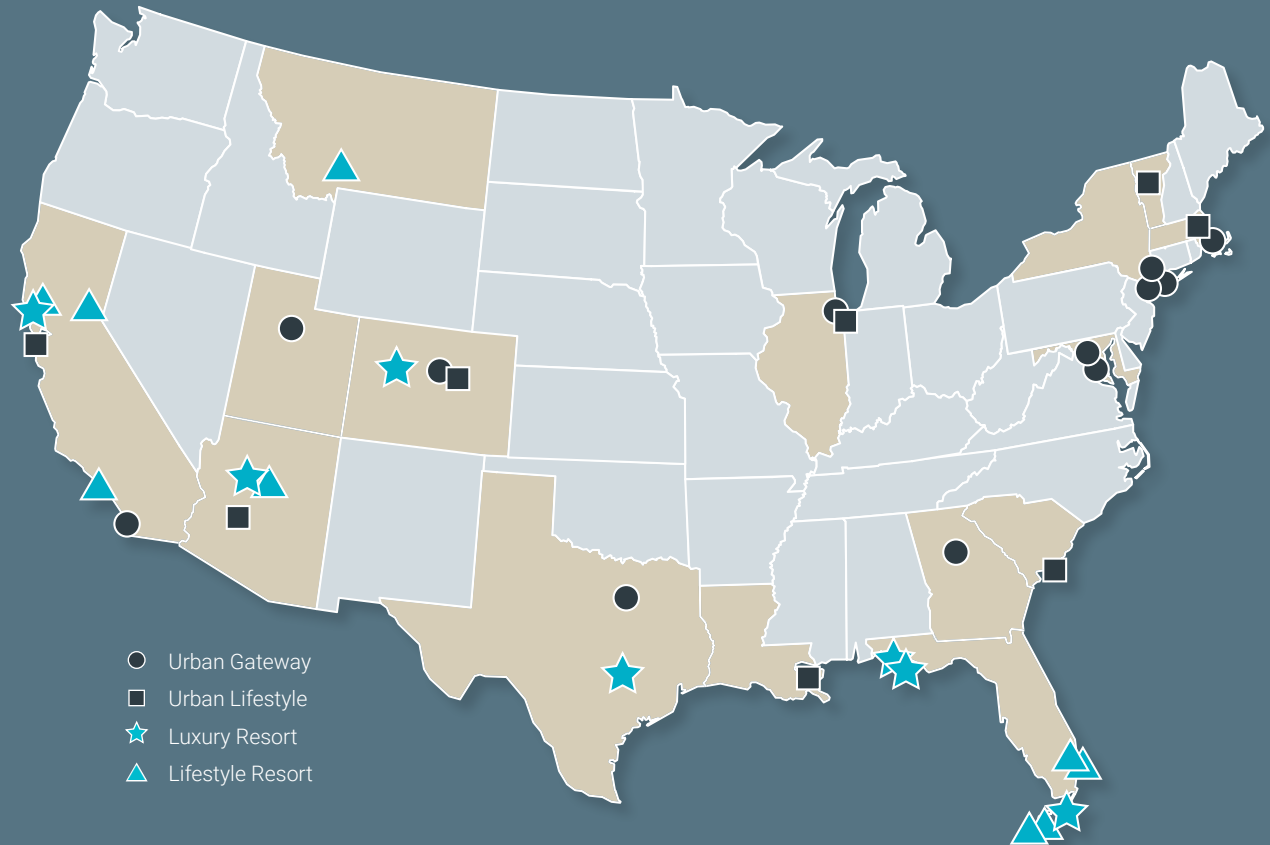
**Mark W. Brugger**  
Chief Executive Officer, DiamondRock Hospitality Company

# CORPORATE PROFILE

## LOCATIONS IN KEY GATEWAY CITIES AND DESTINATION RESORTS

DiamondRock Hospitality Company is a self advised real estate investment trust (REIT). Our hotel portfolio, as of December 31, 2022, includes 35 premium hotels and resorts that contain 9,607 guest rooms, concentrated in key gateway cities and destination resorts located in 24 different markets in North America. The Company employs 30 full-time staff members.

As an owner of lodging properties, we aim to deliver above-average, long-term returns for our shareholders and create opportunities for our associates to better their lives through successful hotel investments. Our primary business is to acquire, own, asset manager and renovate premium hotel properties in the U.S. Each of our hotels is managed by a third party – either an independent operator or a brand operator.



### DIVERSIFIED GEOGRAPHICAL SOURCES OF EBITDA<sup>1</sup>

LOCATION	EBITDA	LOCATION	EBITDA	LOCATION	EBITDA
Chicago, IL	14%	Sausalito CA	4%	Austin, TX	3%
Ft. Lauderdale, FL	11%	Denver, CO	4%	New Orleans, LA	2%
Boston, MA	10%	Charleston, SC	3%	Phoenix, AZ	2%
Florida Keys, FL	9%	Salt Lake City, UT	3%	Lake Tahoe, CA	1%
New York City, NY	7%	San Diego, CA	3%	Atlanta, GA	1%
Sedona, AZ	5%	Sonoma, CA	3%	Washington, DC	1%
Ft. Worth, TX	4%	Burlington, VT	3%	San Francisco, CA	0%
Vail, CO	4%	Huntington Beach, CA	3%		

<sup>1</sup> Based on 2022 Hotel Adjusted EBITDA.

### GUEST MIX DIVERSIFICATION<sup>2</sup>



<sup>2</sup> Based on percent of 2022 Room Revenue.



# SUSTAINABILITY HIGHLIGHTS

## ENVIRONMENTAL PERFORMANCE



### EMISSIONS INTENSITY

7.65 kgCO2e per square foot

↓ **11.1%**

(Working toward 2030 Target of 50% ↓ from baseline 2019)



### ENERGY INTENSITY

28.9 kWh per square foot

↓ **6.2%**

(Working toward 2030 Target of 30% ↓ from baseline 2019)



### WATER INTENSITY

156.4 gallons per occupied room

↑ **11.8%**

(Working toward 2030 Target of 20% ↓ from baseline 2019)



- Renewables account for **7.6%** total energy consumption
- Over **\$10.3 million** in energy, water, and waste efficiency projects in 2022

## SOCIAL PERFORMANCE



Over **\$1.4 million** cash donations to charitable causes since 2007



**\$550,000** In-Kind Donations in 2022  
**1,400** Room Nights in 2022



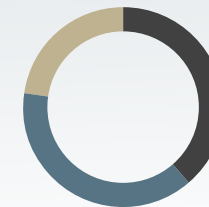
**550** Volunteer Hours in 2022



### GENDER DIVERSITY

Women represent **42%** of corporate employees

Two of eight board members are women



### EMPLOYEE AGE DIVERSITY

- Under 30 years old: 22.6%
- 30 to 50 years old: 38.7%
- Over 50 years old: 38.7%

# STRATEGY, ENGAGEMENT, AND GOVERNANCE



ORCHARDS INN, SEDONA, ARIZONA

# SUSTAINABILITY OBJECTIVES

To deliver resilient, long-term value to our stakeholders, DiamondRock integrates sustainability into the fabric of our business. Our sustainability objectives are to:

- Minimize our environmental impact across our operations and supply chain
- Capitalize on opportunities to build climate resilience

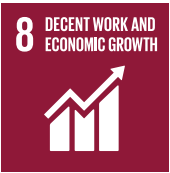


- Proactively manage environmental, social and governance risks
- Promote a diverse, equitable and inclusive culture
- Make positive contributions to the communities where we operate

## ALIGNMENT WITH THE UN SDGS

These objectives are aligned with the United Nations Sustainable Development Goals (“UN SDGs”), a framework to achieve a better and more sustainable future for all.

GOAL	OBJECTIVES	EFFORTS
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	Support the health and well-being of our corporate and hotel employees, and the communities where we live and own hotels through our policy commitments and community engagement initiatives.	<ul style="list-style-type: none"> <li>■ Heightened safety and hygiene measures for hotel guests and employees</li> <li>■ 100% coverage of the premium for health care and dental, life and disability insurance for corporate employees</li> <li>■ Flexible working options</li> <li>■ Ergonomic workstations</li> <li>■ Access to subsidized gym</li> <li>■ Corporate offices located on bicycle and public transportation routes</li> </ul>
 <p><b>4</b> QUALITY EDUCATION</p>	Support local communities and educational initiatives, including scholarship opportunities	<ul style="list-style-type: none"> <li>■ Long-time supporter of charitable organizations offering scholarship and professional development opportunities to underprivileged youth</li> <li>■ Up to \$10,000 in financial assistance for corporate employees to advance education</li> </ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	Support water intensity reduction goal through investments to maximize water efficiency, and conduct water risk assessments	<ul style="list-style-type: none"> <li>■ Nearly \$1.1 million invested in water efficiency projects in 2022</li> <li>■ Assessed water risk for entire portfolio and prioritized water stewardship actions for locations of high water stress levels</li> </ul>

# ALIGNMENT WITH THE UN SDGS CONTINUED

GOAL	OBJECTIVES	EFFORTS
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote equal employment opportunities and take due diligence actions to ensure no violation of slave labor and other human rights laws</p>	<ul style="list-style-type: none"> <li>■ DiamondRock provides equal employment opportunities and expressly prohibits discrimination</li> <li>■ Our Human Rights Policy prohibits the use of child labor, forced labor and human trafficking and other forms of human rights violations across our operations and supply chain</li> <li>■ DiamondRock supports the American Hotel &amp; Lodging Associations' ("AHLA") 5-Star Promise and collaborates with our hotel operators and owned hotels' brands to ensure ongoing employee training and education programs for anti-harassment</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Reduce and divert waste from landfill by promoting a circular economy approach (e.g. reuse, recycling and composting), and support sustainable and ethical sourcing</p>	<ul style="list-style-type: none"> <li>■ \$129,056 invested in waste diversion projects in 2022</li> <li>■ Sustainable procurement considerations are involved in all construction projects</li> <li>■ Launched a composting program at one of our hotels, which is expected to be rolled out to additional hotels in 2023</li> </ul>
 <p><b>13</b> CLIMATE ACTION</p>	<p>Assess and mitigate climate related physical and transition risks; reduce energy and emissions intensity by investing in low-carbon and energy efficiency projects</p>	<ul style="list-style-type: none"> <li>■ Conducted climate related physical and transition risk assessment and took necessary actions</li> <li>■ Include carbon pricing considerations in valuation of new hotel investments</li> <li>■ Nearly \$9.12 million invested in energy efficiency projects in 2022</li> <li>■ Installed "smart" thermostats at 21 hotels in 2022</li> <li>■ Completed an energy-saving pilot program at two hotels, which is expected to be rolled out to other hotels</li> <li>■ Renewable energy accounts for 7.6% of energy needs across the portfolio</li> <li>■ Two properties, Cavallo Point and Chicago Marriott Downtown Magnificent Mile, have installed onsite solar photovoltaic panel</li> </ul>



# GOVERNANCE

**Our sustainability program is overseen by the Board's Nominating and Corporate Governance ("NCG") Committee. The NCG Committee reviews and monitors the DiamondRock's goals, policies, strategies and activities related to environmental stewardship, climate related risks and opportunities, responsible investment, corporate citizenship, human rights, human capital management and other social and public matters of significance to DiamondRock. This committee updates our Board of Directors quarterly.**

At the management level, the Chief Executive Officer (CEO) is responsible for assessing and managing sustainability risks and opportunities, and reports to the Board's NCG Committee. In support of the CEO, our Chief Financial Officer (CFO), General Counsel and Vice President of Investments also have sustainability related objectives within their responsibilities and these objectives have predetermined consequences on their bonus compensation plans.

Our executive officers actively engage our Asset Management, Investment, Design, Development and Construction, Human Resources, Administration, as well as Legal, teams during weekly, monthly, and quarterly meetings to review operating performance at hotels and evaluate capital expenditures opportunities that contribute toward DiamondRock's sustainability objectives.

DiamondRock has a portfolio-wide program of sustainable best practices. Each year, DiamondRock's Asset Management and Design and Construction teams formally collaborate with the General Manager and Director of Engineering of each hotel in the portfolio to review all projects related to the property and propose these additional best practices. Each project is proposed, evaluated, researched, and selected with a clear understanding and consideration of its sustainability impact.



## KEY POLICIES:

### Code of Business Conduct and Ethics

This Code has two sections. The first section, “Standards of Conduct,” contains the actual guidelines that our directors, officers, and employees are expected to adhere to in the conduct of DiamondRock’s business. The second section “compliance Procedures,” contains specific information about how this Code functions including who administers the Code, who can provide guidance under the Code and how violations may be reported, investigated, and punished. This section also contains a discussion about waivers of and amendments to this Code.

### Environmental Policy

DiamondRock recognizes the impact that our properties and projects can have on the environment and Responsible environmental stewardship is a top priority. The goal of DiamondRock’s Environmental Policy is to identify environmental risks and opportunities, decrease environmental impact, and strive for continual improvement in the environmental performance of our portfolio.

### Human Rights & Labor Rights Policy

DiamondRock strives to conduct business in a manner that is consistent with the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We also aim to comply with all applicable human rights and labor rights laws, including International Labour Organisation (ILO).

### Vendor Code of Conduct

DiamondRock Vendor Code of Conduct outlines our expectations and minimum standards for vendors to conduct business with integrity, comply with regulations, protect human rights, provide a safe and healthy working environment, and responsibly manage environmental impacts.

### Cyber Security Policy

DiamondRock cybersecurity policy outlines our guidelines and readiness for preserving the security of our data, managing communications, and training and protecting our technology infrastructure.

### Whistleblower Policies & Procedures

The Company’s Audit Committee has established procedures for the:

- Receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters
- Confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters



# STAKEHOLDER ENGAGEMENT

**DiamondRock is keenly aware that collaboration with our stakeholders is essential for achieving our sustainability objectives. We are committed to open and transparent communications to engage our key stakeholders in identifying and implementing opportunities for enhancing sustainability performance.**

DiamondRock engages with our tenants through multiple avenues, including a tenant (general manager) satisfaction survey, continuous communications, and sustainability training. We also provide our general managers with environmental, social, and code of conduct policy documents. Through tenant engagement, we aim to improve the performance of our portfolio and increase awareness as well as gather feedback around our sustainability program. Within the properties, hotel employees are involved in monitoring sustainability

progress and contributing feedback and ideas for further improvement. Over 40% of our hotels have a sustainability champion and one-third have a sustainability team that meets at least every quarter.

Although DiamondRock is an owner and landlord, and does not operate our properties, we work each year, and collaborate with the individual operators to discuss their well-being and health plan for their employees, guests, and the community. In October of each year, each hotel's operator submits their plan around these areas to DiamondRock as part of the annual budget season, and the program for the year is discussed and determined. Through our REIT collective engagement program, we also engage collectively with executives from hotel operators and brands on ESG topics.

