



## SUPPLIER CODE OF CONDUCT

### **Introduction**

Corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to Chatham Lodging Trust ("Chatham"). These principles apply to all aspects of Chatham's business, and encompass all manufacturers, distributors, contractors, vendors, and other suppliers (each a "**Supplier**" and collectively "**Suppliers**") that supply the products that Chatham sells.

These principles are reflected in this Supplier Code of Conduct ("**Code of Conduct**", "**Standards**"), which establishes the minimum standards that must be met by any Supplier that sells goods to or does business with Chatham, regarding:

- Supplier's treatment of workers;
- workplace safety;
- the impact of Supplier's activities on the environment; and
- Supplier's ethical business practices.

### **Applicability**

This Code of Conduct applies to all Suppliers that provide goods and services to Chatham. Supplier is responsible for compliance with the standards set out in this Code of Conduct throughout its operations and throughout its entire supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall comply with the Standards in:

- all of its Facilities; and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labor, immigration, health, worker safety, and the environment.

Without limiting Supplier's obligations hereunder, Supplier is responsible for compliance with the Standards by all of its suppliers, vendors, agents, and subcontractors and their respective Facilities ("**Partner(s)**").

Supplier shall disclose to Chatham the names and contact information of its Partners at least five (5) days before Chatham's first purchase order. Supplier shall notify Chatham of any new or former partners' names and contact information within five (5) days of adding, changing, or eliminating any Partners.

### **Slavery and Human Trafficking**

All labor must be voluntary. Supplier shall not support or engage in slavery or human trafficking in any part of its supply chain.

Without limiting Supplier's obligations hereunder, Supplier shall not, and shall ensure that its Partners do not, support or engage in, or require any:

- compelled, involuntary, or forced labor;
- labor to be performed by children under the legal age;
- bonded labor;
- indentured labor; and
- prison labor.

## **Compliance and Documentation**

Supplier shall:

- Implement and maintain a reliable system to verify the eligibility of all workers, including:
  - age eligibility; and
  - the legal status of foreign workers.
- Implement and maintain a reliable recordkeeping system regarding the eligibility of all workers.

## **Identification Papers**

Without limiting Supplier's obligations hereunder, Supplier shall not require any worker to surrender control over original:

- identification papers or documents giving a foreign worker the right to work in the country;
- identification papers or documents, such as a passport, giving a foreign worker the right to enter or leave the country; or
- documents, such as a birth certificate, evidencing the worker's age.

## **Financial Obligations**

Without limiting Supplier's obligations hereunder, Supplier shall not, whether or not as a condition to the right to work, require any worker (or worker's spouse or family member) to, directly or indirectly:

- pay recruitment or other fees or other amounts (monetary or in-kind);
- incur debt;
- make financial guarantees; or
- incur any other financial obligation.

## **Freedom of Movement**

Without limiting Supplier's obligations hereunder, Supplier shall ensure that workers have the right to freedom of movement without:

- delay or hindrance; or
- the threat or imposition of any discipline, penalty, retaliation, fine, or other monetary obligation.

Worker freedom of movement rights includes each worker's right to leave the Facilities without retaliation:

- at the end of each workday;
- based on reasonable health and safety-related justifications; and
- based on any reasonable circumstances, such as personal or family emergencies.

## **Freedom to Terminate Employment**

Without limiting Supplier's obligations hereunder, Supplier shall allow workers to terminate their employment or work arrangement:

- without restriction; and
- without the threat or imposition of any discipline, penalty, retaliation, fine, or other monetary obligation.

## **Compensation and Benefits**

Supplier must compensate all workers with wages, including overtime premiums, and benefits that at a minimum meet the higher of:

- the minimum wage and benefits established by applicable law;
- collective agreements;
- industry standards; and
- an amount sufficient to cover basic living requirements.

Supplier shall make wage payments and provide benefits on a timely basis.

Supplier's obligation to compensate and provide benefits applies to all workers at all times, including during periods of training, apprenticeship, and probation.

## **Documentation**

Supplier shall:

- provide proof of payment to workers in the workers' native language showing hours worked, wage amounts and rates (regular, overtime, and bonus), and deductions;
- ensure that proof of payment is accurate, clearly calculated, and enables workers to verify the amount of payment and method of calculation quickly; and
- maintain proper documentation of wage payments for their internal records.

## **Deductions**

Supplier shall not make any deductions from wages, except income tax withholding and those that are legally allowed.

## **Work Hours**

Supplier shall respect fair practices related to work hours, particularly related to:

- **Regular Work Hours**  
Supplier shall not require or allow workers to work more than the maximum legally permitted number of regularly paid hours worked per week.
- **Overtime Work Hours**  
Additional overtime hours are voluntary and must not exceed the maximum legally permitted number of overtime hours worked per week.
- **Rest and Lunch Breaks**  
Supplier shall allow workers to take reasonable rest breaks, including bathroom breaks.
- **Documentation**  
Supplier shall:
  - use an industry-accepted time-keeping system to track work hours; and
  - develop work-hour policies to ensure compliance with this Code of Conduct and applicable law.

