

2023 SUPPLEMENT TO CORPORATE RESPONSIBILITY REPORT



CHATHAM
LODGING TRUST



CONTENTS

GRESB	3
2030 Environmental Reductions Targets	4
Corporate Governance – Board Makeup	5
Corporate Governance – Board Makeup	6
Relationship with Operator and Brands	7
Third Party Verification	8
<u>Appendices</u>	
Appendix A GRESB Score Report	9
Appendix B Third Party Verification Statement	17

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.

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

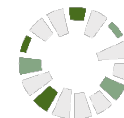
In 2022, we participated in the Global Real Estate Sustainability Benchmark (“GRESB”) for the first time. We were pleased with our first-year results:

2022 GRESB SCORE

- Chatham earned three of five GRESB Stars
- Chatham received an overall score of 75/100, ranking 48th out of 112 listed companies in the Americas region, and 6th of 14 listed companies under the Hotel property sector classification
- Chatham earned 24 of 30 available points on the Management component
- Chatham was awarded GRESB’s “Green Star” for achieving a score higher than 50% of the points allocated to the Management and Performance components

GRESB Score Breakdown	
Component	Score
GRESB Score	75/100
Management Score	24/30
Performance Score	50/70

ESG Theme Breakdown	
Theme	Score
Environmental	45/62
Social	13/18
Governance	17/20



GRESB
REAL ESTATE
member



2030 Environmental Reduction Targets



In early 2023, we set 2030 portfolio-wide environmental intensity reduction targets using a 2017 baseline year. As part of our efforts to achieve these targets, we track our environmental performance as to carbon (GHG), energy, water and waste. The following are the 2030 reduction targets for 2030 for GHG, energy and water intensity:

GHG TARGET:

- 50% reduction carbon kg CO₂e/sq ft by 2030, Net Zero by 2050

ENERGY TARGET:

- 30% reduction energy intensity kwh/sq ft by 2030

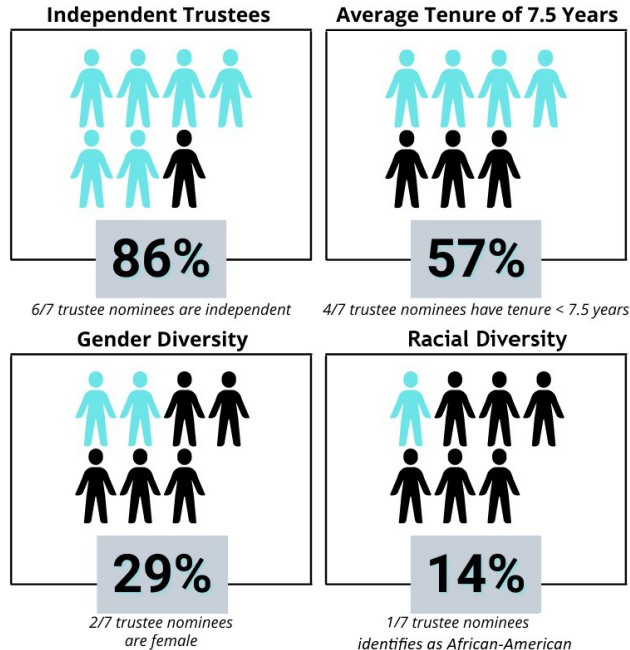
WATER TARGET:

- 30% reduction water M³/sq ft by 2030

Corporate Governance – Board Makeup

The below graphic illustrates the makeup of our Board based on the 2023 annual proxy statement. If instead the focus was just on the independent trustees, the percentages would be as follows: Independence - 100%; Short Tenure - 67%; Gender Diversity - 33%; and Racial Diversity - 17%.

In addition, in 2023, the Board committed to increase the percentage of females on the Board to no less than 30% by the end of 2025. Chatham has a long history of progressive board refreshment and has added four (4) new board members since 2017.



