

## Chatham Lodging Trust

### Task Force on Climate-Related Financial Disclosures Report with IFRS-aligned adjustments

Chatham Lodging Trust has prepared the following disclosures in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This year, we have also begun to incorporate select enhancements drawn from the IFRS S2 Climate-related Disclosures Standard. These additions are intended to strengthen our reporting and provide greater clarity on how climate-related risks and opportunities are integrated into our strategy, governance, risk management, and metrics. While this report does not represent an initial year of IFRS-aligned disclosures, the enhancements lay the groundwork for expanded reporting in future years as industry practices and data availability continue to evolve.

## Governance

Disclosure	Response	Reference
Board's oversight of climate related risks and opportunities	<p><b>Board of Trustees</b>            Chatham's Board of Trustees has overall responsibility for overseeing risk management with a focus on the more significant risks facing the Company. The Board of Trustees takes an active and informed role in the Company's risk management policies and strategies. At least annually, the Company's executive officers who are responsible for the Company's day-to-day risk management practices present to the Board of Trustees a comprehensive report on the material risks to the Company, including credit risk, liquidity risk, information security risk, and environmental risks, including climate risk. At that time, the management team also reviews with the Board of Trustees the Company's risk mitigation policies and strategies specific to each risk that is identified.</p> <p><b>ESG Committee</b>            In February 2022, the Board of Trustees established an Environmental, Social and Governance (ESG) Committee. The ESG Committee consists of three trustees - and two non-trustees and provides ESG oversight to the Company and reports to the full Board of Trustees. This new committee oversees and advises the Board on the Company's goals, strategies, and commitments related to sustainability and ESG, including climate risks and opportunities, human rights and human capital management, community and social impact, and diversity and inclusion. The ESG Committee informs the Company's approach to climate-related target setting. The Committee also reviews and oversees the policies and procedures used to prepare sustainability and ESG-related statements and disclosures, including preparation of the Company's annual corporate responsibility report and reviews these statements and disclosures before their publication. The ESG Committee meets at least quarterly, and following each meeting, the Chairman of ESG</p>	<p><a href="#">2025 Proxy</a></p> <p>2024 Corporate Responsibility Report</p> <p><a href="#">ESG Committee Charter</a></p> <p><a href="#">Environmental Policy</a></p>

Disclosure	Response	Reference
	<p>Committee shall report and, when appropriate, make recommendations to the Board. The charter of the ESG Committee is available on our website.</p> <p><b>Audit Committee</b> The Audit Committee also actively monitors risks to the Company throughout the year, and with the aid of Management, identifies any additional risks that need to be elevated for the full Board's consideration, including climate risk. The Audit Committee discusses with management the Company's major financial risk exposures, including risks related to climate. The Audit Committee also discusses the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.</p> <p><b>Nominating and Corporate Governance Committee</b> The Nominating and Corporate Governance Committee of the Board is responsible for reviewing with the Board the skills and characteristics of new Board members. The Committee annually reviews Board competencies and skills related to both Sustainability and Corporate Responsibility.</p> <p><b>Committee and Board Integration</b> Climate oversight principally directed through the Board, with the ESG Committee tasked with identification of relevant Climate related risks and opportunities, the Audit Committee reviewing climate-related risk items, in addition to the Nominating &amp; Corporate Governance Committee addressing Board composition and governance policies relevant to climate oversight.</p>	
Management's role in assessing and managing climate related risks and opportunities	Chatham's Executive Officers (management) are responsible for the day-to-day management of risks we face, including climate risk and opportunities. The Officers collect and formulate relevant data and information and share recommendations with the ESG Committee that adopts measures and reports at least bi-annually to the Board of Trustees. If necessary, the Board of Trustees may delegate specific risk management tasks to the Officers or the ESG committee. Throughout the year, management monitors the Company's risk profile and updates the Board of Trustees as new material risks are identified, or the aspects of a risk previously presented to the Board of Trustees materially change.	2024 Corporate Responsibility Report <a href="#">ESG Committee Charter</a>

## Strategy

Chatham faces the following climate-related risks and opportunities identified over the short, medium, and long-term. For the purposes of assessing climate risk and opportunities we use the following time horizons, which map to the noted business functions:

- Short-term (<3 years) aligned with annual budgeting and insurance renewal cycles
- Medium-term (3-6 years) aligned with both capital and renovation planning efforts
- Long-term (>6-10 years or longer) aligned with portfolio planning and net zero objectives

The following table describes the climate related risks and opportunities over the defined time frames.

