



APPLE HOSPITALITY REIT

NYSE: APLE

2022 CORPORATE RESPONSIBILITY REPORT

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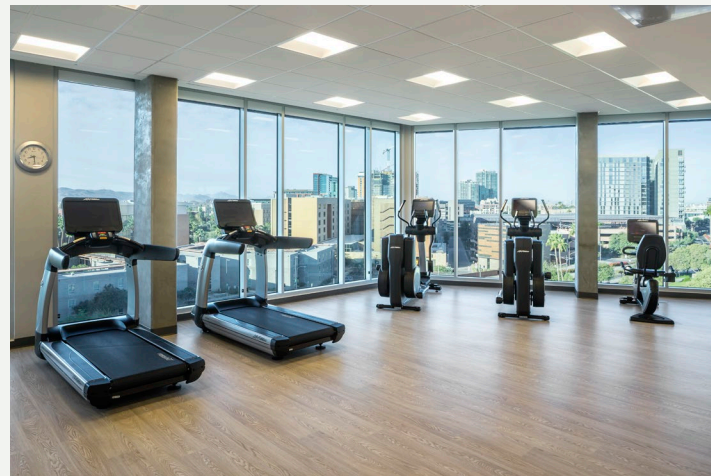
APPLE HOSPITALITY REIT

Hyatt House and Hyatt Place Tempe/Phoenix/University

Apple Hospitality REIT acquired these two hotels in August 2020, following completion of construction. The hotels are **LEED Certified®** and were developed through a forward commitment with a trusted developer. The hotels are part of the Novus Innovation Corridor located on Arizona State University campus, proximate to light rail and streetcar transportation and utilize shared, cross-use optimized, off-site parking.

Additional Hotel Highlights:

- energy efficiency through enclosure design and VRP mechanicals
- heat island reduction through limited hardscape
- water efficiency through low flow fixtures
- LED lighting
- ENERGY STAR appliances
- guest room energy management systems
- smart irrigation
- xeriscape and drought-tolerant landscaping
- biodegradable products for food service
- mobile key



ABOUT THIS REPORT:

Apple Hospitality REIT, Inc. (NYSE: APLE) (the "Company," "Apple Hospitality" or "APLE") is a publicly traded real estate investment trust (REIT) that owns one of the largest and most diverse portfolios of upscale, rooms-focused hotels in the United States.

This report reflects information and performance data for fiscal year ended December 31, 2021, unless indicated otherwise. This report was published December 22, 2022. This report is aligned with the Global Reporting Initiative (GRI) and includes recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Forward-Looking Statements

The information presented in this Corporate Responsibility Report ("Report") includes forward-looking statements that are intended to express anticipated outcomes based on our current views and assumptions. As a result, these forward-looking statements are subject to numerous risks, uncertainties and the outcome of future events that could cause actual results, performance or achievements to materially differ from those expressed, projected or implied in this Report. Forward-looking statements are typically identified by using words such as "may," "believe," "expect," "anticipate," "intend," "estimate," "project," "target," "goal," "plan," "should," "will," "predict," "potential," "strategy" and similar expressions that convey the uncertainty of future events or the unpredictability of outcomes. These forward-looking statements include, without limitation, those related to future actions to be taken by us, stewardship initiatives, targets and goals, future expenditures, corporate structures and acquisition and disposition strategies.

We have endeavored to base our forward-looking statements in this Report on reasonable assumptions and achievable goals, but this Report, including any forward-looking statements, is not intended as a guaranty of future results, which may be materially different from those expressed or implied by any forward-looking statements. Inaccurate assumptions, reliance on data and other information from third parties and other known or unknown risks, among others, may impact our ability to achieve future results. Such results and any other forward-looking statements in this Report are qualified by the risk factors described in our public filings with the Securities and Exchange Commission, including in our 2021 Annual Report on Form 10-K. We undertake no obligation to publicly update or revise any forward-looking statements.

Trademarks

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APPLE HOSPITALITY REIT



HILTON GARDEN INN MEMPHIS DOWNTOWN



ALOFT PORTLAND, ME



HAMPTON INN & SUITES PORTLAND PEARL DISTRICT



COURTYARD PHILADELPHIA VALLEY FORGE/COLLEGEVILLE



HILTON GARDEN INN MADISON DOWNTOWN

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STAFF AT HOMWOOD SUITES AUSTIN/ROUND ROCK



COURTYARD AND RESIDENCE INN RICHMOND DOWNTOWN

INTRODUCTION



APPLE HOSPITALITY REIT

We own one of the largest and most geographically diverse portfolios of rooms-focused hotels in the United States and are dedicated to making a positive impact on the many communities our hotels serve. We are mindful of our environmental footprint and committed to reducing our impact over time.