Corporate Governance – 2022 Initiatives

Shareholder Rights

In 2022, the Company proposed, and the shareholders voted to approve, an amendment to the Company’s Declaration of Trust to provide our shareholders the right to amend the Company’s bylaws.

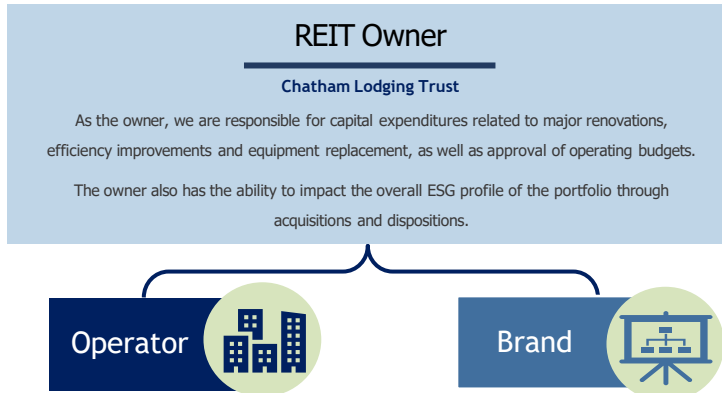
ESG Committee Initiatives

In 2022, the ESG Committee approved revised and improved versions of the following documents:

- ESG Committee Charter
- Human Rights Policy
- Environmental policy
- Supplier Code of Conduct

Relationship with Operator and Brands

As an owner of lodging assets, Chatham Lodging Trust's relationships with its management company, Island Hospitality Management, and brand companies are central to our business model. Additionally, our designation as a REIT places strict limitations on performing any services related to management or day-to-day operation of the hotel properties. We aim to help stakeholders and readers understand this relationship in further detail to provide context for the scope of ways that we can contribute to and influence ESG-related performance at the property-level.



The operator is responsible for daily operations. From an ESG perspective, it is the operator that has control and influence of daily energy and water consumption, adaptation to guest/consumer preferences and behavioral changes and maintenance activities that could influence consumption and efficiencies.

Chatham Lodging Trust leveraged its strong relationships with Island Hospitality to promote ESG initiatives at its hotels. Independently, Island Hospitality prioritizes ESG in all manners of their operations.

As part of its offering to owners, the brands may provide ESG-related support such as software, training, design guidelines, manuals, and more. Brand-level support complements the property-level operations and ESG-related efforts.

Third Party Verification

At Chatham Lodging Trust, we strive to create value while being responsible stewards at our hotels, in the community, and in our industry. We also believe that our stakeholders need access to relevant, comparable, consistent, and verifiable ESG data. Therefore, in 2022, we retained an independent, third-party consultant, First Environment, to perform a verification of 2021 environmental data in the interest of transparency and reliability. The verification statement from First Environment is attached as Appendix B.

3RD PARTY VERIFICATION

Chatham received limited assurance of its 2021 environmental data from First Environment. The data verified included:

- 2021 Total energy consumption
- 2021 Scope 1 GHG Emissions
- 2021 Scope 2 GHG emissions (Location and market-based method)
- 2021 Total water consumption



