

2021 CORPORATE RESPONSIBILITY REPORT



CHATHAM
LODGING TRUST



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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. As 2021 and the COVID-19 pandemic recedes further in the rear-view mirror, we have resolved to increase our commitment and performance across many environmental, social and governance (ESG) matters.

From a reporting perspective and in the interest of assisting shareholders with a better understanding of the Company's ESG performance, we issued our first annual Corporate Responsibility Report in early 2021. The initial report included ESG performance data for the years 2017-2019. In January 2022, we published a supplement to that report which added disclosures in compliance with Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD).

In this 2021 report, we are pleased to report 2020 and 2021 performance, which puts us on track for a single annual ESG report that communicates the prior year's performance. Our current report also shares updates on several important initiatives and key milestones.

In order to achieve stronger and more diverse ESG governance, we have a newly formed ESG Committee. We also added two trustees, and our Board now consists of two women and one African American person. We are committed to Diversity, Equity, and Inclusion (DEI), and I have joined the CEO Action for Diversity and Inclusion initiative, personally pledging to continue advancing diversity and inclusion within our workplace and our Board of Trustees.

In an effort to better understand our sustainability risk profile, we conducted a portfolio-wide risk assessment to help us understand the significant aspects of our environmental footprint. This study identified properties with water, climate, biodiversity, socioeconomic and policy risk exposure so that we can develop best practices for withstanding expected and unexpected events.

Our commitment to community engagement remains strong, as our corporate teams gave time and resources to several local organizations. For the Loggerhead Marinelife Center, our team volunteered to conserve our environment and precious coastline through regular beach cleanups. We also continued our long-time partnership with Quantum House to provide meals and support for families whose children are receiving treatment for a serious medical condition in Palm Beach County, Florida. In addition, our corporate teams participated in an annual blood drive through OneBlood and with other charitable causes including Urban Youth Impact, the Salvation Army, Goodwill and Feeding America and Feeding South Florida.

One of our key strengths is efficiently managing our resources. Our commitment to environmental stewardship is reflected in the performance of our hotel properties. Since 2017, we have experienced a 27% reduction in our greenhouse gas emission intensity and 14.8% reduction in energy intensity. Additionally, our water intensity is trending downward. 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. To that end, we recently completed the construction of a hotel in Los Angeles County, built to both CalGreen and LEED Silver standards.

By the end of 2022, we will develop specific and actionable targets for the Company's environmental intensity metrics, including a goal to cut absolute carbon emissions by 50% by 2030. Chatham further acknowledges the necessity of reaching net-zero emissions by 2050 and is committed to creating an organizational plan for defining our pathway to net zero.

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:

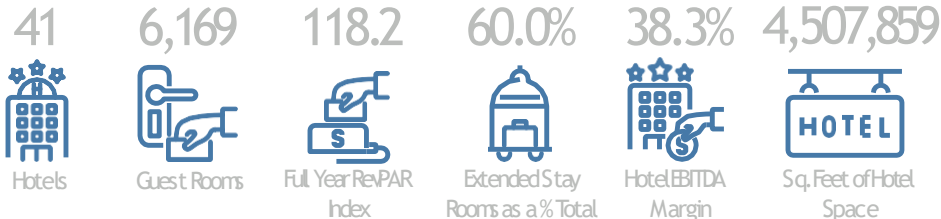
- owners of a superior portfolio reflected by top brands and attractive markets;
- specialists with a significantly larger concentration of extended-stay rooms than any other U.S. lodging REIT;
- leaders in ethical corporate governance with a comprehensive Code of Business Conduct;
- stewards of the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

Business Strategy

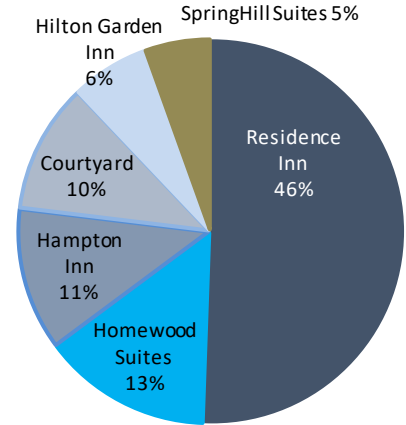
We believe we can create long-term value by pursuing the following strategies:

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

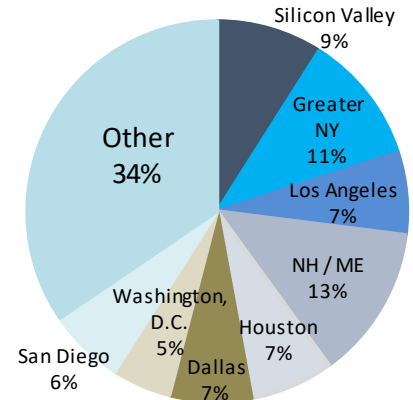
2021 Company Attributes



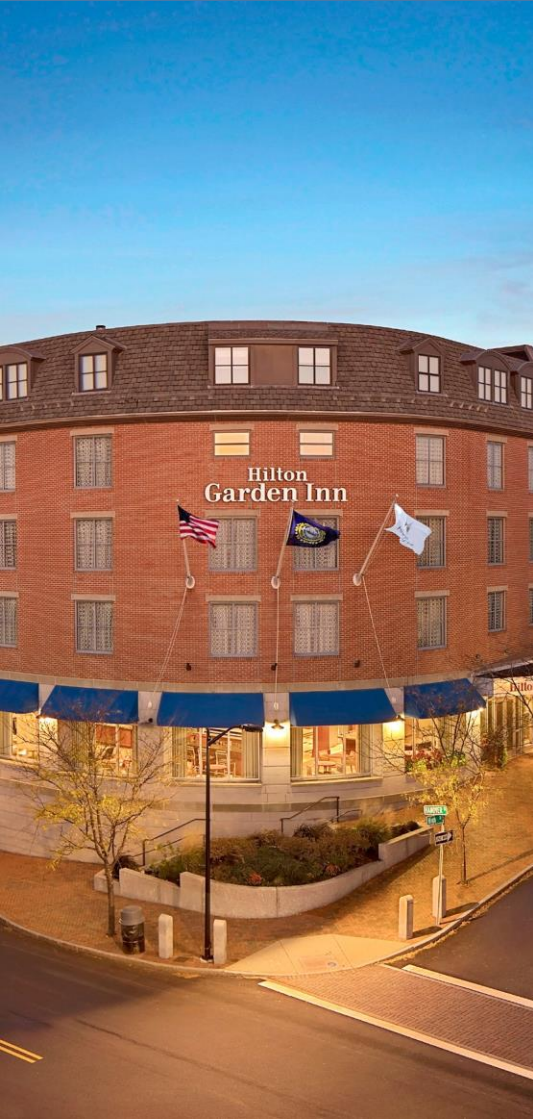
BRAND COMPOSITION¹



TOP MARKETS



¹As of publication date of June 13th, 2022, the Company has 39 hotels.



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 conservation programs related to energy, water and waste, and support third-party operators to implement property-level initiatives.
- Identify properties with high-risk exposure to the physical impacts of climate change and develop best practices for withstanding extreme weather events.
- Source suppliers and contractors pursuant to our Supplier Code of Conduct which sets standards for supplier treatment of workers, ethical business practices and impact on environment.

Social





- Implement an 'open door' policy to encourage open communications between management and employees.
- Provide opportunities for stakeholders to provide confidential feedback.
- Monitor employment, labor and human rights regulations and be accountable for compliance.
- Prioritize diversity, equity and inclusion in hiring
- Deliver ongoing associate ESG training
- Offer associate advancement and professional development opportunities
- Commitment to AHLA's 5-Star Promise to enhance policies, training and resources to strengthen safety and security.





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
- Form ESG Committee

Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a set of 17 actionable goals that seek to address global challenges and achieve a more sustainable future for all. While we recognize that all of the SDGs are important, for 2020 and 2021 we concentrated on the below goals that most relate to our business:

SDG	Chatham Strategies & Actions	SDG	Chatham Strategies & Actions
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div>	<div><div>Good Health & Well-Being</div><ul style="list-style-type: none">• Support the health and well-being of corporate employees, hotel associates and guests' health safety and wellbeing• Support Quantum House which helps families in need during times of health hardship• Support Feeding America and Feeding South Florida• Committed to AHHA's 5-Star Promise to enhance policies, training and resources to strengthen safety and security• Participated in OneBlood blood drive</div>	<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div>	<div><div>Clean Water and Sanitation</div><ul style="list-style-type: none">• Implement water initiatives such as auto-sensors, leveraging water-saving technologies, and supporting our operating partners with adopting a linen and towel reuse program</div>
<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	<div><div>Affordable and Clean Energy</div><ul style="list-style-type: none">• Maintain property-level initiatives such as 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</div>	<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>	<div><div>Reduced Inequalities</div><ul style="list-style-type: none">• Prioritize diversity, equity and inclusion in hiring• Committed to CEO action on diversity• Ethnic, racial and gender diversity on Board of Trustees• Expanded training on DEI matters</div>

SDG	Chatham Strategies & Actions	SDG	Chatham Strategies & Actions
	<p>Responsible Consumption and Production</p> <ul style="list-style-type: none"> • Adopted a Supplier Code of Conduct in 2021, expressing expectations of suppliers and vendors • Procurement of sustainable materials to incorporate into all development projects where feasible • Support development of waste minimization programs, recycling, reduction of single-use plastics, and reduction of food waste 		<p>Climate Action</p> <ul style="list-style-type: none"> • Commitment to carbon targets and net zero • TCFD, target, Invest in low carbon opportunities • Conduct portfolio wide assessment on climate and biodiversity risks
	<p>Life Below Water</p> <ul style="list-style-type: none"> • Contribute to community beach cleanups and recycling operations in association with the Loggerhead Marine Life Center 		<p>Partnership for the Goals</p> <ul style="list-style-type: none"> • Partner with AHLA on 5 Star Promise • Partner with CEO Action on Diversity • Support industry collaboration and engagement by participating in the Cornell Hotel Sustainability Benchmarking (CHSB)

Sustainability Risk and Opportunity Assessment

In 2021, we conducted a portfolio wide assessment of water risk, climate risk, biodiversity proximity, socio-economic indicators, and transition risk of regulation and policy via research of relevant local policies for our hospitality portfolio. The study looked at the following risk indicators:

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

Through this study, we found the most significant risk categories include:

- **Water** - Almost half of Chatham's portfolio is at High to Very High overall water risk. The top five properties with highest overall water risk are in Colorado, Texas and California. The most significant water related risk for the Chatham portfolio is that of baseline water stress. Baseline water is determined based on the amount of water demand to the amount of water available in the location.
- **Climate** - Just under half of the portfolio has High to Very High overall climate risk. The top five properties with the highest overall climate risk are in Georgia, New Hampshire, Florida, Virginia and Texas. The most significant climate-related risk for the Chatham portfolio is that of long-term temperature and precipitation change.
- **Biodiversity** - Almost half of the portfolio (21 out of 40) is within 5km (3.11 miles) of a recognized protected area. All of Chatham's properties are within 50km (31.06) of an endangered or critically endangered species. Across the 40 properties, a total of 958 threatened species have been identified out of which 33% are critically endangered and 67% are endangered.
- **Socio-economic risk** - The most pressing socio-economic risks across Chatham properties are crime, air pollution and food insecurity. Fortunately, many of our properties have programs underway that address these risks and more will be developed going forward. The impacts of climate and water risk on properties, buildings, operations and working conditions, as well as guest experience will be further researched and understood, and we will put adaptive plans in place where necessary. For properties located within 5km of a protected area, we are planning to undertake due diligence to ensure the properties and operations do not negatively impact local biodiversity. Since crime rates have implications for guest and employee safety, we are planning to work with local communities to reduce violent crime, through job creation, access to education, access to mental health services and other such initiatives. We are also planning to support properties in counties with high food insecurity to properly account for food waste at the property level.