Apple Hospitality REIT has always worked to uphold high environmental, social and governance (ESG) standards and believes these key areas of focus are an integral part of driving long-term value for our shareholders. We are proud to highlight our initiatives and progress in this inaugural Corporate Responsibility Report and look forward to providing additional updates on our ESG-related efforts over time.

A MESSAGE FROM OUR CEO

DEAR STAKEHOLDERS,

Apple Hospitality REIT has always worked to uphold high environmental, social and governance (ESG) standards and believes these key areas of focus are an integral part of driving long-term value for our shareholders. We own one of the largest and most geographically diverse portfolios of rooms-focused hotels in the United States and are dedicated to making a positive impact on the many communities our hotels serve. We are mindful of our environmental footprint and committed to reducing our impact over time. Apple Hospitality is proud to be affiliated with some of the best brands in the lodging industry and aligned with their brand standards which incorporate environmental and social guidelines that we work to implement across our hotels.

We remain committed to racial and gender equality and the goal of a world free of all forms of discrimination. In 2021, I took the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. Together with Marriott, Hilton, Hyatt, our third-party management companies, industry organizations and our corporate team, we are actively implementing a variety of initiatives, training programs and resources to further advance a diverse, equitable and inclusive workplace within our Company, across our hotels and throughout the hotel industry.

With the support of our brand affiliates, the management teams at our hotels and industry colleagues, we are dedicated to the advancement of sustainability initiatives that effectively balance environmental stewardship with our business goals. In addition to the broad implementation of LED lighting, energy management systems, tools to reduce water usage and recycling programs, recent additions to

our portfolio include two hotels that are LEED Certified® and one hotel that was constructed with a green roof system.

Through our employee-led charitable organization, Apple Gives, we support organizations throughout our local community and the many communities our hotels serve through donations, service projects, sponsorships and numerous other outreach initiatives. Among our many efforts in recent years, we have helped local students with drives for books, coats and school supplies; assisted families seeking long-term medical care by making and serving hot meals; and enhanced local outdoor spaces and landmarks through a variety of beautification projects.

Apple Hospitality strives to maintain the highest standards of corporate governance and ethics. Our Board of Directors includes individuals with leadership skills and relevant experience in finance, investing, business strategy, real estate and hospitality. In 2021, we welcomed Howard Woolley to our Board of Directors. Howard brings tremendous experience to our Board, as a leader in public policy, regulatory and government affairs and as a key contributor to a variety of strategic, transformational transactions for large technology and wireless corporations.

These areas of focus have always been incredibly important to us, and we continue to work to incorporate new programs and strategies as the ESG landscape expands and evolves. We are proud to highlight our initiatives and progress in this inaugural Corporate Responsibility Report and look forward to providing additional updates on our ESG-related efforts over time.

JUSTIN KNIGHT



CHIEF EXECUTIVE OFFICER



OUR MISSION AND VALUES

MISSION

We are a leading real estate investment company committed to increasing shareholder value through the distribution of attractive dividends and long-term capital appreciation.

VALUES

HOSPITALITY – We are thoughtful in our interactions with others and know that strong, caring relationships are the core of our industry.

RESOLVE – We are passionate about the work we do and are steadfast in our commitment to our shareholders.

EXCELLENCE – We are driven to succeed and improve through innovation and perseverance.

INTEGRITY – We are trustworthy and accountable.

TEAMWORK – We support and empower one another, embracing diversity of opinion and background.



COMPANY OVERVIEW



Apple Hospitality is a publicly traded real estate investment trust that owns one of the largest and most diverse portfolios of upscale, rooms-focused hotels in the United States.

The Company was formed in 2007 and through its predecessor companies has a history in the lodging industry of more than 20 years. Apple Hospitality was structured to mitigate risks associated with investing in the lodging industry and to maximize operating results through all market conditions. Throughout our history, our strategy has been straightforward: own hotels with broad consumer appeal; broadly diversify our portfolio across a variety of U.S. markets and demand generators; align with the best lodging brands and hospitality management teams in the industry; consistently reinvest in our hotels; maximize value through disciplined capital allocation; maintain financial flexibility with low levels of debt; and foster a work environment where team members are valued and our mission is fulfilled.