STAKEHOLDERS	FORMS OF ENGAGEMENT	
<b>DiamondRock Employees</b>	<ul style="list-style-type: none"> <li>■ We have an employee health and well-being program in place</li> <li>■ Employees are offered flexible work options</li> <li>■ Employee satisfaction surveys are conducted</li> </ul>	<ul style="list-style-type: none"> <li>■ Bi-annual performance reviews are conducted</li> <li>■ Professional development and other learning opportunities are supported</li> <li>■ Whistleblower mechanism allows anonymous reporting of misconduct</li> </ul>
<b>Tenants</b> (Independent / Brand operator)	<ul style="list-style-type: none"> <li>■ We collaborate to develop comprehensive and detailed plans for implementing safety protocols</li> <li>■ We support our hotels in their efforts to conduct sustainability related training</li> <li>■ We conduct meetings with each hotel's General Manager (GM) and Director of Engineering to evaluate all projects and additional best practices that can be implemented to yield sustainability benefits</li> </ul>	<ul style="list-style-type: none"> <li>■ Operators are rewarded with monetary incentives if monthly energy usage is lower than estimated figure in annual budget</li> <li>■ Satisfaction surveys are conducted with each hotel's GM</li> </ul>
<b>Stockholders</b>	<ul style="list-style-type: none"> <li>■ We engage stockholders on our strategy, compensation policy and performance, including that of sustainability, during investor meetings and events</li> </ul>	<ul style="list-style-type: none"> <li>■ Stockholders can submit information requests or feedback via our website, and through email</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>■ We communicate our expectations of vendors/suppliers through our Vendor Code of Conduct</li> <li>■ We work with vendors/suppliers to procure sustainable construction materials</li> </ul>	<ul style="list-style-type: none"> <li>■ Regular meetings, status reports and onsite visits are conducted with general and sub-contractors to ensure construction projects meet stringent environmental, health and safety standards</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>■ DiamondRock contributes money, time and resources to charities at both the local and national levels</li> </ul>	<ul style="list-style-type: none"> <li>■ At the asset level, we monitor community impacts in correlation with our investment objectives</li> </ul>



## SUSTAINABLE INVESTMENT STRATEGY

**We critically evaluate each of our hotels at every property lifecycle stage to ensure that our portfolio conforms to our vision, supports our mission and corresponds with our strategy.**

For all new investments, our investment team works with energy consultants to address future risks and estimate future pricing before making capital allocation decisions. An analysis is performed to understand the expense of making new investments carbon neutral.

For existing assets, our insurance consultant performs an annual risk assessment of water, hazard, fire and life safety, and natural disaster, and we take appropriate actions to mitigate any significant risks.

Prior to embarking on construction and renovation projects, DiamondRock's in-house team and external consultants conduct a diligence process that addresses building safety, community impact, energy efficiency, air quality, waste and contamination. We also opt for more sustainable building materials for our construction and renovation project.

Our design and construction team also leverages municipal incentives to optimize the efficiency of our assets. In 2022, the team was able to procure sustainable oriented funds to improve the efficiency of mechanical systems at the Courtyard New York Manhattan/Midtown East.

For dispositions, DiamondRock carefully considers the age, efficiency, energy, and carbon profiles of potential disposition candidates to assess long-term portfolio fit with our sustainable investment strategy.

In 2022, we invested \$10.3 million in energy, water, and waste efficiency projects and energy conservation programs. To help achieve our energy and carbon intensity reduction goals, many of our investments were in low carbon opportunities, including renewable energy and investments to reduce energy consumption from non-renewable sources. In 2022, "smart" thermostats were installed in 21 hotels. Energy-saving pilot programs were completed at two hotels (with the expectation to implement at further properties). Two properties, Cavallo Point and Chicago Marriott Downtown Magnificent Mile, have installed onsite solar photovoltaic panels. Additionally, at Burlington Hilton, we invested in energy efficient boilers and hot water pumps to reduce energy consumption. At Renaissance Charleston, improvements were made to windows and window seals to reduce the energy used to cool the building. The Key West Margaritaville experienced decreased energy consumption due to investments in new chiller coils and HVAC equipment replacement. At the Orchards Inn Sedona, investments in the chiller were designed to reduce energy consumption.

### CASE STUDY

## SALT LAKE CITY MARRIOTT DOWNTOWN AT CITY CREEK



SALT LAKE CITY MARRIOTT DOWNTOWN AT CITY CREEK, SALT LAKE CITY, UTAH

At the 510-room Salt Lake City Marriott Downtown at City Creek, recent ESG initiatives include:

- Installed new thermostats in all guest rooms to reduce energy consumption through an occupancy sensor
- New VFD motors being installed when replacing any motor on Air handling or Fan coil units to conserve electricity (2021- on going)
- Installed low flow shower heads in guest room baths
- Eliminated the use of single use plastics
- Established community food donation program



## CYBER SECURITY, DATA PROTECTION AND PRIVACY

**We believe that a robust cyber-security policy is essential to preserving critical and private information and minimizing our vulnerability to security breaches and other cyber-security threats. Threats to the Company's financial, non-public information, and reputation include malicious malware, hackers, human errors, ransomware and system malfunctions. To combat these threats, we have implemented a series of measures intended to enhance our cyber-security.**

We have implemented an information security training and compliance program. This program covers the following topics:

- Threat landscape, including spearfishing attacks, email as the primary entry point, and difficulty of discovering breaches;
- The approach to cyber-defense strategy, including defense in layers, maintaining the balance between security and functionality, and key component of business continuity and disaster recovery;
- The evolving nature of the attack surface, including working to strategically move past legacy Privileged Access Management and towards a cloud ready zero trust authentication, user access to business systems, coupled with interconnected cloud and on-premises workflows expands the attack surface; and
- Examples of attacks and how current Defense-In-Depth systems are designed to detect, alert and respond; and
- Ransomware preparedness

We require all employees to attend a training and compliance program at least once annually. In addition, we have a separate, special training session for all Board members and senior executives. Our senior executives brief the Board on information regarding security matters at least quarterly.

Further, we have engaged our auditor, which is an independent public accounting firm, to perform an ongoing risk-based cyber security program assessment across both our Corporate and operator environments. In this capacity, they report to Senior Management and the Board on a regular basis and, if appropriate, recommend changes to our processes.

The Company has a robust cyber-insurance policy. Subject to its terms, conditions, and exclusions, the policy is designed to (i) respond to claims arising from data and security breaches, (ii) pay regulatory penalties arising from a data or security breach, and (iii) respond to claims under Merchant Service Agreements arising from suspected data breaches. The policy also provides cyber business interruption coverage, cyber extortion and data recovery coverage. Finally, the policy covers for costs incurred in responding to a breach, including notification, legal, forensics and public relations.

During the last three years ending November 30, 2023, the Company has not experienced an information security breach. Additionally, during the last three years ending November 30, 2023, there have been no net expenses incurred from information security breach penalties and settlements.





# ESG DISCLOSURE SCOREBOARD

DiamondRock is committed to open and transparent communication of its sustainability performance to stakeholders and participates in both GRESB and ISS ESG assessments. Through these assessments, we benchmark our performance against peers and are motivated to seek further advancement in our sustainability program. In 2022, we were honored as the Regional Sector Leader for Hotels within the Americas by GRESB and ranked #1 in GRESB 2023 Real Estate Assessment within the Hotel / Americas peer set. We also rank within the top 20% across all U.S. real estate companies participating in the ISS ESG Corporate Ranking, and are among the top 20% of all participating companies worldwide.

GRESB ANNUAL RESULTS								ISS-ESG RANKINGS		ISS-ESG CORPORATE RANKING		
 G R E S B <sup>®</sup>								<b>ENVIRONMENTAL</b>  <span style="font-size: 48pt; font-weight: bold;">2</span>		 Currently ranked in <b>top 20%</b> of all US real estate companies.		
<b>STAKEHOLDERS</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>SOCIAL</b>  <span style="font-size: 48pt; font-weight: bold;">3</span>					
<b>DRH GRESB Score</b>	75	81	83	86	82	85						
<b>Peer Score Average<sup>3</sup></b>	58	69	69	72	65	77						
<b>Index to Peer Score Average</b>	129%	117%	122%	119%	126%	110%	<b>GOVERNANCE</b>  <span style="font-size: 48pt; font-weight: bold;">1</span>		DiamondRock ranks in the <b>top 20%</b> of the World Real Estate Sector, earning an <b>ISS ESG Prime</b> designation.			
<b>PUBLIC DISCLOSURE</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>					<b>2023</b>	
<b>Result</b>	-	-	-	-	-	89					96	
<b>Score</b>	C	B	C	A	A	A	A					

<sup>3</sup> Lodging Peer Average is based on 5 Lodging Companies including 3 REITs.

# ENVIRONMENTAL STEWARDSHIP

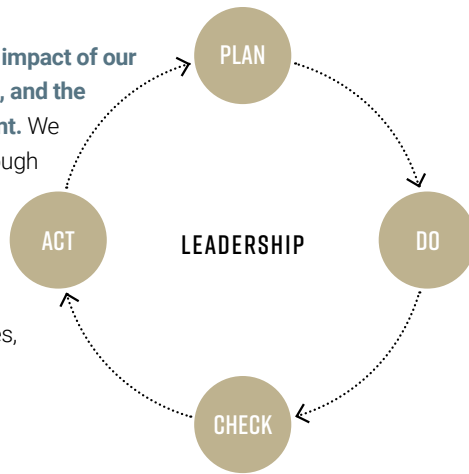


CAVALLO POINT, SAUSALITO, CALIFORNIA



# OBJECTIVES AND TARGETS

**DiamondRock is committed to reducing the impact of our operations, the operations of hotels we own, and the activities of our suppliers on the environment.** We manage our environmental performance through our ISO 14001-aligned Environmental Management System, a Plan-Do-Check-Act system that includes a set of policies, processes and procedures to identify and address environmental risks and opportunities, and facilitate continuous improvement in environmental performance through goal setting, data tracking, and progress reporting.



We also benchmark our environmental performance against peers to identify and remedy anomalies in our consumption to avoid resource wastage. Our hotels are benchmarked in the Environmental Protection Agency’s Energy Star Portfolio Manager and Cornell Hotel Sustainability Benchmarking.

Our environmental objectives are:

- **Energy and Emissions:** To make sound investments and support initiatives that reduce portfolio energy consumption and greenhouse gas emissions per square foot from base year 2019 levels
- **Water:** To implement best practices and prioritize properties with greatest water risk and impact to reduce water consumption per occupied room from base year 2019 levels
- **Waste:** To further divert waste to landfill from hotels and corporate headquarters through re-use, recycling and composting
- **Biodiversity:** To consider and monitor potential biodiversity impacts for new investments and current properties in our portfolio
- **Supply Chain:** To purchase environmentally preferable, ethically sourced and/or local materials whenever feasible

## OUR ENVIRONMENTAL TARGETS

DiamondRock has been measuring and monitoring environmental performance since 2011. In 2022, we moved the needle further in planning our journey toward net zero. We updated our portfolio-wide targets to 2030 with a goal to increase energy from renewable sources while reducing energy, carbon, water, and waste intensity using 2019 as the base year.

In 2022, as expected, our reported environmental consumption increased compared to 2021 due to the addition of hotel properties and guest rooms as well as increasing demand levels across our portfolio following three years of pandemic-related disruption. In an effort toward enhanced data completeness, 2022 data included vehicle emissions, whereas prior years did not include this source.

Despite the year over year increase, we are pleased to report that energy and carbon intensity compared to 2019 is notably lower, reflecting our commitment to energy efficiency and responsible resource use. In 2022, our energy intensity per square foot decreased by 6% compared to 2019, while greenhouse gas emissions intensity per square foot decreased by 11% compared to 2019.

Water intensity per occupied room increased by 12% from the 2019 baseline given DiamondRock’s best practice to circulate water across the portfolio for health and safety reasons throughout the pandemic. 2022 water intensity decreased by 16.2% from 2021 as operations began to normalize and occupancy increased.

In 2022, waste diversion from landfills decreased as compared to 2021 and the 2019 baseline. The current diversion rate is 10% toward a goal of 50% by 2030, representing an opportunity for increased recycling across the DiamondRock portfolio.

In 2022, 7.6% energy came from renewable sources. Though we are making progress toward a renewable energy target of 30% by 2030. We recognize further investment in renewables beyond grid mix is needed to meet our target.

STAKEHOLDERS	2030 TARGET	PROGRESS TOWARDS 2030 GOAL*
<b>Energy Intensity (kWh per square foot)</b>	Reduce energy intensity by 30% by 2030	-6.2%
<b>Carbon Emission Intensity (kg/CO2E per square foot)</b>	Reduce carbon emission intensity by 50% by 2030	-11.1%
<b>Water Intensity (gallons per OCRM)</b>	Reduce water intensity by 20% by 2030	11.8%
<b>Waste Diversion Target</b>	Achieve waste diversion rate of 50% by 2030	10.0%
<b>Renewable Energy Target</b>	30% of electricity consumption from renewable energy sources	7.6%

\* 2019 Baseline





## PATHWAY TO NET ZERO

**To prevent the most damaging effects of climate change, DiamondRock is committed to reducing its greenhouse gas emissions to zero by 2050. This would help limit global warming to 1.5 degrees Celsius or lower, which is the objective of the Paris Agreement.**

To meet this goal, DiamondRock is shifting how it conducts business with other entities to decarbonize throughout the value chain, aiming for a net-zero status by 2050. Acknowledging that global initiatives alone may fall short of the 1.5-degree target, the company emphasizes the need for immediate and sustained action by every individual and business to avoid further impacts.

While DiamondRock is in the early stages of identifying and implementing operational changes, the company is currently assessing the pathway and corresponding financial requirements essential for reducing its emissions and achieving net zero over the next three decades. This journey aligns with the Hotel Net Zero Methodology, Second Edition (June 2023), with the goal of achieving net-zero emissions across all three scopes by 2050. The initial focus until 2030 is on tangible managerial actions that will yield lasting impacts beyond that date, and progress toward these milestones will be regularly reported.

In 2022, DiamondRock set specific and actionable targets for environmental intensity metrics, aiming to reduce carbon emissions by 50% by 2030. Recognizing the imperative of achieving net-zero emissions by 2050, the company is dedicated to formulating an organizational plan delineating its pathway to net zero. Committing to adapting as necessary in collaboration with customers, lawmakers, and investors, DiamondRock anticipates changes in building standards, pricing, regulations, customer preferences, and the availability of low-carbon products and services.

The Corporate Responsibility Committee, composed of the Chief Executive Officer, Chief Financial Officer, General Counsel, internal associates, and external advisors, is entrusted with pursuing activities essential to meeting the 2050 milestones. The Net Zero Plan, detailed in the following tables, outlines DiamondRock's milestones for 2030 and 2050, highlighting actions taken in 2022 and 2023 and planned initiatives for 2024 and 2025.

