

# 2020 HERSHA EARTHVIEW SUSTAINABILITY REPORT

**HERSHA**  
HOTELS AND RESORTS

 **EARTHVIEW**  
Sustainable Hospitality



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## 2020 HERSHA EARTHVIEW SUSTAINABILITY REPORT

Hersha's proprietary sustainability platform, EarthView®, was created in 2010 and exemplifies our belief that we can simultaneously deliver financial value while supporting the well-being of our guests, our associates, our communities, and our planet. Our approach considers the impact of our business on all stakeholders in order to achieve long-term growth and success. We are delighted to share our 2020 impact and the strides we have made in our environmental, social, and governance (ESG) efforts towards a more sustainable, connected, and inclusive world.

This report is prepared in accordance with relevant international standards and best practices, in particular the Sustainability Accounting Standards Board (SASB) for the Real Estate Sector and the Task Force on Climate-related Financial Disclosures (TCFD).

The Cadillac Hotel & Beach Club, Miami Beach, FL

## ABOUT HERSHA HOTELS & RESORTS

Hersha owns and operates high-quality hotels in urban gateway markets and regional resort destinations. Property and room counts below reflect Hersha's portfolio as of year-end 2020.






### OUR PROPERTIES

 **48**  
hotels

 **7,582**  
rooms

 **Bi-Coastal**  
US portfolio

### OUR VALUES

-  **People Are Our Capability**
-  **Only Excellence**
-  **Hearts That Serve**
-  **Stay Nimble**
-  **Own It**

## OUR SUSTAINABILITY PROGRAM: EARTHVIEW

Started in **2010**

Centered on  
**triple-bottom-line**  
framework

Leading program in  
**sustainable hospitality**

# 2020 AT A GLANCE

## FINANCIAL IMPACT

**\$20M** in EarthView savings since inception

**1.7 YEAR** average payback period for our efficiency investments

**\$2M** from additional energy savings protocols implemented during low occupancy in 2020

## ENVIRONMENTAL IMPACT

### 2019/2020 RESULTS

In 2019, we announced targets for reducing our environmental impact by 2030 (using a 2010 baseline) and have joined the Science Based Targets initiative to align our emissions reduction targets with “science based targets” requirements. See our Environmental Impact section for more information on our targets.

The pandemic’s impact on our business and physical occupancy in 2020 was material due to travel restrictions and stay-at-home orders. Therefore, our progress towards our 2030 environmental targets is expressed in terms of 2019 metrics vs our 2010 baseline and separately as 2020 vs 2019 like-for-like, which considers only properties with comparable operating results.

#### EMISSIONS REDUCTION

 **44%**

reduction per SF 2019 vs 2010  
26% like-for-like reduction per SF 2020 vs 2019

#### ENERGY REDUCTION

 **15%**

reduction per SF 2019 vs 2010  
23% like-for-like reduction per SF 2020 vs 2019

#### WATER REDUCTION

 **5%**

reduction per SF 2019 vs 2010  
24% like-for-like reduction per SF 2020 vs 2019

#### WASTE DIVERSION

 **30%**

diversion rate in 2019  
36% diversion rate in 2020

## SOCIAL IMPACT

**39%**

of our workforce identifies as female

**24%**

of our workforce identifies as a member of a minority group

**\$596,000**

raised for autism awareness over a 5-year period

**26,000+**

people provided with access to clean water for 21 years since 2015

**20,200**

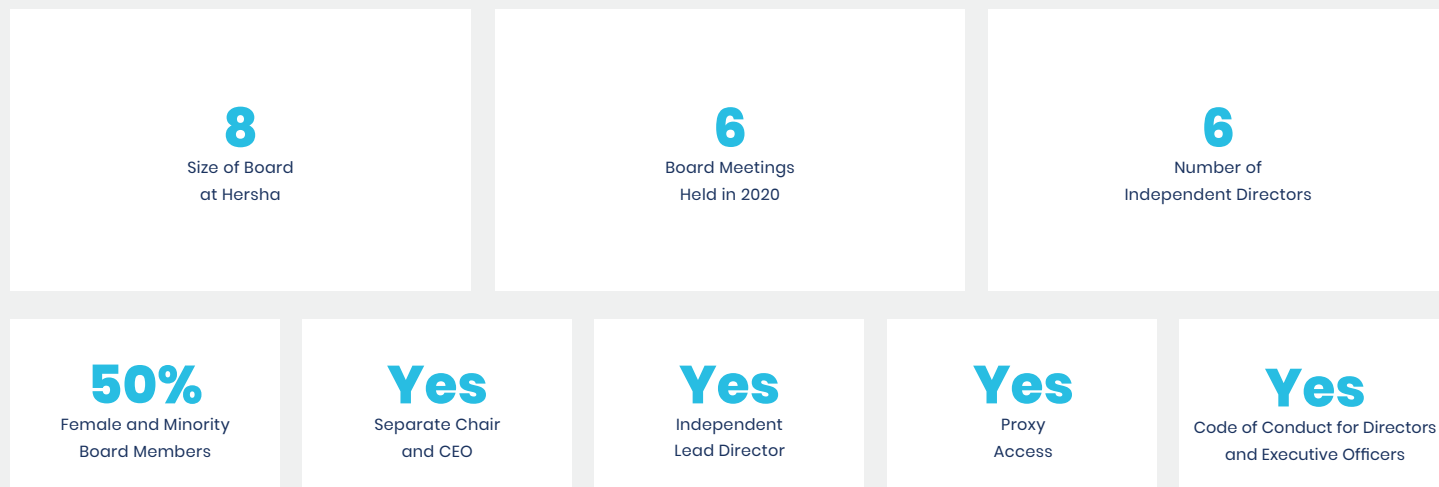
hours volunteered in our local communities since 2015

**568,000**

new bars of sanitized and repackaged soap sent to developing nations since 2011

# GOVERNANCE

## BOARD OF TRUSTEES AND GOVERNANCE INFORMATION

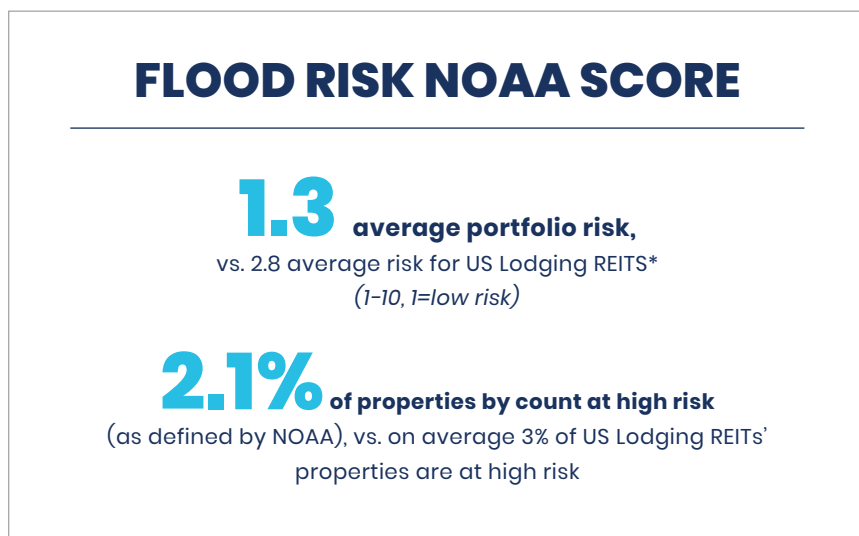


Our comprehensive Code of Ethics and Code of Conduct – including policies on human rights, labor rights, diversity, anti-harassment, formal grievance process, whistleblowers, non-retaliation, health & safety, and supplier code of conduct– are available in the [Governance section](#) of our Hersha website.

# RESILIENCY & RISK

Our resiliency strategy includes the ongoing evaluation of potential climate risks, the identification of mitigation strategies, and the ongoing monitoring and assessment of our progress.

