

2020 CORPORATE RESPONSIBILITY REPORT



CHATHAM
LODGING TRUST



CONTENTS

Chairman's Message	3
About Chatham Lodging Trust	4
Corporate Responsibility Strategy	5
Corporate Governance	7
Stakeholder Engagement	9
Environmental Stewardship	11
Social Sustainability	19
Future Outlook	25
Performance	27

Appendices

Appendix A GRI Content Index	29
Appendix B SASB Disclosures	47
Appendix C Task Force on Climate Related Financial Disclosure	53

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 about Chatham Lodging Trust, including statements regarding future plans, strategies, performance, acquisitions, capital expenditures, future operating results and the timing and composition of revenues, among others, and statements containing words such as “expects,” “believes” or “will,” which indicate that those statements are forward-looking. Except for historical information, the matters discussed in this press release are forward-looking statements that are subject to certain risks and uncertainties that could cause the actual results or performance to differ materially from those discussed in such statements. Additional risks are discussed in the company's filings with the Securities and Exchange Commission.

CHAIRMAN'S MESSAGE

To Our Shareholders,

At Chatham Lodging Trust, we strive to create value while being responsible stewards at our hotels, in the community, and in our industry. While 2020 presented tumultuous challenges, the new reality we experienced reinforced our desire to formalize our historical efforts relating to Environmental, Social, and Governance (ESG) issues into a more structured corporate responsibility strategy. That was the natural next step, and we are therefore proud to announce the launch of our 2021 Corporate Responsibility Report, which highlights our past achievements and refreshed approach to sustainability.

Since our inception in 2010, our portfolio has generated the highest operating margins among all U.S. lodging REITs, a testament to asset quality and Island Hospitality Management's operating expertise in managing our hotels. Our commitments to sustainability aim to integrate ESG factors into our Company's value creation strategy to drive profitability while positively impacting our stakeholders, the environment, and the communities where our hotel properties are located.

Our refreshed corporate responsibility strategy places importance on enhancing operating efficiencies and mitigating adverse environmental impacts; promoting stakeholder engagement and a healthy and safe work environment; and championing a thorough Code of Conduct as well as other policies pertaining to environmental and social matters. Likewise, we uphold the highest standards of ethical business practices and compliance with all laws and regulations relevant to our Company.

One of our key strengths is efficiently managing our resources. Our commitment to environmental stewardship is reflected in the performance of our hotel properties. Compared to our peers in the U.S. lodging sector, our relative 2019 environmental performance ranks as one of the most environmentally efficient hotel portfolios in terms of energy intensity, GHG emissions intensity, and water intensity. However, resting on our laurels is not what we do at Chatham, and we are committed to working with our third-party hotel management partners to improve waste tracking and continuously improving our portfolio's environmental efficiency.

Despite 2020 being an exceptionally tumultuous year, between the COVID-19 pandemic which has greatly impacted the hospitality industry and the renewed attention brought to racial injustices, we at Chatham recognized the need to reinforce our corporate responsibility commitments as it is more necessary than ever. We will strive to continue ensuring the safety of our workers and guests and uphold the highest standards of procedure during this pandemic. We are also committed to promoting diversity and inclusion in our workplace and stand firmly against discrimination and harassment.

As of January 2022, this report has been enhanced to include reporting with standards from the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD). This updated report also includes the addition of 2018 and 2019 waste data, and the announcement that Chatham is a proud participant in the CEO Action for Diversity and Inclusion™ pledge. As we continue our sustainability journey, we would like to thank all of our stakeholders for making our commitments and successes possible.



Thank you,
Jeffrey H. Fisher
Chairman, Chief Executive Officer and President

ABOUT CHATHAM LODGING TRUST

Chatham Lodging Trust (“Chatham”) is a self-advised, publicly-traded real estate investment trust focused primarily on investing in upscale extended-stay hotels and premium-branded, select-service hotels. Our high-quality hotels are located in major markets with high barriers to entry, near primary demand generators for both business and leisure guests. Our primary objective is to generate attractive returns for our shareholders through investing in hotel properties at prices that provide strong returns on invested capital, paying meaningful dividends, and generating long-term value appreciation. As a Company, we are:

- owners of a superior portfolio reflected by top brands and attractive markets;
- specialists with a significantly larger concentration of extended-stay rooms than any other U.S. lodging REIT;
- leaders in ethical corporate governance with a comprehensive Code of Business Conduct;
- stewards of the environment with extensive portfolio and corporate initiatives; and
- corporate citizens committed to diverse and inclusive workplaces and positive community relations.

Business Strategy

We believe we can create long-term value by pursuing the following strategies:

- Disciplined acquisition of hotel properties
- Opportunistic hotel repositioning
- Aggressive asset management
- Selective hotel development
- Flexible selection of hotel management companies

2019 Company Attributes

40
Hotels

6,092
Guest Rooms

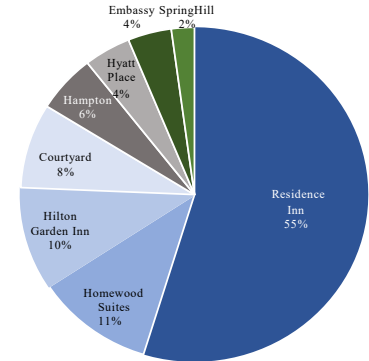
118.2
Full Year RevPAR Index

59.4%
Extended Stay Rooms as a % Total

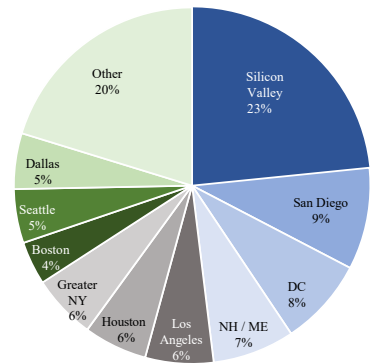
38.3%
Hotel EBITDA Margin

4,649,969
Sq. Feet of Hotel Space

BRAND COMPOSITION



TOP MARKETS





CORPORATE RESPONSIBILITY STRATEGY

Our corporate responsibility strategy takes a two-pronged approach. We set general sustainability commitments to continue doing well by doing good. To achieve these commitments, we take a strategic Environmental, Social, and Governance (ESG) approach to ensure that our commitments are addressed and achieved through our material issues. Furthermore, we believe that utilizing an ESG approach will bolster our corporate responsibility through an enhanced examination of our business impacts.

Overarching Sustainability Commitments

Our sustainability commitments frame our Company's plan to create long-term value by integrating environmental, social, and governance factors into our Company's central value creation strategy, in which we:

- Support hotel operators to achieve brand level environmental initiatives throughout the portfolio
- Build resilient hotels to withstand the physical impact of climate change and other environmental considerations
- Maintain the highest standards of health, safety, and well-being for our employees
- Create and sustain lasting relationships with the communities in which we operate
- Establish accountability through transparent ESG policies and disclosure of important ESG information
- Leverage sustainability to drive value for our stakeholders, including stockholders, employees, suppliers, and external partners

CORPORATE RESPONSIBILITY STRATEGY

Strategic ESG Approach

We achieve our sustainability commitments by implementing a three-pronged ESG approach.

Environmental

- Develop environmental programs related to energy, water and waste, and support third-party operators to implement property-level initiatives.
- Monitor environmental codes and regulations and be accountable for compliance at our properties.
- Identify properties with high risk exposure to the physical impacts of climate change and develop best practices for withstanding extreme weather events.
- Consider potential environmental and ecological impacts when sourcing for suppliers and contractors.

Social

- Implement an 'open door' policy to encourage open communications between management and employees.
- Provide opportunities for stakeholders to provide confidential feedback (e.g. employee satisfaction survey, EthicsPoint hotline).
- Monitor employment, labor and human rights regulations and be accountable for compliance at our Company and properties.
- Deliver ongoing training through various channels, including brand collaborations and corporate lunch-and-learns.
- Offer professional development opportunities to Company employees.

