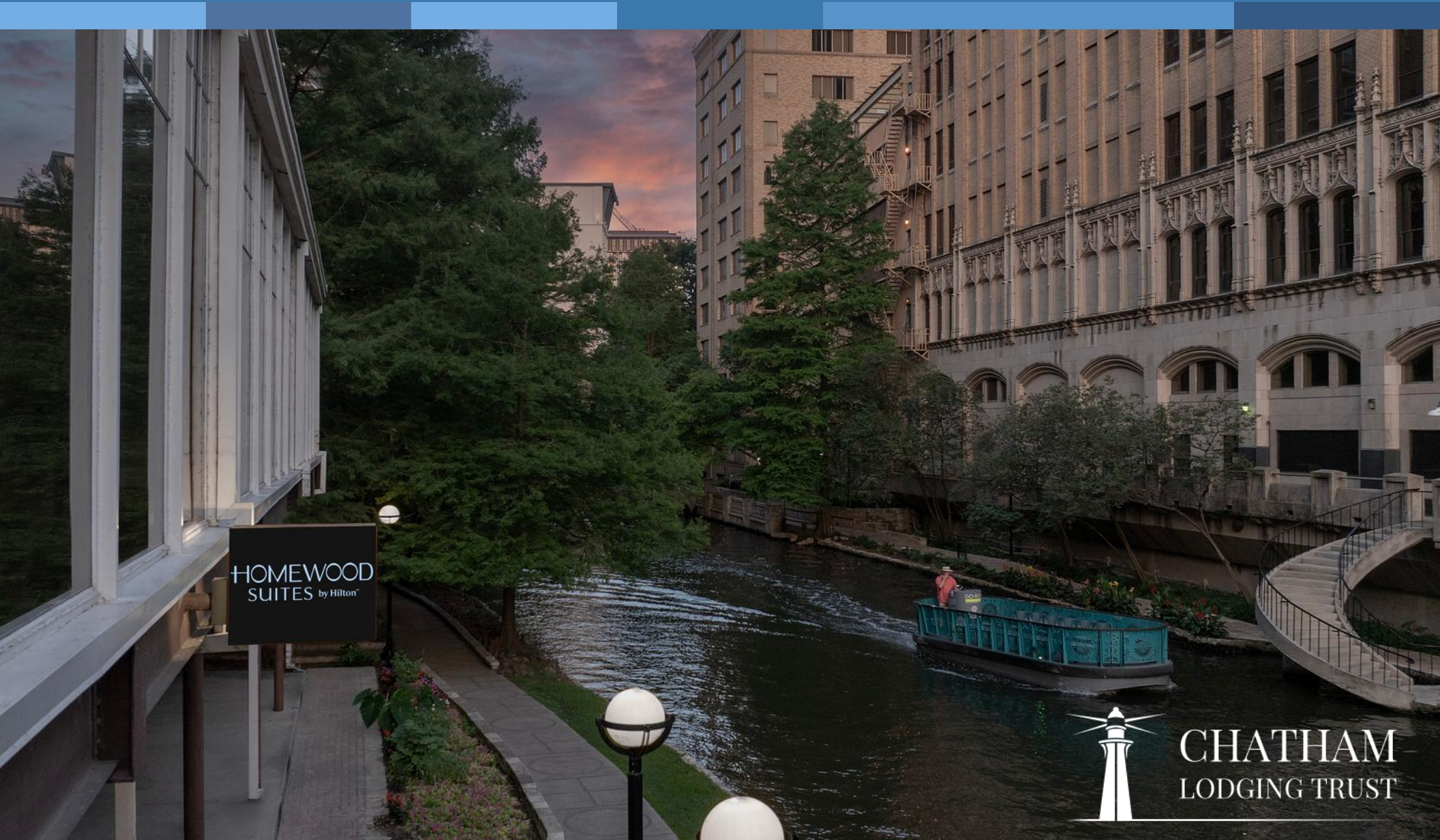


CORPORATE RESPONSIBILITY REPORT

2023



HOMWOOD
SUITES by Hilton



CHATHAM
LODGING TRUST

CONTENTS

OUR COMPANY

Safe Harbor Statement3
 Chairman’s Message.....4
 About Chatham Lodging Trust.....5
 Relationship with Operator and Brands.....6