CORPORATE GOVERNANCE

In February 2022, the Board of Trustees established an Environmental, Social and Governance (ESG) Committee. The ESG Committee consists of three trustees - and two non-trustees and provides ESG oversight to the Company and reports to the full Board of Trustees. This new committee oversees and advises the Board on the Company's goals, strategies, and commitments related to sustainability and ESG, including climate risks and opportunities, human rights and human capital management, community and social impact, and diversity and inclusion. The Committee also reviews and oversees the policies and procedures used to prepare sustainability and ESG-related statements and disclosures, including preparation of the Company's annual corporate responsibility report and reviews these statements and disclosures before their publication. The ESG Committee meets at least quarterly. The charter of the ESG Committee is available on our website at www.chathamlodgingtrust.com.



Board Oversight of ESG Risks

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, a Compensation Committee, a Nominating and Corporate Governance Committee and an ESG Committee to provide organizational structure and to adapt to a changing business landscape sustainably.

ESG Policies

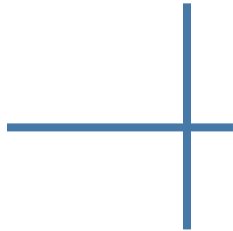
We established several ESG policies to help drive our strategy, maintain our commitments and achieve our objectives.

- **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 direction to guide our Company and promote good governance. We engage our Board through four full board meetings per year. In 2021, 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 margin performance. We also support them with creating sustainable environments for their employees and our guests. In 2021, we continue to benefit from significant asset management and increased collaboration with Island Hospitality Management. We have engaged our third-party operating partner in several ways, including monthly 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. Results of the survey are provided throughout this report.

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 2020 and 2021, 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 2017, we have experienced a 27% reduction in our greenhouse gas emission intensity and 14.8% in energy intensity. Additionally, our water intensity is also trending downward having decreased by 3.4% since 2017. We are working to improve our waste data collection. Since 2017, the percentage of portfolio coverage for waste data went from 38% to 74%. We are working to improve our waste data coverage while at the same time reducing our waste intensity.

Resource Integrity	2017	2018	2019	2020	2021	% Change (17-21)
Greenhouse Gas Emission Intensity (kgCO ₂ e per sq.ft)	7.07	6.78	6.68	5.20	5.16	-27.0%
Energy Intensity (kilowatt-hours per square foot)	21.49	22.86	22.32	17.54	18.31	-14.8%
Water Intensity (gallons per occupied room)	131.88	127.37	122.02	142.19	127.46	-3.4%
Waste Intensity (lbs per occupied room)	-	4.06	4.48	4.09	4.24	+4.5%



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

56%

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

48%

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

31%

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

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.

80%

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

81%

of our hotel properties
have highly efficient boilers

92%

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

21%

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

58%

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

*as of May 2022

72%

of our hotel properties have eliminated plastic straws

Pathway to Net Zero

The 1.5 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 1.5-degree goal and every individual and business will need to take immediate and sustained action to prevent catastrophic consequences to the planet.

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. Chatham's pathway to net zero is in alignment with the Hotel Net Zero Methodology, First Edition December 2021.

Overall, our target is to reach net-zero emissions across all scope 1, 2 and 3 emissions by 2050. Our current plan is to focus on activities through 2030, which are managerially tangible and will have further impacts past 2030 as a result. We will report progress toward the 2030 milestone each and set more concrete 2025 milestones next year. Our milestones will be updated as industry best practice and expectations evolve.

By the end of 2022, we will develop specific and actionable targets for the Company's environmental intensity metrics, including a goal to cut carbon emissions by 50% by 2030. Chatham further acknowledges the necessity of reaching net-zero emissions by 2050 and is committed to creating an organizational plan for defining our pathway to net zero. 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. Our newly formed ESG Committee is tasked with further development of the plan for defining our path to net zero.

Category	2030 Milestones	Current Activities for 2022 and 2023
Facility Emissions	<ul style="list-style-type: none"> 50% absolute reduction from a 2019 baseline Carbon offsets tracked and disclosed as a % of remaining emissions, up to 7.3 kgCO₂e/SqM 	<ul style="list-style-type: none"> Setting baseline emissions and emissions intensity for the portfolio and each property Setting 2030 targets for each property
Energy Efficiency	<ul style="list-style-type: none"> Achieve a 20% reduction in energy intensity from a 2019 baseline 	<ul style="list-style-type: none"> Capital planning for each property to incorporate decarbonization
Renewables	<ul style="list-style-type: none"> 100% of electricity will be from renewable or zero-carbon sources, either via the grid, market purchase, onsite, or a combination of all 	<ul style="list-style-type: none"> Developing a renewable energy strategy for onsite installation or PPA and Renewable energy purchase, including forecasting grid decarbonization Engaging with operators for synergies to meet their carbon reduction targets Monitoring purchase of carbon offsets across the portfolio by operators, brands, and customers Annual surveying of energy conservation measures and attributes Capital planning for each property to incorporate energy efficiency Engaging with each hotel for annual energy reduction opportunities Annual portfolio-wide analysis to prioritize properties of greatest relative weight and reduction potential Incorporating decarbonization planning into the due diligence and modeling for acquisitions Externally verifying scope 1 & 2 emissions