Governance

- Adopt the following ESG policies:
 - Environmental Policy
 - Human Rights Policy
 - Anti-Harassment Policy
 - Supplier Code of Conduct
- Establish roles for senior leadership and the Board on the oversight of environmental and social risk factors
- Maintain a comprehensive Code of Business Conduct and Corporate Governance Guidelines

CORPORATE GOVERNANCE

As a Company, we intend to maintain the highest standards of ethical business practices and compliance with all laws and regulations applicable to our business. In turn, we have adopted a corporate code of ethics relating to the conduct of our business by our employees, officers, and trustees. Furthermore, our Board of Trustees has established an Audit Committee, Compensation Committee, and a Nominating and Corporate Governance Committee to provide organizational structure and to adapt to a changing business landscape sustainably.



Board Oversight of ESG Risks

Chatham's executive management team collects and formulates relevant data and information and shares recommendations to the Nominating and Corporate Governance Committee that adopts measures and reports periodically to the Board of Trustees. The Nominating and Corporate Governance Committee of the Board of Trustees have primary responsibility for reviewing and refining our ESG policies, which prescribes the implementation, management, and enhancement of environmental and social programs.

ESG Policies

We established several ESG policies to help drive our strategy, maintain our commitments and achieve our objectives.

- **Environmental Policy:** Outlines Chatham's commitment to identify and manage the business impacts of environmental risk factors and exercise appropriate due diligence concerning the environmental challenges presented by its properties.
- **Human Rights Policy:** Guides Chatham's commitment to respect of human rights and labor rights within the communities we operate in and to engage our stakeholders in developing, implementing, and evaluating the policy's effectiveness.
- **Supplier Code of Conduct:** Establishes the minimum standards that must be met by any Supplier that sells goods to or does business with Chatham regarding the treatment of workers; workplace health and safety; the impact on the environment; and ethical business practices.
- **Anti-Harassment Policy:** Outlines Chatham's prohibition of harassment in any form, including verbal, physical, visual, online, and other forms as well.

Corporate Governance Highlights

We have made strong corporate governance a priority. The following highlights some of the critical elements of our corporate governance practices.

- Gender diversity on Board of Trustees
- Ethnic diversity on Board of Trustees
- 7 of our eight existing trustees are independent
- Lead independent trustee
- Code of Business Conduct acknowledged by all employees
- Insider Trader Policy acknowledged annually by all employees
- Anti-hedging and anti-pledging policy
- Compensation "clawback" policy as a mechanism for executive accountability
- Participation in the CEO Action for Diversity and Inclusion™ pledge

STAKEHOLDER ENGAGEMENT

We recognize that our Company's success relies on positive relations with all our stakeholders, including our investors, board trustees, operating partners and tenants, employees, local communities, and suppliers. As such, we have ongoing efforts to engage them to understand their interests better.

Investors

Chatham values the views and opinions of our shareholders and believes strong corporate governance practices demand regular outreach and conversations with our shareholders. Management actively engages with shareholders at numerous investor road shows, industry and investment community conferences, and meetings with analysts. We also respond to individual shareholders who express interest in our business. Specifically, we communicated with various shareholders who supported increasing diversity representation on our Board of Trustees.

Board of Trustees

Chatham depends on our Board of Trustees' expertise and guidance to guide our Company and promote good governance. We engage our Board through four full board meetings per year. In 2019, all board members attended 75% or more of the Board meetings and meetings of the committees on which they served either in person or by conference call. As outlined in our Corporate Governance Guidelines, trustees are invited and encouraged to attend meetings of shareholders. Additionally, our senior leadership team maintains direct communication with our trustees through regular business updates and the opportunity for two-way communication.

Operating Partners & Hotel Brands

Chatham works closely with Island Hospitality Management to maximize top-line performance and minimize any margin erosion. We also support them with creating sustainable environments for their employees and our guests. In 2019, significant asset management and increased collaboration with Island Hospitality Management were seen. We have engaged our third-party operating partner in several ways, including quarterly meetings with our asset management team, collaborating with brands to deliver training, such as 100% of associates being trained to recognize signs of human trafficking at all properties. In early 2021, we launched a sustainability survey to all the general managers in charge of operating our hotel properties to provide insight into the properties' environmental and social factors.

With respect to our branded hotels, we work closely with Marriott International, Hilton Worldwide and Hyatt to follow requirements and guidance pertaining to environmental and social factors, such as waste management, water usage, building safety, and health and wellbeing. Additionally, we support industry collaboration and engagement by participating in the Cornell Hotel Sustainability Benchmarking (CHSB) to benchmark our environmental performance.



STAKEHOLDER ENGAGEMENT

Employees

At Chatham, we strive to provide each employee with a safe and healthful work environment. We also recognize the diversity of our employees is an important asset. Therefore, we are committed to understanding their interests, setting clear expectations, and boosting morale, which is done through various engagements, where applicable. These include:

- Providing orientation on the employee handbook for all new hires, which includes written acknowledgment, and annual refreshments
- Tracking promotion rates of diverse groups
- Creating an open-door policy across the organization, especially the Human Resources Department
- Undertaking a third-party administered annual associate opinion survey (AOS) to understand employee satisfaction

Local Communities

Chatham is supportive of the communities in which our hotels operate. We aim to promote positive community relations in several ways. Our Architecture and Design team has previously orchestrated public consultations to allow local community members to understand our hotel development projects better and create active dialogue. We also rely heavily on Island Hospitality Management to sustain positive community relations. Also, as part of our regular meetings with our third-party hotel management company, community interests may be discussed if that is material to the business updates at the time.

Suppliers

Chatham works with its hotel brand companies, third-party operators, procurement partners, and strategic suppliers on environmental and climate change-related issues. As part of our engagement, Chatham seeks to share our environmental goals and procure sustainable materials to incorporate into our development, redevelopment, and renovation projects where feasible. Additionally, in 2021, we adopted a Supplier Code of Conduct to express our expectations of our suppliers and vendors.



ENVIRONMENTAL STEWARDSHIP

At Chatham, we recognize the importance of environmental stewardship in driving long-term shareholder value and creating a portfolio of resilient hotels. We undertake a multi-stakeholder approach to our hotels' environmental stewardship through the ongoing engagement of our third-party operating partners and energy consultant. Together, we address environmental considerations through quarterly meetings where each stakeholder can voice their interests and needs so that our investment decisions in environmental stewardship are holistic. In turn, we have invested in many environmental conservation measures, particularly around energy and water efficiency. Between 2018 and 2019, we managed to invest over \$250,000 in energy efficiency projects, which will garner over 900,000 kWh in energy savings and nearly \$110,000 in annual cost savings. Presently, our focus is on resource management and sourcing responsibility. In 2021, we conducted a portfolio-wide environmental risk assessment to help us understand the material or significant aspects of our environmental footprint. In January 2022, Chatham completed the construction of a hotel in Los Angeles County, built to both CalGREEN and LEED Silver standards.

Environmental Focus Areas

- *Environmental compliance*
- *Energy consumption*
- *Greenhouse gas ("GHG") emissions*
- *Water consumption*
- *Waste generation*
- *Environmental stress*
- *Responsible procurement*
- *Environmental education*

ENVIRONMENTAL PERFORMANCE

Our commitment to environmental stewardship is evident through our environmental performance over the past three years. Since 2018, we have experienced a 1.49% reduction in our greenhouse gas emission intensity and 2.34% in energy intensity. Additionally, our water intensity is also trending downward having decreased by 4.20% since 2018. Furthermore, compared to our peers in the U.S. lodging sector, our 2019 relative environmental performance demonstrates that Chatham has one of the most environmentally efficient hotel portfolios in the U.S. lodging sector of energy, greenhouse gas emissions, and water.

Resource Integrity	2017	2018	2019	% Change (18-19)
Greenhouse Gas Emission Intensity (kgCO ₂ e per sq.ft)	7.07	6.78	6.68	-1.59%
Energy Intensity (kilowatt-hours per square foot)	21.49	22.86	22.32	-2.34%
Water Intensity (gallons per occupied room)	131.88	127.37	122.02	-4.20%
Waste Intensity (lbs per occupied room)	-	4.06	4.48	+10.3%



WATER

We work to improve water conservation at our properties by developing property-level initiatives to improve efficiency or reduce water consumption. Common examples of our water initiatives include installing auto-sensors, leveraging water-saving technologies, and supporting our operating partners with adopting a linen and towel reuse program*.