Disclosure	Response			Reference
Climate-related risks and opportunities identified over the short, medium, and long-term	Time Frame	Physical Climate Risk	Climate Opportunities	N/A
	Short and Medium Term:	<ul style="list-style-type: none"> <li>• Inadequate water supply</li> <li>• Extreme weather events</li> <li>• Building flooding from storm surges</li> <li>• Fire damage from wildfires</li> <li>• Poor indoor air quality</li> <li>• Rising mean temperatures</li> </ul>	<ul style="list-style-type: none"> <li>• Increased consumer preference and resulting revenue when meeting customer preferences and needs around “green” hotels</li> <li>• Improved emergency response practices resulting from implementation of best practices for extreme weather events, such as regularly check and improving our assets' adaptability to extreme events related to weather and climate (especially floods and rainfall)</li> <li>• Increased building and operating efficiencies resulting from implementation of energy and water efficiency upgrades</li> <li>• Financial savings resulting from investments in renewable energy and efficiency (Long term)</li> <li>• Increased availability of low emissions goods and services</li> </ul>	

Disclosure	Response	Reference						
	<ul style="list-style-type: none"> <li>Regulatory efficiency requirements resulting in cost for changing out equipment or structures</li> <li>Increased requirements for ESG disclosure from investors, operators, or regulators and resulting cost for their preparation</li> </ul> <table border="1" data-bbox="375 408 1056 742"> <thead> <tr> <th data-bbox="375 408 528 432">Time Frame</th><th data-bbox="528 408 1056 432">Physical Climate Risk</th></tr> </thead> <tbody> <tr> <td data-bbox="375 432 528 563">Long Term or Unknown:</td><td data-bbox="528 432 1056 563"> <ul style="list-style-type: none"> <li>Sea level rise</li> <li>Precipitation change</li> <li>Temperature change</li> </ul> </td></tr> <tr> <th data-bbox="375 563 528 587">Transition Climate Risk</th><th data-bbox="528 563 1056 742"> <ul style="list-style-type: none"> <li>Franchise brands in the portfolio are bound to commitments from Brand owner (i.e., Marriott committing to Net Zero)</li> </ul> </th></tr> </tbody> </table>	Time Frame	Physical Climate Risk	Long Term or Unknown:	<ul style="list-style-type: none"> <li>Sea level rise</li> <li>Precipitation change</li> <li>Temperature change</li> </ul>	Transition Climate Risk	<ul style="list-style-type: none"> <li>Franchise brands in the portfolio are bound to commitments from Brand owner (i.e., Marriott committing to Net Zero)</li> </ul>	
Time Frame	Physical Climate Risk							
Long Term or Unknown:	<ul style="list-style-type: none"> <li>Sea level rise</li> <li>Precipitation change</li> <li>Temperature change</li> </ul>							
Transition Climate Risk	<ul style="list-style-type: none"> <li>Franchise brands in the portfolio are bound to commitments from Brand owner (i.e., Marriott committing to Net Zero)</li> </ul>							
Impact on Business, Strategy and Financial Planning	<p>We are committed to integrating ESG factors into our Company's value creation strategy to drive profitability while benefiting our stakeholders, the environment, and the communities where our hotel properties are located. Given the potential cost impacts of identified risks, we focus on preventive investments where possible. Currently, we map impacts using established short-, medium-, and long-term timeframes. Additionally, risks and opportunities are mapped directly to properties through our asset management process. In future years, we plan to expand disclosures to include risk and opportunity mapping to the following value chain segments: property acquisition, ongoing asset management, renovation, and disposition. We have established these categories based on core business functions, each with separate controls and processes, which may not be impacted uniformly by identified risks and opportunities.</p> <p>In the short-to-medium term, we consider one of our greatest impacts on business to be the transition risk and opportunity of changing customer preferences for decarbonized travel and hotel stays. This preference is taken into consideration in overall business strategy and planning, including through efficiency investments.</p> <p>In 2021, we conducted a portfolio wide assessment of water risk, climate risk, biodiversity proximity, socio-economic indicators, and transition risk of regulation and policy via research of relevant local policies for our hospitality portfolio to address these risks proactively.</p>	TCFD						