Category	2030 Milestones	Current Activities for 2022 and 2023
Other Facilities and Operational Sources	<ul style="list-style-type: none"> Emissions from corporate offices vehicles owned by the company tracked and reduced, in alignment with property reductions 	<ul style="list-style-type: none"> Identifying and starting to track other sources and set a baseline
Transmission & Distribution Losses	<ul style="list-style-type: none"> Transmission and distribution losses from electricity to our properties will be quantified, tracked, and reduced from a 2019 baseline 	<ul style="list-style-type: none"> Starting to track losses according to industry best practice to establish a baseline Evaluating how purchase of renewables, energy intensity, and electric power grid decarbonization will impact these losses by 2030.
Employee Commutes	<ul style="list-style-type: none"> Employee commuting will be tracked and reported according to industry best practice 	<ul style="list-style-type: none"> Surveying employees to understand baseline of mode of transport, frequency of office commutes, and distance traveled Engaging with employees and community to identify opportunities
Business Travel	<ul style="list-style-type: none"> Emissions will be tracked and a baseline set Opportunities to book overnight travel at hotels powered by 100% renewable electricity (not within our portfolio) will be identified. 	<ul style="list-style-type: none"> Setting up a tracking mechanism to capture business travel and establish boundaries Engaging with corporate travel and booking sites to identify opportunities to reduce the footprint, offset transport, and encourage hotels to decarbonize in alignment with net-zero
Upstream emissions of the hotel building and FF&E	<ul style="list-style-type: none"> Emissions will be accurately quantified and a baseline set, in line with industry best practice 	<ul style="list-style-type: none"> Evaluating and understanding the concepts and the opportunities to engage with the industry Evaluating forms of quantifying in our properties and purchases Engaging with industry to improve calculation methods and data availability
Other Emissions from Hotel Operations	<ul style="list-style-type: none"> Emissions from waste from ongoing operations will be tracked, and reduced in alignment with best practice Emissions from outsourced laundry will be tracked, and reduced in alignment with best practice Emissions from priority categories of ongoing purchases will be identified with a baseline set and reduction plan in place 	<ul style="list-style-type: none"> Improving tracking across the portfolio and establish baselines where possible Evaluating waste reduction opportunities in capex planning for each property Identifying sites with outsourced laundry or planned for outsourcing by 2030 Engaging with industry to improve calculation methods and data availability, as well as boundaries for ongoing purchases. Engaging with operators to understand how they will meet 2030 targets for these categories and how to support

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 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



HUMAN CAPITAL

The Company believes that each of its employees is an important contributor in the success of the organization. Management aims to provide an inspiring, inclusive work environment where employees feel valued, empowered, and encouraged to make positive differences within the Company and throughout their communities. Chatham operates under the belief that the most successful management provides clear leadership, while empowering employees to make timely and responsible decisions and to take actions necessary to achieve exceptional operating results. The Company offers competitive compensation and benefits, a flexible leave policy and a culture that encourages balance of work and personal life.

The Company emphasizes an open-door policy for communications and conducts regular employee satisfaction surveys, which provide the opportunity for continuous improvement. During the pandemic, the Company has been focused on working safely and maintaining a safe workplace in compliance with cleanliness guidelines set forth by the Centers for Disease Control and Prevention and in compliance with applicable Occupational Safety and Health Act standards. During 2021, all employees at our hotels involved in day-to-day operation were employed by Island Hospitality Management III, LLC, a third-party management company engaged pursuant to hotel management agreements. The Company is committed to the health, safety and security of hotel associates and guests and is proud to support the American Hotel & Lodging Association's 5-Star Promise.

DIVERSE & INCLUSIVE WORKPLACES

The Company is committed to diversity, equity and inclusion and does not tolerate discrimination or harassment in the workplace. We are committed to fostering a diverse and inclusive environment that supports the development and advancement of all. We strive to cultivate an atmosphere of listening, learning and acting; treating each other as equals; showing support and respect to each other and our partners; and encouraging freedom of expression and understanding of differences. We appreciate that our employees' unique viewpoints, diverse backgrounds and experiences working together lead us to better business outcomes and we attribute this, in part, to our ongoing success. The Company's CEO has joined the CEO Action for Diversity & Inclusion initiative and personally pledged to continue to advance diversity and inclusion within our workplace. The scope of this pledge supports equity for all, including ethnically or racially diverse persons, the LGBTQ community, people with different abilities, veterans and women. The newly formed ESG Committee will oversee the Company's commitment to diversity, equity and inclusion.



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:

95%

of our hotel properties change
HVAC system filters routinely

73%

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



SOCIAL CAPITAL

Chatham is dedicated to many causes. We especially 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. Chatham is supportive to communities around our corporate headquarters, as well as in the communities where our hotels operate. We aim to promote positive community relations through all our business activities. In 2021, our combined Chatham and Island corporate employees' giving and volunteerism has amounted to 141 volunteer hours, 85 lbs of food donated, 1125 meals donated, 226 young people impacted, \$5,000 raised for organizations.

Over the past year, we have supported the following organizations:

- Loggerhead Marine Life Center
- Quantum House
- Urban Youth Impact
- Salvation Army
- Goodwill
- One Blood
- Feeding America and Feeding South Florida

These highlights are based on a survey of 39 properties with a response rate of over 70%

Loggerhead Marinelifelife Center

Loggerhead Marinelifelife Center, located in Loggerhead Park, Juno Beach, Florida, is a sea turtle research, rehabilitation, education and conservation center. The Center is one of Florida's most visited non-profit scientific destinations focused on ocean and sea turtle conservation. We partner with Loggerhead Marinelifelife Center to support their efforts in conserving our environment and precious coastline through regular beach cleanups and recycling operations. These events always draw the largest turnout to clean up our beaches.



Quantum House

Quantum House is a caring and supportive home that lessens the burden for families whose children are receiving treatment for a serious medical condition in Palm Beach County, Florida. We have been a long-time partner with Quantum House to provide meals for families and their children while undergoing medical procedures. We also love to engage with the families through crafts and one on one time when possible.



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.