56%

of our hotel properties have over 90% of toilets that are low-flush or dual flush

51%

of our hotel properties have low-flow showerheads in over 90% of guestrooms

47%

of our hotel properties utilize native or drought-tolerant landscaping to reduce irrigation needs

38%

of our hotel properties have smart irrigation systems and/or an automatic sprinkler system

*The percentages contained in this sub-section are based on a survey of 39 properties with a response rate of over 87%.

ENERGY

We develop and maintain an energy conservation program where various property-level initiatives are implemented across our portfolio of hotels. Some of those practices include adopting energy-efficient design, working with operating partners to mitigate energy consumption, and identify feasible and fiscally reasonable energy conservation opportunities. Ongoing energy conservation initiatives include energy-efficient lighting, room occupancy sensors, routine energy audits, and electric vehicle chargers installation.

82%

of our hotel properties
have digital
thermostats in at least
90% of guestrooms

77%

of our hotel properties
have an environmental
management system in
place

71%

of our hotel properties
have digital
thermostats in at least
90% of meeting rooms

68%

of our hotel properties
have highly efficient boilers

87%

of our hotel properties have a
preventative maintenance plan
that checks building energy &
water equipment at least
quarterly





WASTE

We support our operating partners with addressing waste generation and support their development of waste minimization programs, recycling, reduction of single-use plastics, and reduction of food waste, sensors, routine energy audits, and electric vehicle chargers' installation.

Instituted mattress recycling program portfolio-wide in connection with all mattress replacements

46%

of our hotel properties have eliminated single-use plastics or reduce them to an absolute minimum

24%

of our hotel properties have implemented a food waste prevention strategy over the last year*

*as of February 8, 2021

78%

of our hotel properties have eliminated plastic straws

RESPONSIBLE PROCUREMENT

Chatham supports Island Hospitality's expectation of its suppliers to meet the same environmental and social standards as we do for ourselves. Currently, our Hilton-operated hotels participate in the Clean the World soap recycling program. Moreover, in 2019, our Marriott-operated hotels switched to pumped-topped bulk dispensers in all guestrooms. During the transition, existing soap bars and amenity bottles were donated to Clean the World. Additionally, our operating partners work closely with Ecolab to ensure the chemicals we use are safe for housekeepers and guests and reduce their environmental footprint.

RECYCLING SOAP BARS & SINGLE-USE AMENITY BOTTLES

- At Chatham, we are committed to supporting our hotel properties with minimizing their waste footprint. One way our hotels are reducing waste is by participating in soap recycling through Clean the World - an organization that recycles hotel soap and hotel amenities.
- In 2020, our Hilton-branded properties have donated 55,516 bars of soap, and 50,816 amenity bottles. Additionally, we supported the transition from single-use amenity bottles to large pump-topped dispensers, which has saved approximately 80,000 amenity bottles in 2020.
- The donation of soap bars not only diverts hotel waste from landfills but it also contributes to Clean the World's charitable efforts. That include distribution of repurposed soap bars and hygiene kits for humanitarian causes.

LEEDING HOTEL DESIGN & CONSTRUCTION

In January 2022, Chatham completed the construction of a hotel in Los Angeles County, built to both CalGREEN and LEED Silver standards.

To qualify for LEED, the following aspects are being addressed:

- Location and transportation
- Site selection
- Water efficiency
- Energy and atmosphere
- Materials and resources
- Indoor environmental quality

Beyond our new development project, we are committed to sustainable design and construction practices in our other business activities. With respect to renovations, we follow the requirements set forth by our operating partners, including Marriott International and Hilton Worldwide, regarding scope and materials. Common practices include retrofitting and recommissioning energy and water fixtures.





SOCIAL SUSTAINABILITY

At Chatham, we believe each of our employees contributes directly to our growth and success. As such, we are firmly committed to providing equal opportunity in all aspects of employment since our employees' diversity is an important asset for our Company. We also strive to provide each employee with a safe and healthy work environment, which we aim through setting rules for occupational health and safety, setting loss prevention programs, and creating an environment of open communication. Additionally, we also strive to create positive community relations in the communities where our hotel properties operate.

Social and Human Capital Focus Areas

- Diversity and Inclusion
- Anti-Harassment
- Occupational Health & Safety
- Anti-Trafficking
- Community Relations



DIVERSE & INCLUSIVE WORKPLACES

We value and advance the diversity of our Company and the inclusion of the people with whom we work, including women and minority groups. We are committed to equal opportunity and are intolerant of discrimination and harassment. Our [Human Rights Policy](#) and [Anti-Harassment Policy](#) demonstrate our commitment to respecting human and labor rights and our intolerance for racism, discrimination and unfair employment practices. We work to maintain workplaces that are free from discrimination or harassment on the basis of race, religion, color, national origin, ethnicity, sex, sexual orientation, gender identity, gender expression, age, disability, veteran status, marital status, genetic information, or any characteristic protected by law. The basis for recruitment, hiring, placement, development, training, compensation, and advancement at Chatham is qualifications, performance, skills, and experience.

Some practices to promote diversity and inclusion we have implemented include:

- Implemented mentoring programs to develop minority leaders
- Implemented mentoring programs to develop women leaders
- Adopted policies to tie managers' performances to the development and retention of diverse employees
- Tracked promotion rates of diverse groups

In 2021, we signed the CEO Action for Diversity and Inclusion pledge, a commitment by over 2,000 CEO's to advance diversity and inclusion in the workplace. This pledge supports the building of productive, diverse and inclusive workplaces in four key areas:

- 1) Cultivation of environments that support open dialogue on topics of diversity, equity and inclusion (DEI)
- 2) Implementation of unconscious bias education
- 3) Sharing of best and unsuccessful practices for diversity, equity and inclusion initiatives
- 4) Engagement of boards of directors for DEI strategies



OCCUPATIONAL HEALTH & SAFETY

The health and safety of our employees are of paramount importance. Our policy is to provide a safe and healthy workplace and comply with applicable safety and health laws and regulation, as well as internal requirements. We work to provide and maintain a safe, healthy, and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury, and health impacts. To maintain a healthy and safe workplace, some of our focus areas include workplace security, forced labor and human trafficking, and sustainable and livable work hours, wages and benefits. Additionally, we pledged to the American Hotel & Lodging Association's 5-Star Promise in 2021, having made the following commitments:

- Build on our 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.
- Ensure mandatory anti-sexual harassment policies are in place in multiple languages.
- Provide ongoing training and education for employees on identifying and reporting sexual harassment.
- Provide U.S. hotel employees with employee safety devices to help them feel safe on the job.
- Broaden vital partnerships with wide-ranging national organizations that target sexual violence and assault and trafficking and promote workplace safety.

As a Company, we aim to create sustainable livelihoods for our employees. Relating to employee compensation, we provide all our employees with a living wage and company sponsored health benefits, life insurance, short-term disability, sick time, vacation days, and a 401(k) plan. We also promote safe and healthy work environments for the workers at our hotel properties.

Highlights include:

90%

of our hotel properties change
HVAC system filters routinely

62%

of our hotel properties
specify low- or no-VOC paints,
finishes, and other items for
renovations

COMMUNITY RELATIONS

Chatham is supportive of the communities in which our hotels operate, and we aim to promote positive community relations through all our business activities. Our Architecture and Design team has orchestrated public consultation mechanisms in Silicon Valley to allow local community members to understand our hotel development projects better and create active dialogue. Furthermore, we allow corporate employees time off to volunteer in local charities.

Chatham Hotel Properties in the Community

We rely heavily on Island Hospitality Management to sustain positive community relations on our behalf as they operate our hotels. Island Hospitality Management has created Island Cares, a 501(c)(3) non-profit organization that founded on the mission to “act responsibly and with integrity while being a great employer, corporate citizen, and good neighbor”. For example, the general manager of Residence Inn San Diego Downtown/Gaslamp is an active director of The Gaslamp Quarter Association® (GQA), a non-profit 501(c)6 merchants association, representing more than 400 businesses located within the boundaries of the Gaslamp Quarter. Other notable local community initiatives that the general managers of our hotel properties serve voluntarily include Marriott Local Business Council, Children’s Hospital fundraising, and the New Hampshire Lodging & Restaurant Association.