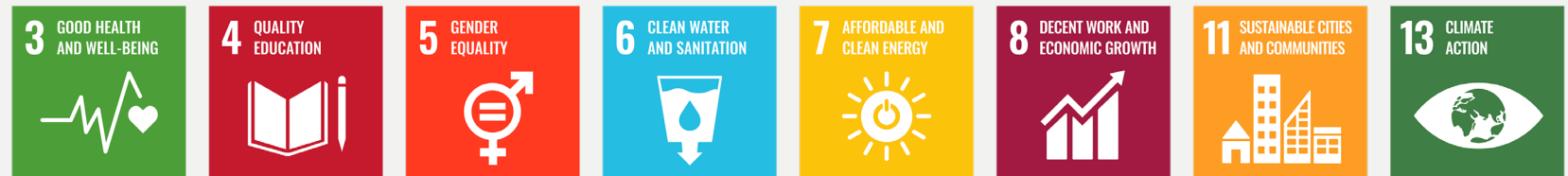
220 HOTELS	15 BRANDS	87 MARKETS	5 yrs HOTEL AVG EFFECTIVE AGE ⁽¹⁾	\$1.2B TOTAL REVENUE ⁽²⁾
28,983 GUEST ROOMS	30 BRAND AND INDUSTRY ADVISORY BOARDS	37 STATES	4.3 AVG TRIPADVISOR® RATING ⁽³⁾	~65 EMPLOYEES
99% ROOMS-FOCUSED HOTELS	17 MANAGEMENT COMPANIES	19M TOTAL SQUARE FOOTAGE	100+ NONPROFIT ORGANIZATIONS HELPED	50% OF EXECUTIVE TEAM IS FEMALE

Note: Portfolio statistics as of November 7, 2022
(1) Average Effective Age represents years since hotels were built or last renovated. Average actual age of hotels is 15 years.
(2) Trailing twelve months total revenue as of September 30, 2022.
(3) Tripadvisor® rating is based on lifetime scores for the Apple Hospitality portfolio of hotels through September 30, 2022.

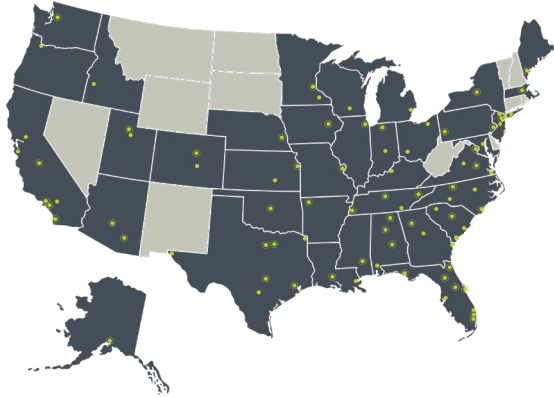
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our ESG strategy aims to enhance long-term value for our shareholders through responsible investment in sustainable and equitable practices at the corporate and property levels that: strengthen the resilience of our Company and hotels while minimizing our overall environmental impact and enhancing the value of our assets; encourage stakeholder engagement and advance human capital; and make positive contributions throughout our Company, the hotel industry, our local community and the many communities our hotels serve.

Apple Hospitality aims to support the United Nations Sustainable Development Goals and has identified those that are most relevant to our business and stakeholders, where we believe our Company and properties are best positioned to drive progress.



ESG STRATEGY



RESPONSIBLE INVESTMENT

Our ESG Strategy begins with our **responsible investment** in inherently efficient **rooms-focused hotels** that are aligned with **industry-leading brands**, operated by **best-in-class management companies** and **broadly diversified** across a wide variety of markets and is supported by the **highest standards of corporate governance and ethics**. Apple Hospitality has always worked to uphold high environmental, social and governance standards and believes these key areas of focus are an integral part of driving long-term value for our shareholders.



Environmental Stewardship



- Invest in sustainable practices at the corporate and property levels to strengthen the resilience of our Company and hotels we own while minimizing our overall environmental impact and enhancing asset value.
- Leverage the procurement, logistics and supply chain programs established by our franchise brands to responsibly source materials for hotel renovations.
- Leverage the sustainability programs of the Marriott, Hilton and Hyatt brand families and our third-party management companies.
- Continue to engage energy consultants to identify opportunities that improve our environmental performance through increased energy efficiency, water conservation, waste management and renewable energy opportunities.