*\*Hersha NOAA Hazard Score collated from data by the National Oceanic Atmospheric Administration (NOAA), and peer risk score calculated from the Morgan Stanley report "Rising Flood Risk: How Much and at What Cost?" (3/2019) The NOAA Hazard Score takes into account flood risk as defined by FEMA, the Federal Emergency Management Agency.*



# AWARDS & RECOGNITION

Hersha has been recognized for our approach to driving positive environmental and community impact, both at a local and global scale. Highlighted are a few of our recent awards:



Global Real Estate Sustainability Benchmark  
Public Disclosure Hersha ranked #1 within the U.S.  
Hotel peer set



NAREIT's Leader in the Light (Lodging & Resorts sector) – Recognized four times for superior sustainability practices

Hersha ranked  
**#234**

on Newsweek's 2021 list of America's Most Responsible Companies



Hersha – Top Work Places 2020 by The Philadelphia Inquirer

## COMMUNICATION HIGHLIGHTS

In 2020, our sustainability platform, EarthView, was featured in numerous publications, including Hotel Business Review, Hospitality Net, NAREIT, Asian Hospitality, Hotel Business, and Green Lodging News. These publications have an estimated total audience of 165,000.

The logo for Nareit, featuring the word "Nareit" in a bold, sans-serif font, followed by the tagline "Real estate working for you®" in a smaller font.

The logo for Hospitality Net, featuring a red square with the letters "HN" in white, followed by the text "hospitalitynet™" in a sans-serif font.

The logo for Hotel Business Review, featuring the letters "HBR" in a stylized font inside a square, followed by the text "Hotel Business Review" in a bold, sans-serif font.

The logo for Hotel Business, featuring the words "Hotel Business" in a bold, serif font.

The logo for Asian Hospitality, featuring the word "Asian" in a smaller font above the word "Hospitality" in a large, bold, serif font.

The logo for Green Lodging News, featuring a green leaf icon inside a circle above the text "greenlodgingnews®" in a sans-serif font, with the tagline "the lodging industry's leading environmental news source" below it.

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We recognize that all of the United Nations Sustainable Development Goals (SDGs) are closely integrated and play vital roles in our communities and planet. However, similar to other leading companies, we realize that a focus on specific goals is the most effective avenue towards progress. Therefore, to further support both Hersha's and the UN's missions, we have prioritized eight SDGs that are closely aligned with our business:



## ABOUT THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), developed by the United Nations, are a framework for achieving sustainability at a global level by addressing the pressing challenges we face as a global society. Though initially framed for world leaders, the United Nations has since called for a broader coalition of support for the SDGs from other stakeholders – including the world's business community.

## QUICK FACTS ON THE SDGs

- Adopted by the United Nations General Assembly in September 2015
- Part of the 2030 Agenda for Sustainable Development
- 17 Sustainable Development Goals in total
- Goal is to end poverty, fight inequality, and tackle climate change by 2030



## A LETTER FROM THE CEO

### Dear Fellow Stakeholders...

We look back on 2020 with thoughtful reflection on the challenges we faced and the learnings we gleaned from them during a most extraordinary year. As the global health crisis affected every aspect of our lives, so too did economic instability, social inequity, and political unrest. These challenges dramatically impacted our business, our associates, and our communities and brought the importance of our environmental, social, and governance (ESG) practices, through our EarthView® sustainability program, to the forefront.

On EarthView's 10-year anniversary, we are proud of the innovation and leadership that EarthView fosters at our company and the positive impact we have had on our communities and environment. EarthView remained very active in 2020 as we applied our capabilities to preserving liquidity to navigate the crisis. We implemented additional energy conservation and efficiency measures that created near-term savings and will result in margin improvement well into the recovery and beyond.

As the COVID-19 pandemic spread across the United States last spring, we leaned on EarthView to develop and implement, Rest Assured™, our proprietary health and safety program comprised of science-based cleaning and sanitizing protocols, service delivery modifications, physical distancing best practices, and enhanced communication and education to our guests and associates. Through advanced safety training and rapid mobilization of the Rest Assured program, our hotel teams played a critical role in supporting first responders and essential personnel in addressing the health crisis.

Earlier this year, I signed the CEO Action for Diversity and Inclusion Pledge, joining other CEOs across all industries, and furthering our commitment to these essential principles in the workplace and boardroom. By establishing programs and trainings that support our diverse community of employees, we hope to inspire others in the spirit of sharing and learning from each other.

In our previous annual report, we announced our 2030 environmental targets. Although the pandemic brought many challenges to our business, we remain committed to our goals and have made significant progress towards our target of a 60% reduction in greenhouse gas emissions per square foot by 2030 versus our 2010 baseline, and carbon-neutrality by 2050.

These efforts were broadly recognized in the sustainability community last year. We ranked first among U.S. lodging peers in the Global Real Estate Sustainability Benchmark's (GRESB) Public Disclosure. Across all industries, we ranked 234 in Newsweek's 2021 list of America's Most Responsible Companies based on ESG practices.

I am proud of the leadership position Hersha has taken in sustainability and of EarthView's versatility and support through the pandemic. I am optimistic that through the recovery, our industry will build back better. As we release our 2020 EarthView Annual Report, I encourage you to see how our collaborative efforts will secure a more sustainable, just, connected and resilient world.

Thank you for taking the time to review our report.

**Jay H. Shah**  
Chief Executive Officer  
Hersha Hotels and Resorts







Parrot Key hotel & Villas,  
Key West, FL

## OUR FINANCIAL IMPACT

We believe incorporating sustainability into our business strategy is key to capturing value. Our EarthView mindset not only drives lower operating expenses and higher real estate value, but is also a framework for identifying efficiencies in current practices, areas for hospitality innovation, and future market trends.



## EARTHVIEW'S INITIATIVES HAVE CREATED

**\$20M** in EarthView savings since inception

**1.7 YEAR** average payback period for our efficiency investments

**\$2M** from additional energy savings protocols implemented during low occupancy in 2020



## EARTHVIEW'S STRATEGY

EarthView has informed the way we approach business and is now wholly integrated into Hersha's business strategy. Having a strategy informed by sustainability leads to hotels with higher margins, stronger net operating income (NOI), and increased long-term valuations. Every \$1 of savings from reduced energy and water usage, and lower waste production flows directly to the bottom line.

## EARTHVIEW INTEGRATION & PROCESS

Our full-time, in-house EarthView sustainability team reports directly to Hersha's CEO, and works closely with executives and senior leadership across departments, including asset management, capital planning, operations, risk management, and sales. Through this process, sustainability is incorporated into department-specific strategies and goals.

All sustainability strategies and initiatives undergo a rigorous analytical process to ensure they:

- Demonstrate a positive short-term return on investment
- Reduce annual tangible and intangible costs
- Improve levels of engagement and wellness for our communities and associates

## HOW EARTHVIEW DRIVES VALUE

EarthView initiatives alleviate the pressure of increasing labor costs, taxes, and insurance by contributing directly to margins. Long-term value is driven by EarthView measures through:

- Increased energy and water efficiency, which reduces utility and waste related expenses, one of our portfolio's largest controllable operating expenses
- Additional revenue from group and corporate travel managers increasingly focused on sustainable travel
- Greater retention of guests and associates who prefer companies with values that resonate with theirs
- More robust preparation for and mitigation of risks, including regulatory and physical risks

## EXTERNAL STAKEHOLDER ENGAGEMENT

EarthView's continued influence and leadership at Hersha is supported by our advancement of sustainability awareness and education for the overall real estate and hospitality industry through regular engagement with peers, investors, community partners, and the cities in which we operate. We share knowledge, discuss trends, and learn from our peers and partners to help drive the future of sustainable buildings and hospitality for the entire industry. In 2020, Hersha personnel joined the AHLA Sustainability Committee, the CEO Action for Diversity & Inclusion, and the WELL Health-Safety Rating Advisory Council.