PERFORMANCE

Portfolio Profile	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021
Number of Properties	40	42	40	39	41
Number of Properties in Environmental Performance Disclosure	36	38	40	39	39
Number of Rooms	6,018	6,283	6,092	5,900	6,169
Occupancy Rate (Same property)	79.8%	80.4%	80.2%	48.2%	64.1%
Total Square Footage (for portfolio in environmental performance disclosure)	4,138,570	4,392,019	4,649,969	4,507,859	4,507,859
Total Revenue (In thousands)	\$301,844	\$324,230	\$328,328	\$144,916	\$203,975
Total Operating Expenses (In thousands)	\$248,806	\$266,078	\$271,661	\$207,685	\$221,168
Adjusted EBITDA (In thousands)	\$126,698	\$131,499	\$130,997	\$18,485	\$48,438
Revenue per available room (Same property)	\$133.05	\$135.59	\$133.47	\$57.45	\$85.71
Average Daily Rate (Same Property)	\$166.82	\$168.66	\$166.47	\$119.39	\$132.68

Environmental	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021
Energy					
Intensity per Square Foot (kilowatt-hours)	21.49	22.86	22.32	17.54	18.31
Total Energy Consumption (megawatt hours)	88,937.60	100,394.30	103,804.25	79,060.42	82,527.56
Direct Energy Consumption (megawatt hours)	36,228.16	43,509.30	44,209.59	29,595.41	31,076.29
Indirect Energy Consumption (megawatt hours)	52,709.45	56,884.99	59,594.66	49,465.02	51,451.27
Percentage of Electricity from Renewable Sources (%)	8.7%	10.3%	10.2%	12.4%	13.4%
Greenhouse Gas Emissions (GHG)					
Intensity per Square Foot (kgCO ₂ e)	7.07	6.78	6.68	5.20	5.16
Total GHG Emissions (kgCO ₂ e)	29,245,686	29,799,769	31,049,787	23,453,486	23,254,873
Scope 1 GHG Emissions (kgCO ₂ e)	6,565,781	7,885,374	8,012,289	5,363,980	5,632,380
Scope 2 GHG Emissions (kgCO ₂ e)	22,679,905	21,914,396	23,037,498	18,089,507	17,622,493

PERFORMANCE (cont.)

Environmental	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021
Water					
Intensity per Occupied Room (gallons)	131.88	127.37	122.02	142.19	127.46
Total Water Consumption (kilogallons)	208,787	218,920	216,960	147,875	175,810
Waste					
Total Waste Generated (Metric Tons)	-	1,095	1,239	1,405	1,918
Waste Generated per occupied room (pounds)	-	4.06	4.48	4.09	4.24
Waste Diversion Rate (%)	-	25.9%	27.5%	25.9%	23.3%
Social	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021
Employees					
Number of Employees (Chatham)	48	45	41	23	17
Gender (%)					
Female	52%	53%	59%	44%	30%
Male	48%	47%	41%	56%	70%
Age (%)					
Below 30	10%	9%	7%	10%	11%
Between 30 and 50	58%	55%	49%	34%	42%
Above 50	32%	36%	44%	56%	47%
Race (%)					
Asian	4%	2%	2%	0%	0%
Black or African American	13%	9%	10%	4%	5%
Hispanic	2%	4%	5%	0%)%
White	81%	84%	84%	96%	95%
Other	0%	0%	0%	0%	0%
Board of Trustees					
Number of Trustees	8	9	7	7	8
Independent Trustees (%)	87.5%	88.9%	85.7%	85.7%	87.5%
Average Age	71.6	71.3	67.1	68.1	64.5
Gender Diversity (%)	0%	11.1%	14.3%	14.3%	25.0%
Community and Giving					
Cash Donations (\$)	\$2,800	\$3,150	\$3,150	Not tracked	\$5,000
Total Volunteer Hours (#)	176	143	268	Not tracked	141
Volunteer Hours per Employee (#)	3.7	3.2	6.5	Not tracked	
# of Meals Donated	130	130	130	Not tracked	1125
Value of In-kind Donations	Not tracked	Not tracked	\$4,472	Not tracked	\$9,814

Appendix A

GRI Content

Index



Number	Description	Response	References
Organizational Profile			
102-1	Name of the organization	ChathamLodging Trust	Chatham10-KFY2021 (PART I, p. 5)
102-2	Activities, brands, products, and services	<p>ChathamLodging 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, 2021, our hotels include upscale extended-stay hotels that operate under the Residence Inn by Marriott® brand (seventeen hotels), Homewood Suites by Hilton® brand (seven hotels), and the TownePlace Suites by Marriott® brand (one hotel), 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>	Chathamwebsite home page Chatham10-KFY2021 (PART I, p. 5)
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.	Chatham10-KFY2021 (PART I, p. 5)
102-4	Location of operations	Chathamoperatesits hotels in 16 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), Minnesota (Minneapolis), New Hampshire (Exeter, Portsmouth), New York (Holtsville, New Rochelle, White Plains), Pennsylvania (Pittsburgh), Tennessee (Nashville), Texas (Dallas, Houston, San Antonio, Austin), Virginia (Springfield, Vienna), Washington (Seattle).	Chatham10-KFY2021 (PART I, p. 5)

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 FY2021 (PART I, p.5)
102-6	Markets served	<p>Silicon Valley, San Diego, DC, NH / ME, Los Angeles, Houston, Greater NY, Boston, Seattle, Dallas, and others.</p> <ul style="list-style-type: none"> • NH/ME: 13% • Greater NY: 11% • Silicon Valley: 9% • Dallas: 7% • Los Angeles: 7% • Houston: 7% • San Diego: 6% • Washington, D.C.: 5% • Other: 35% 	2021 Corporate Sustainability Report (p. 4)
102-7	Scale of organization	As of December 31, 2021, the Company owned 41 hotels with an aggregate of 6,169 rooms located in 16 states and the District of Columbia.	Chatham 10-K FY2021 (PART I, p.5)
102-8	Information on employees and other workers	As of February 25, 2021, we had 17 employees. 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 FY2021 (PART I, p.5)