| CORPORATE RESPONSIBILITY | ENVIRONMENTAL STEWARDSHIP | SOCIAL SUSTAINABILITY |
|--|--|--|
| Corporate Responsibility Strategy.....7 | Environmental Policy20 | Social and Human Capital34 |
| Strategic ESG Approach.....8 | Pathway to Net Zero.....21 | Human Capital.....35 |
| Sustainable Development Goals.....9 | 2030 Environmental Reduction Targets.....22 | Diverse & Inclusive Workplaces.....36 |
| Sustainability Risk and Opportunity Assessment.....11 | Environmental Performance.....23 | Occupational Health & Safety.....38 |
| Corporate Governance.....12 | Water24 | Community Relations.....39 |
| Corporate Governance – Board Makeup.....13 | Water Efficiency Projects.....25 | Chatham Hotel Properties in the Community.....41 |
| ESG Factors in Annual Performance.....14 | Energy.....26 | |
| ESG Policies.....15 | Electric Vehicle Chargers.....27 | |
| Stakeholder Engagement.....16 | Waste28 | |
| Global Real Estate | Responsible Procurement.....29 | |
| Sustainability Benchmark.....18 | Hotel Design & Construction | |
| | Certifications.....30 | |
| | Responsible Procurement During | |
| | Construction.....31 | |
| | Data Management and Quality Assurance.....32 | |

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:

Chatham Lodging Trust remains committed to creating value while serving as responsible stewards within our hotels, communities, and industry. I am proud to present our annual 2023 Corporate Responsibility Report, highlighting our performance, key initiatives, and milestones reached in 2023. This report aligns with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD).

In 2024, we participated in the Global Real Estate Sustainability Benchmark ("GRESB") for the third time, securing an impressive overall score of 83/100, ranking 24th out of 108 listed companies in the Americas region and second out of six in our peer group. We were honored with GRESB's "Green Star" for surpassing the 50% threshold in both the Management and Performance components.

As we progress on our path to net zero by 2050 and pursue our target of cutting absolute carbon emissions by 50% by 2030, environmental stewardship remains critical. Since 2017, we have achieved a 24.5% reduction in greenhouse gas emission intensity, a 10.6% reduction in energy intensity, and a 5.9% water intensity reduction. As for 2017, 2021, and 2022, we also received third party verification for our 2023 energy, GHG emission, water, and waste data to ensure the accuracy of our environmental statements. In 2023, we invested approximately \$4 million in efficiency improvements at our properties to reduce use of energy and water of our equipment and we also work together with our operator and brands to implement operational ESG initiatives.

We maintain Diversity, Equity, and Inclusion (DEI) as a vital component of our social sustainability strategy. I am an active member of the CEO Action for Diversity and Inclusion initiative, pledging to advance diversity within our workplace and the board of trustees. Post our annual meeting, 29% of our trustees are female, and 14% are African American. We remain dedicated to achieving no less than 30% female representation on the Board by the end of 2025. We remain committed to supporting our local communities. As in previous years, our team has supported a variety of charitable organizations through donations and volunteering activities in 2023.

Governance continues to be a key focus at Chatham. The Environmental, Social, and Governance (ESG) Committee, which was established in 2022, has continued its important work - providing oversight and reporting on sustainability and ESG matters, including climate risks, human rights, human capital management, social impact, and diversity, equity, and inclusion.

As in every report, I want to express my gratitude to all our stakeholders for their support on our sustainability journey. Your continued contributions are critical to our sustainable and responsible future and directly influence the successes of Chatham Lodging Trust.

Thank you for your trust and confidence in Chatham Lodging Trust's leadership and associates.



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:

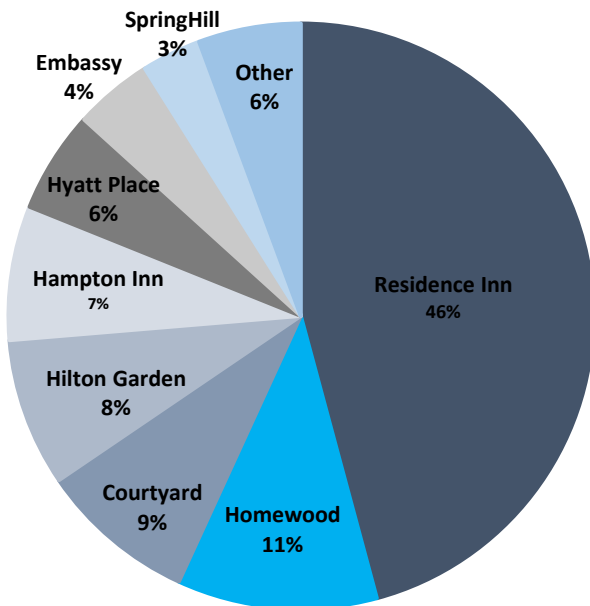
- owners of a superior portfolio reflected by top brands and attractive markets;
- specialists with a significantly larger concentration of extended-stay rooms than any other U.S. lodging REIT;
- leaders in ethical corporate governance with a comprehensive Code of Business Conduct;
- stewards of the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