## HERSHA IS AN ACTIVE PARTICIPANT OF THE FOLLOWING



The Real Estate Roundtable



G R E S B



Cornell University  
Sustainability Roundtable

CEO **ACT!ON** FOR  
DIVERSITY & INCLUSION



### TO LEARN MORE

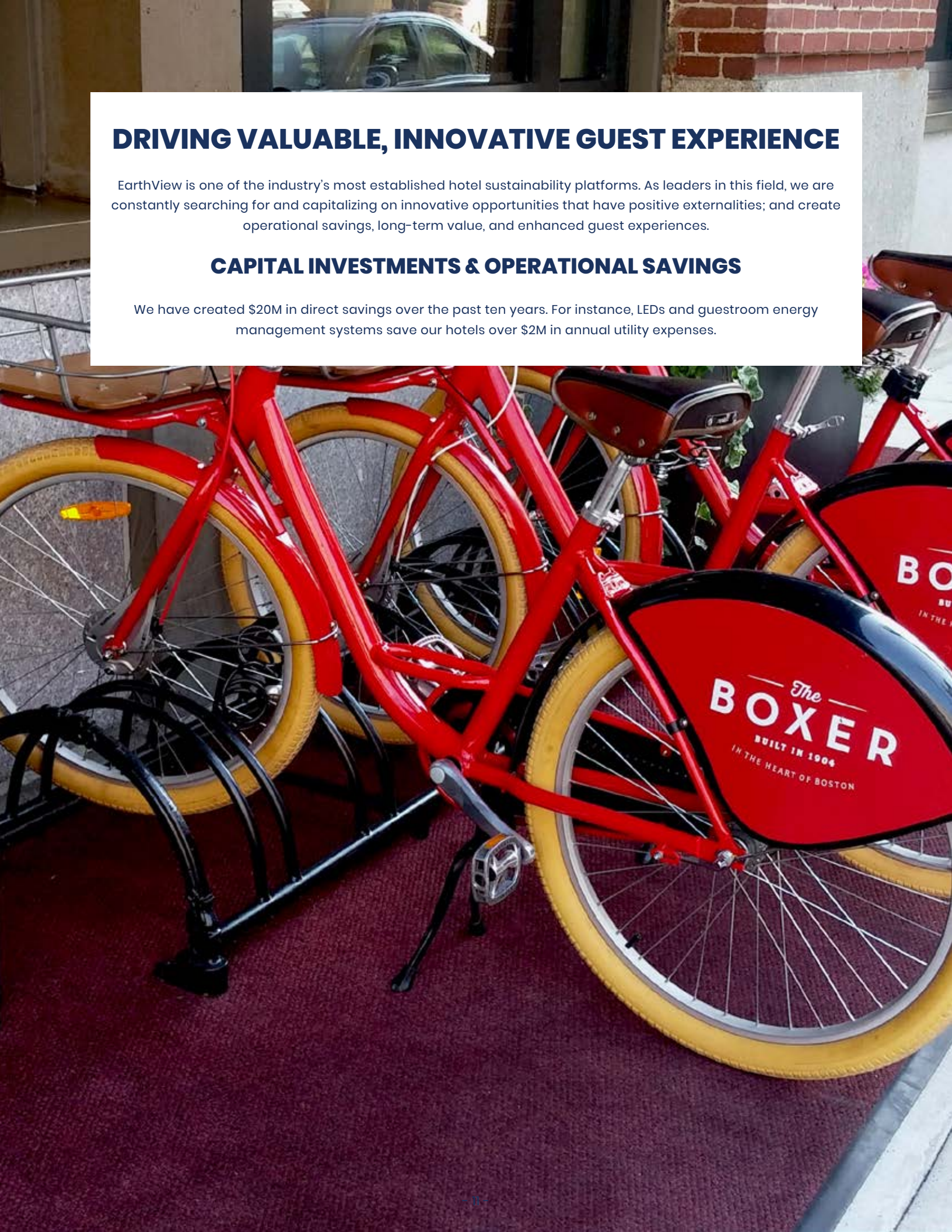
about how EarthView is structured and managed, please refer to our ["Environmental Management System" document](#) on our Hersha website.

## DRIVING VALUABLE, INNOVATIVE GUEST EXPERIENCE

EarthView is one of the industry's most established hotel sustainability platforms. As leaders in this field, we are constantly searching for and capitalizing on innovative opportunities that have positive externalities; and create operational savings, long-term value, and enhanced guest experiences.

### CAPITAL INVESTMENTS & OPERATIONAL SAVINGS

We have created \$20M in direct savings over the past ten years. For instance, LEDs and guestroom energy management systems save our hotels over \$2M in annual utility expenses.





## ENHANCING GUEST EXPERIENCE

Guests are increasingly seeking for more from their travel experiences – and we are well poised to capture this growing interest through our approach to sustainable hospitality. Hotels that minimize their environmental footprints, provide responsibly sourced products, engage with local communities, and empower their associates are ones that demonstrate a holistic approach to hospitality.

This holistic approach extends to guests as well, providing memorable amenities and unique offerings to elevate the quality of their stays.

## SUSTAINABILITY-ORIENTED AMENITIES THAT ENHANCE GUEST EXPERIENCES INCLUDE:

- Energy-efficient lighting and thermostat technology increases guest comfort, while reducing energy usage
- In-room recycling programs allow guests to continue the environmental habits they practice at home
- Locally sourced food and beverages support the local economy, while providing guests with unique offerings
- Electric vehicle charging stations offer drivers the convenience of charging their vehicles while they are on site
- High-quality bathroom amenities, such as soap and shampoo from larger dispensers, provide a luxurious bathroom experience for guests, while reducing waste and plastic usage

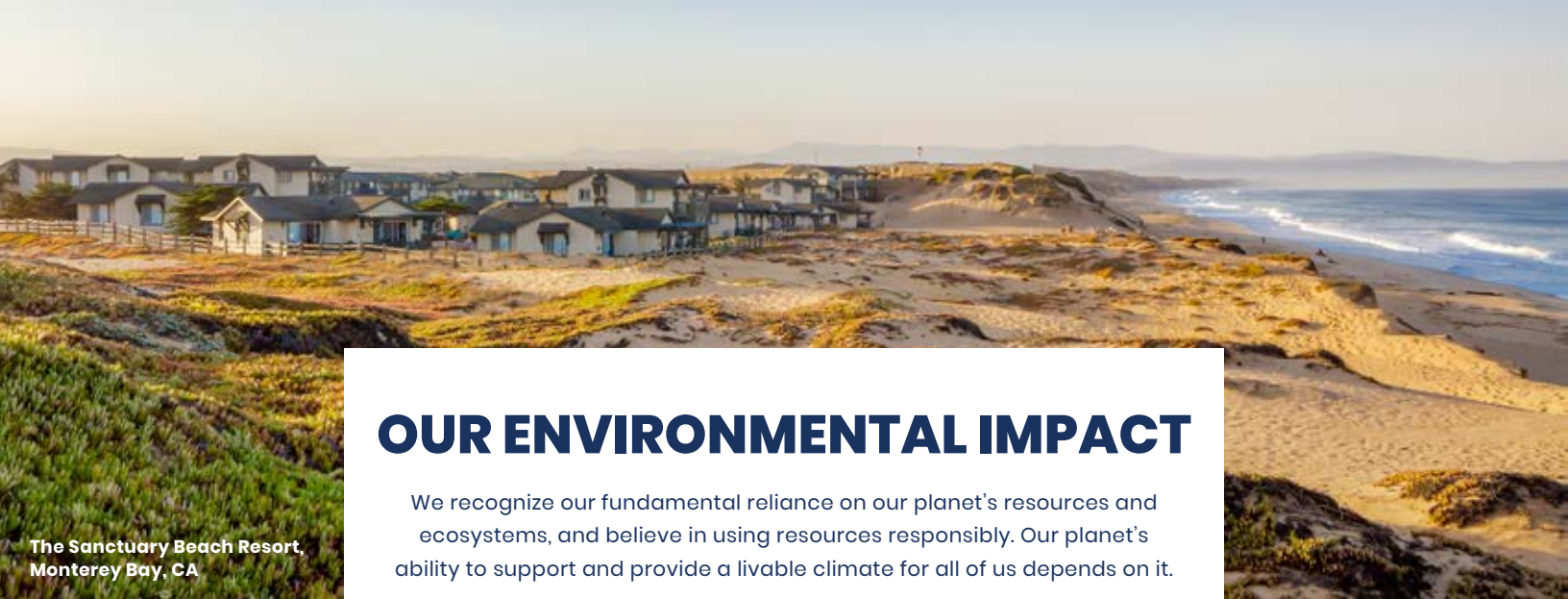
## GREEN MEETINGS

Individual guests are not the only ones seeking more sustainable travel options – corporate and group businesses are as well. Through EarthView, we are able to satisfy this need, and eventually expectation, by providing green meeting options.