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.	2021 Corporate Responsibility Report (p.10)
102-10	Significant changes to the organization and its supply chain	In 2021, 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.	2021 Corporate Responsibility Report (p.5)
102-12	External initiatives	See “Social Sustainability” section in the 2021 Corporate Responsibility Report, which outlines our Human Capital, Diverse and Inclusive Workspace, Anti-Harassment, Occupational Health & Safety, Anti-Trafficking, and Community Relations.	2021 Corporate Responsibility Report (p. 16-18)
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 2021 Corporate Responsibility Report for a statement made by our Chairman, CEO, and President Jeffrey H. Fisher.	2021 Corporate Responsibility Report (p. 2)
102-15	Key impacts, risks and opportunities	<p>In our 2021 10-K, we identify risk factors that pose a significant risk to our business.</p> <p>In 2021, we conducted a portfolio wide assessment of water risk, climate risk, biodiversity proximity, socio-economic indicators, and transition risk of regulation and policy via research of relevant local policies for the hospitality portfolio. 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>	<p>2020 Corporate Responsibility Report (p. 7)</p> <p>Task Force for Climate-Related Financial Disclosures (TCFD)</p>
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)</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>	Code of Business Conduct and Ethics (p.4-5) 2021 Corporate Responsibility Report (p.25)
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Governance Structure

102-18	Governance Structure	<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, Nominating and Corporate Governance Committee and an ESG Committee to provide organizational structure and to adapt to a changing business landscape sustainably.</p> <p>In February 2022, the Board of Trustees established an Environmental, Social and Governance (ESG) Committee. The ESG Committee consists of three trustees - and two non-trustees and provides ESG oversight to the Company and reports to the full Board of Trustees. This new committee oversees and advises the Board on the Company's goals, strategies, and commitments related to sustainability and ESG, including climate risks and opportunities, human rights and human capital management, community and social impact, and diversity and inclusion.</p>	2021 Corporate Responsibility Report (p.10)
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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 and the ESG Committee that adopt measures and report 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 formed an ESG committee in 2022 that reports directly to the Board of Trustees at least quarterly.	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 eight members, of which seven are independent.	Board of Trustees 2021 Corporate Responsibility Report (p.10)
102-23	Chair of the highest governance body	Chairman, Chief Executive Officer and President Jeffrey H. Fisher	Board of Trustees

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 eight (8) 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>Charter of the Nomination and Governance Committee of the Board of Directors (p.1)</p> <p>Nominating and Governance Committee Policy Regarding Qualification and Nomination of Director Candidates and Board Profile (p.1)</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 board as a whole, each of the three committees and each of the individual Board members.	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, tenants, employees, local communities, and suppliers.	2021 Corporate Responsibility Report (p. 9)
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.	2021 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.	2021 Corporate Responsibility Report (p. 9)
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 include the properties that were in the portfolio for the entire reporting year.	2021 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	N/A	
102-50	Reporting Period	Our reporting covers the calendar year 2021.	GRI Content Index
102-51	Date of most recent report	05/23/2022	2021 Corporate Responsibility Report (p.)
102-52	Reporting cycle	We update our ESG disclosures on an annual basis.	2021 Corporate Responsibility Report (p.)
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	Contact US
102-56	External assurance	We are undergoing external assurance for the 2021 reporting year.	GRI Content Index 2021 Corporate Responsibility Report (p. 22)

A blue ballpoint pen lies diagonally across a document featuring a bar chart. The chart has several vertical bars of varying heights, rendered in a light blue color. The background is a soft, out-of-focus grey. The text is overlaid in the center in a large, white, sans-serif font.

Management Approach Disclosures – Economic

Number	Description	Response / Disclosure	References
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.	2021 Corporate Responsibility Report (pg. 4)
201-1	Direct economic value generated and distributed	Chatham's total revenues for fiscal year 2021 were \$203,975,000. Economic value generated is distributed to our shareholders, employees, and suppliers.	2021 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	In 2021, our combined Chatham and Island corporate employees' giving and volunteerism has amounted to 141 volunteer hours, 85 lbs of food donated, 1125 meals donated, 226 young people impacted, \$5,000 raised for organizations.	2021 Corporate Responsibility Report (pg. 19)
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.	Code of Business Conduct and Ethics
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.	2021 Corporate Responsibility Report (pg. 13)
302-1	Energy consumption within the organization	In 2021, total energy consumption was 82,527.56 megawatt-hours.	ESG Performance
302-3	Energy intensity	In 2021, total energy intensity was 18.31 kilowatt-hours per square foot.	ESG Performance
302-4	Reduction of energy consumption	In 2021, we saw a -16.4% reduction in energy consumption from 2017.	ESG Performance
Water and Effluents			
303-5	Water consumption	In 2021, total water consumption was 175,810 kilogallons.	ESG Performance
Emissions			
305-1	Scope 1 emissions	In 2021, scope 1 emissions were 5,632,380 kgCO ₂ e.	ESG Performance
305-2	Scope 2 emissions	In 2021, scope 2 emissions 17,622,493 kgCO ₂ e.	ESG Performance
305-4	Greenhouse gas intensity (GHG)	In 2021, greenhouse gas emissions were 5.16 kgCO ₂ e per square foot.	ESG Performance

Effluents and Waste

306-2	Waste by type and disposal method	In 2021, total waste was 2,114 US tons. 1,622 US tons, or 76.7%, was Landfilled. 492 US tons, or 23.3%, was recycled.	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.	2021 Corporate Responsibility Report (pg. 18)
401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	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. 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. Our 401(k) Plan is intended to help our employees save a portion of their cash compensation for retirement in a tax efficient manner. We match employees' annual contributions, within prescribed limits, dollar for dollar up to 3% of each employee's compensation contributed and 50% of each employee's contributions above such 3% threshold, up to 5% of such employee's compensation. The employee matching contributions vest immediately to the employee.	2022 Proxy Statement (pg. 36)

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.	2021 Corporate Responsibility Report (pg. 19)
403-9	Work-related injuries	In 2021, 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 on topics like to human trafficking, anti-harassment, safety, security and diversity.	2021 Corporate Responsibility Report (pg. 19)
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 a areas of improvement and opportunities for growth.	GRI Index

Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	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.	2021 Corporate Responsibility Report (p.18)
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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 events for charity, engaging in food drives, and reading and providing gifts to children and families in need during the holidays. Our employees' volunteer efforts have directly added value to our local community. The Company released its 2020 Corporate Responsibility Report in March 2021 and supplemented it in January 2022.	2022 Proxy Statement (pg. 22)
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Customer Health and Safety