Disclosure	Response	Reference
	<p>Over the long-term, we consider one of our greatest climate risks to be temperature change and precipitation change, which affects activities throughout the full life cycle of the real estate process including property acquisition, ongoing asset management, renovation, and disposition. The physical risk of extreme weather, including floods, wildfires, and hurricanes, are driving increased insurance premiums that must be taken into consideration for financial planning. We recently evaluated all asset locations to assess environmental and socioeconomic trends, which may impact our asset values in addition to revenue and costs in our key markets.</p> <p>Resource allocation is being directed toward energy and water efficiency projects, resilience upgrades, along with property renovations and certifications to manage climate-related risks and opportunities. These examples, along with incorporating resilience considerations into acquisitions, renovations and risk management assessments, are our direct mitigation efforts – which remain a top priority. In 2024, we invested approximately \$9 million in efficiency improvements at our properties to reduce use of energy and water of our equipment. Indirect efforts include participation in GRESB and industry initiatives, as well as collaboration with brand and management partners that align with similar climate-related aims.</p> <p>The financial implications of climate-related risks are most evident through higher insurance premiums, potential increases in operating costs, and capital requirements for resilience and efficiency investments. While significant uncertainty remains in modeling long-term effects, these factors are incorporated into Chatham's financial planning processes, including budgeting, capital allocation, and underwriting. In the near term, insurance and utility cost trends are regularly evaluated and reflected in forecasts, while over the medium-to-long term, potential impacts on property values, revenue, and financing options are considered as part of strategic decision-making.</p>	
Organizational Resilience and Impact of Different Scenarios, Including 2 degrees or lower	<p>Chatham considers the Beyond 2 Degrees Scenario and the 1.5 degree or lower pathway as a preliminary scenario analysis framework to assess the resilience of our strategy. The 1.5 degree or lower scenario is the global community's accepted limitation on temperature increase to avoid potentially catastrophic changes to the planet. Under this scenario, Chatham anticipates a transformational shift as business, government, and society as a whole focus on decarbonizing the way we live and work with an eye toward net zero by 2050. We recognize that global efforts alone will not be enough to meet the 1.5-degree goal and every individual and business will need to take immediate and sustained action to prevent catastrophic consequences to the planet.</p> <p>Though our company is at the beginning stages of applying scenario analysis to understand and undertake changes in the way we operate, Chatham is currently evaluating the pathway and</p>	TCFD  2024 Corporate Responsibility Report

Disclosure	Response	Reference
	<p>corresponding budgetary needs required to reduce its emissions toward net zero over the next 30 years. We maintain flexibility in our approach toward capital allocation. Chatham's pathway to net zero is consistent with and informed by both the Paris Agreement and the Hotel Net Zero Methodology, Second Edition June 2023<sup>1</sup>. Overall, our target is to reach net zero emissions across all Scope 1, 2, and 3 emissions by 2050. Our current plan is to focus on activities through 2030, which are managerially tangible and will have further impacts past 2030 as a result. Our milestones will be updated as industry best practice and expectations evolve. In early 2023, we set 2030 portfolio-wide environmental intensity reduction targets using a 2017 baseline year, including a target to cut carbon emissions by 50% by 2030, and reduce energy intensity and water intensity by 30% by 2030 respectively. Chatham further acknowledges the necessity of reaching net zero emissions by 2050 and is committed to creating an organizational plan for defining our pathway to net zero.</p> <p>We are committed to shifting as necessary, in partnership with our customers, lawmakers and investors, to make whatever changes are necessary to meet this critical planetary goal. Anticipated changes identified through our preliminary scenario analysis process include shifts in building standards, pricing, regulation, customer preferences, low carbon products and services. The implications for Chatham's strategy include an increased focus on efficiency investments, resilience upgrades, and portfolio repositioning, with the flexibility to adjust acquisitions, asset management, renovations, and dispositions as climate-related risks and opportunities evolve. We acknowledge significant areas of uncertainty in this preliminary scenario analysis, particularly regarding the pace of policy change, future insurance costs, consumer demand trends, and the availability of low-carbon building technologies.</p> <p>This preliminary work establishes the foundation for a more detailed scenario analysis. Chatham plans to expand this assessment in future reporting cycles by incorporating quantitative inputs and a broader range of scenario frameworks, to strengthen our understanding of long-term resilience and to inform identification of climate risks.</p>	