## SCOPE 1 AND 2 CATEGORIES OF EMISSIONS

CATEGORY DESCRIPTION	2030 MILESTONES	2050 MILESTONES	ACTIVITIES CONDUCTED IN 2022/2023	ACTIVITIES PLANNED FOR 2024/2025
<b>Facility Emissions Intensity</b> – covers the emissions from the energy usage of the building itself	<ul style="list-style-type: none"> <li>50% absolute reduction or 66% intensity reduction of carbon from a 2019 baseline</li> <li>Scope 1 and 2 offsets can be claimed in net zero progress calculations up to 7.3 kgCO2e/SqM</li> </ul>	<ul style="list-style-type: none"> <li>99% reduction carbon from the baseline</li> </ul>	<ul style="list-style-type: none"> <li>Setting baseline emissions and emissions intensity for the portfolio</li> <li>Annual surveying of energy conservation measures and attributes</li> <li>Engaging with each hotel for annual energy reduction opportunities</li> <li>Externally verifying Scope 1 &amp; 2 emissions</li> </ul>	<ul style="list-style-type: none"> <li>Setting 2030 targets for each property</li> <li>Capital planning for each property to incorporate decarbonization</li> <li>Developing a renewable energy strategy for onsite installation or PPA and Renewable energy purchase, including forecasting grid decarbonization</li> <li>Engaging with operators for synergies to meet their carbon reduction targets</li> </ul>
<b>Energy Efficiency</b> – covers all activities to reduce Scope 1 & 2 energy consumption of the facility	Achieve a 20% reduction in energy intensity from a 2019 baseline	N/A	<ul style="list-style-type: none"> <li>Investing nearly \$9.12 million in energy efficiency projects in 2022</li> <li>Installing “smart” thermostats at 21 hotels in 2022</li> <li>Installing onsite solar at two properties, Cavallo Point and Chicago Marriott Downtown Magnificent Mile</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring the purchase of carbon offsets across the portfolio by operators, brands, and customers</li> <li>Capital planning for each property to incorporate energy efficiency</li> <li>Annual portfolio-wide analysis to prioritize properties of greatest relative weight and reduction potential</li> <li>Incorporating decarbonization planning into the due diligence and modeling for acquisitions</li> </ul>
<b>Energy Sources</b> – covers the various forms of installing or purchasing energy either as a source of power for the hotel as Scope 1 & 2, or as a contribution to the electric power grid via market mechanism for Scope 2.	100% of electricity will be from renewable or zero-carbon sources, either via the grid, market purchase, onsite, or a combination of all	<ul style="list-style-type: none"> <li>Total energy from renewables exceeds 90%</li> <li>100% renewable electricity for all markets</li> <li>Electrified sources of heating and cooling either in place, confirmed for replacement at end-of-life or renovation, and embedded in any new projects unless unfeasible</li> </ul>		
<b>Other Scope 1 &amp; 2</b> – Includes fugitive Scope 1 emissions from refrigerants, vehicles and corporate offices	<ul style="list-style-type: none"> <li>100% renewable electricity all properties which are domestic US based.</li> <li>Achieve reductions in emissions from 2025 for each source</li> </ul>	All remaining emissions sources quantified and offset	2022 Vehicle emissions quantified and included in inventory.	Engaging with industry to improve calculation methods and data availability for refrigerants and corporate offices.



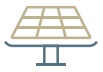
# PATHWAY TO NET ZERO CONTINUED

## SCOPE 3 CATEGORY OF EMISSIONS

SCOPE 3 CATEGORY	CATEGORY DESCRIPTION	2030 MILESTONES	2050 MILESTONES	ACTIVITIES PLANNED FOR 2024/2025
1	<b>Outsourced Laundry</b> – covers Scope 3 emissions of laundry washed at a separate facility outside the hotel's ownership and control	Suppliers' facilities powered by 100% renewable electricity in immediate markets	<ul style="list-style-type: none"> <li>Suppliers' facilities powered by 100% renewable electricity in immediate markets</li> <li>Remaining emissions offset</li> </ul>	Identifying sites with outsourced laundry or planned for outsourcing by 2030
7	<b>Employee Commute</b> – emissions of company staff commuting to and from work via transportation not owned or controlled by the company	Accurately calculated and baseline determined with best practice for accepted calculation methods and coefficients	<ul style="list-style-type: none"> <li>Demonstrate reductions in related emissions from 2040</li> <li>100% of remaining emissions offset</li> </ul>	<ul style="list-style-type: none"> <li>Surveying employees to understand baseline of mode of transport, frequency of office commutes, and distance traveled</li> <li>Engaging with employees and community to identify opportunities</li> </ul>
6	<b>Business Travel</b> – covers the transportation and lodging for purposes of business travel of company level staff	Company bookings for hotel stays and meeting space usage will be in facilities powered by 100% renewable electricity and have a plan in place for net zero	<ul style="list-style-type: none"> <li>Company bookings for hotel stays and meeting space usage will be in facilities powered by 100% renewable electricity in line with expected performance thresholds for remaining emissions</li> <li>100% of remaining emissions offset</li> <li>100% of transport emissions will be offset by best available contribution to host destination/region</li> </ul>	<ul style="list-style-type: none"> <li>Setting up a tracking mechanism to capture business travel and establish boundaries</li> <li>Engaging with corporate travel and booking sites to identify opportunities to reduce the footprint, offset transport, and encourage hotels to decarbonize in alignment with net-zero</li> </ul>
3	<b>Transmission &amp; Distribution Losses</b> – includes emissions from location based losses from delivery of purchased electricity from source to the hotel	Performance reductions in line with milestones for energy sources, energy efficiency, and renewables	<ul style="list-style-type: none"> <li>Performance reductions in line with milestones for energy sources, energy efficiency, and renewables</li> <li>Remaining emissions offset</li> </ul>	<ul style="list-style-type: none"> <li>Starting to track losses according to industry best practice to establish a baseline</li> <li>Evaluating how purchase of renewables, energy intensity, and electric power grid decarbonization will impact these losses by 2030.</li> </ul>

## SCOPE 3 CATEGORY OF EMISSIONS CONTINUED

SCOPE 3 CATEGORY	CATEGORY DESCRIPTION	2030 MILESTONES	2050 MILESTONES	ACTIVITIES PLANNED FOR 2024/2025
5	Waste – covers activities to reduce emissions from waste disposal, which are categorized as Scope 3	<ul style="list-style-type: none"> <li>Emissions from waste from ongoing operations will be tracked, and reduced in alignment with best practice</li> <li>Emissions from priority categories of ongoing purchases will be identified with a baseline set and reduction plan in place</li> </ul>	<ul style="list-style-type: none"> <li>Waste reduction in line with established industry benchmarks/goals</li> <li>Cumulative waste emissions intensity reduction from 2040 exceeds waste intensity reduction, as most intense sources are further reduced and diversion increases</li> <li>All significant waste sources quantified and offset</li> </ul>	<ul style="list-style-type: none"> <li>Improving tracking across the portfolio and establishing baselines where possible</li> <li>Evaluating waste reduction opportunities in capex planning for each property</li> <li>Engaging with industry to improve calculation methods, data availability, and boundaries for ongoing purchases.</li> <li>Engaging with operators to understand how they will meet 2030 targets for these categories and how to support</li> </ul>
1	Embodied carbon on building, land use change and FF&E – covers the most significant sources of Scope 3 emissions which are often classified as “Capital Goods” and consisting of the construction of a hotel and the upstream lifecycle emissions of the building materials and FF&E	Emissions are accurately quantified by estimation with default data available for use and accounting methodology in place, with baseline set	<ul style="list-style-type: none"> <li>Achieve reduction in embodied carbon emission from 2040</li> <li>Remaining embodied carbon from all new builds from 2040 offset</li> <li>All new builds will be committed for offsetting over established best practice in accounting and life cycle</li> </ul>	<ul style="list-style-type: none"> <li>Evaluating and understanding the concepts and the opportunities to engage with the industry</li> <li>Evaluating forms of quantifying in our properties and purchases</li> <li>Engaging with industry to improve calculation methods and data availability</li> </ul>



# ENERGY AND EMISSIONS

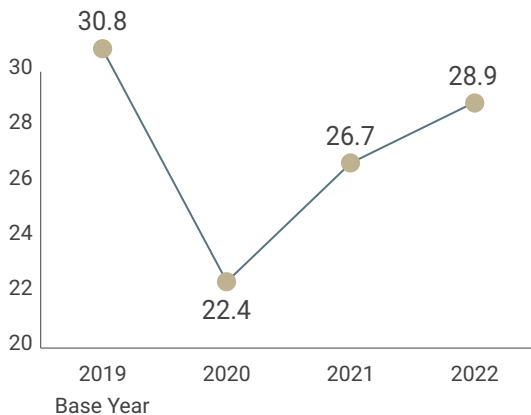
**DiamondRock recognizes that climate change presents significant risks and opportunities to businesses.** We are using the Task Force for Climate-Related Financial Disclosures (TCFD) framework to identify material concerns, and are taking steps to embed climate-related issues in our governance, strategy and risk management. We have set energy and carbon intensity reduction goals targeted for achievement by 2030 and are working to realize our goals by monitoring and incentivizing improvements in energy efficiency, undertaking preventive maintenance measures, identifying and investing in energy efficiency best practices and investing in low or zero carbon opportunities. Energy usage by our third-party operators is measured each month, and monetary incentives are awarded to operators that consume less energy than estimated in the annual budget. Each hotel within our

portfolio has a preventive maintenance plan in place to ensure timely maintenance, which supports energy savings. From DiamondRock’s portfolio-wide program of sustainable best practices, promising emerging practices are identified for implementation.

Apart from renewable energy and efficiency projects, our hotels provide access and information about green transport options, such as by bike or public transportation. Electric vehicle charging stations are also offered at an increasing number of our hotels including Renaissance Charleston Historic District Hotel, Westin Boston Waterfront and Westin San Diego Gaslamp Quarter.

## ENERGY REDUCTION

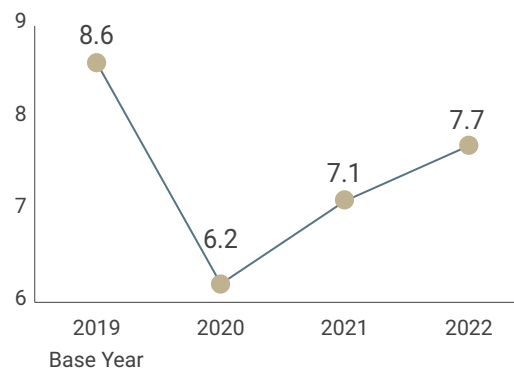
**ENERGY INTENSITY**  
(kWh per square foot)



↓ **6%**

Reduction in intensity since 2019

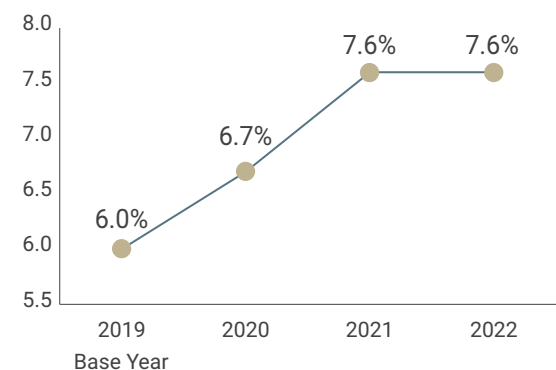
**EMISSIONS INTENSITY**  
(kgCO2e per square foot)



↓ **11%**

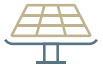
Reduction in intensity since 2019

**% RENEWABLES**



↑ **27%**

Increase in renewable since 2019



## ENERGY AND EMISSIONS

**OBJECTIVE** To make sound investments and support initiatives that reduce portfolio energy consumption and greenhouse gas emissions per square foot from base year 2019 levels.

Nearly \$9.12 million invested in energy efficiency in 2022

### COMMON PRACTICES

- **100%** benchmarked in Energy Star Portfolio Manager
- **97%** have a preventive maintenance plan that checks building energy and water equipment at least on a quarterly basis
- **91%** have implemented measure/s to improve energy conservation over the last three years
- **97%** have installed digital thermostats in at least 75% of guestrooms
- **89%** have installed LED light bulbs in interior spaces

### EMERGING PRACTICES

- **66%** have installed occupancy sensors in guest rooms to reduce heating/cooling
- **29%** have enhanced windows with reflective and/or insulating characteristics
- **31%** have installed occupancy sensors in meeting rooms to reduce heating/cooling
- **6.3%** generate solar energy on-site
- **6%** reuse waste heat on the property

Energy consumption across our portfolio decreased from 232,456 MWh in the baseline 2019 to 223,189 MWh in 2022. In turn, energy intensity decreased from 30.77 kWh per square foot to 28.87 kWh per square foot.



**We have set energy and carbon intensity reduction goals targeted for achievement by 2030**

## WESTIN WASHINGTON DC CITY CENTER PARTNERS WITH CARBON LIGHTHOUSE

- In 2022 the Westin Washington DC City Center entered a partnership with Carbon Lighthouse to reduce the hotel's energy use through Carbon Lighthouse's technology and software platform.
- Reduce the hotel's carbon footprint through upgrades to the Building Management System ("BMS")
- The property has installed over 300 energy sensors throughout the building which tie to the hotel's BMS, recording energy usage throughout the building on a real-time basis.
- The hotel's upgraded BMS then uses software provided by Carbon Lighthouse to continually recalibrate the BMS to provide optimal energy usage throughout different parts of the building.
- The initial capital contribution was \$60,000 and annual savings from energy reduction is \$30,000. The investment is expected to reduce the carbon footprint of the hotel by 339 tons annually.



WESTIN WASHINGTON DC CITY CENTER, WASHINGTON, DC



DiamondRock is committed to reducing water consumption in our portfolio through investment in water efficiency projects, monitoring and reporting, and enhancing operating procedures. We evaluate water risks for our entire portfolio and prioritize water stewardship actions for locations of high water stress levels. Our water risk assessment utilizes the World Resources Institute’s Aqueduct tool and Ecolab Water Risk Monetizer.

We plan to continue monitoring potential changes in the cost and availability of water in key markets, such as California, and leveraging the water risk assessments to inform future decision making on capital expenditures for water efficiency projects.

In collaboration with our operators, we are on a constant lookout for water efficiency project opportunities with a good potential to yield significant savings in comparison to the investment required. In 2022, we invested \$1.1 million in water efficiency measures across our portfolio including new efficient shower heads at the Westin Washington DC City Center.

**OBJECTIVE** To implement best practices and prioritize properties with greatest water risk and impact to reduce water consumption per occupied room from base year 2019 levels.

Nearly \$1.1 million invested in water efficiency projects in 2022

**COMMON PRACTICES**

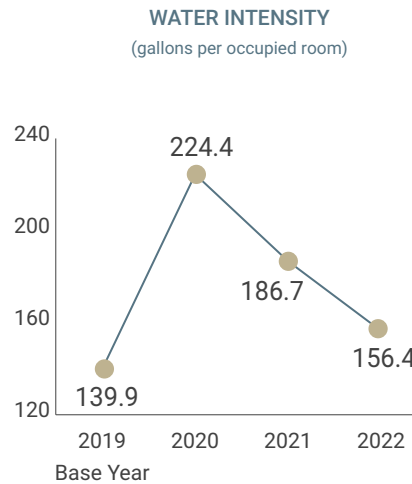
- **83%** have implemented measure/s to improve water efficiency over the last three years.
- **94%** have installed low-flow showerheads to conserve water
- **89%** have installed low-flow faucets to conserve water
- **59%** use native or drought-tolerant landscaping to reduce irrigation needs

**EMERGING PRACTICES**

- **50%** employ a smart irrigation system and/or are automatic sprinkler system equipped with moisture sensors to prevent watering during or after rain
- **31%** have a water efficiency program
- **14%** installed a leak detection system for water piping or toilet tanks

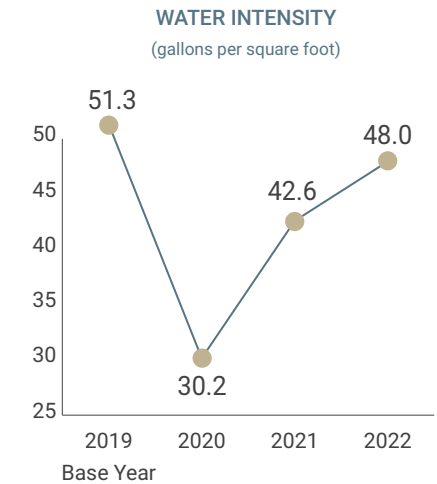
Water intensity rose from 139.9 gallons per occupied room in 2019 to 156.4 gallons per occupied room in 2022. The increase in water intensity was the result of reduced occupancy rates at our hotels due to reduced travel demand, as well as enhanced cleaning and sanitization procedures to minimize the risk of Covid-19 transmission. From a different lens, water intensity per square foot decreased since the 2019 baseline, from 51.3 to 48.0 in 2022.