**APPENDIX
A
GRESB
REPORT**





GRESB Real Estate Benchmark Report

2022

Chatham Lodging Trust
Chatham Lodging Trust

2022 GRESB Standing Investments Benchmark Report

Chatham Lodging Trust | Chatham Lodging Trust

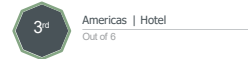
GRESB Rating



Participation & Score



Peer Comparison



Status:
Listed

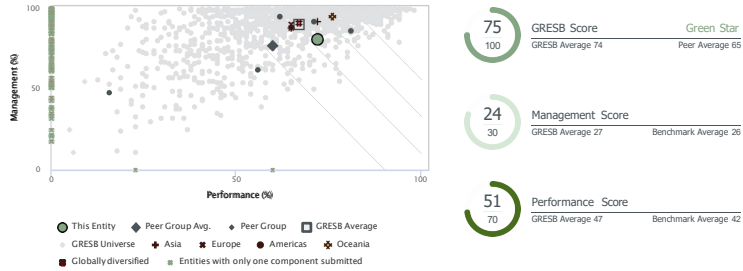
Location:
United States of
America

Property Type:
Hotel

Rankings



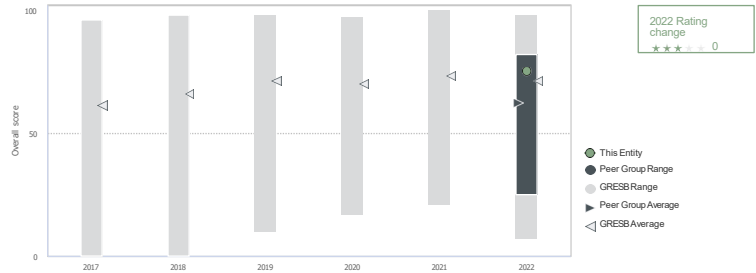
GRESB Model



ESG Breakdown

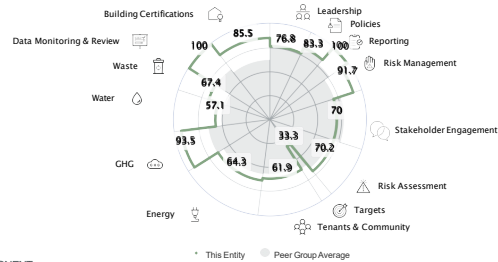


Trend



Note: In 2020, the GRESB Assessment structure fundamentally changed, establishing a new baseline for measuring Performance. As a result, GRESB advises against a direct comparison between 2020 GRESB Scores and prior year results. For more information, see the 2020 Benchmark Reports.

Aspect, Strengths & Opportunities



MANAGEMENT COMPONENT


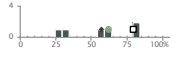

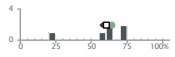

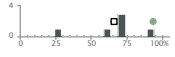

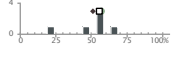

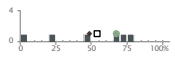

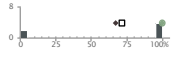

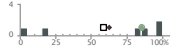
Americas | Listed (116 entities)

ASPECT Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
Leadership 7 points	23.3%	7%	5.38	5.4	
Policies 4.5 points	15%	4.5%	3.75	3.75	
Reporting 3.5 points	11.7%	3.5%	3.5	2.7	
Risk Management 5 points	16.7%	5%	4.58	3.54	
Stakeholder Engagement 10 points	33.3%	10%	7	7.75	

PERFORMANCE COMPONENT

Americas | Hotel (6 entities)

ASPECT Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
Risk Assessment 9 points	12.9%	9%	6.32	5.95	
Targets 2 points	2.9%	2%	0.67	1.22	

ASPECT Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
 Tenants & Community 11 points	15.7%	11%	6.81	6.26	
 Energy 14 points	20%	14%	9	8.07	
 GHG 7 points	10%	7%	6.55	4.55	
 Water 7 points	10%	7%	4	3.57	
 Waste 4 points	5.7%	4%	2.7	1.94	
 Data Monitoring & Review 5.5 points	7.9%	5.5%	5.5	3.67	
 Building Certifications 10.5 points	15%	10.5%	8.97	6.57	

Entity & Peer Group Characteristics

This entity		Peer Group (6 entities)	
Primary Geography:	United States of America	Primary Geography:	Americas
Primary Sector:	Hotel	Primary Sector:	Hotel
Nature of the Entity:	Public (listed on a Stock Exchange) entity	Nature of the Entity:	
Total GAV:	\$1.41 Billion	Average GAV:	\$1.88 Billion
Reporting Period:	Calendar year		
Regional allocation of assets	100% United States of America	83% United States of America 17% Mexico	
Sector allocation of assets	100% Hotel	100% Hotel	
Control	100% Tenant controlled 0% Landlord controlled	64% Tenant controlled 36% Landlord controlled	