FOOD SECURITY & YOUTH EMPOWERMENT

Chatham is dedicated to many causes. However, we recognize the need for better food security and youth empowerment in our community; and as such have continuously supported charitable organizations focused on these areas. In the past, Chatham has supported the following organizations:

- Bridges from School to Work®
- Literacy Coalition of Palm Beach County
- Quantum House
- Susan G. Komen
- Urban Youth Impact.

To date our corporate giving and volunteerism has amounted to 6,300 lbs of donated food, 5,705 meals prepared, 2,106 young people impacted and \$21,800 raised for charitable organizations focused on food security and youth empowerment. We are looking forward to continuing our support of food security and youth empowerment.

FUTURE OUTLOOK

At Chatham Lodging Trust, we strive to create value for our shareholders and be responsible stewards at our hotels, community, and industry. This year, we have started disclosing our environmental, social, and corporate governance initiatives. We are committed to continually improving in these areas and reassessing our impact on an annual basis. Environmental and social initiatives are integral to our strategic plan to create long-term value appreciation. As such, we have identified several opportunities to enhance our corporate responsibility program that we are considering implementing in the near future.



ENVIRONMENTAL

Establish An
Environmental
Baseline & Explore
Environmental
Targets

GOVERNANCE

Establish An Internal
Corporate Responsibility
Committee
With Scheduled
Meetings By The End Of
2022

Continue to Undertake
Portfolio-Wide
Risk Assessments On
Environmental And
Social Factors

SOCIAL

Roll Out Employee
Safety Devices To 100%
Of Our Properties
By The End Of 2022

Continue Building
Positive Community
Relations Through Our
Business Activities

PERFORMANCE

Portfolio Profile	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019
Number of Properties	40	42	40
Number of Rooms	6,018	6,283	6,092
Occupancy Rate (Same property)	79.8%	80.4%	80.2%
Total Square Footage	4,138,570	4,392,019	4,649,969
Total Revenue (In thousands)	\$301,844	\$324,230	\$328,328
Total Operating Expenses (In thousands)	\$248,806	\$266,078	\$271,661
Adjusted EBITDA (In thousands)	\$126,698	\$131,499	\$130,997
Revenue per available room (Same property)	\$133.05	\$135.59	\$133.47
Average Daily Rate (Same Property)	\$166.82	\$168.66	\$166.47

Environmental	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019
Energy			
Intensity per Square Foot (kilowatt-hours)	21.49	22.86	22.32
Total Energy Consumption (megawatt hours)	88,937.61	100,394.30	103,804.25
Direct Energy Consumption (megawatt hours)	36,228.16	43,509.30	44,209.59
Indirect Energy Consumption (megawatt hours)	52,709.45	56,885.00	59,594.66
Percentage of Electricity from Renewable Sources (%)	8.7%	10.3%	10.2%
Greenhouse Gas Emissions (GHG)			
Intensity per Square Foot (kgCO ₂ e)	7.07	6.78	6.68
Total GHG Emissions (kgCO ₂ e)	29,245.69	29,799.77	31,049.79
Scope 1 GHG Emissions (kgCO ₂ e)	6,565.78	7,885.37	8,012.29
Scope 2 GHG Emissions (kgCO ₂ e)	22,679.91	21,914.40	23,037.50
Water			
Intensity per Occupied Room (gallons)	131.88	127.37	122.02
Total Water Consumption (kilogallons)	208,787.18	218,919.81	216,959.78
Waste			
Total Waste Generated (Metric Tons)	-	1095	1239
Waste Generated per occupied room (pounds)	-	4.06	4.48
Waste Diversion Rate (%)	-	25.9%	27.5%

PERFORMANCE (cont.)

Social	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019
Employees			
Number of Employees	48	45	41
Gender (%)			
Female	52%	53%	59%
Male	48%	47%	41%
Age (%)			
Below 30	10%	9%	7%
Between 30 and 50	58%	55%	49%
Above 50	32%	36%	44%
Race (%)			
Asian	4%	2%	2%
Black or African American	13%	9%	10%
Hispanic	2%	4%	5%
White	81%	84%	84%
Other	0%	0%	0%
Board of Trustees			
Number of Trustees	8	9	7
Independent Trustees (%)	87.5%	88.9%	85.7%
Average Age	71.6	71.3	67.3
Gender Diversity (%)	0%	11.1%	14.3%
Community and Giving			
Total Volunteer Hours (#)	176	143	268
Volunteer Hours per Employee (#)	3.7	3.2	6.5

Appendix A GRI Content Index



GRI Content Index

Number	Description	Response	References
Organizational Profile			
102-1	Name of the organization	Chatham Lodging Trust	2020 Annual Report (p. 7)
102-2	Activities, brands, products, and services	<p>Chatham Lodging Trust is a self-advised, publicly traded real estate investment trust focused primarily on investing in upscale extended-stay hotels and premium-branded, select-service hotels. Our high-quality hotels are located in major markets with high barriers to entry, near primary demand generators for both business and leisure guests.</p> <p>As of December 31, 2020, our wholly owned hotels included upscale extended-stay hotels that operate under the Residence Inn by Marriott® brand (sixteen hotels) and Homewood Suites by Hilton® brand (seven hotels), as well as premium-branded select-service hotels that operate under the Courtyard by Marriott® brand (five hotels), the Hampton Inn or Hampton Inn and Suites by Hilton® brand (three hotels), the Hilton Garden Inn by Hilton® brand (four hotels), the SpringHill Suites by Marriott® brand (one hotel), the Hyatt Place® brand (two hotels) and all-suite hotels that operate under the upper scale Embassy Suites brand® (one hotel).</p>	<p>Chatham website- portfolio</p> <p>Chatham 10-K FY2020 (PART I, p. 5)</p>
102-3	Location of headquarters	Our corporate headquarters and executive office are located at 222 Lakeview Avenue, Suite 200 West Palm Beach, Florida 33401 United States.	2020 Annual Report (p. 118)
102-4	Location of operations	Chatham operates its hotels in 15 states and the District of Columbia, including California (Silicon Valley, San Diego, Mountain View, Garden Grove, Marina del Rey), Colorado (Denver), Connecticut (Farmington), Florida (Orlando, Fort Lauderdale), Georgia (Savannah), Maine (Portland), Massachusetts (Burlington, Billerica, Dedham), New Hampshire (Exeter, Portsmouth), New York (Holtville, New Rochelle, White Plains), Pennsylvania (Pittsburgh), Tennessee (Nashville), Texas (Dallas, Houston, San Antonio, Austin), Virginia (Springfield, Vienna), Washington (Seattle).	Chatham 10-K FY2020 (PART I, p. 5)

Number	Description	Response	References
102-5	Ownership and legal form	Substantially all of the Company's assets are held by, and all of its operations are conducted through, the Operating Partnership. Chatham Lodging Trust is the sole general partner of the Operating Partnership and owns 100% of the common units of limited partnership interest in the Operating Partnership ("common units"). Certain of the Company's executive officers hold vested and unvested long-term incentive plan units in the Operating Partnership ("LTIP Units"), which are presented as non-controlling interests on our consolidated balance sheets.	Chatham 10-K FY2020 (PART I, p. 5)
102-6	Markets served	Silicon Valley, San Diego, DC, NH / ME, Los Angeles, Houston, Greater NY, Boston, Seattle, Dallas, and others.	2020 Annual Report (p. 2)
102-7	Scale of organization	As of December 31, 2020, the Company owned 39 hotels with an aggregate of 5,900 rooms located in 15 states and the District of Columbia.	Chatham 10-K FY2020 (PART I, p. 5)
102-8	Information on employees and other workers	As of February 24, 2021, we had 23 employees, 17 of which are shared with or allocated to the NewiNK JV and Castleblack Owner Holding, LLC ("Castleblack"), an entity which is 2.5% owned by Mr. Fisher. All persons employed in the day-to-day operations of our hotels are employees of the management companies engaged by our TRS Lessees to operate such hotels. None of our employees are represented by a collective bargaining agreement, however, certain hotel level employees of IHM are represented under a collective bargaining agreement.	Chatham 10-K FY2020 (PART I, p. 13)
102-9	Supply chain	Chatham works with its hotel brand companies, third-party operators, procurement partners, and strategic suppliers on environmental and climate change-related issues. As part of our engagement, Chatham seeks to share our environmental goals and procure sustainable materials to incorporate into our development, redevelopment, and renovation projects where feasible. Additionally, in 2021, we adopted a Supplier Code of Conduct to express our expectations of our suppliers and vendors.	2020 Corporate Responsibility Report (p. 11)