**WATER REDUCTION**



↑ **11.8%**

Increase in intensity since 2019



↓ **6.6%**

Decrease in intensity since 2019



## HOTEL PALOMAR PHOENIX

- Use of Native species
  - Significance of using local vegetation species as they are better suited for the weather conditions of the region
    - Local species do not require extreme water usage in regions of drought
- Toilet Replacement – low flow water efficiency plumbing fixtures
- Eliminated use of single use plastics
- Community food donation program



HOTEL PALOMAR, PHOENIX, ARIZONA



# WASTE

DiamondRock is committed to reducing the total amount of waste generated and improving waste diversion rates and recycling for our corporate offices, construction projects, and at our hotel properties.

One challenge we face is retrieving full accurate information regarding waste from our portfolio as most waste service providers do not weigh the waste collected and internal waste tracking requires onerous volume to weight conversions using information such as bin size and collection frequency. In 2022, our overall waste data was projected based on 98% of the portfolio. We will develop ways to improve waste data tracking and measurement, identify challenges faced by hotels toward diverting waste and facilitate the sharing and uptake of waste diversion technologies and best practices.

**OBJECTIVE** To further divert landfill waste generated by our hotels and corporate headquarters through re-use, recycling and composting.

\$129,056 invested in waste diversion projects in 2022

Waste Intensity: 7.50 pounds per occupied room

Waste Diversion Rate: 10% in 2022

## COMMON PRACTICES

■ **71%** have eliminated and/or replaced plastic straws with non-plastic alternatives

■ **63%** have implemented food waste prevention strategies in the last year

■ **43%** composts food waste

## EMERGING PRACTICES

■ **46%** have eliminated or reduce single use plastics to an absolute minimum

■ **19%** measures food waste generated

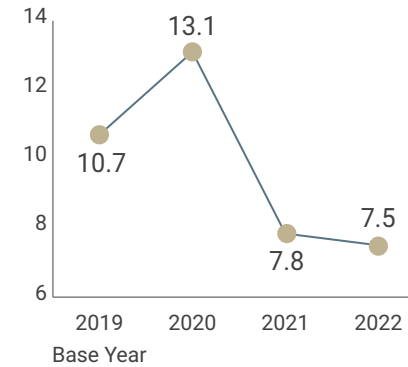
■ **11%** conducted a waste stream audit or waste assessment within the past three years

■ **10%** donate excess food to community kitchens or similar programs

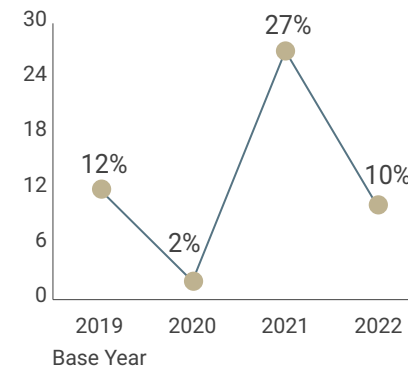
Between 2021 and 2022, total waste generated across our portfolio increased, while waste intensity decreased from 7.84 pounds per occupied room to 7.50 pounds per occupied room. In addition, waste diversion decreased from 27% in 2021 to 10% in 2022.

## WASTE REDUCTION

WASTE INTENSITY  
(pounds per occupied room)



WASTE DIVERSION RATE



## THE HYTHE VAIL

At the 344-room Hythe Vail, sustainability initiatives include:

- Commitment by operator to zero emissions by 2030
- Aluminum recyclable bottles in guest rooms
- Soda Stream refillable water stations throughout hotel
- Guests have an opt-in for National Forest Foundation donation for each stay
- Eliminated the use of single use plastics
- Established community food donation program



THE HYTHE, A LUXURY COLLECTION RESORT, VAIL, VAIL, COLORADO



# BIODIVERSITY

**OBJECTIVE** To consider and monitor potential biodiversity impacts for new investments and current properties in our portfolio.

The world's biodiversity and ecosystems are essential to our survival and well being. They are also a key foundation of attractive tourist destinations. DiamondRock is committed to enhancing local biodiversity and reducing risks on natural habitats. We assess biodiversity risks prior to construction and development and avoid areas of high biodiversity, which are ecologically sensitive areas. By responsibly managing surrounding environments during development, redevelopment, renovation projects by following measures we strive to reduce impact on ecosystems.

Our hotels seek to minimize their impact on the surrounding environment by complying with all applicable environmental regulatory requirements. It is also a common practice to use native, drought resistant species for landscaping that are ecologically compatible with the local environment across our portfolio.

## SEA TURTLES WESTIN FORT LAUDERDALE BEACH RESORT AND MARGARITAVILLE BEACH HOUSE KEY WEST



Populations of Sea Turtles have been at risk in Florida beach communities for many years. Since both the Westin Fort Lauderdale Beach Resort and Margaritaville Beach House Key West are situated on beachfront sites, the hotel's have focused efforts to minimize impact on surrounding biodiversity and habitat:

- Replaced and install exterior lighting to comply with the Florida Sea Turtle Conservancy (2021)
- Significance of coastal lighting impacts on Sea Turtles
  - Specifically in the South Florida area where there are many turtles
- Community focus and adaptation to these sorts of initiatives



## SUPPLY CHAIN

**OBJECTIVE** To purchase ethically sourced and/or local materials whenever feasible.

DiamondRock is committed to purchasing services and products that are the most supportive of long-term environmental sustainability. We are committed to sustainably purchasing and using materials that are locally sourced and have credible sustainability certifications. DiamondRock, with our brand partners and third-party management companies, promote sustainable procurement throughout our value chain. Through our Vendor Code of Conduct and ongoing engagement, suppliers, vendors and other business partners are expected to adhere to the same environmental, social and governance standards to which we hold our Company and associates.

## SUSTAINABLE DESIGN AND CONSTRUCTION



CAVALLO POINT – THE LODGE AT THE GOLDEN GATE, SAUSALITO, CALIFORNIA

DiamondRock recognizes and appreciates the importance of sustainable construction. We see significant opportunities to embed sustainability in our construction and renovation projects, from adopting resource efficient building technologies to using environmentally friendly building materials. Sustainable building materials include characteristics such as lower carbon footprint, less resource intensive, less toxic, and manufactured from recycled materials and/or can be further recycled and reused for the same construction purposes at end-of-life.

Our resort, Cavallo Point - the Lodge at the Golden Gate, provides one example of how we integrate sustainability into design and development. The entire lodge project attained LEED (Leadership in Energy and Environmental Design) Gold certification from the U.S. Green Building Council for its outstanding green elements, including:

- Installation of solar panels in metal roofing to provide renewable energy for its operations
- Use of renewable, low impact materials such as bamboo and recycled wood
- Use of low-VOC glues, paints and carpets which are better for indoor air quality

# OUR PEOPLE



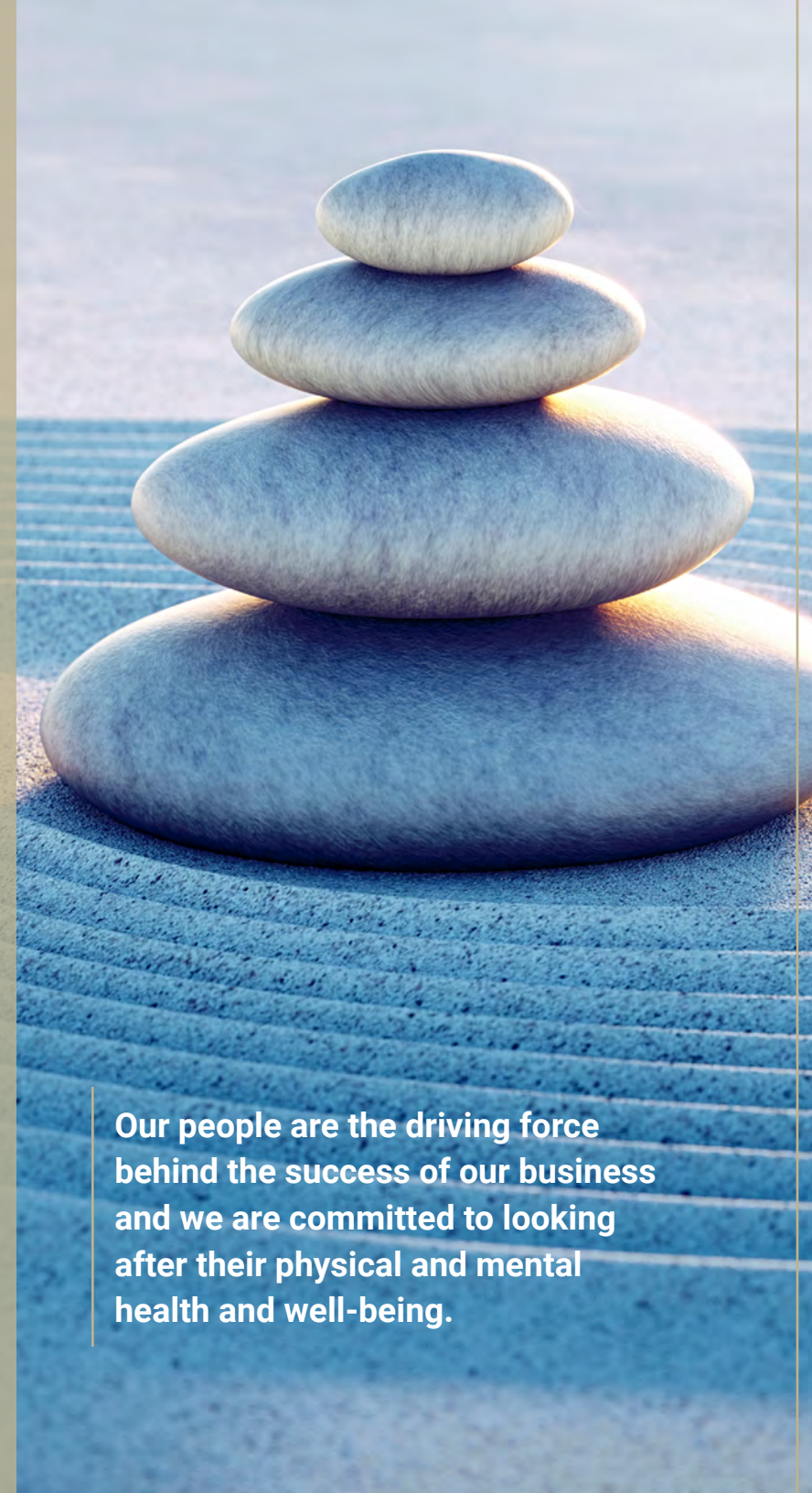


## HEALTH AND WELL-BEING

**Our people are the driving force behind the success of our business and we are committed to looking after their physical and mental health and well-being. Our Employee Handbook provide guidelines that employees are to follow regarding workplace health and safety and crisis management. We seek to protect the health and safety of workers involved in our renovation and construction projects by aligning with occupational health and safety management system OHSAS 18001/18002 standard to identify, control, and decrease occupational health and safety risks.**

DiamondRock has an employee health and well-being program in place which we strive to constantly improve. To better understand our employees' needs, we acquire feedback from various employee communication channels including satisfaction surveys. Elements of our program include:

- 100% coverage of the premium for health care and dental insurance, group term life insurance and short and long-term disability insurance
- Up to eight weeks of paid leave for the birth or adoption of children for all parents
- Ergonomic workstations with standing desks
- Flexible workplace options including telecommuting, part-time employment, flexible work hours, and freelancing or contracting
- Voluntary 401(k) plan
- Access to subsidized gym
- Access to nutritionist through our benefit package



**Our people are the driving force behind the success of our business and we are committed to looking after their physical and mental health and well-being.**



## EMPLOYEE SATISFACTION AND ENGAGEMENT

- **86%** of employees responded to employee satisfaction survey
- **88%** overall satisfaction score
- **100%** of employees receive professional training
- **100%** of employees received training related to sustainability (including environmental, health, safety and well-being aspects)

**To attract and retain the best talents, we actively engage our employees and identify opportunities to facilitate their professional growth.** Employee engagement channels range from Townhall meetings to performance reviews and satisfaction surveys. Based on feedback from satisfaction surveys, we have enhanced our policies and measures to offer better work-life balance and have implemented ideas to improve sustainable practices at the workplace. To further increase employee engagement, DiamondRock has an employee-led committee that plans company-wide social and community activities, including a yearly community involvement event participated in by all employees.

DiamondRock hosts and offers monthly corporate-wide training classes on topics ranging from governance, human rights, environmental policies, communication, computer skills, social issues, design and construction, investments, company finance, self-improvement, and corporate achievement. We also support our third-party management companies' efforts to conduct sustainability related training for their employees.

We encourage and facilitate the ongoing expansion of our employees' skills and skillsets through measures including:

- Mid-year and annual performance review to aid professional growth
- Competency based training based on individual function and role
- 100% reimbursement for required training classes, continuing education classes, and professional certification classes
- Up to \$10,000 for financial assistance to all employees who wish to further their education
- 100% reimbursement of costs related to attendance of conferences and other events for self-improvement training

**We actively engage our employees and identify opportunities to facilitate their professional growth.**





## HUMAN RIGHTS

**Human rights violations including forced labor, child labor, human trafficking and bonded labor, threaten human dignity and equality. DiamondRock is committed to upholding human rights in our operations and across our supply chain through policies, procedures and partnerships.** Our Human Rights & Labor Rights Policy focuses on conducting our business in a manner consistent with the United Nations Universal Declaration of Human Rights and the International Labor Organization's Fundamental Conventions. This includes our promise to ensure respect, equality, and inclusiveness of our employees. Our Vendor Code of Conduct conveys our expectations for suppliers, vendors, operators and partners to follow these same standards and policies for human rights, labor rights, and occupational health and safety.

DiamondRock maintains a whistleblower hotline where unethical behavior and/or human rights grievances can be reported with anonymity by our direct employees and employees of our suppliers, vendors, operators and partners. Each report is evaluated and addressed by our Company's Audit Committee, Nomination and Governance Committee or Corporate General Counsel.

## AHLA 5-STAR PROMISE



DiamondRock supports the American Hotel & Lodging Associations' ("AHLA") 5-Star Promise and our hotel operators in their efforts to improve safety and security for hotel employees and guests, especially the prevention and action against sexual harassment and assault. The

five core areas of action are to:

1. Build on the industry's longstanding commitment to hospitality and a **People Culture** by continuing to provide industry-wide training and materials on safety and security and retain expert guidance to work with the industry on diversity and safety matters.
2. Ensure **mandatory anti-sexual harassment policies** are in place in multiple languages
3. Provide ongoing **training and education** for employees on identifying and reporting sexual harassment
4. Provide U.S. hotel employees with **employee safety devices** to help them feel safe on the job
5. Broaden **vital partnerships** with wide-ranging national organizations that target sexual violence and assault and trafficking and promote workplace safety, including the National Alliance to End Sexual Violence (NAESV), End Child Prostitution and Trafficking (ECPAT-USA), and Polaris



# DIVERSITY, EQUITY & INCLUSION

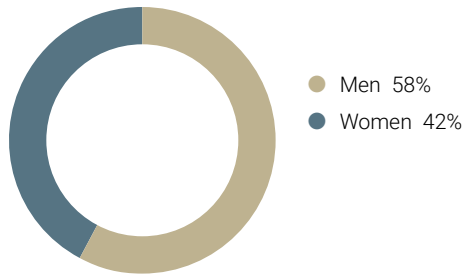
DiamondRock provides equal employment opportunities to all potential and current employees regardless of race, ethnicity, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws.

