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

GOVERNANCE

DISCLOSURE	RESPONSE	REFERENCE
Board's oversight of climate related risks and opportunities	Climate-related risks and opportunities are integrated into DiamondRock's governance structure and considered at the highest levels of the company. The **Nominating and Corporate Governance Committee (NCG)** of the Board, alongside our Chief Executive Officer (CEO), provides direct oversight of these matters. The CEO, who is also a member of the Board of Directors, has overarching responsibility for all environmental initiatives and reports on climate-related progress and developments to the full Board on a quarterly basis. The NCG plays a critical role in overseeing climate-related governance. Specifically, the **NCG's mandate**, as outlined in its terms of reference, includes the following responsibilities: ▪ **Developing and recommending** corporate governance guidelines to the Board, including considerations for climate-related risks and opportunities. ▪ **Periodically reviewing and updating these guidelines** to incorporate evolving climate-related risks, regulatory requirements, and stakeholder expectations. ▪ **Overseeing the evaluation of the Board**, ensuring that climate-related competencies are considered in Board composition and training. ▪ **Providing assistance to the Board in reviewing and approving** the Company's activities, goals, and policies related to environmental stewardship, social responsibility, and climate-related risks and opportunities. In line with our **corporate governance guidelines**, which are reviewed and updated annually, the Board is committed to addressing climate-related risks through structured oversight and strategic alignment. These guidelines define the roles, responsibilities, and competencies of Board members, including explicit reference to climate-related oversight responsibilities.	Nominating and Corporate Governance Committee Charter
Management's role in assessing and managing climate related risks and opportunities	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. 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. 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. 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.	Environmental Policy (2nd to last paragraph) 2024 Corporate Responsibility Report

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).

<table>
<tr><th>DISCLOSURE</th><th colspan="3">RESPONSE</th><th>REFERENCE</th></tr>
<tr><td rowspan="8">Climate-related risks and opportunities identified over the short, medium and long-term</td><td>TIME FRAME</td><td>PHYSICAL CLIMATE RISK</td><td>CLIMATE OPPORTUNITIES</td><td rowspan="8">N/A</td></tr>
<tr><td rowspan="3">Short and Medium Term:</td><td>- Increased disruptive weather events such as hurricanes, wildfires, floods, and droughts
- More extremes in weather (temperature, precipitation, wind)
- Structural damage to buildings
- Poor or unhealthy indoor air quality due to smog, smoke or other pollution</td><td rowspan="7">- Financial savings resulting from investments in efficiency
- Viability of investment in renewable energy
- Rebates and incentives resulting from regulatory changes
- Asset value protection resulting from investment in resilience measures
- Avoided future cost from early action on forthcoming regulation
- Meeting changing customer and preferences to increase market share</td></tr>
<tr><td>TRANSITION CLIMATE RISK</td></tr>
<tr><td>- Increased insurance premiums
- Supply chain challenges and increased costs of building materials and furnishings
- Treaties, laws and regulations enacted to regulate or limit carbon emissions and affect structural, equipment, and operational aspects of lodging facilities
- Increased requirements for climate-related disclosure and actions
- Changing consumer and business traveler buyer demands for climate-friendly solutions, products, and services</td></tr>
<tr><td>TIME FRAME</td><td>PHYSICAL CLIMATE RISK</td></tr>
<tr><td rowspan="3">Long Term or Unknown:</td><td>- Systemic change in average temperatures and precipitation, and in frequency in extremes
- Sea level rise</td></tr>
<tr><td>TRANSITION CLIMATE RISK</td></tr>
<tr><td>- Asset valuation shifts</td></tr>
</table>