## EXAMPLES OF GREEN MEETING OPTIONS INCLUDE:

- Tap water provided in carafes and reusable glasses
- Elimination of single-use plastic
- Recycling containers located in all meeting rooms
- Providing linenless tables
- Provision of vegetarian and vegan food and beverage options
- Reports on the impact of a stay or a meeting at our hotel



The Sanctuary Beach Resort, Monterey Bay, CA

## OUR ENVIRONMENTAL IMPACT

We recognize our fundamental reliance on our planet's resources and ecosystems, and believe in using resources responsibly. Our planet's ability to support and provide a livable climate for all of us depends on it.



## OUR TARGETS & RESULTS




In 2019, we announced targets for reducing our environmental impact by 2030 and becoming carbon-neutral by 2050. Our goals are aligned with our Sustainable Development Goal priorities. We share our progress against these targets below.

### ABOUT SCIENCE-BASED TARGETS

We are in the process of verifying our science-based greenhouse gas emissions target by the Science-Based Targets Initiative to ensure it is aligned with reductions needed to limit global temperatures to 2C (vs. 1C currently) above pre-industrial levels.



## OUR 2030 REDUCTION TARGETS

<p><b>EMISSIONS TARGET</b></p> <hr/>  <p><b>60%</b></p> <p>reduction per SF by 2030*</p>	<p><b>ENERGY CONSUMPTION TARGET</b></p> <hr/>  <p><b>35%</b></p> <p>reduction per SF by 2030*</p>	<p><b>WATER WITHDRAWAL TARGET</b></p> <hr/>  <p><b>30%</b></p> <p>reduction per SF by 2030*</p>	<p><b>WASTE DIVERSION TARGET</b></p> <hr/>  <p><b>50%</b></p> <p>diversion rate in 2030*</p>
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\*Pending verification from the Science-Based Targets Initiative



### SDG 13 – CLIMATE ACTION:

- Reduce our greenhouse gas emissions to alleviate climate change and its impacts
- Pursue and invest on expanding renewable energy strategy



### SDG 7 – AFFORDABLE AND CLEAN ENERGY:

Increase energy efficiency in our buildings and reduce overall energy consumption



### SDG 6 – CLEAN WATER AND SANITATION:

Increase water efficiency in our buildings and reduce overall water usage



### SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION:

Reduce waste generation

## OUR 2019/2020 RESULTS & PROGRESS



### MEASURING OUR FOOTPRINT

In order to reduce our environmental footprint, we measure where we have been and where we are now. To this end, we have tracked our greenhouse gas emissions, energy and water consumption, and waste production since we launched EarthView in 2010.

Since EarthView’s inception, we have also implemented data management systems that allow us to confidently report high quality, non-financial data, better manage our footprint, and identify opportunities for continual improvement.

### METRIC ALIGNMENT WITH THIRD PARTY STANDARDS

The metrics we provide in this report are:

- Aligned with the Greenhouse Gas Protocol, a global standard that outlines methodology for reporting on environmental impact to ensure these metrics are comparable with those reported by our peers and other organizations
- Most material and relevant to our industry, as recommended by the Sustainable Accounting Standards Board (SASB) for the Real Estate Sector
- Aligned with Hersha’s Global Real Estate Sustainability Benchmark (GRESB) assessment

### METRIC SCOPE

Our environmental metrics and results are derived from the 2020 calendar year performance of our Hersha-owned, operating hotel portfolio across our markets. We use an equity approach for reporting, accounting for emissions, energy, water, and waste reductions from property operations according to our share of equity in the property under the World Resources Institutes’s reporting protocols. The pandemic’s impact on our business and physical occupancy in 2020 was material. Therefore our progress towards our 2030 environmental targets is expressed in terms of 2019 metrics vs our 2010 baseline and separately as 2020 vs 2019 like-for-like, which considers only properties with comparable operating results.

## METHODOLOGY FOR EMISSIONS CALCULATIONS

- Scope 1 emissions are derived from the natural gas consumption of our owned properties. Scope 2 emissions are derived from the electricity, steam, and chilled water consumption of our owned properties. Scope 3 emissions, including energy consumption from indirect, non-operational activities, are not included in this report.
- Our emission inventories include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). Hydrofluorocarbons (HFCs) are not included in our emissions inventory as we currently do not have the ability to measure the amount of HFCs produced from our HVAC systems, while other emissions (e.g. sulfur hexafluoride, perfluorocarbons, and nitrogen trifluoride) are not included as they are not used due to the nature of our business.
- We use EPA guidelines, via ENERGY STAR Portfolio Manager's Reporting tool, to generate location-based Scope 1 and Scope 2 emissions. To report emissions over time, we use the most recent eGRID emissions factors available during the year in which emissions are being calculated.

## GREENHOUSE GAS EMISSIONS REDUCTION

 **44%**

reduction per SF 2019 vs 2010

26% like-for-like reduction per SF 2020 vs 2019

	Absolute Production			
	2019	2020		
	Emissions (mT)	Emissions (mT)	Data coverage (SF)	Data coverage (%)
Scope 1	9,969	6,589	4,471,270	100%
Scope 2 (location-based)	22,236	15,912	4,471,270	100%
Total	32,205	22,501	4,471,270	100%

	Like-For-Like Production		
	2019	2020	
	Emissions	Emissions	Like-for-like change (%)
Total (mT)	16,515	12,291	-26%
Intensity (mT/SF)	0.0064	0.0047	-26%

\* Like-for-like considers only properties with comparable operating results during the period

## WATER REDUCTION

 **5%**

reduction per SF 2019 vs 2010

24% like-for-like reduction per SF 2020 vs 2019

**Note on Water Reduction:** By nature of our business in the real estate and hospitality industry, our water usage is primarily made up of water withdrawal. The majority of our water is "returned" through municipal sewer systems as we do not use large amounts of water for consumption.

	Absolute Withdrawal			
	2019	2020		
	Withdrawal (kgal)	Withdrawal (kgal)	Data coverage (SF)	Data coverage (%)
Total	268,602	203,264	4,471,270	100%

	Like-For-Like Withdrawal		
	2019	2020	
	Withdrawal	Withdrawal	Like-for-like change (%)
Total (kgal)	166,136	126,977	-24%
Intensity (gal/SF)	64.2	49.0	-24%

\* Like-for-like considers only properties with comparable operating results during the period

# ENERGY REDUCTION

 **15%**

## reduction per SF 2019 vs 2010

23% like-for-like reduction per SF 2020 vs 2019

	Absolute Consumption			
	2019	2020		
	Consumption (mBTU)	Consumption (mBTU)	Data coverage (SF)	Data coverage (%)
Total energy	433,599	314,182	4,471,270	100%
Electric	232,378	179,957	"	"
Natural gas	187,688	124,047	"	"
Chilled water	4,828	3,367	"	"
Steam	8,714	6,818	"	"
Renewable energy	512	512	"	"
As % of electricity	0.2%	0.3%	"	"

	Like-For-Like Consumption		
	2019	2020	
	Consumption	Consumption	Like-for-like change (%)
Total (mBTU)	228,326	175,205	-23%
Intensity (kBTU/SF)	88.2	67.7	-23%

\* Like-for-like considers only properties with comparable operating results during the period

# WASTE DIVERSION

 **30%**

## diversion rate in 2019

36% diversion rate in 2020

	Absolute Production 2020
Total weight of all waste (tons)	5,490
Landfill	64%
Total diverted	36%
Diverted – recycling	23%
Diverted – compost	6%
Diverted – waste to energy	4%
Diverted – incineration	3%
Data coverage (SF)	4,471,270
Data coverage (%)	100%

## WASTE DIVERSION

By nature of our business, all waste we produce is non-hazardous waste. We do not produce hazardous waste. Total waste production is attributed to regular operations and do not include waste produced from major renovations.