We comply with applicable state and local laws governing non-discrimination in employment and expressly prohibits any form of unlawful employee harassment. Diversity is

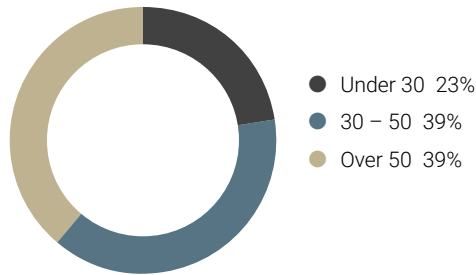
also a factor included in our assessment of experiences and characteristics required of Board members, pursuant to our Guidelines on Significant Governance Issues. We believe that a diverse talent pool strengthens our business performance by offering different perspectives for strategic decision-making, a wider range of skillsets and a larger room for creativity. We will continue to enhance our diversity strategy and build an inclusive working culture where all employees feel appreciated and empowered to give their best.

## EMPLOYEES (30 TOTAL)

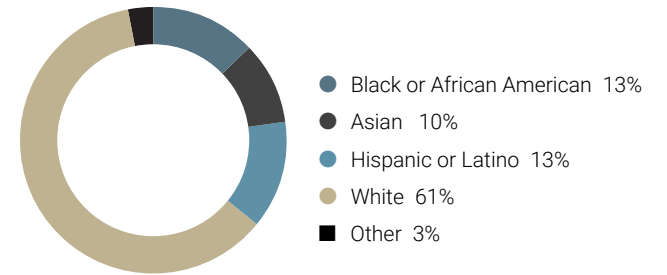
### GENDER



### AGE

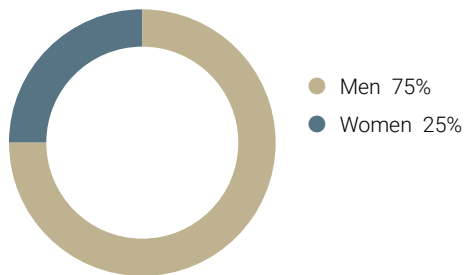


### RACE

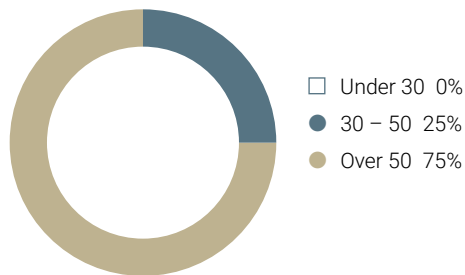


## BOARD MEMBERS (8 TOTAL)

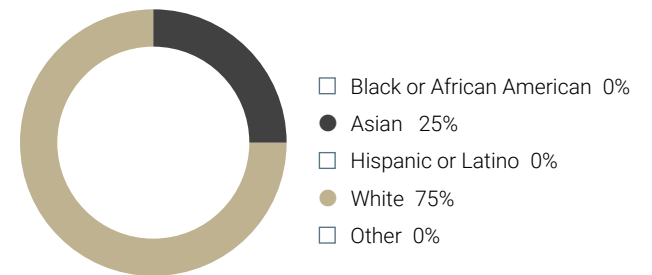
### GENDER



### AGE



### RACE





## COMMUNITY ENGAGEMENT

**Our management companies are tasked with monitoring community impacts with oversight from DiamondRock. At the asset level, we monitor community impacts in correlation with our investment objectives. These areas include impact on crime levels, local income generated, residents' well-being, and walkability score.** By monitoring these areas and identifying appropriate actions, we seek to promote economic inclusion and contribute positive socio-economic impacts on the local communities.

At our corporate headquarters, we strive to give back and support local charities as well as national charities that promote education, environmental conservation, and public health. In 2022, we contributed \$550,000 in-kind donations, 1,400 room nights, and 550 volunteer hours to several organizations including: Achievement Trust, AHL&A Opening Doors, Rubinstein Taybi Syndrome Children's Foundation, and KEEN Greater DC. These organizations help to support the UN SDGs targeting quality education and reduced inequalities. In addition to DiamondRock's corporate giving programs, each of our owned hotels' brands, including Marriott® and Hilton®, and our management companies are engaged in targeted community development and engagement programs to support the communities where our hotels are located.



**We strive to give back and support local charities as well as national charities that promote education, environmental conservation, and public health.**

# APPENDICES



THE LANDING, LAKE TAHOE, CALIFORNIA

# APPENDIX A: ESG PERFORMANCE DATA

## 2019-2022 ESG PERFORMANCE DATA



ECONOMIC	2022	2021	2020	2019
Revenue (in millions)	\$1,001.5	\$567.1	\$299.5	\$938.1
Adjusted EBITDA (in millions)	\$280.6	\$83.5	\$(64.5)	\$260.4
Revenue Per Available Room (RevPAR)	\$195.69	\$118.15	\$55.99	\$188.75
Occupancy Rate	68.3%	49.8%	27.0%	79.0%
Number of Properties in Portfolio	35	32	31	31
Number of Rooms in Portfolio	9,607	9,349	10,102	10,102
Portfolio Floor Area (Square Feet) <sup>1</sup>	7,838,676	8,322,211	7,885,177	7,885,177
Corporate Giving and Charitable Donations	\$550,000	\$100,000	\$0	\$185,000



SOCIAL AND GOVERNANCE	2022	2021	2020	2019
Number of Employees	30	28	28	36
% Men Employees	58%	64%	61%	58%
% Women Employees	42%	36%	39%	42%
Number of Board Members	8	8	9	8
% Men Board Members	75%	75%	78%	75%
% Women Board Members	25%	25%	22%	25%
% Independent Board Members	75%	75%	89%	75%
% of Employees Receiving Annual Performance Reviews	100%	100%	100%	100%
% of Employees Subject to our Code of Business Conduct and Ethics	100%	100%	100%	100%

<sup>1</sup> Floor area data includes all properties possessed at any point of each respective fiscal year. This methodology differs from our environmental data reporting process.

# ESG PERFORMANCE DATA CONTINUED



ENVIRONMENTAL <sup>2,3,4</sup>	2022	2021	2020	2019
Scope 1 Greenhouse Gas Emissions (in metric tons of CO2e)	18,817	15,869	14,046	20,211
Scope 2 Greenhouse Gas Emissions (in metric tons of CO2e)	40,082	35,512	33,041	44,802
Combined Scope 1 and 2 Greenhouse Gas Emissions (in metric tons of CO2e)	58,898	51,380	47,087	65,013
Greenhouse Gas Emissions Intensity (kilograms per square foot)	7.65	7.07	6.22	8.61
Direct and Indirect Energy Consumption (in megawatt hours)	223,189	194,294	169,305	232,461
Energy Intensity (kilowatt hours per square foot)	28.87	26.73	22.44	30.77
Water Consumption (in kilo-gallons)	369,202	309,506	228,156	387,569
Water Intensity (gallons per occupied room)	156.41	186.65	224.43	139.89
Water Intensity (gallons per square foot)	47.95	42.58	30.20	51.31
Total Waste Generated (metric tons)	8,089	5,597	5,418	7,533
Total Waste Landfilled (metric tons) and % of Total Waste Landfilled	7,139 (90%)	4,111 (73%)	3,254 (98%)	4,528 (88%)
Total Waste Incinerated (metric tons) and % of Total Waste Incinerated	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total Waste Recycled (metric tons) and % of Total Waste Recycled	752 (10%)	1,486 (27%)	50 (2%)	603 (12%)
Waste Intensity (pounds per occupied room)	7.50	7.84	13.06	10.67
Waste Diversion Rate (%)	10%	27%	2%	12%
% of Portfolio with Waste Data	98%	94%	61%	68%

<sup>2</sup> Data in boundary covers our owned portfolio and excludes nominal impacts from our corporate headquarters. Data excludes all properties that were not in the owned portfolio for the entire year.

<sup>3</sup> 2019-2021 intensity metrics based on square footage (GHG, energy, water) have been restated to reflect updated square footage data for hotel properties across the portfolio.

<sup>4</sup> Waste totals reflect 100% of portfolio coverage, based on the actual amounts collected as indicated in portfolio coverage %, and extrapolating the remainder.

# APPENDIX B: GLOBAL REPORTING INITIATIVE (GRI)

**Statement of Use:** DiamondRock Hospitality Company has reported to the GRI Standards for the period January 1, 2022 to December 31, 2022

**GRI Used:** GRI 1: Foundation 2021

## GRI CONTENT INDEX: GENERAL DISCLOSURES

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>ORGANIZATIONAL PROFILE</b>			
2-1	Organizational details	<p>DiamondRock Hospitality Company ("DiamondRock"). Our corporate headquarters are located at 2 Bethesda Metro Center, Suite 1400, Bethesda, Maryland 20814.</p> <p>As of December 31, 2022, we owned a portfolio of 35 premium hotels and resorts that contain 9,607 guest rooms located in North America.</p> <p>Cities of operation include Atlanta, Austin, Bethesda, Boston, Burlington, Charleston, Chicago, Denver, Destin, Fort Lauderdale, Fort Worth, Huntington Beach, Key West, Marathon, New Orleans, New York, Phoenix, Salt Lake City, San Diego, San Francisco, Sausalito, Sedona, Sonoma, South Lake Tahoe, Vail, and Washington D.C..</p> <p>Our hotels and resorts are primarily categorized as upper upscale, as defined by STR, Inc., and are generally located in high barrier-to-entry markets with multiple demand generators. Our properties are concentrated in key gateway cities and resort destinations. DiamondRock is a publicly traded REIT on the New York Stock Exchange.</p>	<a href="#">2022 Annual Report and 10k</a> pg. 6, 7, 37, 46
2-2	Entities included in the organization's sustainability reporting	All properties within the DiamondRock portfolio are included in our Annual Report and 10-K filing. Our sustainability disclosures also refer to the same portfolio summarized in our consolidated financial statements.	<a href="#">2022 Annual Report and 10k</a>
2-3	Reporting period, frequency and contact point	<p>Our reporting covers the calendar year of 2022. We update our ESG disclosures on an annual basis. Questions about this report can be directed towards the information for our corporate headquarters listed below:</p> <p>DiamondRock Hospitality Company 2 Bethesda Metro Center Suite 1400 Bethesda, Maryland 20814 (240) 744-1150</p>	<a href="#">Contact Us</a> web page GRI Content Index
2-4	Restatements of information	No restatements of information	GRI Content Index
2-5	External assurance	<p>DiamondRock's 2022 energy, carbon, water and waste data is currently undergoing external assurance by First Environment, Inc, an independent ANSI Accredited certification body.</p> <p>Assurance level: Limited Assurance standard used: ISO 14064 – Part 3</p>	GRI Content Index

# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>ACTIVITIES AND WORKERS</b>			
2-6	Activities, value chain, and other business relationships	<p>DiamondRock is a REIT that operates as an owner of its lodging properties. We do not operate or control the daily operations of our hotel properties. As of December 31, 2022, we owned a portfolio of 35 premium hotels and resorts that contain 9,607 guest rooms located in 24 different markets in North America. 16 of our 35 hotels operated under brands owned by Marriott International, Inc. ("Marriott") and 4 of our hotels operated under brands owned by Hilton Worldwide Holdings, Inc. ("Hilton").</p> <p>Our strategy is to apply aggressive asset management, prudent financial strategy, and disciplined capital allocation to high quality lodging properties in North American urban and resort markets with superior growth prospects and high barriers-to-entry. Our goal is to deliver long-term stockholder returns that exceed those generated by our peers through a combination of dividends and enduring capital appreciation.</p> <p>Our properties are concentrated in key gateway cities and resort destinations. As of December 31, 2022, we have properties located in the following markets: Atlanta, Georgia; Austin, Texas; Boston, Massachusetts (2); Burlington, Vermont; Charleston, South Carolina; Chicago, Illinois (2); Denver, Colorado (2); Destin, Florida (2); Fort Lauderdale, Florida (2); Fort Worth, Texas; Huntington Beach, California; Key West, Florida (2); Marathon, Florida; New Orleans, Louisiana; New York, New York (3); Phoenix, Arizona; Salt Lake City, Utah; San Diego, California; San Francisco, California (2); Sedona, Arizona (2); Sonoma, California; South Lake Tahoe, California; Washington D.C. (2); and Vail, Colorado.</p> <p>Total revenues for fiscal year 2022 were \$1,001.5 million.</p> <p>DiamondRock's supply chain includes common categories found within a lodging portfolio, such as furniture, fixtures, and equipment (FF&amp;E) and operating supplies and equipment for the hotel assets we own and that need capital improvements or replacement over time. Our supply chain also includes office equipment and supplies that are utilized at our corporate office.</p> <p>On January 6, 2022, we acquired the Tranquility Bay Beachfront Resort located in Marathon, Florida, for \$62.4 million, including prorations and transaction costs. This acquisition included income from 84 units owned by third parties and the majority of the intervals in three units structured as vacation ownership. Subsequent to this purchase, we acquired four of the 84 units. On April 1, 2022, we acquired the Kimpton Shorebreak Fort Lauderdale Beach Resort located in Fort Lauderdale, Florida, for \$35.6 million, including prorations and transaction costs. On November 21, 2022, we acquired the Lake Austin Spa Resort located in Austin, Texas, for \$75.8 million, including prorations and transaction costs.</p>	<p><a href="#">2022 Annual Report and 10k</a> pg. 6, 20, 47, F-11</p> <p><a href="#">Company Overview</a> web page</p> <p>2023 Corporate Responsibility Report</p>
2-7	Employees	As of December 31, 2022, we had 30 full-time employees in the United States market. 39% of employees are racially diverse, and 42% are women. All employees involved in the day-to-day operation of the Company's hotels were employed by third-party management companies engaged pursuant to hotel management agreements. Occasionally, we may also engage independent contractors in a limited capacity.	<p>2023 Corporate Responsibility Report</p> <p><a href="#">2022 Annual Report and 10k</a> pg. 11</p>
2-8	Workers who are not employees	As of December 31, 2022, we had 30 full-time employees in the United States market. All employees involved in the day-to-day operation of the Company's hotels were employed by third-party management companies engaged pursuant to hotel management agreements. Occasionally, we may also engage independent contractors in a limited capacity.	<p><a href="#">2022 Annual Report and 10k</a> pg. 11</p>



# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>GOVERNANCE</b>			
2-9	Governance structure and composition	<p>Information on our corporate governance and Board structure is disclosed on our corporate website. Our CEO, who is also a member of our Board, oversees our sustainability initiatives and investments.</p> <p>During 2022, the Board of Directors was comprised of eight members, six of which are Independent Directors, two of which are racially diverse, and two of which are women. The tenures of active board members range from two years to nineteen years. Board Committees include the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Committees are led by a Committee Chair, and each Committee consists of independent Board members.</p>	<a href="#">Corporate Governance</a> web page
2-10	Nomination and selection of the highest governance body	<p>The Nominating and Corporate Governance Committee is responsible for identifying qualified individuals to become Board members, and recommending that the Board select the director nominees for election at each annual meeting of stockholders. There are six members of the committee, all of which are independent members. Two members are racially diverse, and two are women.</p> <p>The nominee(s) should have the highest personal and professional integrity, demonstrate exceptional ability and judgment, and shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders.</p> <p>The Board nominates new directors only from candidates identified, screened, and approved by the Nominating and Corporate Governance Committee, including any candidates recommended to the committee by stockholders.</p> <p>The Board does not have a fixed policy as to whether the role of the CEO and Chair should be separate. The Board should be free to make these choices in any manner that it deems best for the Company at a given point in time.</p>	<a href="#">Corporate Governance</a> web page
2-11	Chair of the highest governance body	The Chairman of the Board of Directors is William W. McCarten, who formerly served as our Chief Executive Officer (“CEO”) until his retirement in 2008.	<a href="#">Board of Directors</a> web page
2-12	Role of the highest governance body in overseeing the management of impacts	The Nominating and Corporate Governance Committee of the Board of Directors is responsible for reviewing and monitoring the Company’s goals, policies, programs and strategies related to environmental stewardship, climate related risks and opportunities, responsible investment, corporate citizenship, human rights, human capital management and other social and public matters of significance to the Company. The NCG Committee regularly reports to the Board.	2023 Corporate Responsibility Report <a href="#">Nominating and Corporate Governance Committee Charter</a>
2-13	Delegation of responsibility for managing impacts	<p>The Nominating Committee may establish and delegate authority to subcommittees consisting of one or more of its members, when the Nominating Committee deems it appropriate to do so in order to carry out its responsibilities.</p> <p>At the management level, the Chief Executive Officer (CEO) is responsible for assessing and managing sustainability risks and opportunities, and reports to the Board’s NCG Committee. In support of the CEO, our Chief Financial Officer (CFO), General Counsel and Vice President of Investments also have sustainability related objectives within their responsibilities and these objectives have predetermined consequences on their bonus compensation plans.</p>	2023 Corporate Responsibility Report <a href="#">Nominating and Corporate Governance Committee Charter</a>
2-14	Role of the highest governance body in sustainability reporting	In 2022, our cross-department Corporate Responsibility Committee, comprised of our Chief Financial Officer, General Counsel, internal associates and external advisors, continued to enhance our responsibility efforts, track responsibility initiatives, and uncover new areas of opportunity. The Corporate Responsibility Committee reports to our Nominating and Corporate Governance Committee quarterly and our Board of Directors annually. Pursuant to its charter, our Nominating and Corporate Governance Committee reviews and approves the Company’s activities, goals and policies concerning environmental stewardship and social responsibility matters in addition to its role concerning governance matters.	<a href="#">Proxy Statement</a> pg. 25

# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>GOVERNANCE</b> <small>CONTINUED</small>			
2-15	Conflicts of interest	Our Code of Ethics contains a conflicts of interest policy to reduce potential conflicts of interest. Our conflicts of interest policy provides that any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest should be reported promptly to the compliance officer, who must then notify our Board of Directors or a committee of our Board of Directors. Actual or potential conflicts of interest involving a director, executive officer or the compliance officer should be disclosed directly to our Chairman of our Board of Directors and the Chair of our Nominating and Corporate Governance Committee. A “conflict of interest” occurs when a director’s, officer’s or employee’s personal interest interferes with our interests.	<a href="#">Code of Business Conduct and Ethics</a>
2-16	Communication of critical concerns	Every employee is encouraged to act proactively by asking questions, seeking guidance and reporting suspected violations of the Code and other policies and procedures of DiamondRock, as well as any violation or suspected violation of applicable law, rule or regulation arising in the conduct of the DiamondRock’s business or occurring on DiamondRock’s property. DiamondRock’s management shall periodically report to the Board of Directors or a committee thereof on these compliance efforts including, without limitation, periodic reporting of alleged violations of the Code and the actions taken with respect to any such violation.	<a href="#">Code of Business Conduct and Ethics</a>
2-18	Evaluation of the performance of the highest governance body	Our Nominating and Corporate Governance Committee oversees the annual self-evaluation of the Board of Directors and annually assess the Board’s performance and make recommendations for improvement. The Compensation Committee reviews and approves the corporate goals and objectives that may be relevant to the compensation of the Company’s CEO.	<a href="#">Corporate Governance</a> web page
2-19	Remuneration policies	We compensate our directors through an annual retainer as opposed to per meeting fees. We have structured their compensation in this manner in order to simplify and clarify director compensation as each of our three standing committees was comprised of all independent directors in 2022 and often a meeting might discuss matters involving the area of responsibility of more than one committee.  The annual retainer is based on a competitive market, individual role, experience, performance, and potential. Annual performance-based cash incentives are rewards which are tied to the Company’s business plan and performance objectives. Additionally, we have a Clawback Policy.	<a href="#">Proxy Statement</a> pg. 26  2023 Corporate Responsibility Report
2-20	Process to determine remuneration	DiamondRock’s executive compensation program consists of base salary, annual cash incentive compensation opportunities, annual long-term equity incentive grants and limited perquisites.  Our Compensation Committee is responsible for determining the amount and composition of compensation paid to our Chief Executive Officer and reviews and approves or makes recommendations to our Board of Directors with respect to the compensation for all other executive officers. Our Compensation Committee exercises its independent judgment in reviewing and approving the executive compensation program as a whole, as well as specific compensation levels for each executive officer.  We grant equity awards to align the interests of our executives with those of our stockholders, and to create incentives for our executives to protect and grow stockholder value, including through maintenance and growth of our dividend.	<a href="#">Proxy Statement</a> pg. 28, 34, 40

# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>GOVERNANCE</b> <small>CONTINUED</small>			
2-21	Annual total compensation ratio	<p>For 2022, the annual total compensation of Mr. Brugger of \$5,924,643 as shown in the Summary Compensation Table above, was approximately 22 times the annual total compensation of \$276,110 of a median employee calculated in the same manner.</p> <p>We identified the median employee using the annual base salary and target annual cash incentive compensation, as of December 31, 2022, plus the grant date fair value of any long-term equity incentive awards granted in 2022 for all individuals, who were employed by us on December 31, 2022, the last day of our payroll year (whether employed on a full-time, parttime, or seasonal basis.</p>	<a href="#">Proxy Statement</a> pg. 54
<b>STRATEGY, POLICIES, AND PRACTICES</b>			
2-22	Statement on sustainable development strategy	A statement from our CEO is provided in our Sustainability Report. Additionally, please refer to the CEO letter in our Annual Report.	2023 Corporate Responsibility Report
2-23	Policy commitments	<p>DiamondRock engages with our stakeholders, including hotel operators, brands, and general managers to manage the environmental risks our company may face.</p> <p>To address these risks we developed ESG-related policies, we implement an internal Environmental Management System (“EMS”), and 2030 sustainability goals to reduce portfolio energy, carbon, and water intensity by 30%, 50% and 20% respectively from our 2019 baseline.</p> <p>DiamondRock’s Code of Business Conduct and Ethics aids our company’s directors, officers, and employees in making ethical and legal decisions when conducting DiamondRock’s business and performing their day-to-day duties, and is disclosed on our corporate website.</p> <p>DiamondRock’s Board of Directors (or a committee of the Board) is responsible for administering the Code. The Board of Directors has delegated day-to-day responsibility for administering and interpreting the Code to a Compliance Officer. Our General Counsel has been appointed DiamondRock’s Compliance Officer under this Code.</p> <p>DiamondRock Hospitality Company (DiamondRock) strives to conduct business in a manner that is consistent with the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We also aim to comply with all applicable human rights and labor rights laws, including International Labour Organisation (ILO). Likewise, we expect our vendors, contractors, business partners and hotel operators to adhere to these principles and laws. This policy applies to DiamondRock and our affiliated entities.</p> <p>In 2021, we updated our existing Environmental Policy, our Human Rights &amp; Labor Rights Policy and our Vendor Code of Conduct. We also adopted a Cybersecurity Policy.</p>	2023 Corporate Responsibility Report <a href="#">Vendor Code of Conduct</a> <a href="#">Code of Business Conduct and Ethics</a>

# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>STRATEGY, POLICIES, AND PRACTICES <small>CONTINUED</small></b>			
2-24	Embedding policy commitments	<p>In 2022, our cross-department Corporate Responsibility Committee, comprised of our Chief Financial Officer, General Counsel, internal associates and external advisors, continued to enhance our responsibility efforts, track responsibility initiatives, and uncover new areas of opportunity. The Corporate Responsibility Committee reports to our Nominating and Corporate Governance Committee quarterly and our Board of Directors annually. Pursuant to its charter, our Nominating and Corporate Governance Committee reviews and approves the Company's activities, goals and policies concerning environmental stewardship and social responsibility matters in addition to its role concerning governance matters.</p> <p>DiamondRock seeks to conduct its business in compliance with both the letter and the spirit of applicable laws, rules and regulations. No director, officer or employee shall engage in any unlawful activity in conducting DiamondRock's business or in performing his or her day-to-day company duties, nor shall any director, officer or employee instruct others to do so. DiamondRock expects its directors, officers and employees to exercise reasonable judgment when conducting DiamondRock's business. DiamondRock encourages its directors, officers and employees to refer to the Code of Business Conduct and Ethics frequently to ensure that they are acting within both the letter and the spirit of the Code.</p> <p>We require all employees to complete periodic human rights training, including harassment and human trafficking prevention training and expect and encourage the operators of our lodging properties to do the same. DiamondRock hosts and offers monthly corporate-wide training classes on topics ranging from governance, human rights, environmental policies, communication, computer skills, social issues, design and construction, investments, company finance, self-improvement, and corporate achievement. We also support our third-party management companies' efforts to conduct sustainability related training for their employees.</p>	<p><a href="#">Proxy Statement</a> pg. 25</p> <p><a href="#">Code of Business Conduct and Ethics</a></p> <p><a href="#">Human Rights and Labor Rights Policy</a></p>
2-25	Processes to remediate negative impacts	Refer to the Human Rights & Labor Rights Policy and the Code of Business Conduct and Ethics for information on remediating negative impacts.	<p><a href="#">Human Rights and Labor Rights Policy</a></p> <p><a href="#">Code of Business Conduct and Ethics</a></p>
2-26	Mechanisms for seeking advice and raising concerns	<p>DiamondRock maintains a confidential, third-party hotline, which employees, business partners, and shareholders can submit complaints on matters related to organizational integrity without retaliation.</p> <p>The Company's Audit Committee receives, retains, investigates, and acts on complaints and concerns regarding all accounting and auditing matters.</p> <p>The Company's Nomination and Governance Committee receives, retains, investigates, and acts on complaints and concerns regarding all governance and corporate ethics matters. The Company's General Counsel receives, retains, investigates, and acts on complaints and concerns regarding all other items.</p>	<p><a href="#">Code of Business Conduct and Ethics</a></p> <p><a href="#">Whistleblower Policies and Procedures</a></p> <p><a href="#">Nominating and Corporate Governance Committee Charter</a></p>
2-27	Compliance with laws and regulations	None during the reporting period.	GRI Content Index
2-28	Membership associations	DiamondRock is a member of the National Association of Real Estate Investment Trusts ("NAREIT").	GRI Content Index

# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>STAKEHOLDER ENGAGEMENT</b>			
2-29	Approach to stakeholder engagement	<p>Our primary stakeholder groups are stockholders, DiamondRock employees, hotel employees, customers, management companies, brand companies, suppliers, partners, communities, and industry associations.</p> <p>We identify and select our primary stakeholders by determining the groups or individuals that we need to collaborate with in order to achieve our ESG-related goals and objectives.</p> <p>As a lodging REIT, success requires collaborating with key stakeholders (stockholders, employees, customers, management companies, brand companies, suppliers, partners, communities, and industry associations) and working with our management companies to identify opportunities that help us achieve our ESG objectives. We are committed to enhancing the value of our sustainability platform through open and transparent communications with our stakeholders.</p> <p>We rely on our hotel management companies to actively manage customer (or guest) satisfaction based on the individual property and brand standards, while DiamondRock still plays a role in oversight of said initiatives and works to collaborate with the properties for improvement.</p> <p>We also support the American Hotel &amp; Lodging Association (AHLA) 5-Star Promise and our hotel operators in the effort to advance safety and security for employees and guests across our industry.</p>	<p>2023 Corporate Responsibility Report</p> <p><a href="#">2022 Annual Report and 10k</a></p> <p>GRI Content Index</p>
2-30	Collective bargaining agreements	<p>None of our employees is a member of any union.</p> <p>During 2022, all employees involved in the day-to-day operation of our hotels were employed by third-party management companies engaged pursuant to hotel management agreements. The employees of our hotel managers at the Courtyard New York Manhattan/Fifth Avenue, Courtyard New York Manhattan/Midtown East, Hilton Garden Inn New York/Times Square Central, Westin Boston Seaport District and Hilton Boston Downtown/Faneuil Hall are currently represented by labor unions and are subject to collective bargaining agreements.</p>	<p><a href="#">2022 Annual Report and 10k</a> pg. 11</p>
<b>MATERIAL TOPICS</b>			
3-1	Process to determine material topics	<p>Reporting content that has been defined considers topics of greatest importance to our company and interest to our key stakeholders, including our investors.</p> <p>We are committed to strong environmental, social and governance practices and related disclosure. We are committed to enhancing the value of our sustainability platform through open and transparent communications with our stakeholders. Our sustainability objectives are designed to support our Company's vision and strategic principles through measures to:</p> <ul style="list-style-type: none"> <li>■ reduce energy and water consumption;</li> <li>■ increase profitability at our hotels;</li> <li>■ proactively manage environmental risks; and</li> <li>■ make positive contributions to communities.</li> </ul>	<p><a href="#">Proxy Statement</a> pg. 24</p>

# GRI: GENERAL DISCLOSURES CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>MATERIAL TOPICS</b> <small>CONTINUED</small>			
3-2	List of material topics	Material aspects are reported using the GRI Reporting Standards in the Specific Disclosures section of the Content Index. No changes were made during the reporting period. Topics include economic performance, anti-corruption, energy, water, emissions, waste, employment, health and safety, training and education, diversity, local communities, supply chain, and socioeconomic compliance.	GRI Content Index
3-3	Management of material topics	<p>DiamondRock engages with our stakeholders, including hotel operators, brands, and general managers to manage the environmental risks our company may face.</p> <p>To address these risks we developed ESG-related policies, we implement an internal Environmental Management System (“EMS”), and 2030 sustainability goals to reduce portfolio energy, carbon, and water intensity by 30%, 50% and 20% respectively from our 2019 baseline.</p> <p>In 2022, our cross-department Corporate Responsibility Committee, comprised of our Chief Financial Officer, General Counsel, internal associates and external advisors, continued to enhance our responsibility efforts, track responsibility initiatives, and uncover new areas of opportunity. The Corporate Responsibility Committee reports to our Nominating and Corporate Governance Committee quarterly and our Board of Directors annually. Pursuant to its charter, our Nominating and Corporate Governance Committee reviews and approves the Company’s activities, goals and policies concerning environmental stewardship and social responsibility matters in addition to its role concerning governance matters.</p>	2023 Corporate Responsibility Report <a href="#">Vendor Code of Conduct</a> <a href="#">Proxy Statement</a> pg. 25

# GRI: MANAGEMENT APPROACH DISCLOSURES

In this section, we provide management approach disclosures for the following economic topics: performance, indirect impacts, and anti-corruption.