Social Responsibility



- Prioritize the advancement of human capital.
- Make positive contributions throughout our Company, the hotel industry, our local community and the many communities our hotels serve.
- Advance diversity, equity and inclusion in the workplace and foster an innovative, collaborative work environment where employees feel valued and empowered to grow their careers.
- Champion the health, safety and well-being of employees, the associates at our hotels and our hotel guests.
- Leverage the social responsibility programs of the Marriott, Hilton and Hyatt brand families and our third-party management companies.

Governance & Resilience



- Prioritize stakeholder engagement, effective management of risk and ESG Program oversight.
- Uphold the highest corporate governance standards that are in alignment with the best interests of our shareholders.
- Own a portfolio of hotels resilient to the impact of climate-change risk.
- Proactively reduce and manage climate-related risk exposure through sustainable practices and responsible investment.
- Mitigate cybersecurity risk.

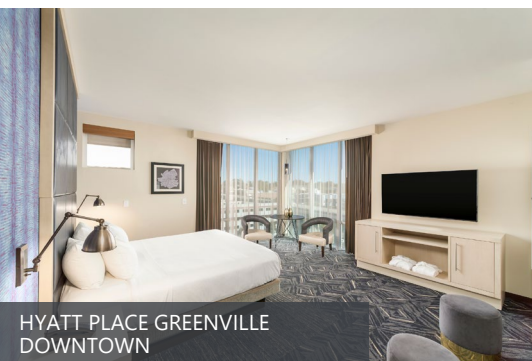
INDUSTRY LEADING BRANDS



HILTON GARDEN INN MEMPHIS
DOWNTOWN



SPRINGHILL SUITES LOS ANGELES
BURBANK/DOWNTOWN



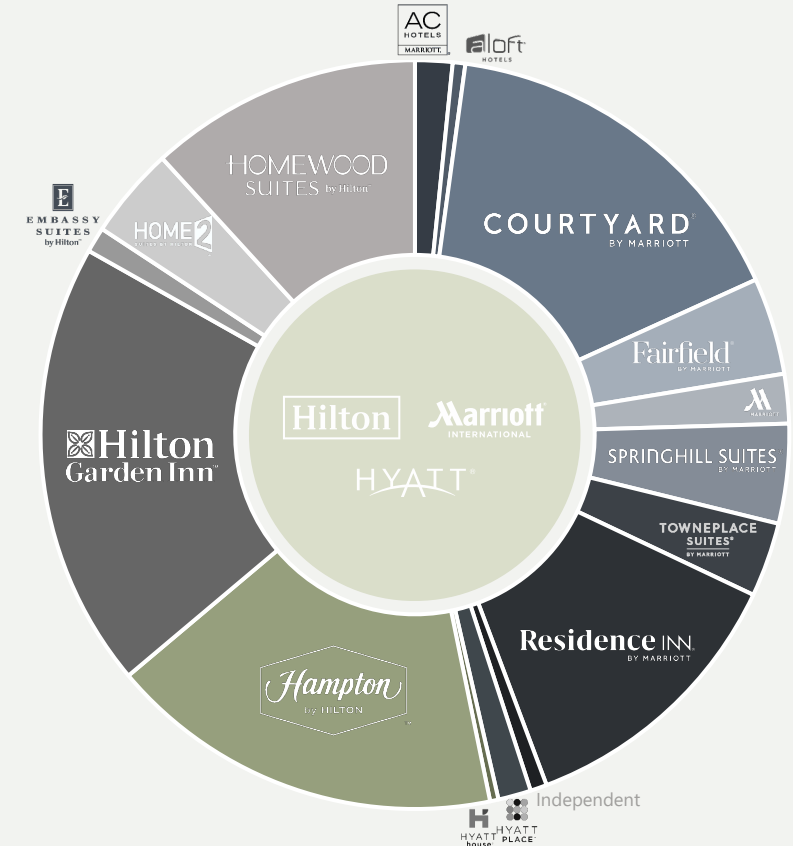
HYATT PLACE GREENVILLE
DOWNTOWN

We are proud to be one of the largest owners of Marriott- and Hilton-branded hotels and to have recently added Hyatt-branded hotels to our portfolio.

Our investments within the Marriott, Hilton and Hyatt brand families are primarily in rooms-focused hotels, which have broad consumer appeal and are more operationally and environmentally efficient than full-service hotels and resorts. With less public and unused space and less equipment needed for operations, the buildings use less electricity, water and natural gas on a per-square-foot basis as compared to full-service hotels and resorts. In 2021, the Company's total kWh per square foot was 11.0, significantly lower than the measure published for full-service hotels.