Business Strategy

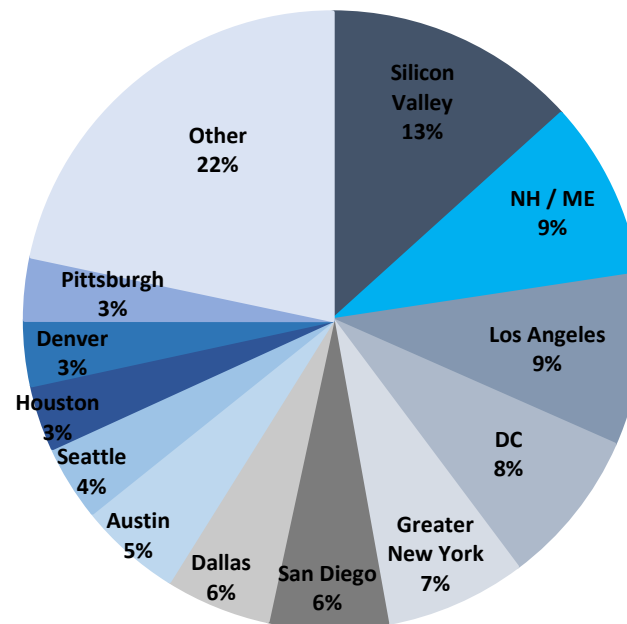
We believe we can create long-term value by pursuing the following strategies:

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

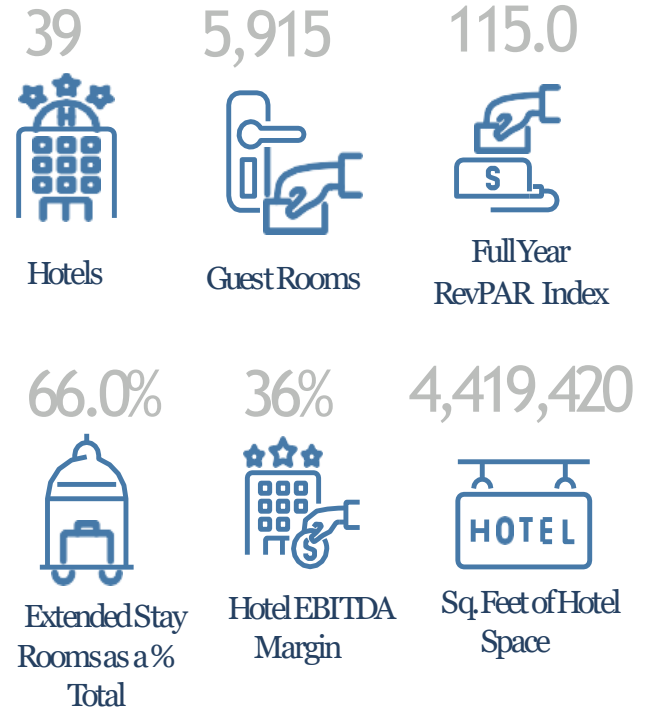
BRAND COMPOSITION



TOP MARKETS



2023 Company Attributes



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.

REIT Owner
Chatham Lodging Trust

As the owner, we are responsible for capital expenditures related to major renovations, efficiency improvements and equipment replacement, as well as approval of operating budgets.

The owner also has the ability to impact the overall ESG profile of the portfolio through acquisitions and dispositions.



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.

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

- Conservation programs related to energy, water and waste, with support for third-party operators in implementing property-level initiatives for reaching net zero by 2050.
- Identification of properties with high-risk exposure to the physical impacts of climate change and establishment of best practices for withstanding extreme weather events.
- Sourcing of suppliers and contractors pursuant to our Supplier Code of Conduct which sets standards for supplier treatment of workers, ethical business practices and environmental impact.