2022 GRESB Public Disclosure Report

Chatham Lodging Trust | Chatham Lodging Trust

Participation & Score



GRESB Public Disclosure Level



Comparison Group



GRESB Real Estate Assessment

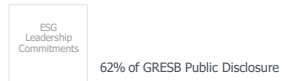
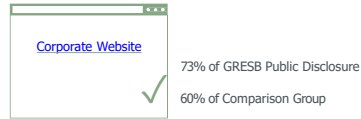
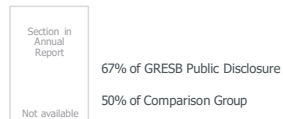
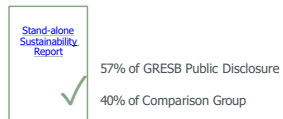


The GRESB Real Estate Assessment is the investor-driven global ESG benchmark and reporting framework for listed property companies, private property funds, developers and investors that invest directly in real estate.

The Assessment is shaped by what investors and the industry consider to be material issues in the sustainability performance of real estate investments. The methodology is consistent across different regions, investment vehicles and property types and aligns with international reporting frameworks.

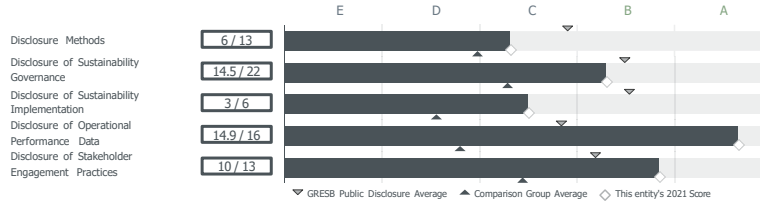
The data is self-reported by Assessment participants and subjected to a multi-layer validation process after which it is scored and benchmarked. The result is high-quality data that investors and participants can use in their investment, engagement and decision-making processes.

Disclosure Methods



40% of Comparison Group
 Not available

Disclosure Topics



Comparison Group

Public Disclosure Comparison Group (United States of America / Hotel)

Hersha Hospitality Trust	DiamondRock Hospitality Company	Ashford Hospitality Trust
Chatham Lodging Trust	InnSuites Hospitality Trust	Sotherly Hotels Inc
Summit Hotel Properties, Inc.	CorePoint Lodging Inc	ARE US Hospitality Trust
Eagle Hospitality Trust		

* 2022 GRESB Real Estate Participant

The GRESB Public Disclosure Level is an overall measure of ESG disclosure by listed property companies, based on a selection of indicators aligned with the existing GRESB Real Estate Assessment. The Public Disclosure Level provides insight into the ESG disclosure activities of both GRESB participants and non-participants and offers investors insights that are currently not captured in the GRESB Real Estate Assessment.

The data in this Report has been collected by GRESB and was available for review to the entity between April 1 and July 1 2022

Disclosure Methods

D1 Points: 3/5

Stand-alone Sustainability Report

Yes

40%

Reporting year: 2020

Reporting level

**APPENDIX
B
Third Party
Verification
Statement**



Verification Statement

Chatham Lodging Trust

222 Lakeview Avenue, Suite 200
West Palm Beach, Florida 33401

First Environment performed a verification of Chatham Lodging Trust's 2021 Sustainability Data, as represented to First Environment in "CLDT Annual Inventory 2021 04272022.xlsx". The Sustainability Data totals were prepared by representatives of Chatham and submitted to First Environment for assessment.