Marriott, Hilton and Hyatt have set meaningful environmental efficiency targets to reduce greenhouse gas emissions, drive holistic water stewardship and cut waste. To achieve their goals, these industry-leading brands have energy, water and waste management programs as well as social responsibility and human capital initiatives that, through our third-party management companies, we leverage to improve our environmental performance and further the health, safety and well-being of hotel associates and guests. The brands also have in place ESG measurement and management platforms that our third-party operators support to track and analyze the environmental and social impacts of individual hotels.

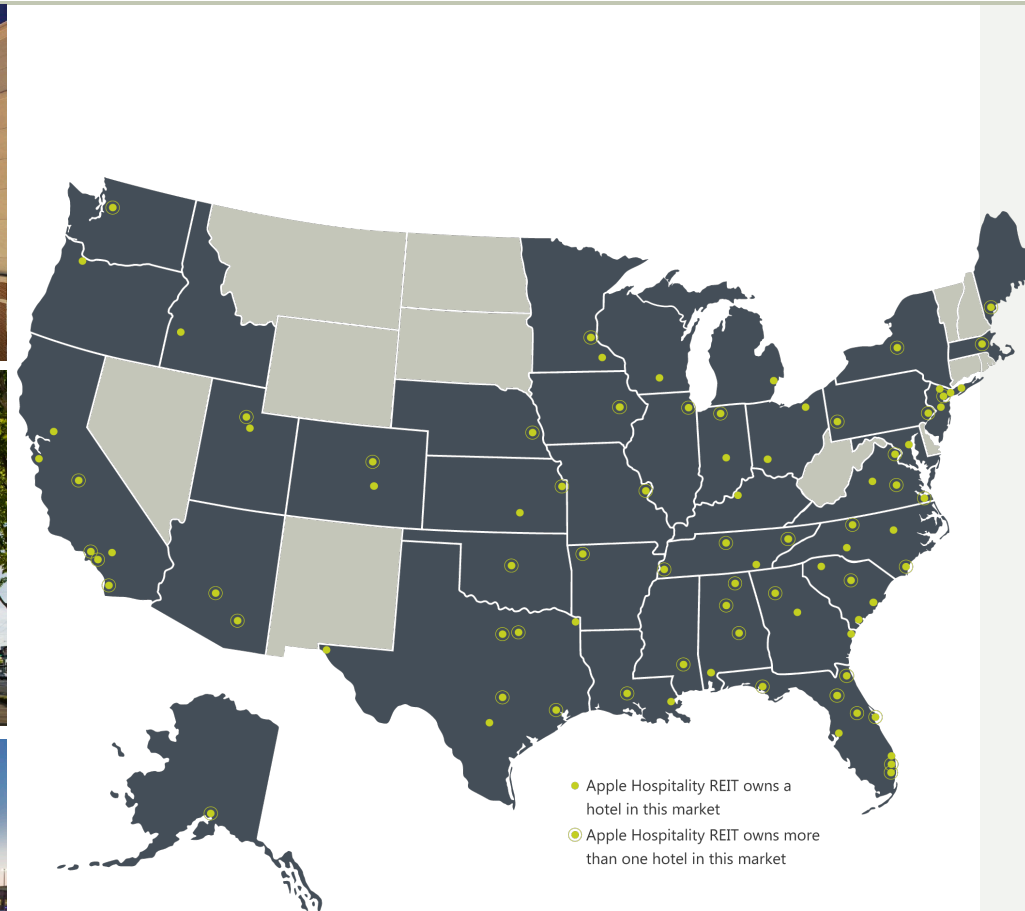
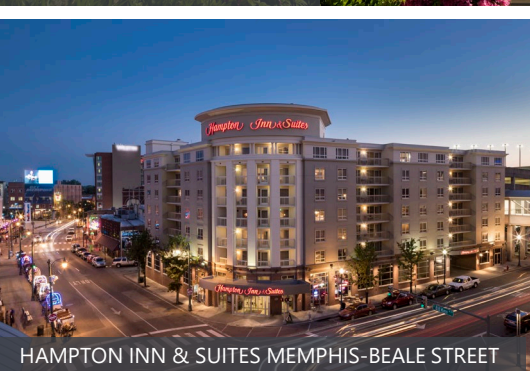
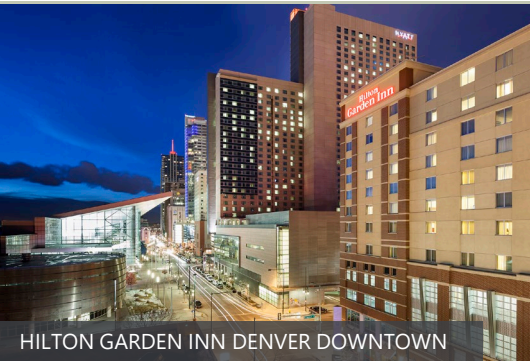
With significant representation on brand councils and advisory boards, we work closely with the brands to identify priorities for future investment that will further advance sustainable and socially responsible operating standards.