Social

- Implementation of an ‘open door’ policy to encourage open communications between management and employees.
- Channels for stakeholders to provide confidential feedback.
- Monitoring of employment, labor and human rights regulations and ensuring compliance.
- Prioritization of diversity, equity and inclusion in hiring
- Delivery of ongoing associate ESG training and 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

- Adherence to the following ESG policies:
 - Environmental Policy
 - Human Rights Policy
 - Anti-Harassment Policy
 - Supplier Code of Conduct
 - Integration of roles for senior leadership and the Board on the oversight of environmental and social risk factors
 - Maintenance of a comprehensive Code of Business Conduct and Corporate Governance Guidelines
 - Establishment of an ESG Committee

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The UN 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 the SDGs are important, for 2023 we concentrated on the below goals that most relate to our business:

Good Health & Well-Being



- Support the health and well-being of corporate employees, hotel associates and guests' health safety and wellbeing
- Support Children's Miracle Network
- Support the Soup Kitchen, Boynton Beach
- Committed to AHLA's 5-Star Promise to enhance policies, training and resources to strengthen safety and security
- Participated in OneBlood blood drive

Clean Water and Sanitation



- Implement water initiatives such as auto-sensors, leveraging water-saving technologies, and supporting our operating partners with adopting a linen and towel reuse program

Affordable and Clean Energy



- 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 vehicle charger installation

Reduced Inequalities



- 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

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Responsible Consumption and Production

- 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

13 CLIMATE ACTION



Climate Action

- Commitment to carbon targets and net zero
- Report under TCFD
- Invest in low carbon opportunities
- Conduct portfolio wide assessment on climate and biodiversity risks

14 LIFE BELOW WATER



Life Below Water

- Contribute to community beach cleanups and recycling operations in association with the Loggerhead Marine Life Center

17 PARTNERSHIPS FOR THE GOALS



Partnership for the Goals

- 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)
- Engage in the NAREIT Real Estate Sustainability Council

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, Flood risk, Precipitation change, Sea level rise

Water Risk Indicators

Baseline water stress, Future water stress 2030, Water risk premium, Water intensity (Gallons/Sq. Ft.), Relative market water intensity, Seasonal variability, Future water demand 2030, Future water supply 2030

Biodiversity Risk Indicators

Proximity to IUCN protected areas, Proximity to species recognized by the IUCN as critically endangered

Socio-economic Risk Indicators

Obesity, Children living in poverty, High school graduation rate, Food insecurity, Unemployment, Access to healthcare, 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 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.

[Code Of
Business
Conduct](#)

[Corporate
Governance
Guidelines](#)

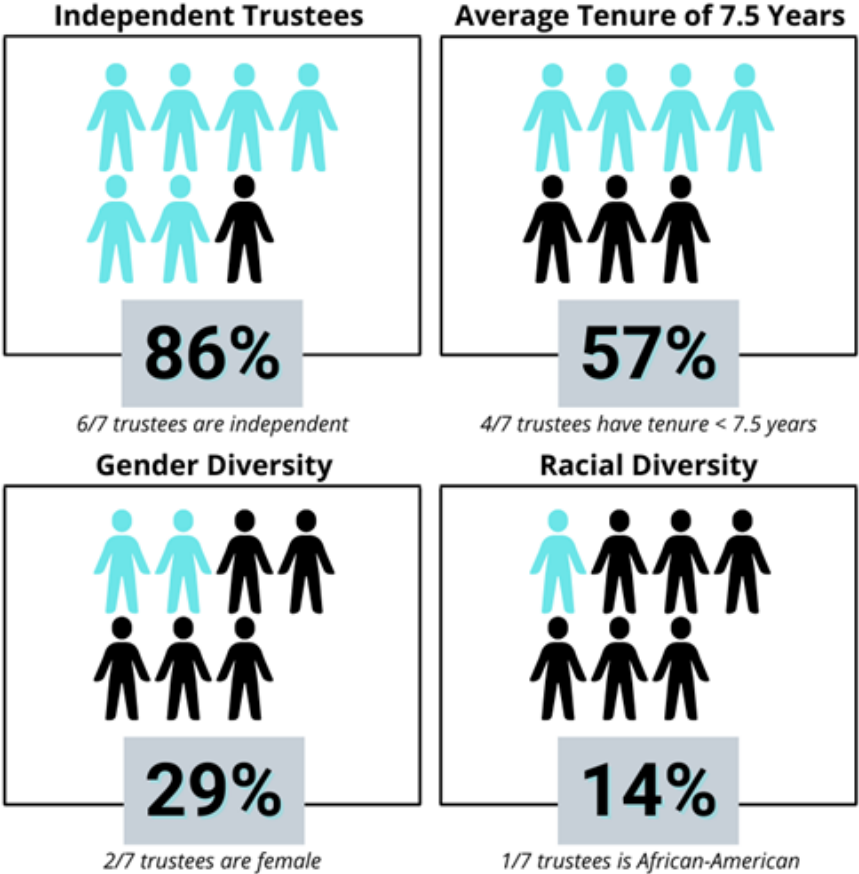
Board Oversight of ESG Risks

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.