# EFFICIENT BUILDINGS AND OPERATIONS

Buildings have an outsized impact on our environment. According to a joint report published by UN Environment and the International Energy Agency, buildings and construction account for 39% of global energy-related emissions. To us, this means we strive to run our buildings as efficiently and sustainably as possible.

**100%**

of our portfolio is benchmarked against ENERGY STAR.

**34%**

of our portfolio been awarded a third-party building certification, such as LEED, ENERGY STAR, ISO 14001 (for environmental management), or ISO 50001 (for energy management) over the past five years.



## THE AMBROSE HOTEL

**Environmentalist Level, certified by the California Department of General Services**

California's Green Lodging Program recognizes hotels that reduce their carbon footprint, conserve energy and water, divert waste from landfills, and improve indoor environmental quality. The "Environmentalist Level" is the highest level of program participation. As a certified hotel, the Ambrose Hotel is listed on California's Green Lodging Director of hotels and is designated as a green hotel on the state's online travel booking tool, among other benefits.



## THE RITTENHOUSE

**Zero Waste Partner, designated by the City of Philadelphia**

The Rittenhouse has been recognized as a Zero Waste Partner by the City of Philadelphia for its efforts in diverting waste from landfill. For instance, the Rittenhouse team actively composts food waste from the hotel and restaurants. Extra prepared food that has not yet been served is also donated to shelters and other local organizations to help feed fellow Philadelphians in need.



## PLAN TO ACHIEVE OUR TARGETS

In 2019, we announced ambitious 2030 targets for our greenhouse gas emissions, energy, and water reductions, as well as our waste diversion. To achieve these, we are focused on projects and initiatives that increase energy efficiency, water efficiency, and the amount of waste diverted from landfill, with sub-targets for some of these initiatives to track our progress towards reaching our overall environmental targets. Project highlights and progress against our sub-targets below.

## KEY PROJECTS



### LED LIGHTING

- Our energy efficiency lighting strategy is focused on retrofitting existing lighting with LEDs, which are more efficient than incandescent and florescent lighting, and have much longer lifespans.
- LEDs have been installed at over 95% of our hotels.
- We continue to purchase and install LEDs as hotels are renovated.
- We are on track to install LEDs across 100% of our portfolio.



### GUESTROOM EMS

- Our HVAC efficiency strategy includes installing guestroom energy management systems (EMS).
- Our guestroom EMS is programmed to reduce energy consumption while rooms are unrented or unoccupied, saving our hotels 25-30% in heating and cooling costs.
- Engineering teams are trained to review their hotel's energy management system.
- Update: Currently, EMS has been installed at 88% of our eligible, HVAC compatible properties and is continuing to be implemented with all new acquisitions.



## HIGH EFFICIENCY WATER FIXTURES

- Water fixtures, including faucets and shower heads, can make up the majority of a hotel's water usage.
- As such, we have increased the water efficiency of these fixtures through balanced flows that still maintain guest comfort.
- On average, properties with high efficiency water fixtures lower their water usage by 20-30%.
- Update: We have installed these water efficiency measures at over a quarter of our hotels with high flow rates.



## LAUNDRY WATER REUSE SYSTEMS

- For our hotels with on-site laundry, washers consume a significant amount of water every year. We installed our second laundry-water reuse system this year, which uses recycled and filtered laundry grey water for 70-80% of our laundry cycles. We are continuing to evaluate the install of this system at our other hotels.
- To date, our two laundry-water reuse systems have reused nearly 2,000 kgal of water, which is the equivalent of three Olympic-sized swimming pools.



## NON-PLASTIC STRAWS & STIRRERS

- To avoid the detrimental environmental impacts of single-use plastic, our hotels only use paper straws and wooden stirrers in their operations. Over the course of a year, we avoided using over 4 million pieces of plastic straws and stirrers, preventing these items from littering our oceans and harming wildlife.

## **RENEWABLE ENERGY & NON-EMITTING TRANSPORTATION**

We believe transitioning to an economy run on clean energy is imperative to curb climate change and maintain a livable future for our society. To support this endeavor, Hersha is committed to sourcing clean, renewable energy to power and light our hotels, as well as spurring the growth and availability of non-emitting transportation options in our communities.



## NON-EMITTING TRANSPORTATION

To encourage the reduction of emissions from transportation, we are installing electric vehicle charging stations across the portfolio, providing electric house cars when possible, encouraging exploration of local neighborhoods through walking, and educating guests on public transportation options.



**Electric Vehicle Charging Station:** These efforts support the expansion of a larger charging infrastructure, which is needed to spur the transition away from combustion vehicles. Currently, we have electric vehicle charging stations at 8 of our hotels, with a target to eventually have charging stations at 20 of our hotels.



**Electric House Car:** Our Ambrose Hotel has an electric house car, a Tesla, that transports guests to and from popular destinations. We continue to evaluate options to purchase electric house cars for other hotels.



## EASY WALKABILITY & ACCESS TO PUBLIC TRANSPORTATION

Our hotels are mostly based in dense, urban neighborhoods, with a Walk Score of 85 out of 100 across the portfolio. A high Walk Score indicates there is a greater number of diverse amenities that are easily accessible via walking. Our Courtyard by Marriott Los Angeles Westside also communicates public transportation route information to guests via their GoBoard. This reduces the number of single-passenger emitting rides taken to and from the hotel, as well as supports local transportation systems.



# OUR SOCIAL IMPACT

We believe our business is only as healthy as our guests, as successful as our associates, and as strong as our communities. As such, we focus on nurturing wellness, stimulating development, and driving positive local and global change.



## OUR SOCIAL SDG PRIORITIES

Our priorities around the social aspect of the Sustainable Development Goals are focused on having a local and global impact, supporting our associates, and embracing health and wellness for our associates and guests.



### SDG 6: CLEAN WATER AND SANITATION:

- Provide access to safe and affordable drinking water, as we believe access to acceptably clean, accessible, safe, sufficient, and affordable water is a fundamental human right
- Facilitate access to sanitation and hygiene



### SDG 17: PARTNERSHIPS FOR THE GOALS:

Engage in public-private partnerships to support our communities



### SDG 3: GOOD HEALTH AND WELL-BEING:

- Facilitate an inclusive, safe, open, and understanding work environment
- Provide opportunities for empowerment and professional development
- Demonstrate appreciation for our associates
- Embrace health and wellness of our associates and guests



### SDG 4: QUALITY EDUCATION:

Support partners providing access to education as we believe obtaining quality education is the foundation for improving lives

# OVERVIEW OF SOCIAL IMPACT

---

**39%**

of our workforce identifies as female

**24%**

of our workforce identifies as a member of a minority group

**\$596,000**

raised for autism awareness over a 5-year period

**26,000+**

people provided with access to clean water for 21 years since 2015

**20,200**

hours volunteered in our local communities since 2015

**568,000**

new bars of sanitized and repackaged soap sent to developing nations since 2011



## HAVING A LOCAL & GLOBAL IMPACT

One of our core values is “Hearts that Serve.” This means that our care and service of people does not apply only to guests and associates, but also to our stewardship of local and global communities.