## ECONOMIC

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>ECONOMIC PERFORMANCE</b>			
103	Management Approach	<p>Our strategy is to apply aggressive asset management, conservative leverage, and disciplined capital allocation to high quality lodging properties in North American urban and resort markets with superior growth prospects and high barriers-to-entry. We plan to strategically allocate capital in order to create value depending on our cost of capital. If our cost of capital is attractive, we expect to:</p> <ul style="list-style-type: none"> <li>■ pursue strategic acquisitions in line with our target asset type;</li> <li>■ consider opportunistically raising equity; and</li> <li>■ evaluate opportunities to dispose of non-core hotels.</li> </ul>	<p><a href="#">2022 Annual Report and 10k</a> pg. 6-7</p> <p>2023 Corporate Responsibility Report</p>
201-1	Direct economic value generated and distributed	DiamondRock's total revenues for fiscal year 2022 were \$1,001.5 million. Economic value generated is distributed to our shareholders, employees, and suppliers. Operating expenses were \$839.7 million and net income was \$109.7 million.	<a href="#">2022 Annual Report and 10k</a> pg. F-7
201-2	Financial implications and other risks and opportunities due to climate change	We provide disclosure on how the outcomes of sustainability risk assessments are used to mitigate financial risk in our annual GRESB Assessment response. DiamondRock's TCFD Report provides disclosure on the impact of Climate change risks and opportunities on business, strategy, and financial planning.	2023 Corporate Responsibility Report TCFD Report GRESB Assessment
203-1	Infrastructure investments and services supported	At our corporate headquarters, we strive to give back and support local charities in addition to national charities that promote education, environmental conservation, and public health. In 2022, DiamondRock supported five organizations, and contributed in-kind donations worth \$1,400,000 through its corporate giving program that began in 2007.	2023 Corporate Responsibility Report
<b>ANTI-CORRUPTION</b>			
205-1	Operations assessed for risks related to corruption	DiamondRock monitors all risks related to corruption that may affect performance and reporting on an annual basis.	GRESB Assessment
205-2	Communication and training about anti-corruption policies and procedures	All DiamondRock employees must review and annually affirm compliance with our Code of Conduct and Business Ethics.	<a href="#">Code of Business Conduct and Ethics</a> <a href="#">Whistleblower Policies and Procedures</a> GRESB Assessment
205-3	Confirmed incidents of corruption and actions taken	None during the reporting period.	

# GRI: MANAGEMENT APPROACH DISCLOSURES CONTINUED

## ENVIRONMENTAL

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>ENERGY</b>			
103	Management approach disclosure	<p>DiamondRock’s environmental targets aim to reduce energy, carbon, and water intensity by 30%, 50%, and 20% respectively by 2030 from our 2019 baseline. (Our 2030 energy and carbon reduction are based on intensity per square foot. Our 2030 water target is based on intensity per occupied room.)</p> <p>We also invest in energy, water, and waste ROI projects, including LED installations, boiler and chiller replacements, low-flow fixtures, and bulk amenity dispensers.</p> <p>Our internal EMS aims for continuous portfolio performance improvement.</p>	2023 Corporate Responsibility Report
302-1	Energy consumption within the organization	In 2022, direct and indirect energy consumption was 223,189 megawatt hours.	2023 Corporate Responsibility Report
302-3	Energy intensity	In 2022, energy intensity was 29.0 kilowatt hours per square foot.	2023 Corporate Responsibility Report
<b>WATER AND EFFLUENTS</b>			
103	Management approach disclosure	We conducted a water risk assessment using the World Resources Institute’s Aqueduct tool and the Ecolab Water Risk Monetizer. Based on the location of our properties, we consider our exposure on a site-by-site basis to a series of risks, which include baseline water stress, flood occurrence, and drought severity. The results of the water risk assessment help to inform water efficiency investments and initiatives.	2023 Corporate Responsibility Report
303-5	Water consumption	In 2022, total water consumption was 1,397,580 cubic meters.	2023 Corporate Responsibility Report
<b>EMISSIONS</b>			
305-1	Direct (Scope 1) GHG emissions	In 2022, Scope 1 emissions were 18,818 metric tons of CO <sub>2</sub> e.	2023 Corporate Responsibility Report
305-2	Energy Indirect (Scope 2) GHG emissions	In 2022, Scope 2 emissions were 40,082 metric tons of CO <sub>2</sub> e.	2023 Corporate Responsibility Report
305-4	GHG Emissions Intensity	In 2022, greenhouse gas intensity was 7.65 kilograms per square foot.	2023 Corporate Responsibility Report
<b>WASTE</b>			
306-3	Waste generated	DiamondRock generated 8,089 metric tons of waste in 2022, with 7,139 metric tons sent to landfill, and 0 metric tons incinerated. Furthermore, DiamondRock generated 0 metric tons of Hazardous Waste.	2023 Corporate Responsibility Report
306-4	Waste diverted from disposal	DiamondRock generated 8,089 metric tons of waste in 2022, with 752 metric tons recycled.	2023 Corporate Responsibility Report
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
103	Management approach	DiamondRock’s Vendor Code of Conduct outlines our expectations and minimum standards for vendors to conduct business with integrity, comply with regulations, protect human rights, provide a safe and healthy working environment, and responsibly manage environmental impacts. Our Vendor Code of Conduct is designed in accordance with the guiding principles outlined in the UN Universal Declaration of Human Rights.	<a href="#">Vendor Code of Conduct</a>



# GRI: MANAGEMENT APPROACH DISCLOSURES CONTINUED

## SOCIAL

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>EMPLOYMENT</b>			
103	Management approach	We believe prioritizing employee well-being is a key element for attracting and retaining the best and most talented associates. All DiamondRock employees receive competitive benefits, in addition to training and education opportunities.	<a href="#">Vendor Code of Conduct</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All DiamondRock full-time employees are provided 100% coverage of the premium for health care and dental insurance, group term life insurance and short and long-term disability insurance. In addition, annual education financial assistance is offered to employees who wish to further their professional education. Eight weeks of parental leave is also provided to all employees.	2023 Corporate Responsibility Report
401-3	Parental Leave	All DiamondRock employees receive up to eight weeks of paid parental leave.	2023 Corporate Responsibility Report
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
403-9	Work-related injuries	DiamondRock's employees had no lost or absentee days due to workplace hazards or injuries in 2022.	2023 Corporate Responsibility Report GRESB Assessment
<b>TRAINING AND EDUCATION</b>			
404-2	Programs for upgrading employee skills and transition assistance programs	All employees are encouraged and entitled to annual financial assistance of up to \$10,000 to further their professional education, alongside mentorship and community engagement opportunities.	2023 Corporate Responsibility Report
404-3	Percentage of employees receiving regular performance and career development reviews	All DiamondRock employees received a mid-year and annual performance review in 2022.	2023 Corporate Responsibility Report
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
103	Management Approach	DiamondRock provides equal employment opportunities (EEO) to all potential and current employees regardless of race, ethnicity, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws.	2023 Corporate Responsibility Report
405-1	Diversity of governance bodies and employees	In 2022, DiamondRock's Board was comprised of 8 members: 6 members were men and 2 members were women.  Among our full-time employees, 58% are men and 42% are women.  22.6% of our full-time employees are under 30 years old, 38.7% are between 30-50 years old, and 38.7% are over 50 years old.  For additional information on the diversity of our employees, please refer to our performance tables in our 2022 Corporate Responsibility Report.	2023 Corporate Responsibility Report <a href="#">Board of Directors</a> web page

# GRI: MANAGEMENT APPROACH DISCLOSURES SOCIAL CONTINUED

NUMBER	DESCRIPTION	RESPONSE/DISCLOSURE	REFERENCES
<b>LOCAL COMMUNITIES</b>			
<b>103</b>	Management Approach	<p>DiamondRock strives to conduct our business in a manner that is consistent with the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.</p> <p>Our Code of Vendor Conduct is also designed in accordance with the guiding principles outlined in the UN Universal Declaration of Human Rights.</p> <p>We also support the American Hotel &amp; Lodging Association (AHLA) 5-Star Promise and our hotel operators in the effort to advance safety and security for employees and guests across our industry.</p> <p>The majority of the hotels that we own operate under a brand owned by Marriott or Hilton. These brands also have human rights policies and trainings for their hotels.</p>	<p><a href="#">Human Rights and Labor Rights Policy</a></p> <p><a href="#">Vendor Code of Conduct</a></p> <p>2023 Corporate Responsibility Report</p>
<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	<p>DiamondRock has investments in local community engagement and development programs. In 2022, we supported 5 charities and employees contributed 550 volunteer hours.</p> <p>Additionally, each of our owned hotel's brands and management companies is engaged in targeted community development and engagement programs where our hotels are located.</p>	2023 Corporate Responsibility Report
<b>SUPPLIER SOCIAL ASSESSMENT</b>			
<b>414-1</b>	New suppliers that were screened using social criteria	We encourage and expect our stakeholders, vendors, suppliers, tenants, and all other business partners to comply with the standards outlined in our Vendor Code of Conduct, including human rights and labor practices. DiamondRock reserves the right to perform audits of vendors to ensure practices are in place to conduct business in a manner that is consistent with our Vendor Code of Conduct.	<a href="#">Vendor Code of Conduct</a>
<b>CUSTOMER HEALTH AND SAFETY</b>			
<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	For all new acquisitions, DiamondRock will assess properties for health, safety, and well-being.	GRESB assessment

# APPENDIX C: SUSTAINABILITY ACCOUNTING STANDARDS BOARD DISCLOSURES (SASB)

## ACTIVITY METRICS

INDICATOR	DESCRIPTION	2022
<b>ACTIVITY METRICS</b>		
<b>IF-RE-000.A</b>	Number of assets	35
<b>IF-RE-000.B</b>	Leasable floor area (Square Feet)	7,838,676
<b>IF-RE-000.C</b>	Percentage of indirectly managed assets	100%
<b>IF-RE-000.D</b>	Average occupancy rate	68%

## SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS

INDICATOR	DESCRIPTION	2022
<b>ENERGY MANAGEMENT</b>		
<b>IF-RE-130a.1</b>	Energy consumption data coverage as a percentage of total floor area*	100%
<b>IF-RE-130a.2</b>	Total energy consumed by portfolio area with data coverage (Gigajoules)*	803,479
	Percentage grid electricity*	49%
	Percentage renewable energy*	7.6%
<b>IF-RE-130a.3</b>	Like-for-like percentage change in energy consumption for the portfolio area with data coverage	8%
<b>IF-RE-130a.4</b>	Percentage of eligible portfolio that has an energy rating	100%
	Percentage of eligible portfolio that is certified to ENERGY STAR	6%
<b>IF-RE-130a.5</b>	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Across our portfolio, we continue to make strategic investments in energy reduction projects. DiamondRock's EMS guides our portfolio management strategy, as we aim for continuous improvement through an ISO 14001-aligned process of "plan", "do", "check", and "act". Additionally, we monitor and report on energy performance, and consider other environmental risks specific to the locations and regions where our hotels are located.

\* Does not include properties which were closed in 2022.

## SASB: SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS CONTINUED

INDICATOR	DESCRIPTION	2022
<b>WATER MANAGEMENT</b>		
<b>IF-RE-140a.1</b>	Water withdrawal data coverage as a percentage of total floor area*	100%
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress	100%
<b>IF-RE-140a.2</b>	Total water withdrawn by portfolio area with data coverage, by property subsector (m3)*	1,397,580
	Percentage in regions with High or Extremely High Baseline Water Stress	High Baseline Water Stress: 22.9%  Extremely High Baseline Water Stress: 17.1%
<b>IF-RE-140a.3</b>	Like-for-like percentage change in water withdrawn for portfolio area with data coverage	14.2%
<b>IF-RE-140a.4</b>	Description of water management risks and discussion of strategies and practices to mitigate those risks	<p>As part of our risk mitigation strategy, DiamondRock takes a strategic approach to portfolio management by continuing to conduct portfolio-wide water risk assessments to determine properties most likely to have both current and future water risks.</p> <p>We will continue monitoring potential changes in the cost, availability, and consumption of water in key markets where our properties are located, and leveraging risk assessments to inform future decision making on capital expenditures for water efficiency projects, including technologies to reduce and reuse water at properties. The large majority of our properties have already invested in the following water saving initiatives:</p> <ul style="list-style-type: none"> <li>■ Water saving fill valves in guestrooms</li> <li>■ Low-flow showerheads in guestrooms</li> <li>■ Water flow restrictors in guestrooms</li> </ul>

INDICATOR	DESCRIPTION	2022
<b>MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS</b>		
<b>IF-RE-410a.1</b>	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	0%
<b>IF-RE-410a.2</b>	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property subsector	33%
	Percentage of tenants that are separately metered or sub metered for water withdrawals	40%
<b>IF-RE-410a.3</b>	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	We continuously engage with our properties and general managers to ensure continuous environmental improvement of our portfolio.

\* Does not include properties which were closed in 2022.