The scope of the Sustainability Data is as shown in Table 1:

Table 1: Chatham's Sustainability Data Scope

Organizational Boundaries	Financial Control, as per IMP
Geographic Boundaries	North America
Time Period of Data	January 1 - December 31, 2021

Specific sustainability data totals reported by Chatham are shown in Table 2:

Table 2: Chatham's Sustainability Data Totals

Sustainability Data Type	Chatham Data	Data Unit
Total Energy Consumption	82,527,557	kWh
Scope 1 GHG Emissions (CO ₂ , CH ₄ and N ₂ O)	5,632,380	kgCO ₂ e
Scope 2 GHG Emissions (CO ₂ , CH ₄ and N ₂ O), Location-based method	17,622,493	kgCO ₂ e
Scope 2 GHG Emissions (CO ₂ , CH ₄ and N ₂ O), Market-based method	17,622,493	kgCO ₂ e
Total Water Consumption	665,512	Cubic Meters
Total Waste Generated	2,114	USTons

Verification Objectives

The primary objective of the verification process is to provide Chatham with an independent opinion of veracity of the sustainability data for 2021. Relative to this objective, Chatham is seeking confirmation that the 2021 Sustainability Data is in conformance with the specified criteria and accurate relative to specified materiality thresholds for the purposes of assuring internal confidence for voluntary public reporting.

Verifier Independence

First Environment was not responsible for preparation of any part of Chatham's Sustainability Data. First Environment confirms that we are not aware of any issue that could impair our objectivity in relation to this verification engagement.

Level of Assurance

The level of assurance for the verification was to provide limited assurance of the assertions' accuracy and adherence to specified reporting criteria.

Verification Statement

Reporting and Verification Criteria

The Sustainability Data was prepared and assessed using the following criteria:

- Chatham Lodging Trust's Inventory Management Plan, February 1, 2023

The verification was performed consistent with:

- ISO 14064, Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.

The definition of materiality for the verification process was as follows:

- A material misstatement is a discrepancy in one of the sustainability data totals of greater than five percent.

Verification Methods

The verification process consisted of a strategic review of the sustainability data workbook, followed by review of a risk-based sample of historical evidence of property data. The effectiveness of the data management system and its controls were tested through assessment of the workbook calculated totals and tracing of Chatham property activity data to records and other documented evidence. The results of these evaluations were used in the preparation of First Environment's estimates of Chatham sustainability data totals. First Environment's estimates were compared against Chatham's sustainability data totals considering both the data totals conformance to the requirements of the criteria, as well as overall accuracy.

Qualification

Chatham's Inventory Management Plan identifies "The portfolio boundary consists of Chatham Lodging Trust owned properties within the U.S. using the Financial Control approach to define the boundary." In 2021, this boundary consisted of 39 properties. Relative to the Total Waste Generated, data was only reported for 29 of the 39 properties in the boundary. Chatham confirmed that waste data for the ten properties was not available for the 2021 reporting period.

Conclusion

Based on the evidence collected and the verification assessments performed, First Environment concludes, with limited assurance, regarding Chatham's 2021 Sustainability Data as presented in *CLDT Annual Inventory 2021 04272022.xlsx*, that:

There is no evidence that the following data totals are not materially correct or not prepared in conformance with reporting criteria:

- Total Energy Consumption;
- Scope 1 GHG Emissions (CO₂, CH₄ and N₂O);
- Scope 2 GHG Emissions (CO₂, CH₄ and N₂O), Location-based method;
- Scope 2 GHG Emissions (CO₂, CH₄ and N₂O), Market-based method;
- Total Water Consumption.

In addition, while there is no evidence that Waste Generated data are not materially correct for the properties for which this data was reported, this conclusion is qualified with the circumstance that the ~~assessed Total Waste Generated does not report data for ten of the 39 properties included in the~~ Chatham inventory boundary.

Verification Statement

This verification statement is provided on the Fourteenth of February, Two-thousand and twenty-three.

First Environment, Inc.
2450 Venture Oaks Way, Suite 200
Sacramento, CA 95833
www.firstenvironment.com
919.492.6080



A handwritten signature in black ink, appearing to read "James Wintergreen". The signature is written in a cursive style with a horizontal line underneath it.

James Wintergreen, Lead Verifier

A handwritten signature in black ink, appearing to read "Jeff Daley". The signature is written in a cursive style with a horizontal line underneath it.

Jeff Daley, Independent Internal Reviewer



www.chathamlodgingtrust.com

561-802-4477