<sup>1</sup> <https://greenview.sg/resources/net-zero-methodology-for-hotels/>

## Risk Management

Disclosure	Response	References
Process for identifying and assessing climate related risks and opportunities	<p>Climate related risks and opportunities are identified at several instances during the life cycle of real estate acquisition and asset management. During the due diligence phase of property acquisition, Chatham identifies properties with high-risk exposure to extreme weather events and/or geographical exposure to areas already facing climate change adaptation measures. Once properties are purchased, we make investments in resilience and planning as part of the capital budgeting process and asset planning. In addition, Chatham seeks to identify climate related risks to properties in day-to-day asset management practices so that we can develop best practices for withstanding extreme weather events and impacts to our buildings. Our processes evolve alongside industry methodologies and best practices. For example, in 2025, the company conducted a Sustainability Risks &amp; Opportunities Assessment, which is a portfolio-wide assessment of water risk, climate risk, biodiversity proximity, socio-economic indicators, and regulatory factors. This assessment not only identifies risk but allows us to further embed risk and opportunity management into company processes such as due diligence and other life cycle stages of hotel ownership. This Risk Assessment draws upon inputs spanning property specific data related to extreme weather exposure, water stress, and insurance cost trends, socioeconomic indicators, such as crime and air pollution, and applicable policies, at the national, state, and local levels.</p>	2024 Corporate Responsibility Report
Processes for managing climate related risks and opportunities	<p>Chatham's process for managing climate related risks and opportunities involves planning, implementation, and monitoring activities around the following focus areas:</p> <ul data-bbox="481 931 967 1188" style="list-style-type: none"> <li>• Environmental compliance</li> <li>• Energy consumption</li> <li>• Greenhouse gas ("GHG") emissions</li> <li>• Water consumption</li> <li>• Waste generation</li> <li>• Environmental stress</li> <li>• Responsible procurement</li> </ul> <p>The backbone of Chatham's process for managing climate related risks is its active engagement with the brands and operators. Chatham has a close working relationship with its 3<sup>rd</sup> party operator, Island Hospitality. Island Hospitality is committed to reducing its climate impact by identifying energy efficiency and renewable energy opportunities. In addition, the majority of Chatham's properties fall within brands with proactive sustainability initiatives to address climate change by acting on opportunities and minimizing climate risk. As discussed above, the ESG Committee makes decisions regarding the prioritization of environmental risks and the</p>	<a href="#">Environmental Policy</a> 2024 Corporate Responsibility Report

Disclosure	Response	References
	allocation of resources to the mitigation of such risks. Risks are evaluated based on their potential financial, operational, and reputational impact, with consideration of both the likelihood and magnitude of effects across our portfolio. At the board and management levels, climate risks are prioritized and assessed other enterprise risks. Constraints in the execution of any environmental program include financial, technological, operational and/or regulatory constraints.	
Integration into overall risk management	The management of climate-related risks is integrated into Chatham's operational practices in four key ways: The primary area of integration is through the insurance procurement process. The company's insurance brokers address specific climate risks such as flood, blizzard, hurricanes, etc. when we renew our insurance annually and when we buy a hotel. Secondly, each hotel has an emergency manual that includes procedures for addressing every kind of emergency risk that could arise, including those caused by the physical risks of climate change. Risk management is also addressed through the hotel's compliance with brand standards. The brand standards often include minimum guidelines for energy and water efficiency, which support the reduction of greenhouse gas emissions for the property and company overall. Finally, Chatham has an Employee Handbook that addresses a host of social risks including corruption, bribery, and harassment.	TCFD

## Metrics and Targets

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

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

Category	Metric	Disclosure Location
GHG Emissions	Scope 1 GHG Emissions	2024 Corporate Responsibility Report and Performance Tables
GHG Emissions	Scope 2 GHG Emissions	2024 Corporate Responsibility Report and Performance Tables
GHG Emissions	Combined Scope 1 & 2 GHG Emissions	2024 Corporate Responsibility Report and Performance Tables
GHG Emissions	GHG Emissions Intensity per Square foot	2024 Corporate Responsibility Report and Performance Tables
Energy	Direct and Indirect Energy Consumption	2024 Corporate Responsibility Report and Performance Tables
Energy	Total Energy	2024 Corporate Responsibility Report and Performance Tables
Energy	Energy Intensity per Square Foot	2024 Corporate Responsibility Report and Performance Tables
Energy	% Renewables	2024 Corporate Responsibility Report and Performance Tables
Water	Total Water	2024 Corporate Responsibility Report and Performance Tables
Water	Water Intensity per Occupied Room	2024 Corporate Responsibility Report and Performance Tables
Waste	Total Waste	2024 Corporate Responsibility Report and Performance Tables

Waste	Waste Intensity per Occupied Room	2024 Corporate Responsibility Report and Performance Tables
Waste	Diversion rate	2024 Corporate Responsibility Report and Performance Tables

Additional metrics monitored in the Sustainability Risk and Opportunity Assessment