416-1	Assessment of the health and safety impacts of product and service categories	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. We also expect our suppliers to follow industry specific procedures and safeguards including health and safety inspections.	2021 Corporate Responsibility Report (pg. 19) Supplier Code of Conduct
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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

Code	Metric Description	2021 Value
IF-RE-000.A	Number of assets	39
IF-RE-000.B	Leasable floor area	4,507,859 Sq Ft
IF-RE-000.C	Percentage of indirectly managed assets	100%
IF-RE-000.D	Average occupancy rate	64.1%

Sustainability Disclosure Topics & Accounting Metrics

Energy Management

Code	Metric Description	2021 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	297,099.21 GJ
	Percentage grid electricity	100%
	Percentage renewable energy	13.4%
IF-RE-000.130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage	-16.8%
IF-RE-000.130a.4	Percentage of eligible portfolio that has an energy rating	23%
	Percentage of eligible portfolio that is certified to ENERGY STAR	28.2%
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	2021 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	22.4%
IF-RE-000.140a.2	Total water withdrawn by portfolio area with data coverage	665.5 thousands m ³
	Percentage in regions with High or Extremely High Baseline Water Stress	24%
IF-RE-000.140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage	-18.8%
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 22.4% of properties are in areas of high or 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

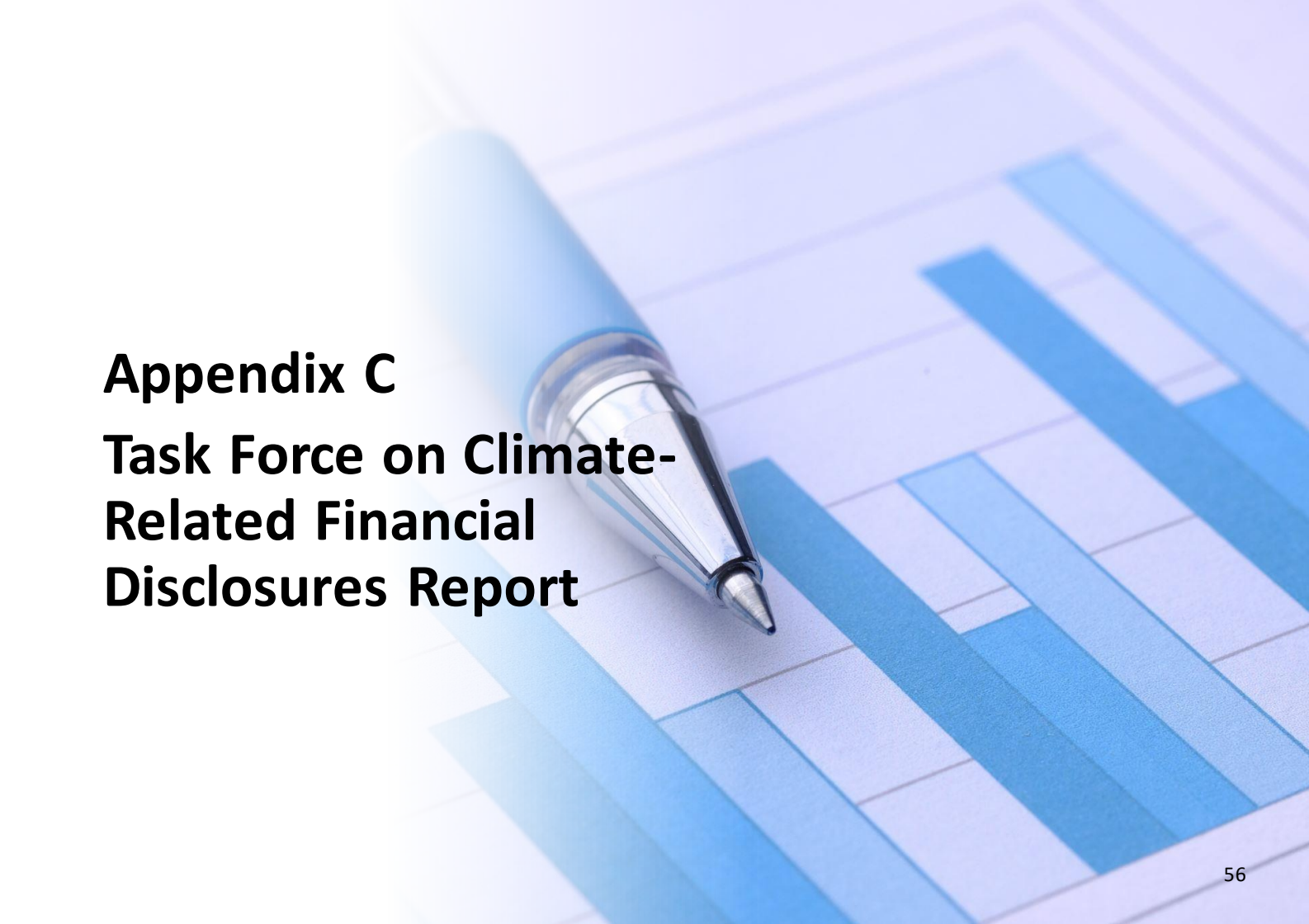
Code	Metric Description	2021 Value
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and associated leased floor area, by property subsector	0%
IF-RE-410a.2	Percentage of tenants that are separately metered or sub metered for 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	2021 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> <p>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</p> <p>Cyclone: Using the UNEP Global Risk Data Platform, we determine the cyclone risk our property's location</p> <p>Flood and Drought: Flood and drought risks are sourced from WRI Aqueduct</p> <p>Sea Level Rise: Sea level rise vulnerability at 1-6m heights is ascertained from Center for Remote Sensing of Ice Sheets</p> <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	2021 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: Around half of the portfolio (20 out of 39) 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> <p>Properties in proximity to threatened species: 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 close 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 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>ESG Committee In February 2022, the Board of Trustees established an Environmental, Social and Governance (ESG) Committee. The ESG Committee consists of three trustees - and two non-trustees and provides ESG oversight to the Company and reports to the full Board of Trustees. This new committee oversees and advises the Board on the Company's goals, strategies, and commitments related to sustainability and ESG, including climate risks and opportunities, human rights and human capital management, community and social impact, and diversity and inclusion. The Committee also reviews and oversees the policies and procedures used to prepare sustainability and ESG-related statements and disclosures, including preparation of the Company's annual corporate responsibility report and reviews these statements and disclosures before their publication. The ESG Committee meets at least quarterly. The charter of the ESG Committee is available on our website at www.chathamlodgingtrust.com.</p> <p>Audit Committee 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. The Audit Committee discusses with management the Company's major financial risk exposures. 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>2022 Proxy Statement</p> <p>2021 Corporate Responsibility Report</p> <p>ESG Committee Charter</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 ESG 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 the ESG committee. Throughout the year, management monitors the Company's risk profile and updates the Board of Trustees as new material risks are identified or the aspects of a risk previously presented to the Board of Trustees materially change.	2021 Corporate Responsibility Report ESG Committee Charter
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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 • Short and Medium Term:	• Physical Climate Risk	• Climate Opportunities	• N/A
		<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) 	