## OUR LOCAL IMPACT

Our hotels are deeply rooted in the communities in which they operate. Stronger, more vibrant communities in turn are able to help our hotels thrive. We support our local communities through the lenses of economic development, revitalization, and philanthropy.

### ECONOMIC DEVELOPMENT

We encourage our management teams to hire local or regional associates and procure local products. These efforts support the growth and development of our local economies:

- **Parrot Key Hotel & Villas** sources local fresh fish and shrimp from locally-based Key West businesses
- **The Rittenhouse** provides space for Egan Day, a boutique that sells fine jewelry designed and crafted by local Philadelphia designers

### REDEVELOPMENT

Several of our hotels were constructed to support urban revitalization, as well as the development and remediation of urban brownfield sites (when applicable), within their neighborhoods. These hotels have created 271 jobs in our communities.

- **The Ritz-Carlton Georgetown** is an adaptive reuse of a formerly vacant industrial building
- **The Envoy Hotel** was developed on former parking lots, which supported the revitalization of Seaport, MA, a neighborhood that had at one point been abandoned and inaccessible

### PHILANTHROPY

We support our associates by encouraging them to actively serve their communities and providing them with the autonomy to support the projects, organizations, or causes they care about. With each property participating in or holding at least three philanthropic events a year, we are proud to see our hotels being positive forces in their communities. The next page has a few examples highlighting their efforts.





## THE WESTIN PHILADELPHIA TEAM RAISES AWARENESS TO PREVENT HUMAN TRAFFICKING

In solidarity with the Department of Human Services and American Hotel & Lodging Association, associates at the Westin Philadelphia participated in #WearBlueDay to help bring awareness to help prevent human trafficking.



## SHOUT OUT TO DIVERSITY AT THE CADILLAC HOTEL & BEACH CLUB

Associates at the Cadillac Hotel & Beach Club, Miami FL created an associate wall in celebration of global diversity and inclusion month in October. The employee wall shows our employees how diverse we are – different races, backgrounds, national origin, languages spoken, but with one thing in common – serving our guests at The Cadillac.



## GET TO KNOW THE TEAM:

**Edison Yepes**, Chief Engineer at The Envoy Hotel, Boston, MA

Edison has been a leader in sustainability at The Envoy hotel since it first opened its doors six years ago. Having a diverse background in construction, food & beverage, and engineering, Edison has a passion for ensuring we are using our resources wisely. These resources can then be available for use by someone else. To that end, Edison worked with other local companies in the Seaport District to start a recycling program for glass and cardboard waste. Over the past year, Edison has also helped develop an outdoor area concept on The Envoy's lookout rooftop, helping to ensure physical distancing and cleaning protocols are implemented. "When you love what you do, and enjoy coming to work each day, it is motivating to the people around you."



## OUR GLOBAL IMPACT

In our hotels, we provide guests with access to clean water and superior cleanliness. However, we believe it is important to be a positive force, not just locally, but also for global communities in which we do not directly operate.



### PROVIDING ACCESS TO CLEAN WATER

- Why? We believe access to clean, accessible, safe, sufficient, and affordable water is a fundamental human right. It is unacceptable that one in ten people globally lack access to safe drinking water.
- How? We developed EarthView Water, a privately labeled water bottle made from 100% recycled materials. For each bottle purchased, we donate \$1 to help bring clean, drinkable water to those in need.
- Update: In 2020, and in partnership with Waterboys.org, a Hersha-funded well was successfully dug in Tanzania and is bringing life-sustaining water to 8,000 people.
- About Waterboys.org: Waterboys is an initiative founded by Chris Long that brings clean, accessible drinking water to rural communities in East Africa. Local crews in East Africa are hired to drill deep borehole wells for communities where there is unsafe drinking water or community members need to walk miles each day to retrieve water



We have achieved our target to provide accessible, clean water to 25,000 individuals in need! We are in the process of developing a new goal for our future impact.

## PROVIDING IMPROVED SANITATION

- Why? While hotels dispose a staggering amount of single-use soaps every day, two out of the top five leading causes of deaths around the world, particularly among children could have been avoided by improved hygiene.
- How? We partner with Clean the World to give our soaps a second life. Our hotel associates collect and send partially used soaps to Clean the World. Clean the World then sanitizes these items, repackages them, and then distributes new bars of soap to communities in need.
- Update: Since 2011, our hotel donations have created and distributed 568,000 new bars of soap. When we first partnered with Clean the World, we were the largest hotel company to do so. Now, we are excited to see many other hotel companies also partnering with Clean the World to recycle and send soaps to those in need.



## SUPPORTING OUR ASSOCIATES

As one of our core values states “People Are Our Capability.” Our associates are the drive and soul behind Hersha’s continued success, and as such, we strive to facilitate a diverse, inclusive environment, provide development opportunities, and focus on health and wellness to help our associates thrive.

## OUR WORK ENVIRONMENT

We provide an inclusive, safe, and open work environment, and have a staunch commitment to our Code of Conduct. Additionally, we provide numerous benefits that allow our associates to lead full lives outside of Hersha.

Hersha's work-life balance practices provides associates with the flexibility to work from home during the COVID-19 pandemic as well as paid time off. We also upgraded to a video conferencing system that enables off-site associates to connect with conference rooms via video.

For more information on Hersha's human rights and labor policies, benefits, and other policies, please see our Code of Conduct on our Hersha website.



## POLICY & BENEFIT EXAMPLES

### Policy examples

- Robust human rights and labor policies
- Diversity and inclusion
- Established reporting mechanisms in the event of assault or harassment

### Benefit examples

- Health insurance
- A retirement plan
- Paid time off, family and medical leave
- A lodging discount program



## GET TO KNOW THE TEAM:

**Yajaira Hernandez**, Guest Service Agent at the Holiday Inn Express Cambridge, MA

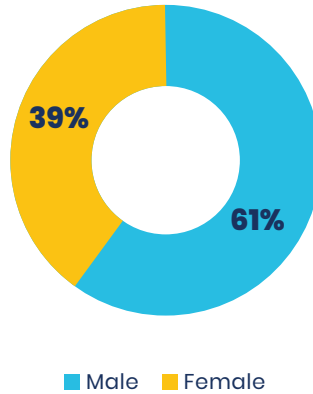
Yajaira's passion for taking care of the environment started when she began making purposeful choices in her personal life. From educating herself on current environmental issues to choosing more natural products to bringing her own reusable bags when shopping, Yajaira has found a strong link between environmental and social sustainability. "I've found that in a lot of ways, making choices that are good for the planet are also good for your health." Yajaira is a talented artist and has integrated her personal passions in art and sustainability into her career. She has helped the hotel reduce energy usage year-over-year, promoted the use of reusable face masks instead of disposable, and helped create a cardboard recycling program. Yajaira looks forward to working with her colleagues and the local community to implement more sustainability measures in the coming year.

# DIVERSITY AT HERSHA

## GENDER DIVERSITY

**39%** of our workforce identifies as female

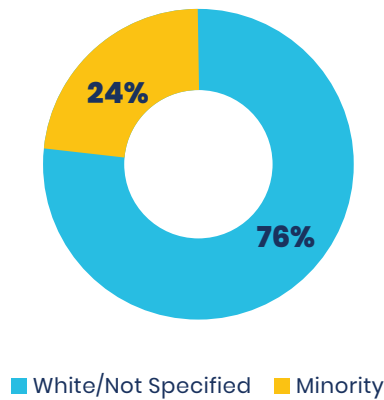
**26%** of our female workforce holds roles of Director and above



We are taking action to advance diversity and inclusion within our workspaces by establishing programs, trainings, and plans that address the concerns and needs of diverse employees. In the spirit of sharing and learning from each other, we are signatories of the CEO Action for Diversity & Inclusion Pledge.