CORPORATE GOVERNANCE - BOARD MAKEUP

The below graphic illustrates the makeup of our Board based on the 2024 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.



ESG FACTORS IN ANNUAL PERFORMANCE

Executive compensation is partially based on annual performance, and we have included ESG/Governance Factors in performance reviews. These factors apply to Chatham's named executive officers, asset managers, as well as to the employees specifically working on ESG efforts. In 2023, these performance factors included:

- Renewing organizational importance of ESG through commitment to public disclosure, organizational controls and board member diversity, equity, and inclusion.
- Implementing new organizational ESG strategies, including public disclosures, organizational controls and board member diversity, equity, and inclusion.
- Implementing organizational processes, controls, public disclosures and reporting with respect to ESG initiatives, addressing scoring by ISS and MSCI and identifying opportunities for improvement as well as expanding board member diversity, equity and inclusion.

ESG POLICIES

In 2021, we established several ESG policies to help drive our strategy, maintain our commitments and achieve our objectives. In 2022, the ESG Committee approved revised and improved versions of the ESG Committee Charter, Human Rights Policy, Environmental Policy and Supplier Code of Conduct.

- **ESG Committee Charter:** Outlines the structure of the ESG Committee and responsibilities.
- **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.

- Commitments to gender and ethnic diversity on Board of Trustees
- Six of our seven 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
- Shareholder rights on amending the Company’s bylaws
- 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 2023, the Board met four times, and 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.



STAKEHOLDER ENGAGEMENT



Industry Collaboration

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 2023, we continued 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 2024, we launched a sustainability survey to all the general managers in charge of operating our hotel properties to assess the properties' environmental and social factors. 34 properties responded. 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.

We are a member of NAREIT and the AHLA. We have also supported industry collaboration and engagement by participating in the Cornell Hotel Sustainability Benchmarking Index (CHSB) to benchmark our environmental performance for the last 3 consecutive years and became a member of the NAREIT Real Estate Sustainability Council in 2023. This council brings together over 120 sustainability leaders from across all REIT sectors to address complex environmental challenges and shape the industry's sustainability priorities. Through quarterly meetings and sector-specific task groups, the council provides a platform to discuss critical topics such as reporting standards, market trends, certifications, innovative technologies, and best practices.

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 and 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.



GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

In 2024, we participated in the Global Real Estate Sustainability Benchmark (“GRESB”) for the third time. We are pleased to share that our overall score increased from 82 to 83.

2024 GRESB Score (related to 2022 Performance)

- Chatham earned four of five GRESB Stars
- Chatham received an overall score of 83/100, ranking 24th out of 108 listed companies in the Americas region, and 2nd out of 6 in its peer group
- Chatham earned 27 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

| GRSEB SCORE BREAKDOWN | |
|-----------------------|--------------|
| <i>COMPONENT</i> | <i>SCORE</i> |
| GRESB Score | 83/100 |
| Management Score | 27/30 |
| Performance Score | 56/70 |

| ESG THEME BREAKDOWN | |
|---------------------|--------------|
| <i>COMPONENT</i> | <i>SCORE</i> |
| Environmental | 49/62 |
| Social | 16/18 |
| Governance | 18/20 |

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. In 2023, we managed to invest approximately \$4 million in energy efficiency projects. 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.

Chatham Environmental Policy Focus Areas:

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

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, Second Edition June 2023.

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 milestones. Our milestones will be updated as industry best practice and expectations evolve.

We are committed to shifting as necessary, in partnership with our customers, lawmakers and investors, to make whatever changes are necessary to meet the critical planetary goal of net zero. 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.