- Climate Risk Indicators
  - Drought risk
  - Flood risk
  - Cyclone risk
  - Precipitation change
  - Temperature change
  - Sea level rise
- Water Risk Indicators
  - Baseline water stress
  - Seasonal variability
  - Future water stress 2030
  - Future water demand 2030
  - Water risk premium
  - Future water supply 2030
  - Water intensity (Gallons/Sq. Ft.)
  - Relative market water intensity
- Biodiversity Risk Indicators
  - Proximity to IUCN protected areas
  - Proximity to species recognized by the IUCN as critically endangered
- Socio-economic Risk Indicators
  - Obesity
  - Access to exercise
  - Children living in poverty
  - Infant mortality rate
  - High school graduation rate
  - Level of insurance
  - Food insecurity
  - Air pollution
  - Unemployment
  - Crime
  - Access to healthcare

Chatham undergoes Risk Assessment on an ongoing basis, with the full Sustainability Risk and Opportunity Assessment conducted on a 3–5-year cycle. Our most recent assessment was conducted in 2025 and reassessed the above indicators with the most recent available data. Indicator risk exposure levels are assessed at both the portfolio and asset levels. Important insights include which of our properties are exposed to the highest overall water risk, % of our portfolio that is categorized as high risk for experiencing increased water utility costs within the next five years, and % of the portfolio at high/very high risk of temperature increases.

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

Greenhouse Gas Emissions*	2024 Performance
Scope 1 <sup>2</sup>	7,585 tCO <sub>2</sub> e

<sup>2</sup> Greenhouse Gas Emissions metrics in 2024 includes vehicles, refrigerants, and generators.

<b>Scope 2<sup>3</sup></b>	15,813 tCO <sub>2</sub> e
<b>Total Scope 1 + Scope 2</b>	23,398 tCO <sub>2</sub> e
<b>Intensity per Square Foot</b>	5.36 kgCO <sub>2</sub> e
<b>Scope 3</b>	<i>Currently, we do not track Scope 3 emissions</i>

**Emissions Measurement Approach:** Chatham measures its greenhouse gas (GHG) emissions in alignment with widely recognized corporate reporting standards and applies a financial control boundary, meaning all wholly owned hotel properties emissions are quantified. Scope 1 and 2 emissions sources include natural gas, purchased electricity, municipal steam and chilled water, emergency generator fuel, fleet vehicles, and refrigerants. The primary gases measured are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, converted to CO<sub>2</sub>e, if not already provided in this form, using global warming potential (GWP) coefficients from the IPCC Fifth Assessment Report (AR5). Purchased electricity emission factors are derived from U.S. EPA eGRID regional factors by property zip code. The reason Chatham selected this approach is to ensure consistency with recognized international standards, promote comparability across properties, and align with common practice in the hospitality real estate sector. All energy data is converted into kWh and expressed as kgCO<sub>2</sub>e/kWh to enable standardized calculation across varied sources. Chatham applies the latest published emission factors each reporting cycle to improve accuracy and maintain comparability with baseline and year-over-year data.

### **Executive Remuneration Tied to Climate Considerations**

Senior management remuneration is partially tied to annual performance, with climate-related factors considered as a key aspect in these assessments. Chatham's named executive officers, asset managers, and employees specifically working on ESG efforts – all have climate-related factors considered relevant to their performance, which in turn influences awarded bonuses. The annual cash bonus program structure is discussed in greater detail within Chatham's Proxy Statement. ESG/Governance Performance Factors considered include participation and scoring results from the Global Real Estate Sustainability Benchmark (GRESB), implementation of new ESG strategies, along with renewing public disclosures and reporting.

### **Targets and Performance Against Targets**

Chatham has been measuring its environmental performance since 2017 and has set targets to reduce our environmental impact while creating value for our shareholders. As described above, our target is to reach net zero emissions across all Scope 1, 2 and 3 emissions by 2050. Our current plan is to focus on activities through 2030, which are managerially tangible and will have further impacts past 2030 as a result. Our milestones will be updated as industry best practice and expectations evolve. In early 2023, we set 2030 portfolio-wide environmental intensity reduction targets using a 2017 baseline year,

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<sup>3</sup> Scope 2 emissions are quantified using a market-based method. However, the same location-based emission factors were applied, meaning both methods product the same value

including a target to cut carbon emissions by 50% by 2030. Our 2030 target covers Scope 1 and 2 emissions directly, with Scope 3 emissions incorporated into our long-term net zero commitment by 2050. We have also established aims to reduce energy intensity and water intensity by 30% by 2030 respectively. Chatham further acknowledges the necessity of reaching net zero emissions by 2050 and is committed to creating an organizational plan for defining our pathway to net zero. Our 2024 Corporate Responsibility Report outlines our current progress against our targets.