Number	Description	Response	References
102-10	Significant changes to the organization and its supply chain	In 2020, there were no significant changes to our organization or supply chain.	GRI Content Index
102-11	Precautionary principle or approach	Our corporate responsibility strategy takes a two-pronged approach. We set general sustainability commitments to continue doing well by doing good. To achieve these commitments, we take a strategic Environmental, Social, and Governance (ESG) approach to ensure that our commitments are addressed and achieved through our material issues. Furthermore, we believe that utilizing an ESG approach will bolster our corporate responsibility through an enhanced examination of our business impacts.	2020 Corporate Responsibility Report (p. 6)
102-12	External initiatives	See “Social Sustainability” section in the 2020 Corporate Responsibility Report, which outlines our “Social and Human Capital Focus Areas” including, Diversity and Inclusion, Anti-Harassment, Occupational Health & Safety, Anti-Trafficking, and Community Relations.	2020 Corporate Responsibility Report (p. 20-25)
102-13	Membership of associations	Chatham Lodging Trust is a member of NAREIT and the American Hotel & Lodging Association	GRI Index

Strategy

102-14	Statement from senior decision-maker	See the "Chairman's Message" section of the 2020 Corporate Responsibility Report for a statement made by our Chairman, CEO, and President Jeffrey H. Fisher.	2020 Corporate Responsibility Report (p. 4)
102-15	Key impacts, risks and opportunities	<p>In our 2020 10-K, we identify risk factors that pose a significant risk to our business.</p> <p>In 2021, the Company conducted environmental, <u>social</u> and regulatory risk assessments to identify risks throughout our portfolio of hotels. Additional information on climate related risks is available in our Task Force for Climate-Related Financial Disclosures (TCFD).</p> <p>In addition, Chatham's executive management team collects and formulates relevant data and information and shares recommendations to the Nominating and Corporate Governance Committee that adopts measures and reports periodically to the Board of Trustees. The Nominating and Corporate Governance Committee of the Board of Trustees have primary responsibility for reviewing and refining our ESG policies, which prescribes the implementation, management, and enhancement of environmental and social programs.</p>	Task Force for Climate-Related Financial Disclosures (TCFD)

Ethics and integrity

102-16	Values, principles, Standards, and norms of behavior	<p>As a Company, we intend to maintain the highest standards of ethical business practices and compliance with all laws and regulations applicable to our business. In turn, we have adopted a corporate code of ethics relating to the conduct of our business by our employees, officers, and trustees. Furthermore, our Board of Trustees has established an Audit Committee, Compensation Committee, and a Nominating and Corporate Governance Committee to provide organizational structure and to adapt to a changing business landscape sustainably.</p> <p>This Code of Conduct covers a wide range of business practices and procedures and is intended to supplement existing policies. It is important that you read and understand it. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, officers, and trustees of the Company.</p>	<p>Code of Business Conduct and Ethics</p> <p>2020 Corporate Responsibility Report (p. 8 of pdf)</p>
102-17	Mechanisms for advice and concerns about ethics	<p>We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination of harassment of any kind by co-workers, supervisors, customers, or vendors. This applies to recruiting, hiring, promotion, compensation, termination, and other employment actions. Examples of prohibited conduct include making derogatory comments based on racial or ethnic characteristics or unwelcome sexual advances.</p> <p>Each employee has responsibility for maintaining a safe and healthy workplace for all employees by (i) following occupational safety and health rules, (ii) complying with loss prevention programs and (iii) immediately reporting to the employee's supervisor accidents, injuries and unsafe equipment, practices, or conditions.</p> <p>Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.</p>	<p>Code of Business Conduct and Ethics (p.4-5)</p>

Governance Structure

102-18	Governance Structure	Chatham's executive management team collects and formulates relevant data and information and shares recommendations to the Nominating and Corporate Governance Committee that adopts measures and reports periodically to the Board of Trustees. The Nominating and Corporate Governance Committee of the Board of Trustees have primary responsibility for reviewing and refining our ESG policies, which prescribes the implementation, management, and enhancement of environmental and social programs.	Chatham Proxy Statement 2021 2020 Corporate Responsibility Report (p.8 of pdf)
102-19	Delegating authority	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.	Task Force for Climate-Related Financial Disclosures (TCFD)
102-20	Executive-level responsibility for economic, environmental, and social topics	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 to the Nominating and Corporate Governance (NCG) Committee that adopts measures and reports periodically to the Board of Trustees. If necessary, the Board of Trustees may delegate specific risk management tasks to the Officers or a 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. Chatham is planning to form an internal corporate responsibility / ESG committee that will likely report directly to the Board of Trustees at scheduled intervals.	Task Force for Climate-Related Financial Disclosures (TCFD)

102-22	Composition of the highest governance body and its committees	Chatham's Board of Trustees is comprised of seven members, of which six are independent.	Corporate Governance Guidelines
102-23	Chair of the highest governance body	Chairman, Chief Executive Officer and President Jeffrey H. Fisher	Board of Directors 2021 Proxy Statement
102-24	Nominating and selecting the highest governance body	<p>The Nominating & Governance Committee ("Governance Committee") of the Board is responsible for reviewing with the Board the requisite skills and characteristics of new Board members as vacancies occur. The Governance Committee shall also be responsible for reviewing with the Board, on an annual basis, an assessment of (i) the composition of the Board as a whole, (ii) whether a majority of the trustees are "independent" and (iii) the trustees' diversity, age, skills, and experience in the context of the Board's needs. Nominees for trusteeship will be reviewed in connection with this assessment. Nominees for trusteeship will be selected by the Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Governance Committee and the Chairman of the Board.</p> <p>The Board believes that the Board should be of sufficient size to include a range of substantive experience but not so large as to impede its efficient operation. The Board presently has seven (7) members. It is the sense of the Board that a size of six (6) to nine (9) is appropriate and most effective. The Board would be willing to expand to a somewhat larger size, however, to accommodate the availability of an outstanding candidate. The Board also recognizes that a change in circumstance may warrant expanding or decreasing the size of the Board.</p>	<p>Nominating and Governance Committee Policy Regarding Qualification and Nomination of Director Candidates and Board Profile (p.1)</p> <p>2021 Proxy Statement</p>

102-25	Conflicts of interest	Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Trustees. Any employee, officer or trustee who becomes aware of a conflict or a potential or apparent conflict should bring it to the attention of supervisor, manager, or other appropriate personnel (and should consult the procedures described in Section XIII of the Code of Business Conduct and Ethics).	Code of Business Conduct and Ethics (p.3)
102-28	Evaluating the highest governance body's performance	The Board of Trustees will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Governance Committee will receive comments from all trustees and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board can improve. The annual self-evaluation will address the performance of the <u>board as a whole, each of the three committees and each of the individual Board members.</u>	Corporate Governance Guidelines
102-35	Remuneration policies	Our annual Proxy Statement outlines the Company's remuneration policies. The Compensation Committee oversees risks relating to remuneration of our officers and employees.	2021 Proxy Statement
102-36	Process for determining remuneration	Our annual Proxy Statement outlines the Company's process for determining remuneration.	2021 Proxy Statement

Stakeholder Engagement

102-40	List of stakeholder groups	Our stakeholders include our investors, board of trustees, operating partners & hotel brands, employees, local communities, and suppliers.	2020 Corporate Responsibility Report (p. 10-11)
102-41	Collective bargaining agreements	None of our employees are represented by a collective bargaining agreement, however, certain hotel level employees of Island Hospitality Management (IHM) are represented under a collective bargaining agreement.	2020 Annual Report
102-42	Identifying and selecting stakeholders	Our identified stakeholders are selected by determining the groups or individuals that are directly impacted by our business or directly impact our company.	GRI Content Index
102-43	Approach to stakeholder engagement	We recognize that our Company's success relies on positive relations with all our stakeholders, including our investors, board trustees, operating partners and tenants, employees, local communities, and suppliers. As such, we have ongoing efforts to engage them to understand their interests better.	2020 Corporate Responsibility Report (p. 10)