TRAVEL WITH PURPOSE

Note: Hotel portfolio statistics as of November 7, 2022. Based on number of guest rooms.

BROAD GEOGRAPHIC DIVERSIFICATION



CONSISTENT PERFORMANCE

The Apple Hospitality REIT portfolio of hotels is broadly diversified across a variety of urban, high-end suburban and developing markets where diverse demand generators and proximity to guest amenities help drive strong, consistent performance.

RESILIENT PORTFOLIO

The breadth of our locations strengthens the resiliency of our portfolio of hotels by minimizing the overall portfolio impact of volatility caused by potential disruptions in a particular market, including climate-related events, or by a specific industry or demand generator.

POSITIVE SOCIAL IMPACT

We support and encourage the many community outreach initiatives of our third-party operators. Through our active engagement with the teams at our hotels, we are able to expand the reach of our social impact, strengthening communities within and around the markets where our hotels are located.

87
MARKETS

37
STATES

Note: Hotel locations as of November 7, 2022. Market categorization based on STR designation.

ESG PROGRAM OVERSIGHT

Apple Hospitality REIT's Board of Directors understands the importance of the Company's programs, policies and initiatives related to environmental stewardship, social responsibility and governance and through its Nominating and Corporate Governance Committee oversees the Company's ESG Program.

The Company has an ESG Advisory Committee to centralize the establishment, review and internal oversight of the Company's sustainability and corporate responsibility initiatives. The ESG Advisory Committee includes the Company's Chief Financial Officer, Chief Legal Officer and Vice President of Investor Relations and receives support from other Company departments, including asset management, capital investments, acquisitions and dispositions, financial reporting, and risk management. The Nominating and Corporate Governance Committee regularly receives reports from the Company's ESG Advisory Committee related to the progress of the Company's ESG initiatives. The chair of the Nominating and Corporate Governance Committee reports to the full Board of Directors at each regular Board meeting. In addition, the Board's Audit Committee is tasked with oversight responsibility for the Company's enterprise risk management and risk management policies, including those related to cybersecurity and cyber risks.



POLICIES

The Company has formally adopted policies to further advance its corporate responsibility initiatives and programs.

ENVIRONMENTAL POLICY



We proactively manage environmental risks at our hotels to enhance resiliency and minimize potential disruptions associated with climate change, water scarcity, threats to ecosystems, natural disasters and other results of environmental changes that may impact our portfolio. We strive to balance environmental stewardship with our other business goals. We actively engage with key stakeholders across our value chain. We are committed to continuous improvement, transparency and effective governance. We are committed to creating shared value across the following areas of environmental focus:

- Reductions in greenhouse gas emissions
- Energy efficiency
- Water conservation
- Waste management

[READ MORE](#)

HEALTH, SAFETY & WELL-BEING POLICY



We are focused on advancing the health, safety and well-being of our employees, the associates at our hotels, our guests and other stakeholders. We support the programs and initiatives that Marriott, Hilton, Hyatt and our third-party management companies incorporate to advance the health and safety features of our portfolio, and we will continue to make strategic investments to maximize the health attributes of our hotels, including, but not limited to, investments in sanitation, indoor air quality, moisture management, guest fitness and healthy dining options.

[READ MORE](#)

HUMAN RIGHTS POLICY



We are committed to respecting and protecting fundamental human rights across our value chain in accordance with the United Nations Guiding Principles on Business and Human Rights and the Civil Rights Act of 1964. We aspire for our conduct to be guided by the standards set by the United Nations Universal Declaration of Human Rights. We believe that supporting these principles is a business imperative that should guide our Company and the third-party management companies, brands, suppliers, contractors and other colleagues with whom we engage.

[READ MORE](#)

VENDOR CODE OF CONDUCT



We expect all vendors, including our suppliers and contractors, to share our commitment to protecting the rights, dignity and safety of workers and avoiding activities that cause or contribute to adverse human rights impacts consistent with national and international standards and guidelines, including those expressed by Foundational Principles 11 and 13 of the United Nations Guiding Principles on Business and Human Rights to avoid infringing on the rights of others and to prevent adverse human rights impacts directly linked to their operations, products or services.