# SASB: SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS CONTINUED

INDICATOR	DESCRIPTION	2022
<b>CLIMATE CHANGE ADAPTATION</b>		
<b>IF-RE-450a.1</b>	Area of properties located in 100-year flood zones (Square Foot)	627,216
<b>IF-RE-450a.2</b>	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	<p>As part of our risk mitigation strategy, DiamondRock takes a strategic approach to portfolio management by continuing to conduct portfolio-wide risk assessments to determine properties most likely to have climate risk exposure. We conducted a climate risk assessment, inclusive of drought, cyclone, and flood-related risks. We will continue monitoring energy and water cost and consumption in key markets where are properties are located and leveraging risk assessments to inform future decision making on capital expenditures. We continue to invest in preventive maintenance, including enhancements to roofs, and other structural property elements to protect against weather-related risks. DiamondRock also discloses a description of its strategy for mitigating risks in Risk Management section of the TCFD Report.</p>

# APPENDIX D: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT (TCFD)

## GOVERNANCE

DISCLOSURE	RESPONSE	REFERENCE
<p>Board's oversight of climate related risks and opportunities</p>	<p>Climate risk is considered at the highest levels of the company. Direct oversight of climate related risks and opportunities is provided by the Board's Nominating and Corporate Governance Committee (NCG) and our Chief Executive Officer (CEO) who serves on the Board of Directors. Our CEO oversees all environmental initiatives, which are then directly reported to the Board of Directors quarterly.</p> <p>The NCG is responsible for developing and recommending to the Board a set of corporate governance guidelines applicable to the Company, periodically reviewing such guidelines and recommending any changes thereto, overseeing the evaluation of the Board, and providing assistance to the Board in reviewing and approving the Company's activities, goals, and policies concerning environmental stewardship and social responsibility matters. The NCG is also responsible for reviewing and monitoring the Company's goals, policies, programs and strategies related to environmental stewardship, climate related risks and opportunities, responsible investment, corporate citizenship, human rights, human capital management and other social and public matters of significance to the Company. DiamondRock has an internal Environmental, Social, and Governance (ESG) committee which oversees climate change risks and opportunities and updates our Board of Directors quarterly via the NCG.</p> <p>Our corporate governance guidelines define our Board of Directors' structure, objectives, procedures, qualification, and compensation. Our Board of Directors' committees are reviewed annually by our Board and are modified as appropriate to ensure that they comply with current regulations in addition to aligning properly with the needs of our organization and stakeholders. For more information, we invite you to review our <a href="#">Corporate Governance</a> page.</p>	<p><a href="#">Nominating and Corporate Governance Committee Charter</a></p> <p>2023 Corporate Responsibility Report</p>
<p>Management's role in assessing and managing climate related risks and opportunities</p>	<p>At the management level, the CEO/Director is responsible for assessing and managing climate risks and opportunities. The CEO oversees all environmental initiatives, which are then directly reported to the Board of Directors. The Executive Vice President/CFO and Executive Vice President/General Counsel also have climate related objectives within his responsibilities.</p> <p>To ensure climate related compliance and communication, DiamondRock has an internal ESG committee which oversees climate change risks and opportunities and updates our Board of Directors quarterly. Our committee has direct oversight of our procedures and policies and includes C-suite level staff, investment committee, asset managers, investment analysts, dedicated staff on ESG issues, investor relations and general counsel. The CEO is on the committee and acts as the senior decision maker accountable for climate related issues.</p> <p>DiamondRock's executive officers actively engage asset management, investment and design, development, construction, and legal teams to assess climate related issues. These teams include this climate assessment as part of their review of operating performance at hotels and evaluation of capital expenditures opportunities. Prior to these meetings, our CEO is provided with reports on hotel performance and memoranda to support proposals for making capital investments. If appropriate, these reports also include assessments of climate risks and opportunities. Content reported through these means includes (1) overview of asset performance and utility spend, (2) performance against financial and sustainability objectives, and (3) updates regarding new risks and opportunities (including local regulations and factors) that may support proposed capital expenditures.</p> <p>Our CEO receives updates on the status of sustainability projects and returns on investment data upon completion of project implementation. Additionally, when follow-up actions are requested by our CEO during meetings to review asset performance and capital expenditures, our asset management, investment, and design, development and construction teams are tasked with oversight over and execution of the identified follow-up procedures and actions.</p>	<p>Environmental Policy (2nd to last paragraph)</p> <p>2023 Corporate Responsibility Report</p>

## STRATEGY

At the asset level, the time-period for investment currently varies between 1-10 years based on the investment horizon and opportunities for each property. At the corporate level, sustainability objectives are established annually. For the purposes of assessing climate risk and opportunities we use the following time horizons: Short-term (<3 years), Medium-term (3-6 years), and Long-term (>6-10 years or longer).

DISCLOSURE	RESPONSE			REFERENCE
Climate-related risks and opportunities identified over the short, medium and long-term	<b>TIME FRAME</b>	<b>PHYSICAL CLIMATE RISK</b>	<b>CLIMATE OPPORTUNITIES</b>	N/A
	Short and Medium Term:	<ul style="list-style-type: none"> <li>■ Increased disruptive weather events such as hurricanes, wildfires, floods, and droughts</li> <li>■ More extremes in weather (temperature, precipitation, wind)</li> <li>■ Structural damage to buildings</li> <li>■ Poor or unhealthy indoor air quality due to smog, smoke or other pollution</li> </ul>	<ul style="list-style-type: none"> <li>■ Financial savings resulting from investments in efficiency</li> <li>■ Viability of investment in renewable energy</li> <li>■ Rebates and incentives resulting from regulatory changes</li> <li>■ Asset value protection resulting from investment in resilience measures</li> <li>■ Avoided future cost from early action on forthcoming regulation</li> <li>■ Meeting changing customer and preferences to increase market share</li> </ul>	
		<b>TRANSITION CLIMATE RISK</b>		
		<ul style="list-style-type: none"> <li>■ Increased insurance premiums</li> <li>■ Supply chain challenges and increased costs of building materials and furnishings</li> <li>■ Treaties, laws and regulations enacted to regulate or limit carbon emissions and affect structural, equipment, and operational aspects of lodging facilities</li> <li>■ Increased requirements for climate-related disclosure and actions</li> <li>■ Changing consumer and business traveler buyer demands for climate-friendly solutions, products, and services</li> </ul>		
<b>TIME FRAME</b>	<b>PHYSICAL CLIMATE RISK</b>			
Long Term or Unknown:	<ul style="list-style-type: none"> <li>■ Systemic change in average temperatures and precipitation, and in frequency in extremes</li> <li>■ Sea level rise</li> </ul>			
	<b>TRANSITION CLIMATE RISK</b>			
	<ul style="list-style-type: none"> <li>■ Asset valuation shifts</li> </ul>			

# TCFD: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT CONTINUED

## STRATEGY CONTINUED

DISCLOSURE	RESPONSE	REFERENCE
<p>Impact on Business, Strategy and Financial Planning</p>	<p>DiamondRock's vision is to be the premier allocator of capital in the lodging industry and our mission to deliver above-average, long-term stockholder returns. Sustainability and management of climate risk supports our Company's management principles and strategic objectives, to (1) aggressively manage assets to maximize hotel profits, and (2) actively recycle capital to upgrade the portfolio.</p> <p>Climate risk is embedded throughout the life cycle stages of DRHC's real estate investments from due diligence to ongoing asset management, renovation and ultimately disposition. The company performs asset level risk assessments as a standard part of its due diligence process for new acquisitions. The assessment includes climate and climate change adaptation, compliance with regulatory, energy efficiency, flooding, GHG emissions, natural hazards and transportation.</p> <p>Our portfolio-wide Environmental Management System ("EMS") outlines our processes and procedure to support continuous improvement and address our most significant environmental aspects. This includes setting performance goals and annual measurements, collecting data on a regular basis, reviewing data and information to monitor against progress, and externally reporting on environmental performance. DHRC has identified GHG emissions as a significant environmental aspect within its EMS.</p> <p>For ongoing risk assessment of our existing portfolio, we consider physical, regulatory and market risks in all locations where we operate. For most identified risks, the frequency of assessment is typically quarterly or more frequently. The estimated likelihood of impact is "more likely than not" and estimated magnitude of impact is considered to be "low-medium" at this time.</p> <p>Nine of our hotels (Havana Cabana Key West, Margaritaville Beach House Key West, Westin Fort Lauderdale Beach Resort, Henderson Park Inn, Henderson Beach Resort, Bourbon Orleans Hotel, Renaissance Charleston Historic District Hotel, Tranquility Bay Beachfront Resort and Kimpton Shorebreak Fort Lauderdale Beach Resort) are located in areas that have experienced, and will continue to experience, many hurricanes.</p> <p>In addition, to the extent that climate change causes an increase in storm intensity or rising sea levels, our hotels, which are concentrated in coastal areas and other areas that may be impacted by climate change, may be susceptible to an increase in weather-related damage. Additionally, even in the absence of direct physical damage to our hotels, the occurrence of any natural disasters, terrorist attacks, significant military actions, a changing climate in the area of any of our hotels, outbreaks of pandemics or diseases, such as Zika, Ebola, COVID-19, H1N1 or other similar viruses, or other casualty events, will likely have a material adverse effect on business and commercial travelers and tourists, the economy generally and the hotel and tourism industries in particular. While we cannot predict the impact of the occurrence of any of these events, such events may result in decreases in consumer discretionary spending, including the frequency with which our customers choose to stay at hotels or the amount they spend on hotels, which could result in a material adverse effect on our business, financial condition, results of operations and our ability to make distributions to our stockholders.</p> <p>Numerous treaties, laws and regulations have been enacted to regulate or limit carbon emissions. Changes in the regulations and legislation relating to climate change, and complying with such laws and regulations, may require us to make significant investments in our hotels and could result in increased energy costs at our properties which could have a material adverse effect on our results of operations and our ability to make distributions to our stockholders.</p> <p>We aim to increase profitability by ensuring efficient building operations through our environmental reduction targets. In 2023, we plan to continue working with management companies, brands, partners and stakeholders to create value and reduce risk through our ESG initiatives.</p>	<p>Disclosed via 2023 GRESB Real Estate Assessment response</p> <p>2023 Corporate Responsibility Report – 'Sustainability Investments and Portfolio Management Strategy'</p> <p><a href="#">2022 Annual Report</a> pg. 19</p> <p>Disclosed via 2023 GRESB Real Estate Assessment response</p>



# TCFD: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT CONTINUED

## STRATEGY CONTINUED

DISCLOSURE	RESPONSE	REFERENCE
Organizational Resilience and Impact of Different Scenarios, Including 2 degrees or lower	<p>We recognize the fundamental shift that will occur as business and society strives toward decarbonization and net-zero by 2050. DiamondRock is currently evaluating the pathway and corresponding policy, procedure, engagement, and budgetary needs required to align with a net-zero pathway in its own emissions. In parallel, the risk management, due diligence, and strategy aspects of our governance and EMS incorporate the various transitional changes that will impact us as government policy and our value chain concurrently pursue net-zero alignment. This includes energy sources and pricing, regulation, customer preference, and building standards at a minimum.</p>	
Investments in low carbon opportunities	<p>We consider carbon pricing when valuating new investment properties. An analysis is performed to understand the expense of making new commercial property investments carbon neutral.</p> <p>In 2022, we invested over \$10.3 million in energy, water, and waste efficiency projects and energy conservation programs. Many of our investments were in low carbon opportunities, including renewable energy and investments to reduce energy consumption from non-renewable sources. In 2022, “smart” thermostats were installed in 21 hotels. Energy-saving pilot programs were completed at two hotels (with the expectation to implement at further properties). Two properties, Cavallo Point and Chicago Marriott Downtown Magnificent Mile, have installed onsite solar photovoltaic panels. Additionally, we invested in LED lighting retrofits at Hilton Garden Inn Times Square. At Renaissance Charleston, improvements were made to roofing and insulation. The Boston Westin experienced decreased energy consumption due to boiler replacements. At the Westin Fort Lauderdale Beach Resort, investments have been made in high efficiency HVAC equipment and window replacements designed to reduce energy consumption.</p> <p>DiamondRock is on track to meet or exceed our 2030 energy, carbon, and water efficiency targets.</p>	<p>Disclosed via 2023 GRESB Real Estate Assessment response</p> <p><a href="#">Proxy Statement</a> pg. 29</p>

## RISK MANAGEMENT

DISCLOSURE	RESPONSE	REFERENCE
Process for identifying and assessing climate related risks	<p>DiamondRock identifies and assesses physical and transition climate risks by conducting portfolio-wide risk assessments to determine properties most likely to have climate risk exposure. We conducted a physical climate risk assessment, inclusive of drought, cyclone, and flood-related risks. We also will monitor energy and water cost and consumption in key markets where our properties are located and leverage risk assessments to inform future decision making on capital expenditures.</p> <p>DiamondRock also performs asset level risk assessments as a standard part of its due diligence process for new acquisitions. The assessment focuses on physical and transition risks of climate change such as adaptation, compliance with regulatory requirements, energy efficiency, flooding, GHG emissions, natural hazards and transportation. We consider physical and transition risks, such as regulatory and market risks in all locations where we operate. For the majority of identified risks, the frequency of assessment is typically quarterly or more frequently. The estimated likelihood of impact is “more likely than not” and estimated magnitude of impact is considered to be “low-medium” at this time.</p> <p>Across our portfolio, we continue to make strategic investments in energy, water, and waste reduction projects. We also engage in preventive maintenance and invest in enhancements to roofs, façades, and structural property elements to protect against climate change-related risks. Additionally, we monitor and report on energy and water consumption and waste generation performance and consider other environmental risks specific to the locations and regions where our hotels are located.</p>	<p>2023 Corporate Responsibility Report</p> <p>Disclosed via 2023 GRESB Real Estate Assessment response – Risk Management</p> <p>Disclosed via 2023 GRESB Real Estate Assessment response</p>
Processes for managing climate related risks	<p>We manage risks through our investments in sustainability and emissions reduction projects. We also engage in preventive maintenance and invest in enhancements to roofs, façades and structural property elements to protect against weather-related risks. Additionally, we monitor electricity and water consumption and costs to avoid peak demand surcharges and address is specific to locations and regions where our hotels are located. We also consider natural disaster risks and risks related to climate change, including at seven of our properties located in seismically active zones and five located in areas that experience hurricanes.</p> <p>DiamondRock has an Environmental Policy. The goal of DiamondRock’s Environmental Policy is to understand and reduce environmental risks, comply with all laws and governmental regulations, identify opportunities to decrease environmental impact, and strive for improvement in the environmental performance of our portfolio.</p> <p>In 2023, we continued to support the Cornell Hotel Sustainability Benchmarking study and encouraged the companies that manage our owned hotels to participate. We will be using the results to engage with our management companies on performance and to help support the industry initiative to develop common hotel benchmarks for energy, greenhouse gas emissions, and water consumption. We also collectively engaged with hotel brands to further align our ESG objectives and goals.</p>	<p>Disclosed via 2023 GRESB Real Estate Assessment response</p> <p>Environmental Policy</p>
Integration into overall risk management	<p>Our asset management, investment and design, development and construction teams work collaboratively to support the ongoing identification and monitoring of environmental risks and opportunities. We also engage with our hotel managers and consultants to support the ongoing identification of physical, regulatory and market risks and opportunities at the company and asset level through property-level capital expenditure plans and other mechanisms. Additionally, we conduct water risk assessments using the Ecolab Water Risk Monetizer, WRI Aqueduct tool, and FEMA flood zones tool.</p> <p>DRHC provides training and development on ESG specific topics to 100% of employees annually.</p> <p>Supply chain program integrates risk management. Supply chain program includes environmental process standards and environmental product standards.</p>	<p>Disclosed via 2023 GRESB Real Estate Assessment response</p>

## METRICS AND TARGETS

### Metrics used by the organization to assess climate related risks and opportunities.

DiamondRock collects and discloses annual performance data for the following key metrics:

CATEGORY	METRIC	DISCLOSURE LOCATION
GHG Emissions	Scope 1 GHG Emissions	Annual ESG Performance Tables
GHG Emissions	Scope 2 GHG Emissions	Annual ESG Performance Tables
GHG Emissions	Combined Scope 1 & 2 GHG Emissions	Annual ESG Performance Tables
GHG Emissions	GHG Emissions Intensity	Annual ESG Performance Tables
Energy	Direct and Indirect Energy Consumption	Annual ESG Performance Tables
Energy	Total Energy	Annual ESG Performance Tables
Energy	Energy Intensity	Annual ESG Performance Tables
Water	Total Water	Annual ESG Performance Tables
Water	Water Intensity	Annual ESG Performance Tables

### Scope 1, 2 and 3 Greenhouse Gas Emissions

GREENHOUSE GAS EMISSIONS	2022 TOTAL GHG EMISSIONS (MT CO2E)	2022 GHG EMISSIONS PER SQUARE FOOT (KGC02E)
Scope 1	18,817	-
Scope 2	40,082	-
Total Scope 1 + Scope 2	58,898	7.65
Scope 3	Currently we do not track Scope 3 emissions	-

### Targets and Performance Against Targets

DiamondRock has set 2030 intensity reduction targets as compared against a 2019 baseline.

METRIC	TARGET	2022 PROGRESS	2030 TARGET
GHG emissions per square foot (kgCO2e)	-50% by 2030 from 2019 baseline	-11.13%	-50%
Energy per square foot (kWh)	-30% by 2030 from 2019 baseline	-6.19%	-30%
Water per occupied room (Gal)	-20% by 2030 from 2019 baseline	11.81%	-20%



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