Reporting Practice

102-45	Entities included in the consolidated financial statements	All properties within the Chatham 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.	2020 Annual Report
102-46	Defining report content and topic boundaries	Reporting content that has been defined considers topics of greatest importance to our company and interest to our key stakeholders, including our investors.	GRI Content Index
102-47	List of material topics	Material aspects are reported using the GRI Reporting Standards in the Specific Disclosures section of the Content Index.	GRI Content Index
102-48	Restatements of information	N/A	GRI Content Index
102-49	Changes in reporting	Reporting has been updated to include waste figures.	2020 Corporate Responsibility Report
102-50	Reporting Period	Our reporting covers the calendar year 2019.	GRI Content Index
102-51	Date of most recent report	2020 Sustainability Report for 2019 reporting year, with update provided in January 2022.	2020 Corporate Responsibility Report
102-52	Reporting cycle	We update our ESG disclosures on an annual basis.	2020 Corporate Responsibility Report
102-53	Contact point for questions regarding the report	Chatham Lodging Trust 222 Lakeview Avenue – Suite 200 West Palm Beach, Florida 33401 561-802-4477	Chatham Website
102-56	External assurance	We did not seek assurance during the reporting period.	

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Management Approach Disclosures – Economic

Economic Performance

103	Management Approach	Chatham Lodging Trust ("Chatham") is a self-advised, publicly-traded real estate investment trust focused primarily on investing in upscale extended-stay hotels and premium-branded, select-service hotels. Our high-quality hotels are located in major markets with high barriers to entry, near primary demand generators for both business and leisure guests. Our primary objective is to generate attractive returns for our shareholders through investing in hotel properties at prices that provide strong returns on invested capital, paying meaningful dividends, and generating long-term value appreciation.	2020 Corporate Responsibility Report
201-1	Direct economic value generated and distributed	Chatham's total revenues for fiscal year 2019 were \$ 328,328,000. Economic value generated is distributed to our shareholders, employees, and suppliers. Chatham's total revenues for fiscal year 2020 were \$144,916,000.	2019 Annual Report 2020 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Chatham performs assessments throughout the Company to identify and effectively mitigate risks, including those related to climate change. A list of financial implications and other risks and opportunities due to climate change is located in our Task Force for Climate-Related Financial Disclosures (TCFD).	Task Force for Climate-Related Financial Disclosures (TCFD)

Indirect Economic Impacts

203-1	Infrastructure investments and services supported	To date ¹ , our corporate giving and volunteerism has amounted to 6,300lbs of donated food, 5,705 meals prepared, 2,106 young people impacted and \$21,800 raised for charitable organizations focused on food security and youth empowerment. We are looking forward to continuing our support of food security and youth empowerment.	2020 Corporate Responsibility Report
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Anti-Corruption

205-1	Operations assessed for risks related to corruption	Chatham regularly monitors Company operations for risks related to corruption.	Code of Business Conduct and Ethics
205-2	Communication and training on anti-corruption policies and procedures	From time to time the Company holds information and training sessions to promote compliance with laws, rules and regulations.	
205-3	Confirmed incidents of corruption and actions taken	No known incidents of corruption during this reporting cycle.	GRI Content Index

Management Approach Disclosures: Environmental

Number	Description	Response / Disclosure	References
Energy			
103	Management Approach	At Chatham, we recognize the importance of environmental stewardship in driving long-term shareholder value and creating a portfolio of resilient hotels. We undertake a multi-stakeholder approach to our hotels' environmental stewardship through the ongoing engagement of our third-party operating partners and energy consultant.	2020 Corporate Responsibility Report
302-1	Energy consumption within the organization	In 2019, total energy consumption was 103,804.25 megawatt-hours.	ESG Performance
302-3	Energy intensity	In 2019, total energy intensity was 22.32 kilowatt-hours per square foot.	ESG Performance
302-4	Reduction of energy consumption	In 2019, we saw a -1.59% reduction in energy consumption from 2018.	ESG Performance

Water and Effluents

303-5	Water consumption	In 2019, total water consumption was 216,959.78 kilogallons.	ESG Performance
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Emissions

305-1	Scope 1 emissions	In 2019, scope 1 emissions were 8,012.29 kgCO ₂ e.	ESG Performance
305-2	Scope 2 emissions	In 2019, scope 2 emissions 23,037.5 kgCO ₂ e.	ESG Performance
305-4	Greenhouse gas intensity (GHG)	In 2019, greenhouse gas emissions were 6.48 per square foot.	ESG Performance

Effluents and Waste

306-2	Waste by type and disposal method	In 2019, waste generated was 1239 metric tons, waste intensity was 4.48 pounds per occupied room and the waste diversion rate was 27.5%	ESG Performance
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Management Approach Disclosures: Social

Number	Description	Response / Disclosure	References
Employment			
103	Management Approach	At Chatham, we believe each of our employees contributes directly to our growth and success. As such, we are firmly committed to providing equal opportunity in all aspects of employment since our employees' diversity is an important asset for our Company. We also strive to provide each employee with a safe and healthy work environment, which we aim through setting rules for occupational health and safety, setting loss prevention programs, and creating an environment of open communication. Additionally, we also strive to create positive community relations in the communities where our hotel properties operate.	2020 Corporate Responsibility Report

Number	Description	Response / Disclosure	References
401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	<p>We provide a competitive benefits package to all full-time employees, which includes health and welfare benefits, such as medical, dental, disability insurance and life insurance benefits. The plans under which these benefits are offered do not discriminate in scope, terms, or operation in favor of officers and trustees and are available to all full-time employees.</p> <p>We have established and plan to maintain a retirement savings plan under section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"). All eligible employees are able to participate in our 401(k) Retirement Savings Plan, or 401(k) Plan, which allows such employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) Plan.</p>	
Occupational Health & Safety			
403-6	Promotion of worker health	Our policy is to provide a safe and healthy workplace and comply with applicable safety and health laws and regulation, as well as internal requirements. We work to provide and maintain a safe, healthy, and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury, and health impacts. To maintain a healthy and safe workplace, some of our focus areas include workplace security, forced labor and human trafficking, and sustainable and livable work hours, wages, and benefits.	2020 Corporate Responsibility Report
403-9	Work-related injuries	In 2019, Chatham did not report any work-related injuries.	GRI Content Index
Training and Education			
404-2	Programs for upgrading employee skills and transition assistance programs	Chatham offers its employees ongoing training through various channels, including brand collaborations and corporate lunch-and-learns. Training topics include but are not limited to human trafficking, anti-harassment, safety, security and diversity.	2020 Corporate Responsibility Report

Number	Description	Response / Disclosure	References
403-2	Percentage of employees receiving regular performance and career development reviews	All Chatham employees receive regular performance and/or career development reviews. During these performance reviews, supervisors and employees discuss areas of improvement and opportunities for growth.	GRI Index

Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	We are committed to equal opportunity and are intolerant of discrimination and harassment. Our Human Rights Policy and Anti-Harassment Policy demonstrate our commitment to respecting human and labor rights and our intolerance for racism, discrimination, and unfair employment practices. We work to maintain workplaces that are free from discrimination or harassment on the basis of race, religion, color, national origin, ethnicity, sex, sexual orientation, gender identity, gender expression, age, disability, veteran status, marital status, genetic information, or any characteristic protected by law.	2020 Corporate Responsibility Report (p. 22 of pdf)
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Local Communities

413-1	Operations with local community engagement, impact assessments, and development programs	The Company prioritizes the need to invest in the communities in which our properties are located. In addition, we have made a significant effort to give back to the local charitable organizations in the West Palm Beach area, where our corporate office is located. In combination with IHM, we have engaged in a myriad of events for charitable organizations in a number of ways including participating in race events for charity, collecting food and feeding those in need, and reading and providing gifts to underprivileged children during the holidays. Our employees' volunteer efforts have directly added value to our local community.	
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Customer Health and Safety