## ETHNIC DIVERSITY

**24%** of our workforce identifies as a member of a minority group



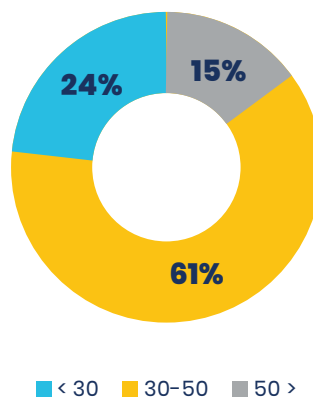
## DIVERSITY REPORT SCOPE

Within the scope of this report, there is no substantial portion of our work that is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including associates and supervised associates of contractors. We have no part-time employees; all of our employees work full time.

## AGE DIVERSITY

**24%** of our workforce is under age 30

**61%** is between 30 and 50





## **NURTURING GROWTH**

We believe our associates will become tomorrow's leaders, and so we support them through providing numerous opportunities for advancement and personal growth, as well as benefits to support their health and wellness.

## **PROFESSIONAL DEVELOPMENT & OPPORTUNITIES**

We provide associates with numerous opportunities to advance, grow personally and professionally, and become future leaders. A few of these opportunities and programs include:

- Formalized, comprehensive programs dedicated to succession planning and development at multiple levels. Succession plans and development processes are in place for all executives and senior leadership
- Extensive policy trainings and job-specific development training programs tailored to all job functions and roles, provided internally and by the brands we work with
- Leadership development support for our management team, as well as hotel and corporate associates at multiple levels to become department heads and key corporate leaders
- Yearly stipends for all associates, full-time and part-time, interested in further education, training, and workshops, either in-person or online classes

## **ASSOCIATE APPRECIATION**

Hersha's successes today are all thanks to our dedicated, inspiring associates. We consciously foster a culture of appreciation to ensure our associates feel recognized for all that they do for our company, our collective environment, and our communities.

THE **HERSHA**

## **ASSOCIATE RECOGNITION PROGRAM**

Hersha formally recognizes associates who embody one of Hersha's core values.

## **THE HERSHA PROGRAM**

This program shares inspiring stories of associates with 'Hearts that Serve', who strive for 'Only Excellence', who 'Stay Nimble', who 'Own It', and who are embodiments of 'People Are Our Capability'.



## EMBRACING HEALTH & WELLNESS

We promote the health and wellness of our associates and guests in order to create a great place to work, as well as design a comfortable destination to stay.

**For our associates,** we aim to support their physical and mental health, as well as overall wellness. Our efforts have been recognized, with our Philadelphia office being named “Best Place to Work” by the Philadelphia Business Journal for three years in a row.

**For our guests,** we aim to help them maintain their daily wellness routines while travelling, to help them recharge and refresh.

## ASSOCIATE BENEFITS

Among many benefits, some of which are described under “Our Work Environment” section prior, we:

- Host team events and sponsor team outings
- Celebrate each other’s important milestones
- Provide education on healthy nutrition and diets
- Provide access to stress management and healthy living (including diabetes wellness, emotional well-being, work life balance, positivity)
- Provide access to support for elder care, parenting, and personal budgeting
- Provide access to flu shots annually
- Offer use of sit-stand desks, dual monitors, and ergonomic chairs
- Access to a Mother’s room for new mothers

## GUEST OFFERINGS

- Walking distance from and accessibility to local sights and destinations, with a portfolio-wide Walk Score of 85 out of 100
- Locally sourced produce and foods ensure foods are served at peak nutritional value and support the health of guests
- Complimentary bike rentals allow guests to easily explore our cities and neighborhoods in an eco-friendly and unique way at select hotels
- Access to fitness centers (available at all of our hotels), with many of our hotels providing complimentary high-tech fitness equipment that support guests’ wellness and allow guests to maintain their exercise routines during their stay





## HAMPTON INN CENTER CITY/ CONVENTION CENTER PHILADELPHIA

### Providing Healthy, Eco-friendly, Simply Good Jars

Our Hampton Inn Philadelphia Center City/Convention Center hotel has partnered with local start-up company, Simply Good Jars to provide locally sourced, organic, ready-to-eat meals that are healthy and good for the planet. All salad containers are reused or recycled and for each salad sold, one meal is donated to someone in need. During the pandemic, these fresh, pre-packaged salads provided guests with a safe and healthy food option. We are in the process of expanding this initiative to other hotels in our portfolio.

## THE ST. GREGORY HOTEL

### PURE Wellness Hotel Rooms

The St. Gregory Hotel has PURE Wellness hotel rooms, which are allergy-friendly rooms treated with a patented in-room, seven-step purification and filtration process that treats every surface to make the rooms 99% allergen-free. These rooms ensure guests can feel fresher, breathe deeper, and have a healthy stay with us.



## REST ASSURED™

In 2020 we developed and launched Rest Assured™ – a proprietary health and safety program focused on the well-being of guests and associates through science based, advanced cleaning practices complemented by innovative service offerings and technologies. Highlights of the program include:

- Seven unique employee training modules regarding COVID-19 workplace leading practices and supplemented with videos and implementation guides
- Implementation of plexiglass shields and signage throughout the hotel
- Contactless forms of check-in, payment, and F&B service
- Utilization of UV light technology and HEPA filtration along with EPA-approved disinfectants for advanced cleaning
- Rest Assured wellness kits provided to guests at select hotels



### 91% of guests surveyed feel confident staying with Hersha due to its commitment to safety

Matthew Lobach, Director of Sustainability at Hersha Hotels and Resorts, discusses Rest Assured during [“The Future and Now of Safe Hospitality”](#) panel.







The Boxer, Boston, MA

## OUR GOVERNANCE & RESILIENCY

We believe good governance is the key to running an effective organization able to appropriately bring benefit to and balance the interests of all of our stakeholders. Good governance to us means conducting business in a transparent manner, with full integrity, a constant commitment to ethical business practices, and reinforcement of good citizenship and community involvement.



### “OWN IT”

Our governance practices embody one of our Hersha values “Own It”. As such, we are committed to conducting governance with accountability, honesty, and responsibility to our stakeholders . Strong corporate governance is fundamental to our continued high performance. Hersha’s Board of Directors has established multiple committees in which the directors lead, including the audit committee, compensation committee, and nominating & corporate governance committee to ensure accountability.

Hersha’s portfolio consists of a diversity of locations, travel segments, and hotel brands. Hersha’s structure not only mitigates risk, but affords Hersha operational efficiencies by benchmarking similar hotels and sharing best practices to improve profitability.

## BOARD OF TRUSTEES AND GOVERNANCE INFORMATION

8

Size of Board  
at Hersha

6

Board Meetings  
Held in 2020

6

Number of  
Independent Directors

50%

Female and Minority  
Board Members

Yes

Separate Chair  
and CEO

Yes

Independent  
Lead Director

Yes

Proxy  
Access

Yes

Code of Conduct for Directors  
and Executive Officers



**FOR MORE INFORMATION** on Hersha's governance practices, please download our [Governance documents](#) on our Hersha website.

## BOARD ROLE IN RISK OVERSIGHT

We believe having robust board oversight around risk is paramount to running a successful business. Thus, our Board has a dedicated Risk Subcommittee, housed under the Audit Committee. The Risk Subcommittee has oversight of climate-related risks as part of its overall responsibility for reviewing Hersha's enterprise risk strategy, risk identification and management, and compliance around environmental and social issues.

## RISK SUBCOMMITTEE PROCESS

Management of risk and resiliency is a business priority, delivered through an interdisciplinary effort, with contributions from acquisitions, asset management, finance, accounting, legal, and sustainability teams. These business teams update the Risk Subcommittee at least once a quarter on market trends and forecasts that may lead to identification of new risks, changes in risk exposure, potential impact, and management strategy. The Risk Subcommittee reviews these updates and provides recommendations on risk management strategies to the full Board. Responsibility for monitoring progress against risks, including climate-related risks, fall on the Risk Subcommittee and the members and directors of the appropriate business team.