Strategy (cont.)

Disclosure	Response			Reference
Climate-related risks and opportunities identified over the short, medium and long-term	Time Frame	Physical Climate Risk	Climate Opportunities	N/A
	Short and Medium Term:			
		Transition Climate Risk		
		More stringent building codes for existing and new buildings	Increased building and operating efficiencies resulting from implementation of energy and water efficiency upgrades	
		Higher customer expectations for decarbonized travel		
		Expectations of business travelers for carbon neutral stays and meetings	Increased revenue from adhering to customer preferences for 'green' hotels	
		Reduced demand for group travel due to organizational initiatives to reduce environmental impacts of business travel	Financial savings resulting from investments in renewable energy and efficiency (Long term)	
		Increased insurance premiums for hotels located in areas with high exposure to physical climate risk factors	Availability of low emissions goods and services	
		Requirements to change out equipment or structures such as accommodation of electric vehicles for parking	Increased long-term asset value from efficiency, resiliency, and low-carbon attributes	
		Increased requirements for ESG disclosure from investors and operators		
	Time Frame	Physical Climate Risk		
	Long Term or Unknown:	Sea level rise		
		Precipitation change		
		Temperature change		
		Transition Climate Risk		
		Franchise brands in the portfolio are bound to commitments from Brand owner (i.e, Marriott committing to Net Zero)		

Strategy (cont.)

<p>Impact on Business, Strategy and Financial Planning</p>	<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.</p> <p>In 2021, we conducted a portfolio wide assessment of water risk, climate risk, biodiversity proximity, socio-economic indicators, and transition risk of regulation and policy via research of relevant local policies for our hospitality portfolio.</p> <p>Over the long-term, we consider one of our greatest climate risks to be temperature change and precipitation change, 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.</p> <p>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 recently evaluated 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>	<p>TCFD</p>
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Strategy (cont.)

<p>Organizational Resilience and Impact of Different Scenarios, Including 2 degrees or lower</p>	<p>The 1.5 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 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. Chatham's pathway to net zero is in alignment with the Hotel Net Zero Methodology, First Edition December 2021. Overall, our target is to reach net-zero emissions across all scope 1, 2 and 3 emissions by 2050. Our current plan is to focus on activities through 2030, which are managerially tangible and will have further impacts past 2030 as a result. We will report progress toward the 2030 milestone each and set more concrete 2025 milestones next year. Our milestones will be updated as industry best practice and expectations evolve. By the end of 2022, we will develop specific and actionable targets for the Company's environmental intensity metrics, including a goal to cut carbon emissions by 50% by 2030. Chatham further acknowledges the necessity of reaching net-zero emissions by 2050 and is committed to creating an organizational plan for defining our pathway to net zero.</p> <p>We are committed to shifting as necessary, in partnership with our customers, lawmakers and investors, to make whatever changes are necessary to meet this critical planetary goal. As such, we anticipate changes in building standards, pricing, regulation, customer preferences, low carbon products and services.</p>	<p>TCFD</p>
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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.	2021 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>Environmental Policy</p> <p>2021 Corporate Responsibility Report</p>

Risk Management Cont.

Processes for managing climate related risks	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 ESG 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.	Environmental Policy 2021 Corporate Responsibility Report
Integration into overall risk management	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.	TCFD

Metrics and Targets

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

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

Category	Metric	Disclosure Location
GHG Emissions	Scope 1 GHG Emissions	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
 - Access to exercise
 - Children living in poverty
 - Infant mortality rate
 - High school graduation rate
 - Level of insurance
 - Food insecurity
 - Air pollution
 - Unemployment
 - Crime
 - Access to healthcare

Scope 1, 2 and 3 Greenhouse Gas Emissions

Greenhouse Gas Emissions	2021 Performance
Scope 1	5,632,380 kgCO ₂ e
Scope 2	17,622,493 kgCO ₂ e
Total Scope 1 + Scope 2	23,254,873 kgCO ₂ e
Intensity per Square Foot	5.16 kgCO ₂ e
Scope 3	Currently, we do not track Scope 3 emissions

Targets and Performance Against Targets

Chatham has been measuring its environmental performance since 2017 and is now beginning the process to set targets that will reduce our environmental impact while creating value for our shareholders. As described above, our target is to reach net-zero emissions across all Scope 1, 2 and 3 emissions by 2050. Our current plan is to focus on activities through 2030, which are managerially tangible and will have further impacts past 2030 as a result. We will report progress toward the 2030 milestone each and set more concrete 2025 milestones next year. Our milestones will be updated as industry best practice and expectations evolve. By the end of 2022, we will develop specific and actionable targets for the Company's environmental intensity metrics, including a goal to cut carbon emissions by 50% by 2030. Chatham further acknowledges the necessity of reaching net-zero emissions by 2050 and is committed to creating an organizational plan for defining our pathway to net zero.



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