416-1	Assessment of the health and safety impacts of product and service categories	<p>The health and safety of our employees and guests are of paramount importance. We work to provide and maintain a safe, healthy, and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury, and health impacts.</p> <p>We also expect our suppliers to follow industry specific procedures and safeguards including health and safety inspections.</p>	<p>2020 Corporate Responsibility Report</p> <p>Supplier Code of Conduct</p>
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Customer Privacy

418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No known complaints regarding breaches of customer privacy and customer data losses were reported during the reporting cycle.	GRI Index
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Appendix B

SASB Disclosures

Activity Metrics

Code	Metric Description	2019 Value
IF-RE-000.A	Number of assets	40
IF-RE-000.B	Leasable floor area	4,649,969 Sq Ft
IF-RE-000.C	Percentage of indirectly managed assets	100%
IF-RE-000.D	Average occupancy rate	80.2%

Sustainability Disclosure Topics & Accounting Metrics

Energy Management

Code	Metric Description	2019 Value
IF-RE-000.130a.1	Energy consumption data coverage as a percentage of total floor area	100%
IF-RE-000.130a.2	Total energy consumed by portfolio area with data coverage	373695.31 GJ
	Percentage grid electricity	100%
	Percentage renewable energy	10.2%
IF-RE-000.130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage	-0.46%
IF-RE-000.130a.4	Percentage of eligible portfolio that has an energy rating	27.5%
	Percentage of eligible portfolio that is certified to ENERGY STAR	10%
IF-RE-000.130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	As a hospitality REIT owner of hotel assets, we understand environmental impact of operations occurs primarily during new development, major renovation, and on-going operation of existing assets. We develop and maintain an energy conservation program where various property-level initiatives are implemented across our portfolio of hotels. Some of those practices include adopting energy-efficient design, working with operating partners to mitigate energy consumption, and identifying feasible and fiscally reasonable energy conservation opportunities. Ongoing energy conservation initiatives include energy-efficient lighting, room occupancy sensors, routine energy audits, and electric vehicle chargers' installation.

Water Management

Code	Metric Description	2020 Value
IF-RE-000.140a.1	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	25%
IF-RE-000.140a.2	Total water withdrawn by portfolio area with data coverage	821.3 thousand m ³
	Percentage in regions with High or Extremely High Baseline Water Stress	26%
IF-RE-000.140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage	-3.8%
IF-RE-000.140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water related risks are of high importance to our portfolio considering that 25% of properties are in areas of very high-water stress. We seek to manage and mitigate water risk through our due diligence and project management processes. We work to improve water conservation at our properties by developing property-level initiatives to improve efficiency or reduce water consumption. Common examples of our water initiatives include installing auto-sensors, leveraging water-saving technologies, and supporting our operating partners with adopting a linen and towel reuse program. We also now integrate a comprehensive water risk assessment that allows us to judge the water risk at our properties' location, including water stress, flood zone, and usage as it relates to price.

Management of Tenant Sustainability Impacts

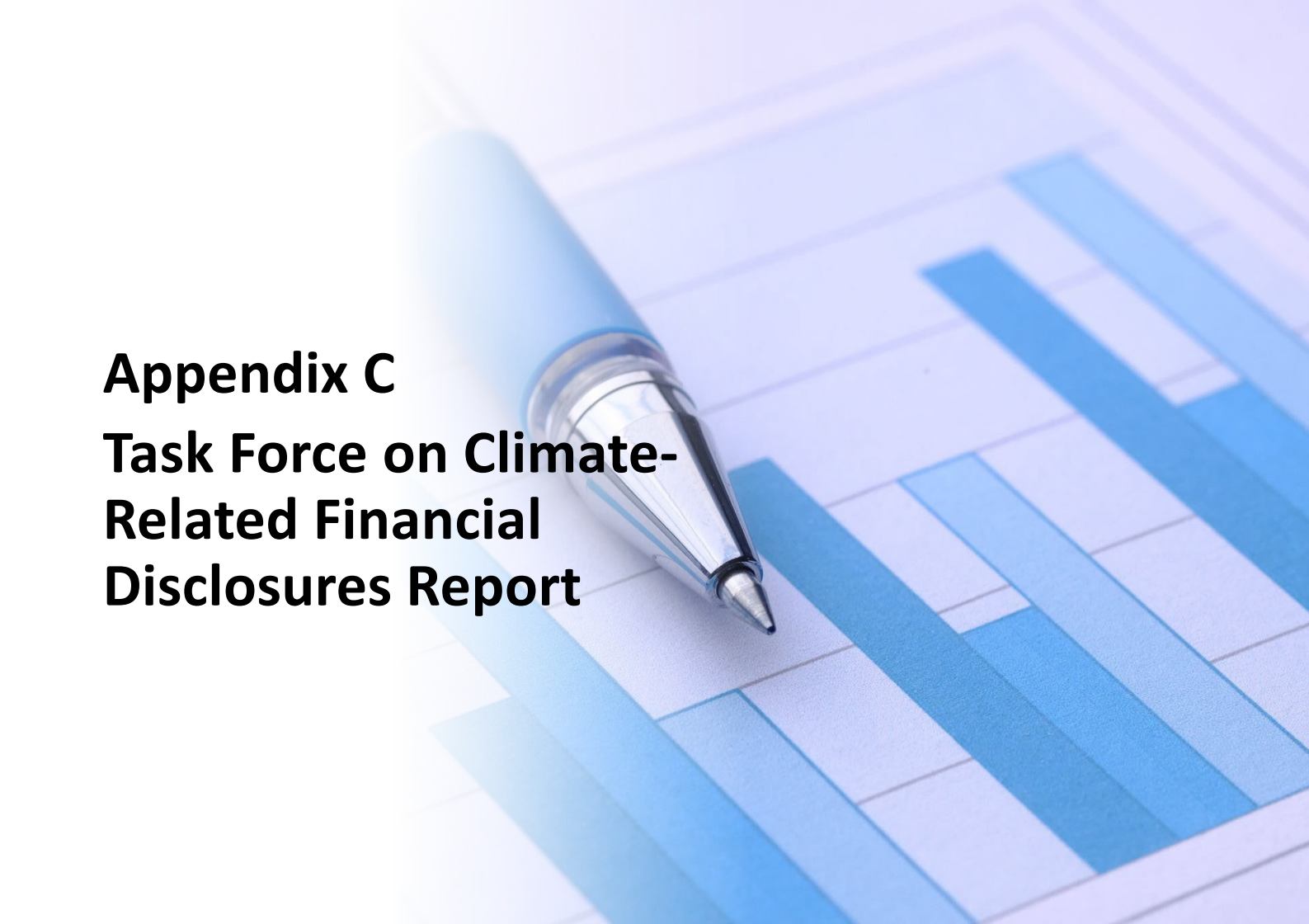
Code	Metric Description	2019 Value
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and associated leased floor area, by property subsector	0%
IF-RE-410a.2	Percentage of tenants that are separately metered or sub metered for grid electricity and water withdrawals by property subsector	Approximately 8%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	<p>We have engaged our third-party operating partner Island Hospitality Management in several ways, including quarterly meetings with our asset management team, collaborating with brands to deliver training, such as 100% of associates being trained to recognize signs of human trafficking at all properties. In early 2021, we launched a sustainability survey to all the general managers in charge of operating our hotel properties to provide insight into the properties' environmental and social factors.</p> <p>With respect to our branded hotels, we work closely with Marriott International, Hilton Worldwide and Hyatt to follow requirements and guidance pertaining to environmental and social factors, such as waste management, water usage, building safety, and health and wellbeing. Additionally, we support industry collaboration and engagement by participating in the Cornell Hotel Sustainability Benchmarking (CHSB) to benchmark our environmental performance.</p>

