

## Environmental, Corporate Social Responsibility and Governance Initiatives

RLJ Lodging Trust (“RLJ” or the “Company”) recognizes the growing interest of our investors, associates and business partners in environmental, social and governance issues and principles of sustainability and responsible investing, collectively referred to as “ESG”. To address this interest, we have outlined our current initiatives with respect to the environment, social responsibility and corporate governance below.

### Environmental Oversight

RLJ owns and operates focused-service hotels and related real estate, generally under the Marriott International, Hilton Hotels, Intercontinental Hotel Group and Hyatt Hotels brands. From an environmental perspective, we are concerned about the impact of the renovation and operation of our hotels on the environment. This year, we have implemented our first programs to both reduce energy consumption and increase profitability at our hotels. Moving forward, we intend to comprehensively analyze sustainability performance indicators (including energy, water, waste and greenhouse gas emissions) and build upon our initial efforts. We are committed to reducing the prospect of long-term environmental damage and, where economically reasonable, we aggressively seek opportunities to do so.

**Brand Environmental Strategies.** Green initiatives at our hotels are frequently developed and implemented through cooperation between the individual brands, our third-party hotel managers and the RLJ asset management and design and construction teams. The environmental and sustainability programs that are developed in conjunction with our brand partners are a significant component of RLJ’s strategy. Currently, we participate in the sustainability programs of the following franchisors:

- Marriott International: <http://www.marriott.com/corporate-social-responsibility/corporate-environmental-responsibility.mi>
- Hilton Hotels: <http://www.hiltonworldwide.com/corporate-responsibility/sustainably/>
- Intercontinental Hotel Group: <http://www.ihgplc.com/index.asp?pageid=8>
- Hyatt Hotels: <http://thrive.hyatt.com/environmentalSustainability.html>

**Recent and Ongoing Programs.** In addition to the sustainability programs of our franchise and management partners, some of our recent and ongoing initiatives to address environmental concerns are outlined below:

- **Energy-Efficient Lighting.** We have installed energy-efficient lighting throughout our hotels and are evaluating the feasibility and impact of installing LED lighting throughout our portfolio. We also continue to explore opportunities to leverage new lighting technologies for greater energy savings.
- **Water Conservation.** We’ve included low-flow aerators and showerheads in our guest bathrooms, resulting in reduced water use throughout the portfolio.
- **Building Energy Management Systems.** We have installed energy management systems at our full-service and larger select-service hotels. The energy management system controls and monitors the building’s mechanical and electrical equipment. Benefits include increased control of internal comfort conditions, effective monitoring and targeting of energy consumption, and early detection of problems, all of which help to control the building’s energy usage.
- **Guest Room Energy Management Systems.** We are upgrading the digital controls in our guest rooms to include occupancy sensors and programmable set-back temperatures to provide energy savings while maintaining guest comfort.
- **Upgrade Building HVAC.** As the heating and cooling equipment in our hotels nears the end of its useful life, we are taking the opportunity to replace it with modern, high-efficiency equipment that uses significantly less energy.
- **Demand Response.** Hotels in certain locations may qualify for participation in regional response/load curtailment programs. There is no cost to participate. Hotels generate revenues quarterly based upon the amount of electric usage they are willing to reduce during periods of peak demand.

**Industry Recognition.** More than 20 of our hotels have been accepted in to the TripAdvisor® GreenLeaders™ Program. The TripAdvisor GreenLeaders program was developed in partnership with the U.S. Environmental Protection Agency's ENERGY STAR® program, the U.S. Green Building Council, and the United Nations Environment Programme. For more information, please visit [www.tripadvisor.com/GreenLeaders](http://www.tripadvisor.com/GreenLeaders).

## **Corporate Social Responsibility, Community Engagement and Giving**

In addition to our environmental efforts, RLJ is also committed to sustainability by improving educational, employment and other opportunities for young people in the metropolitan Washington D.C. area. To accomplish this, we sponsor and work with youth of low and moderate income backgrounds in the D.C. area to provide opportunities for them to obtain educational, work and entrepreneurial experiences. Our efforts since 2011 have included the following:

- **Don Bosco Cristo Rey High School, Takoma Park, Maryland.** Beginning in 2010, RLJ has teamed with the Don Bosco Cristo Rey High School, providing workplace experiences in our offices to high school students during the school year. Each school year, four students have worked in our offices on substantive and administrative projects, allowing them to gain real world experience and quantitative skills and to assist in funding their high school education. Our associates have enjoyed the opportunity to work with and mentor the students. Several students have also worked as summer interns in our offices. Since 2010, we have invested more than \$100,000 in the Don Bosco Cristo Rey program.
- **Network for Teaching Entrepreneurship, Washington, DC.** NFTE is a national program that teaches high school students how to start, own and operate their own businesses. The program is part of the formal high school curriculum at participating middle and high schools; companies can sponsor a class and provide volunteers to work in the classroom to assist the teacher with the business curriculum. RLJ has previously sponsored and adopted classrooms at Hospitality High School in Washington, DC and Suitland High School, in Prince Georges County. In addition to the Company's financial contributions, RLJ employees have brought their expertise into the classroom to help the students learn business skills. Company associates have also assisted with the regional business plan competition.
- **Washington Tennis and Education Foundation, Washington, DC.** RLJ has been a significant contributor to the Washington Tennis and Education Foundation. The WTEF is committed to improving the life prospects of low-income underserved children and youth in Washington, DC through tennis and academic enrichment, most often in the after-school hours.
- **DC College Access Program (DC-CAP), Washington DC.** RLJ is a financial contributor to DC-CAP and supports its partnership efforts with the District of Columbia Public and Public Charter School systems to provide financial assistance and counseling to students who might otherwise never have the opportunity to attend or graduate from college. DC-CAP encourages and enables public high school students to enter and graduate from college.
- **Big Brothers/Big Sisters of the National Capital Area.** RLJ has a long-standing financial commitment to Big Brothers/Big Sisters of the National Capital Area, an organization dedicated to making a positive difference in the lives of children through professionally supported long-term, one-to-one mentoring relationships with carefully screened, caring and committed adults in Washington, DC, Northern Virginia and Suburban Maryland.
- **Washington D.C. Boys and Girls Club.** RLJ supports the activities and programs of the Washington Boys and Girls Club, which provides educational, sports and other activities at different facilities in the after-school hours.

**Other Charitable Programs.** In addition, the Company supports youth in more dependent circumstances through organizations such as: Marriott Bridges Foundation, Catholic Charities, Providence Health Foundation, Cystic Fibrosis Foundation, Fight for Children, Potomac Community Resources, A Better Chance, Service Source Foundation, Autism Learning Center, to name a few.

**Matching Gift Programs; Individual Commitments.** RLJ has maintained a matching gift program to all active full-time associates to encourage and support the generosity and community involvement of its employees. A number of associates have used this program to donate to the charity of their choice. The program provides matching funds to the charitable organizations employees personally support. To

maximize the impact of employee charitable giving, RLJ Lodging Trust may match donations made by eligible donors up to \$1,000 per year, to the eligible nonprofit organization of their choice. Eligible organizations must be located in the United States and be recognized by the Internal Revenue Service as tax-exempt and designated as a public charity under Section 501c(3) of the IRS Code.

## **Corporate Governance**

**Our Board of Trustees.** We are committed to serving our shareholders by communicating openly about our business practices, being transparent about the Company's performance and remaining accountable for our conduct. Our Board of Trustees is critical to ensuring that this occurs and we are committed to having an active and knowledgeable Board that shares management's focus on creating shareholder value. To achieve this, we have assembled a Board of Trustees whose members have outstanding business experience and significant expertise in the hospitality, real estate and travel industries, as outlined below: a former Chief Financial Officer of a leading hospitality brand; a retired General Counsel of a prominent hotel company; a retired CEO, Chief Operating Officer and CFO of several large telecommunications companies; a current senior executive in the travel industry; and a former U.S. Senator and state Governor with significant regulatory experience. In addition, our Board includes the Company's two founders, our current President and Chief Executive Officer, and Executive Chairman. We believe that our Board brings the optimal experience and business outlook to assisting management in expanding and strengthening our Company.

**Corporate Governance Guidelines.** Prior to going public in 2011, we adopted formal corporate governance guidelines, which are intended to support our objectives of achieving superior business results and providing long-term shareholder value. Our corporate governance guidelines set forth standards and processes to define our Board's structure, objectives, procedures, qualifications and compensation and committees. The guidelines require that a majority of our Board of Trustees be comprised of independent members, as defined by the New York Stock Exchange listing standards. Consistent with our guidelines, the Board of Trustees has three formal committees: Audit, Compensation and Nominating and Corporate Governance. Each committee is composed entirely of independent trustees. Two of our independent Audit Committee members are "audit committee financial experts" as defined by the New York Stock Exchange and all members are financially literate. Our corporate governance guidelines are reviewed annually by the Board of Trustees and modified, as appropriate, to ensure that the guidelines meet the needs of our organization. Further information on our approach to corporate governance can be found in our proxy statement and on our website as indicated below.

**Code of Business Conduct and Ethics.** All RLJ trustees, officers and employees are subject to the Company's Code of Business Conduct and Ethics, which establishes standards for topics including compliance with applicable laws and regulations, conflicts of interests, anti-bribery and corruption; fair dealing with competitors; and fair use of the Company's assets. All trustees, officers and employees are supplied with a copy of the Code upon beginning service with the Company and are required to sign an acknowledgement of, and agreement to comply with, the Code. Officers and employees receive annual refresher training and are required to execute new acknowledgements annually. The Nominating and Corporate Governance Committee monitors compliance with the Code and management is obligated to report on any alleged violations and actions taken in response to these violations.

**Whistleblower Policy.** The Audit Committee has established a Whistleblower Policy, which includes procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and the confidential anonymous submission of concerns by employees of the Company regarding questionable accounting or auditing matters. We provide these procedures through a third-party who receives and disseminates complaints and concerns from associates, business partners and shareholders.

Additional information regarding our Corporate Governance Guidelines, Code of Business Conduct and Ethics and Whistleblower Policy can be found on our website by going to the page below and clicking on "**Corporate Governance**":

<http://investor.rljlodgingtrust.com/phoenix.zhtml?c=243028&p=irol-irhome>