**I believe that the pandemic has presented such an existential crisis – such a stark reminder of our fragility – that it has driven us to confront the global threat of climate change more forcefully and to consider how, like the pandemic, it will alter our lives. It has reminded us how the biggest crises, whether medical or environmental, demand a global and ambitious response.**



*– Larry Fink, CEO of BlackRock, 2021 Letter to CEOs*

## OUR RESILIENCY STRATEGY

Climate preparedness and resiliency efforts are supported by all aspects of the business – from the Board, to executives, to senior management in asset management, acquisitions, capital planning, and risk management. Our resiliency strategy includes the ongoing evaluation of potential climate risks, the identification of mitigation strategies, and the ongoing monitoring and assessment of our progress.



## CLIMATE RISKS

We recognize there are inherent sustainability and climate risks that may impact our business. Key risks most pertinent to us include both physical and transition risks:

- **Physical risks** are those that arise from the physical effects of climate change, especially those associated with increasing intensity and frequency of extreme weather events – including hurricanes, storm surge, and wildfires – degradation of ecosystems, and changing climate patterns that lead to sea level rise, heat stress, and water stress.
- **Transition risks** consist of rising stakeholder and shareholder concern around sustainability increasing prevalence of climate-related policy and regulation, and technological advances and fundamental shifts in market demand.

These will be updated as needed in subsequent annual sustainability reports.

## FLOOD RISK NOAA SCORE

**1.3** average portfolio risk,  
vs. 2.8 average risk for US Lodging REITs\*  
(1-10, 1=low risk)

**2.1%** of properties by count at high risk  
(as defined by NOAA), vs. on average 3% of US  
Lodging REITs' properties are at high risk

## PORTFOLIO IN FEMA SPECIAL FLOOD ZONE AREAS

(Special Flood Hazard Areas have a 1% chance of flooding every year)

**17%** of our portfolio by count

The Federal Emergency Management Agency (FEMA) designs flood maps based on historical flooding since the 1970s in order to determine the likelihood of future flooding in designated areas.

\*Hersha NOAA Hazard Score is collated from data by the National Oceanic Atmospheric Administration (NOAA), and peer risk score calculated from the Morgan Stanley report "Rising Flood Risk: How Much and at What Cost?" (3/2019). The NOAA Hazard Score takes into account flood risk as defined by FEMA, the Federal Emergency Management Agency.



## RESILIENCY MEASURES

We employ portfolio-wide resiliency measures, including carrying all risk property insurance for every property. This includes insurance for natural catastrophes including wind, flood, and fire events. Furthermore, because our hotels are geographically diverse, any singular event will not have an overwhelming effect on the performance of our overall portfolio.

From a **property-specific perspective**, our resiliency efforts are largely dependent on the property's unique circumstances – geography, building age, whether the building is under renovation or currently operating etc. At the **property-level**, we continually monitor and implement practical, cost-effective resiliency measures and strategies.

## MITIGATION TACTICS

- Emergency response and life safety plans
- Business continuity plans
- Emergency evacuation plans, procedures, and drills
- Backup power generation, emergency lighting, and fire pumps
- Temporary flood barriers
- Energy- and water-efficiency projects to reduce overall reliance on utilities
- Sourcing food locally – which reduces the risk and potential impact of supply chain disruption

## CLIMATE OPPORTUNITY

We also continue to explore climate-related opportunities, including reductions in operating expenses due to improvements in resources efficiency and added resiliency measures, minimization of business interruption during climate shocks, improved reputation, and potential competitive advantages from stakeholder preferences towards sustainability.



## CLOSING

Thank you for reading Hersha's 2020 EarthView Sustainability Report. By making sustainability core to our business strategy, EarthView has been able to create immense impact on our company, communities, and our planet. We are proud of EarthView's leadership role in our industry and recognize that there will continue to be new frontiers of opportunity in sustainable hospitality to explore. We look forward to continued sharing of our contributions in making our world a more sustainable, connected, and resilient place.



**For questions regarding EarthView, please contact:**

**Matthew Lobach | Director, Sustainability | [matthew.lobach@hersha.com](mailto:matthew.lobach@hersha.com)**

# APPENDIX A

Sustainability Accounting Standards Board (SASB) Index		
Code	Metric Description	Response or Report Location
<b>Activity Metrics</b>		
IF-RE-000.A	Number of assets	48 hotels <sup>(1)</sup>
IF-RE-000.B	Floor area	4,471,270 square feet
IF-RE-000.C	Percentage of indirectly managed assets	100% indirectly managed
IF-RE-000.D	Average occupancy rate	36.2% occupancy for comparable hotels
<b>Energy Management</b>		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area	100% coverage
IF-RE-130a.2	Total energy consumed	314,182 mBTU
IF-RE-130a.2	Percentage grid electricity	57.3% grid electricity
IF-RE-130a.2	Percentage renewable energy	0.3% renewable energy
IF-RE-130a.3	Like-for-like percentage change in energy consumption	-23.3% like-for-like decrease 2020 vs 2019
IF-RE-130a.4	Percentage of eligible portfolio that has obtained an energy rating	100% of eligible properties
IF-RE-130a.4	Percentage of eligible portfolio that is certified to ENERGY STAR	15% of eligible properties
IF-RE-130a.5	How building energy management considerations are integrated into property investment analysis and operational strategy	Description provided in Environmental Impact section and in Governance - Our Resiliency Strategy
<b>Water Management</b>		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area	100% coverage
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area in regions with "high" or "extremely high" baseline water stress	100% coverage
IF-RE-140a.2	Total water withdrawn	203,264 kgal
IF-RE-140a.2	Total water withdrawn as a percentage of total floor area in regions with "high" or "extremely high" baseline water stress	24% of water withdrawn was from properties located in "high" or "extremely high" water stress regions using the WRI Aqueduct tool
IF-RE-140a.3	Like-for-like percentage change in water withdrawals	-24% like-for-like decrease 2020 vs 2019
IF-RE-140a.4	Water management risks and strategies to mitigate risks	Description provided in Environmental Impact section and in Governance - Our Resiliency Strategy
<b>Climate Change Adaption</b>		
IF-RE-450a.1	Area of properties located in 100-year flood zones	632,337 square feet
IF-RE-450a.2	Climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Description provided in Governance - Our Resiliency Strategy

(1) All of Hersha's owned assets are hotels. Number of Assets reflects the number of hotels owned as of 12/31/2020

\* Metrics reflect full year 2020 data for properties owned during the reporting year. Like-for-like metrics consider only properties with comparable operating results during the period

## APPENDIX B

Task Force on Climate-related Financial Disclosures (TCFD) Index		
Topic	Disclosure	Response or Report Location
<b>Governance:</b> Disclose the organization's governance around climate-related risks and opportunities	Board's oversight of climate-related risks and opportunities	Description provided in Governance - Board Role in Risk Oversight
	Management's role in assessing and managing climate-related risks and opportunities	Description provided in Hersha's Governance Documents - <a href="#">Environmental Management System</a>
<b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	Description provided in Governance - Our Resiliency Strategy
	Impact of climate-related risks and opportunities on business, strategy, and financial planning	Description provided in Governance - Climate Risks
	Resilience of the strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Description provided in Governance - Resiliency Measures section and in Environmental Impact - Our Targets & Results
<b>Risk Management:</b> Disclose how the organization identifies, assesses, and manages climate-related risks	Process for identifying and assessing climate-related risks	Description provided in Governance - Board Role in Risk Oversight section and in Hersha's Governance Documents - <a href="#">Environmental Management System</a>
	Process for managing climate-related risks	
	Integration into overall risk management	
<b>Metrics and Targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	Metrics used to assess climate-related risks and opportunities	Description provided in Environmental Impact - Our Targets & Results section and in Governance - Our Resiliency Strategy
	Scope 1 and Scope 2 greenhouse gas (GHG) emissions	Description provided in Environmental Impact - Our 2020 Results & Progress
	Targets used to manage climate-related risks and performance against targets	Description provided in Environmental Impact - Our Targets & Results