Climate Change Adaptation

Code	Metric Description	2019 Value
IF-RE-450a.1	Area of properties located in 100-year flood zones	157,001 sq ft
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	<p>Climate risk assessment is conducted across all properties in the portfolio on an on-going basis. There are various sources which we use to conduct climate risk assessment and to assess climate risk indicators:</p> <ul style="list-style-type: none">• Temperature and Precipitation Change: We assess the changes in long term temperature and precipitation that will be observed at the location of our properties. The source used to determine temperature and precipitation change are WorldClim future data projection• Cyclone: Using the UNEP Global Risk Data Platform, we determine the cyclone risk our property's location• Flood and Drought: Flood and drought risks are sourced from WRI Aqueduct• Sea Level Rise: Sea level rise vulnerability at 1-6m heights is ascertained from Center for Remote Sensing of Ice Sheets <p>Results are obtained for each of the above indicator and for each property, after which we identify and analyze the best measures and initiatives to be undertaken at property and portfolio level.</p>

Ecological Impacts

Code	Metric Description	2019 Value
SV-HL-160a.1	Number of Lodging Facilities Located in or Near Areas of Protected Conservation Status or Endangered Species Habitat	<p>Properties in proximity to protected areas:</p> <ul style="list-style-type: none">• Almost half of the portfolio (21 out of 40) is within 5km (3.11 miles) of a recognized protected area• All properties are located within 20km (12.43 miles) of a recognized protected area. <p>Properties in proximity to threatened species:</p> <p>All 40 properties are located within 50km (31.06 miles) of an IUCN recognized endangered or critically endangered species.</p>
SV-HL-160a.2	Description of environmental management policies and practices to preserve ecosystem services	<p>Being a responsible company, we recognize the need to protect and maintain a healthy biodiversity and to preserve the ecosystem. There are several measures undertaken across our portfolio to ensure that biodiversity is not impacted by our operations and that appropriate measures are in place to mitigate any negative impacts on biodiversity from our operations.</p> <p>One such way is to conduct a portfolio wide biodiversity assessment to identify whether there are any protected areas or endangered species in proximity of our properties. To do this, we make use of publicly available tools such as Protected Planet Database and Map of Life to find out the protected areas and endangered species in our proximity. Using these tools, we identify the measures and initiatives to be undertaken at property level to ensure that responsible visitation is promoted at our properties to guest and adequate training is provided to our staff.</p>

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Appendix C

Task Force on Climate-Related Financial Disclosures Report

Governance

Disclosure	Response	Reference
Board's oversight of climate related risks and opportunities	<p>Board of Trustees</p> <p>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>Nominating and Corporate Governance Committee</p> <p>Chatham's Climate risks and opportunities are directly overseen by the Nominating and Corporate Governance (NCG) Committee of the Board of Trustees. The NCG Committee also has primary responsibility for overseeing corporate governance and ESG Risk which includes reviewing and refining our ESG policies, which prescribes the implementation, management, and enhancement of environmental and social programs.</p> <p>Audit Committee</p> <p>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>2021 Proxy Statement</p> <p>2020 Corporate Responsibility Report</p> <p>Environmental Policy</p>

Governance (cont.)

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 to the Nominating and Corporate Governance (NCG) Committee that adopts measures and reports periodically to the Board of Trustees. If necessary, the Board of Trustees may delegate specific risk management tasks to the Officers or a 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. Chatham is planning to form an ESG committee that will report directly to the Board of Trustees at scheduled intervals.

2020 Corporate Responsibility Report

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: 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	Time Frame	Physical Climate Risk	Climate Opportunities
	Short and Medium Term:	<ul style="list-style-type: none"> Inadequate water supply Extreme weather events Building flooding from storm surges Fire damage from wildfires Poor indoor air quality Rising mean temperatures 	<ul style="list-style-type: none"> Increased consumer preference due to meeting customer preferences and needs Improved emergency response practices resulting from implementation of best practices for extreme weather events, such as regularly check and improve our assets' adaptability to extreme events related to weather and climate (especially floods and rainfall)
		Transition Climate Risk	<ul style="list-style-type: none"> Increased building and operating efficiencies resulting from implementation of energy and water efficiency upgrades Increased revenue from adhering to customer preferences for 'green' hotels Financial savings resulting from investments in renewable energy and efficiency (Long term) Availability of low emissions goods and services Increased long-term asset value from efficiency, resiliency, and low-carbon attributes
	Time Frame	Physical Climate Risk	
Long Term or Unknown:		<ul style="list-style-type: none"> Sea level rise 	
		Transition Climate Risk	
		<ul style="list-style-type: none"> Franchise brands in the portfolio are bound to commitments from Brand owner (i.e., Marriott committing to Net Zero) 	

Impact on Business, Strategy and Financial Planning	<p>Our commitments to sustainability aim to integrate ESG factors into our Company's value creation strategy to drive profitability, while positively impacting our stakeholders, the environment, and the communities where our hotel properties are located. In the short-to-medium term, we consider one of our greatest impacts on business to be the transition risk/opportunity of changing customer preferences for decarbonized travel and hotel stays. This preference is taken into consideration in overall business strategy and planning. Over the long-term, we consider one of our greatest risks to be sea level rise which affects the geographic location of our acquisitions and asset management. This risk must be considered throughout the life cycle of the real estate process from portfolio addition, ongoing asset management, renovation and disposition. The physical risk of extreme weather on our buildings as a result of floods, wildfires and hurricanes is driving increased insurance premiums that must be taken in consideration for financial planning. We are currently evaluating all geographical locations where Chatham owns assets to assess environmental and socioeconomic trends, which may impact our asset values in addition to revenue and costs in our major markets.</p>	TCFD
Organizational Resilience and Impact of Different Scenarios, Including 2 degrees or lower	<p>The 2 degree or lower scenario is the global community's accepted limitation on temperature growth 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 preferred 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 understanding and undertaking changes in the way we operate, Chatham is currently evaluating the pathway and corresponding budgetary needs required to reduce its emissions toward net zero over the next 30 years. 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. As such, we anticipate changes in building standards, pricing, regulation, customer preferences, low carbon products and services.</p>	TCFD

Risk Management

Disclosure	Response	References
Process for identifying and assessing climate related risks	Climate related risks 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. In 2021, the company conducted a Sustainability Risks & Opportunities Assessment, which is a portfolio-wide assessment of water risk, climate risk, biodiversity proximity, socio-economic indicators. 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.	2020 Corporate Responsibility Report
Processes for managing climate related risks	<p>Chatham's process for managing climate related risks involves planning, implementation, and monitoring activities around the following focus areas:</p> <ul style="list-style-type: none"> • Environmental compliance • Energy consumption • Greenhouse gas ("GHG") emissions • Water consumption • Waste generation • Environmental stress • Responsible procurement <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 3rd 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 and climate risk. As discussed above, the NCG Committee makes decisions regarding the prioritization of environmental risks and the allocation of resources to the mitigation of such risks. Constraints in the execution of any environmental program include financial, technological, operational and/or regulatory constraints.</p>	<p>Environmental Policy</p> <p>2020 Corporate Responsibility Report</p>

Risk Management (cont.)

Integration into overall risk management	<p>Risk management is integrated into Chatham's operational practices in a 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.</p>	TCFD
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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	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 per Square foot	Annual ESG Performance Tables
Energy	Direct and Indirect Energy Consumption	Annual ESG Performance Tables
Energy	Total Energy	Annual ESG Performance Tables
Energy	Energy Intensity per Square Foot	Annual ESG Performance Tables
Energy	% Renewables	Annual ESG Performance Tables
Water	Total Water	Annual ESG Performance Tables
Water	Water Intensity per Occupied Room	Annual ESG Performance Tables
Waste	Total Waste	Annual ESG Performance Tables
Waste	Waste Intensity per Occupied Room	Annual ESG Performance Tables
Waste	Diversion rate	Annual ESG 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
 - Food insecurity
 - Air pollution
 - Unemployment
 - Crime
 - Healthcare

Scope 1, 2 and 3 Greenhouse Gas Emissions

Greenhouse Gas Emissions	2019 Performance
Scope 1	8012.29 kgCO ₂ e
Scope 2	23,037.50 kgCO ₂ e
Total Scope 1 + Scope 2	31,049.79 kgCO ₂ e
Intensity per Square Foot	6.68 kgCO ₂ e
Scope 3	<i>Currently, we do not track Scope 3 emissions</i>

Targets and Performance Against Targets

Chatham currently does not have environmental targets. We have, however, identified the opportunity to enhance our efforts around climate risk and opportunities by establishing an environmental baseline and exploring environmental targets in the near future.



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