## **No Discrimination, Abuse, or Harassment**

Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any other employment practice based on race, color, national origin, gender, gender identity, sexual orientation, military status, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job.

Supplier shall treat workers with respect and dignity.

Supplier shall not subject workers to corporal punishment, or physical, verbal, sexual, or psychological abuse or harassment. Supplier must not condone or tolerate such behavior by its Partners.

## **Occupational Health and Safety**

Supplier shall provide a safe, healthy, and sanitary working environment. Supplier shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to avoid industry-specific workplace hazards, and work-related accidents and injuries, that are not explicitly addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of Facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and recordkeeping.

Supplier shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in the scope of work.

### **Facilities**

Supplier shall:

- ensure that all Facilities meet all applicable building codes and industry design and construction standards;
- obtain and maintain all construction approvals required by law;
- obtain and maintain all zoning and use permits required by law;
- without limiting Supplier's obligations hereunder, ensure that all Facilities have:
  - an adequate evacuation plan;
  - adequate, well-lit (including emergency lighting), clearly marked, and unobstructed emergency exit routes, including exits doors, aisles, and stairwells;
  - a sufficient number of emergency exit doors, which are located on all sides of each building, are unlocked (from the inside), and are readily opened from the occupied side and swing in the direction of emergency travel;
  - visible and accurate evacuation maps posted in the local language, and including a "you are here" mark;
  - adequate ventilation and air circulation;
  - adequate lighting;
  - adequate first aid kits and stations;
  - adequate fire safety, prevention, alarm, and suppression systems;
  - adequate access to potable water; and
  - adequate access to private toilet facilities.
- post safety rules, inspection results, incident reports, and permits, in each case, as required by law.

If Supplier provides dining facilities for its workers, it shall provide safe, healthy, and sanitary facilities (including food preparation and storage areas) that comply with all the Standards set out in the Health and Safety section of this Code of Conduct. Supplier shall obtain and maintain all food preparation permits and health certificates required by law without limiting Supplier's obligations hereunder.

### **Freedom of Association and Collective Bargaining**

Chatham expects its Suppliers to adhere to applicable laws regarding the rights of their employees to affiliate with lawful organizations without interference.

### **Environmental Protection**

Supplier shall attempt to lower its environmental impacts through:

- **Environmental Management**  
Supplier shall take efforts to identify and manage its material environmental risks, including the physical impacts of climate change, water scarcity, and biodiversity loss and disruption.
- **Environmental Permits and Licenses**  
Supplier shall obtain and keep updated all required environmental permits and licenses.
- **Environmental Stewardship**  
Supplier shall operate its Facilities, and conduct its business practices, in compliance with all environmental laws, including laws and international treaties relating to:
  - waste disposal;
  - greenhouse gas emissions;
  - effluents and discharges; and
  - hazardous and toxic material handling.

- **Inputs and Components**

Supplier must ensure that the goods that it manufactures (including the inputs and components that it incorporates into its goods) and services it provides comply with all environmental laws and treaties. Supplier must ensure that it will only use packaging materials that comply with all environmental laws and treaties.

- **Monitoring and Tracking Performance**

Supplier shall make efforts to monitor its environmental performance (i.e. energy, water, greenhouse gas emissions, and waste) and take action to promote resource efficiency and waste reduction.

**Gifts and Entertainment**

Supplier must maintain the highest ethical standards. Supplier must not offer cash, favors, gifts, or entertainment to Chatham's team members. Supplier shall also comply with the Foreign Corrupt Practices Act (FCPA).

**Report Violations**

Supplier shall self-report any violations of the Code of Conduct. Supplier can also submit questions and comments regarding the Code of Conduct, to Chatham's liaison set out below:

Chatham Lodging Trust  
222 Lakeview Ave., Ste 200  
West Palm Beach, FL 33401  
Attn: Legal

Supplier shall not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behavior, or who has sought advice regarding this Code of Conduct.

**Compliance with Laws**

Supplier shall comply with all applicable national and local laws and regulations, including laws and regulations relating to all the Standards. Where this Code of Conduct requires Supplier to meet a higher standard than set out by law or regulation, Supplier shall meet such higher standards. Supplier acknowledges that these Standards set out audit standards that Chatham may use to determine whether Supplier meets the requirements set out in this Code of Conduct.

Supplier acknowledges that Chatham may, in its discretion, conduct inspections of the Facilities to confirm Supplier's compliance with this Code of Conduct. Chatham has no obligation to conduct inspections.

**Termination**

Chatham may immediately terminate its business relationship (including any purchase order(s) and purchase contracts) with Supplier if Supplier or its Partners fail to meet the Standards.

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