STRATEGY CONTINUED

DISCLOSURE	RESPONSE	REFERENCE
Impact on Business, Strategy and Financial Planning	DiamondRock's vision to be the premier allocator of capital in the lodging industry and its mission to deliver above-average, long-term stockholder returns are supported by sustainability and proactive management of climate risks. By embedding climate considerations across all stages of our real estate investment life cycle—due diligence, asset management, renovations, and dispositions—we align with strategic objectives to maximize profitability, upgrade the portfolio, and enhance resilience. **Climate Risks** Physical risks, such as hurricanes, wildfires, and rising sea levels, pose immediate threats through operational disruptions, repair costs, and insurance challenges, particularly for properties in high-risk areas. Regulatory risks, including laws targeting carbon emissions and disclosure requirements, necessitate significant investments in energy-efficient infrastructure and operational upgrades. Transition risks, such as rising insurance premiums and supply chain challenges, require resource reallocation, portfolio diversification, and strategic planning. Over the long term, systemic climate changes and regulatory pressures may reduce property valuations, driving the need for climate-resilient investments and alignment with adaptation goals. **Climate Opportunities** Opportunities stemming from climate-related challenges provide pathways to financial savings, revenue growth, and competitive differentiation. Investments in energy efficiency, renewable energy, and resilient infrastructure reduce operating costs, protect asset value, and enable compliance with evolving regulations. Meeting the growing demand for climate-friendly accommodations positions DiamondRock to capture market share, attract environmentally conscious investors, and enhance brand loyalty. Long-term alignment with sustainability trends ensures profitability, investor confidence, and stockholder returns in an increasingly climate-conscious market. By integrating climate-related risks and opportunities into our business, strategy, and financial planning, DiamondRock is well-positioned to adapt, innovate, and maintain resilience in the face of climate change.	2023 Annual Report and 10k pg. 19, 28 2024 Corporate Responsibility Report
Organizational Resilience and Impact of Different Scenarios, Including 2 degrees or lower	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.	2024 Corporate Responsibility Report
Investments in low carbon opportunities	2023 was a year of significant investment in our sustainability initiatives. We invested nearly $9.7 million in energy efficiency projects across our portfolio, including smart technology installations and renewable energy advancements, bringing us closer to our long-term target of reducing carbon emissions by 50% by 2030. One notable addition is at the Chico Hot Springs resort in Montana, where the resort has tapped into the region's geothermal energy. Additionally, our entire portfolio is now 100% benchmarked in the Energy Star Portfolio Manager, reflecting our commitment to monitoring and improving energy performance. We also made substantial investments in water and waste efficiency, allocating approximately $310,000 to water-saving measures and $12,000 to waste diversion projects in 2023. These efforts underscore our commitment to reducing our environmental footprint while driving operational efficiency.	2024 Corporate Responsibility Report

RISK MANAGEMENT

DISCLOSURE	RESPONSE	REFERENCE
Process for identifying and assessing climate related risks	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. 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.	2024 Corporate Responsibility Report Disclosed via 2023 GRESB Real Estate Assessment response – Risk Management
	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.	Disclosed via 2024 GRESB Real Estate Assessment response
Processes for managing climate related risks	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 hotels are located in areas that are seismically active, and nine of our hotels are located in areas that have experienced, and will continue to experience, many hurricanes. 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. In 2024, 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.	Disclosed via 2024 GRESB Real Estate Assessment response 2023 Annual Report and 10k pg. 19 Environmental Policy
Integration into overall risk management	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. DRHC provides training and development on ESG specific topics to 100% of employees annually. Supply chain program integrates risk management. Supply chain program includes environmental process standards and environmental product standards.	Disclosed via 2024 GRESB Real Estate Assessment response

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	2023 TOTAL GHG EMISSIONS (MT CO2E)	2023 GHG EMISSIONS PER SQUARE FOOT (KGCO2E)
Scope 1	19,015	—
Scope 2	41,686	—
Total Scope 1 + Scope 2	60,701	7.74
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	2023 PROGRESS	2030 TARGET
GHG emissions per square foot (kgCO2e)	-50% by 2030 from 2019 baseline	-10%	-50%
Energy per square foot (kWh)	-30% by 2030 from 2019 baseline	-6.6%	-30%
Water per occupied room (Gal)	-20% by 2030 from 2019 baseline	+8.6%	-20%