[READ MORE](#)

STAKEHOLDER ENGAGEMENT

Active engagement with stakeholders is integral to our success as a company and our ability to maximize shareholder value.

We define stakeholders as those who are directly impacted by our business activities and whose affiliation is important to achieving our mission and business strategies.

STAKEHOLDER GROUP	INFLUENCE	PRIMARY ENGAGEMENT METHODS
Investors and Analysts	Direct	We interact with investors and analysts through our annual meeting of shareholders, industry conferences, analyst meetings, investor road shows, property tours and individual meetings. The Company also provides information to investors and analysts through its website, quarterly earnings calls, SEC filings, proxy statements, news releases, investor presentations and other communication channels.
Corporate Employees	Direct	Through direct interaction with our approximately 65 employees, we aim to provide an inspiring, diverse, equitable and inclusive work environment where our employees feel valued, empowered and encouraged to make positive differences within the Company and throughout their communities. We maintain a set of multi-faceted and continually evolving employee engagement activities and programs, including company-wide meetings, annual performance reviews, annual employee engagement surveys, community service days, Company events, wellness programs and team building activities.
Hotel Brands	Direct	As one of the largest owners of upscale hotels, we regularly interact with brand representatives and maintain active representation on owner advisory boards and councils. We support and leverage brand programs to further corporate responsibility initiatives across our hotels.
Third-Party Management Companies	Direct	As a real estate investment trust, we engage third-party management companies to operate our hotels. All associates involved in the day-to-day operations of the Company's hotels are employed by third-party management companies engaged pursuant to hotel management agreements ⁽¹⁾ . Our asset managers regularly interact with representatives from our third-party management companies, including general managers, to review and benchmark performance and practices to maximize profitability. The health, safety and security of hotel guests and associates are always our highest priority. In our role as an owner, we work closely with our third-party hotel managers to monitor their performance and execution of identified opportunities and best practices. We utilize third-party energy consultants to help guide sustainability initiatives at the property level that reduce our environmental impact. Each year, we recognize top performers for their outstanding guest service and contributions to overall hotel performance with our Apple Awards.

(1) The Company's third-party management companies are responsible for hiring and maintaining the labor force at each of its hotels. Pursuant to our management agreements, all third-party management companies are expected to comply with or exceed the requirements of labor-related laws and regulations, including those addressing wages and working hours and workers' rights to unionize or rights to work.

STAKEHOLDER ENGAGEMENT CONTINUED

STAKEHOLDER GROUP	INFLUENCE	PRIMARY ENGAGEMENT METHODS
Suppliers and Vendors	Direct and Indirect	<p>Apple Hospitality's Vendor Code of Conduct sets forth our expectations for suppliers. Our direct supply chain primarily consists of materials and products, including furniture, fixtures and equipment, in support of hotel renovation activities. We leverage the procurement, logistics and supply chain programs established by Marriott and Hilton, which actively screen suppliers on environmental and social performance, to responsibly source materials for hotel renovations. We further engage suppliers and vendors through domestic factory site visits and summits with general contracting firms hired to manage and implement construction projects. We also directly procure office supplies and equipment for our corporate office.</p> <p>Apple Hospitality's indirect supply chain primarily consists of materials and products our third-party hotel operators procure to support day-to-day operations at our hotels. Many of our third-party management companies utilize a third-party hospitality procurement firm which seeks to balance the environmental, social and economic needs and limitations within the supply chains they manage for their customers.</p>
Communities	Direct and Indirect	<p>Apple Hospitality REIT has always been firmly committed to strengthening communities through charitable giving, by volunteering our time and talents, and by participating in the many philanthropic programs important to our employees and leaders within our industry, including our brands, the American Hotel & Lodging Association (AHLA) and our third-party management companies. We are dedicated to making a positive impact throughout our Company, the hotel industry, our local community and the many communities our hotels serve through skill-based volunteering, collaboration with local communities on major renovation projects, and other altruistic initiatives.</p>
Hotel Guests	Indirect	<p>At our hotels, our guests interact directly with hotel associates that are employed by our third-party operators. As a real estate investment trust, we engage third-party management companies to operate our hotels. We carefully vet these third-party management companies and only engage those that we believe are the best in the industry and share our commitment to the well-being of hotel associates and guests. The health, safety and security of hotel guests and associates are always our highest priority. We will continue to collaborate with our third-party hotel management companies to ensure that health, safety and well-being initiatives are available to guests. We will continue to engage with our third-party hotel managers to track their performance on health, safety and well-being initiatives, and monitor their efforts to further integrate wellness into the guest experience through customer satisfaction surveys and social media channels including Tripadvisor^{®(1)}.</p>
Industry Associations	Direct	<p>Apple Hospitality supports the advancement of ESG programs and initiatives within the hotel and real estate industries, through active involvement with the American Hotel & Lodging Association (AHLA) and the National Association of Real Estate Investment Trusts (Nareit). Our CEO serves as Chair of the 2022 AHLA Board of Directors and as a member of its Executive Committee. Our team maintains active representation on industry advisory boards and councils, including AHLA's Sustainability Committee.</p>