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



ENVIRONMENTAL PERFORMANCE

Our commitment to environmental stewardship is evident through our environmental performance since our baseline. Since 2017, we have experienced a 24.5% reduction in our greenhouse gas emission intensity and 10.6% in energy intensity. Additionally, our water intensity is also trending downward having decreased by 5.9% since 2017. Since 2018, the percentage of portfolio coverage for primary waste data went from 38% to 85%.

| Resource Integrity | 2017-Baseline | 2020 | 2021 | 2022 | 2023 | 2030 Target | % Change 17-23 |
|---|----------------------|-------------|-------------|-------------|-------------|--------------------|-----------------------|
| Greenhouse Gas Emission Intensity (kgCO ₂ e per sq.ft) | 7.07 | 5.20 | 5.16 | 5.18 | 5.34 | -50% | -24.5% |
| Energy Intensity (kilowatt-hours per square foot) | 21.49 | 17.54 | 18.31 | 18.95 | 19.21 | -30% | -10.6% |
| Water Intensity (gallons per occupied room) | 131.88 | 142.19 | 127.46 | 125.32 | 124.07 | -30% | -5.9% |
| Waste Intensity (lbs per occupied room) | - | 4.09 | 4.24 | 6.74 | 7.06 | | |

*waste data was not yet available in 2017. Therefore, the current baseline year for waste calculations is 2018 with 4.06 lbs per occupied room

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.



63%

of our hotel properties have low-flow faucets in over 75% of guestrooms

53%

of our hotel properties have low-flow showerheads in over 75% of guestrooms

53%

of our hotel properties have over 75% of toilets that are low-flush or dual flush

52%

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



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.



- 53%** of our hotel properties have implemented at least one energy efficiency measure in the past three years
- 47%** of our hotel properties have replaced more than 75% of their lights with LEDs
- 47%** of our hotel properties have more than 75% of their total surface of their property's windows, skylights, and glass doors well adapted to the local climate
- 87%** of our hotel properties have a preventative maintenance plan that checks building mechanical, electrical, and plumbing systems at least quarterly

ELECTRIC VEHICLE CHARGERS

In addition to our belief in electric vehicles, we are also committed to providing superior service to our hotel guests who drive electric vehicles, to ensure these vehicles stay on the road as long as possible, further amplifying their positive environmental impact.

Therefore, in early 2023, we entered into our first contracts with Tesla, Inc. to install Level 2 Tesla chargers (for use by both Tesla and non-Tesla electric vehicles) at our properties. Tesla installed Level 2 chargers at four (4) properties before unfortunately discontinuing the program. We continue to seek out opportunities to install EV chargers to our other properties.



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.

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

39% of our hotel properties have eliminated single-use plastics or reduced them to an absolute minimum

68% of our hotel properties have implemented a food waste prevention strategy.

84% of our hotel properties have a recycling program in place.



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, since 2019, our Marriott-operated hotels have been using pumped-topped bulk dispensers in all guestrooms. 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.
- 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.
- Additionally, we supported the transition from small single-use amenity bottles to large pump-topped dispensers. At the end of 2023, 100% of our properties have ceased using any small single-use shampoo, conditioner or body wash amenity bottles.

HOTEL DESIGN & CONSTRUCTION CERTIFICATIONS

The following properties of our portfolio were certified for sustainability at the time of design and construction.

LEED/Building Design and Construction (BD+C) | Silver

- Hampton Inn & Suites Exeter – 2011

LEED/Building Design and Construction (BD+C) | Certified

- Embassy Suites by Hilton Springfield – 2014

Green Globes/New Construction | 1 Green Globe

- Courtyard Charleston Summerville – 2014

Austin Energy/Austin Energy Green Building - Design & Construction | 1 Star

- Residence Inn Austin Northwest – 2017



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

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.



SUSTAINABLE RENOVATIONS AND RECYCLING INITIATIVES

In 2023 we invested \$15,000,000 to renovate four hotels. These renovations included the replacement of furniture, lighting, and carpet, as well as in some cases new bathroom amenities. During hotel development and renovations, we collaborate closely with our contractors, as well as Marriott and Hilton to align with their sustainability brand standards.

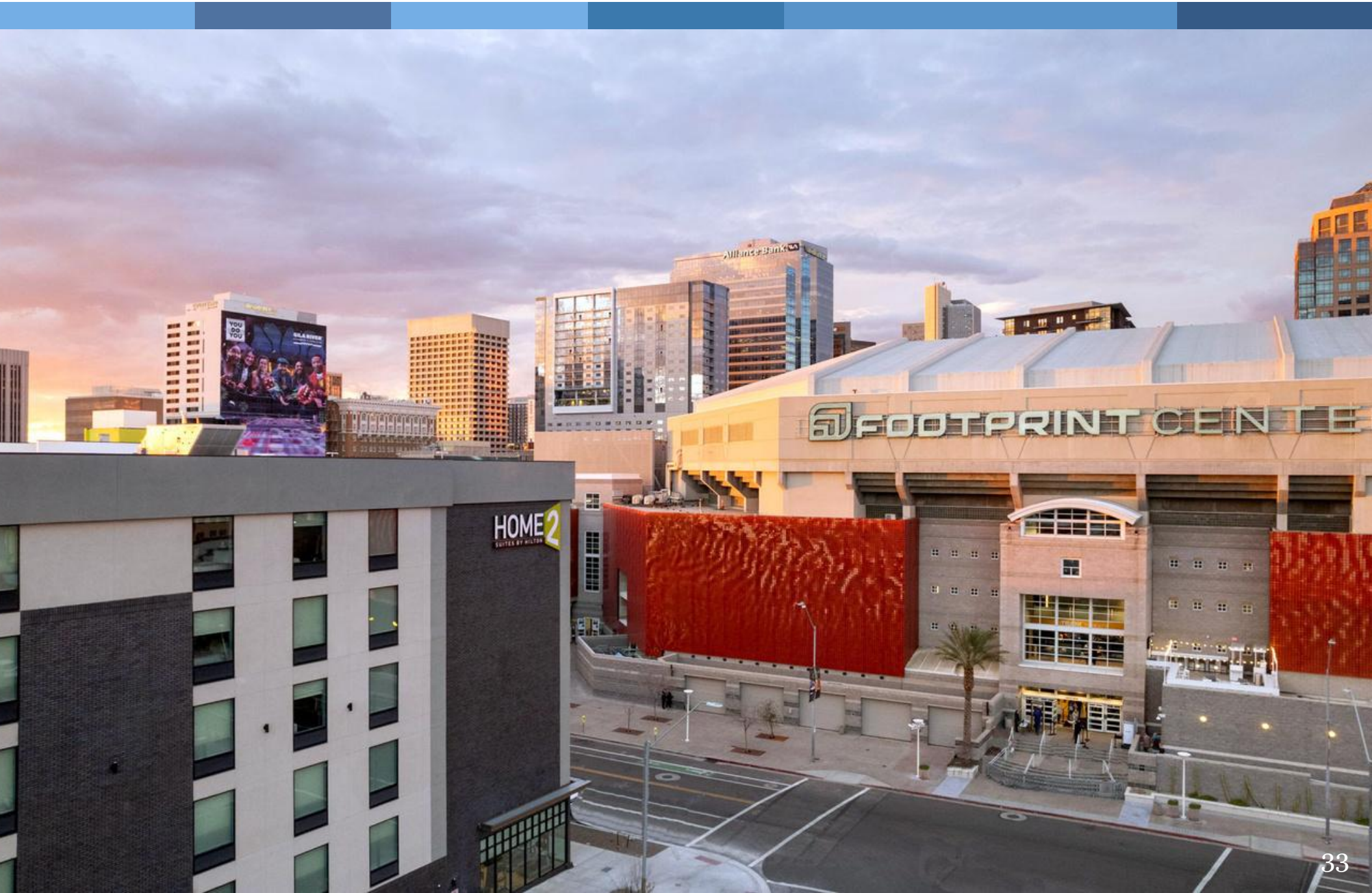
Our commitment to sustainability drives decisions to enhance environmental performance during renovations. This includes upgrading to more efficient lighting, low-flow showerheads, and low-flow toilets. Additionally, we evaluate the condition of furniture to determine whether replacement is necessary. When furniture needs to be replaced, we make sure to donate or recycle items depending on their condition. One ongoing program includes our mattress recycling program, which has been in place for 11 years. Under this program all mattresses removed for replacement are recycled. Since the inception of the program, we have, in collaboration with our logistics partner, recycled a total of 12,741 bed sets (1107 in 2023). Our logistics partner is a member of Smartway, an EPA program aimed at reducing truck emissions in the United States.

DATA MANAGEMENT AND QUALITY ASSURANCE

Chatham has a robust system for managing and ensuring the quality of its environmental performance data. We engage a third-party utility bill management company to capture data from utility invoices for all our hotel properties and to monitor the usage for any spikes which might indicate leaks or similar issues. In addition, Chatham underwent third-party verification of its GHG emission, energy, water, and waste data with an ANSI-accredited assurance provider for the third year. This year, the verifier provided limited assurance for assertions of the 2023 reporting year. The verifier has thoroughly reviewed our environmental reporting boundaries, data gathering procedures, and greenhouse gas (GHG) calculation methodology throughout the assurance process. We are confident that our comprehensive data collection, management, and third-party verification systems underscore our dedication to upholding the highest data accuracy and reporting standards, supporting the needs of investors and third-party reporting organizations.

The Verification Statements are available to download on our website and linked here for [2017](#), [2021](#), [2022](#), and [2023](#) respectively.

SOCIAL SUSTAINABILITY



At Chatham, we believe each of our employees contributes directly to our growth and success. Island Hospitality, as manager of all of our hotels, shares this view. As such, we are firmly committed to providing equal opportunity in all aspects of employment since our respective employees' diversity is an important asset for our companies. 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
- Occupational Health & Safety
- 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. We also support internal career growth through our internal management development program which helps team members assess and advance in their career goals with the help of a mentor.

The Company emphasizes an open-door policy for communications and conducts regular employee satisfaction surveys, which are used to inform continuous improvement activities. During 2023, 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. The ESG Committee oversees this commitment and we, in partnership with our operator, Island Hospitality, have had an equal employment opportunity policy in place since 2014. 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 pledge includes four goals:

1. Make the workplace an inclusive and safe environment for complex and difficult conversations
2. Implement and expand diversity and inclusion training, including unconscious bias education.
3. Share best and even unsuccessful practices with other participating CEOs.
4. Have Board oversight for the Company's goal action plans



DIVERSE & INCLUSIVE WORKPLACES

Chatham Received Nareit's 2024 Diversity Impact Award for Small Cap REITs

Nareit presented the sixth-annual Diversity Impact Awards in September 2024 and awarded Chatham the 2024 Diversity Impact Award for Small Cap REITs. These awards recognize Nareit member companies that are implementing, measuring, and expanding impactful policies and practices that create socially responsible opportunities for all employees and business partners within their companies and supply chains.



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 regulations, 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 offer an on-site gym for all corporate employees as well as our Employee Assistance Plan (EAP), which includes grief and financial counselling as well as further support for mental health issues.

We also promote safe and healthy work environments for the workers at our hotel properties. Highlights include:

100%

of our hotel properties
change HVAC system
filters routinely

54%

of our hotel properties only
use low or zero VOC paints,
finishes and other items for
renovations

COMMUNITY RELATIONS

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 of 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 2023, our combined Chatham and Island corporate employees' giving and volunteerism has amounted to 305 volunteer hours, 818 young people impacted, 1,367 women and 346 veterans impacted \$24,887 raised for organizations, including \$825 provided in in-kind donations

In 2023, we supported the following organizations:

- Habitat for Humanity
- Children's Hospital of Orange County
- Community Food Bank of Southern Arizona
- Boys & Girls Club
- Make a Wish Colorado
- OneBlood
- Children's Miracle Network
- Anaheim Homeless Shelter
- The Soup Kitchen, Boynton Beach
- Big Dog Ranch Rescue
- Loggerhead Marine Life Center
- Copper Canyon Elementary
- Angel Tree
- IH Cares
- No One Dies Alone (NODA)



Loggerhead Marineline Center

Loggerhead Marineline 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 Marineline 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.



Children's Miracle Network

Children's Miracle Network Hospitals was founded more than 40 years ago with the vision to Change Kids' Health, Change the Future. They've raised over \$9 billion for 170 children's hospitals by empowering and engaging with local communities and businesses – such as Chatham. All donations benefit local member hospitals to fund what's needed most, like critical life-saving treatments and healthcare services, innovative research, vital pediatric medical equipment, child life services that put kids' and families' minds at ease during difficult hospital stays, and financial assistance for families who could not otherwise afford these health services.



Big Dog Ranch Rescue

Big Dog Ranch Rescue, established in 2008, has saved the lives of over 50,000 dogs, guided by a mission to rescue, rehabilitate, and educate while aiming to save 5,000 dogs annually. As the largest cage-free, no-kill dog rescue in the U.S., they provide a healing haven for neglected and mistreated dogs, believing that every dog deserves a happy, full life. We proudly partner with Big Dog Ranch Rescue, offering our support through volunteer efforts to walk, bathe, feed, and care for these dogs, contributing to their mission and our community's well-being.



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 was 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.