(1) As of September 30, 2022, our lifetime weighted average portfolio TripAdvisor[®] rating is 4.3 out of 5.0. Complaints received through TripAdvisor[®] or other customer review channels are expected to receive prompt attention from our third-party management companies.

ESG HIGHLIGHTS

ENVIRONMENTAL 	SOCIAL 	GOVERNANCE & RESILIENCE 
9% reduction in energy consumption	100+ nonprofit organizations impacted	8 board members
9% reduction in water usage	550+ volunteer hours	5 independent members
100% ENERGY STAR enrollment	100% participation in DEI and anti-harassment training	1 ethnically diverse member
13% diversion rate ⁽¹⁾	100% employees received annual reviews	2 female members
2 LEED Certified® hotels	 among Top Workplaces in Richmond 2021 and 2022 ⁽²⁾	✓ lead independent director
15 hotels with electric vehicle charging stations	9 years average employee tenure	✓ separate CEO and board chair

Note: Environmental statistics provide comparisons of 2021 data to 2019 data as reported for the Company's hotels for the period of ownership. Energy, water and waste metrics were materially impacted by declines in occupancy in 2020 due to the impact of the COVID-19 pandemic on hotel operations. Comparisons to 2020 usage data may not be as meaningful. Social impact statistics from formation of Apple Gives in 2017 through December 31, 2021. Governance statistics as of December 2022.

(1) Based on measured waste data (measured waste data is representative of 61% of the total portfolio).

(2) Top Workplaces recognitions based on employee engagement surveys. Organizations are ranked within their size band based solely on employee responses to the survey statements. The top employers in each size band are selected as Top Workplaces winners. Companies with the highest overall average scores (compared to like-sized companies) qualify as Top Workplaces.

ENVIRONMENTAL STEWARDSHIP



We are committed to enhancing and incorporating sustainability opportunities into our investment and asset management strategies, with a focus on minimizing our environmental impact.

We seek to invest in proven sustainability practices when renovating our hotels and in portfolio-wide capital projects that can enhance asset value while also improving environmental performance. We target specific environmental efficiency enhancements, including equipment upgrades and replacements, that reduce energy and water consumption and improve waste management. As part of our acquisition due diligence, we perform sustainability assessments to identify areas of opportunity that will improve the property's environmental performance.

SUSTAINABILITY INITIATIVES

We actively engage with our hotel brands and third-party management companies to support continuous improvement in all facets of our sustainability program.

The environment has always been a key consideration in the operations of our hotels. We actively monitor key performance indicators of energy, water and waste at our properties, utilizing historical, market and industry data to identify properties where improvements can be made and work with our management companies to address the opportunities.

To enhance our commitment to sustainable operations, **Apple Hospitality REIT established a formal energy management program in 2018**, engaging resources throughout our Company to ensure that energy, water and waste management are a priority not only within our Company, but also with our third-party management companies and brands. Developed jointly with our energy consultants, these best practices provide our hotels and management companies with operating guidelines to consistently and responsibly use energy and water across the entire portfolio.

ENERGY EFFICIENCY



- Installation of guest room energy management systems and ENERGY STAR rated HVAC equipment to reduce energy consumption
- Transition to LED lighting within our hotels and parking lots to reduce energy consumption and waste
- Utilization of on-demand water heaters
- Installation of EV charging stations for guests
- Explore and implement renewable energy opportunities within our markets
- Window and roof replacements as part of renovation projects to improve insulation

WATER CONSERVATION



- Installation of smart irrigation systems and drought-tolerant landscaping to optimize sprinkler run times and reduce water consumption
- Broad transition to high-efficiency plumbing and fixtures, including low-flow toilets and showerheads, to reduce water consumption
- Work with energy consultants and actively monitor water usage to quickly identify opportunities

WASTE MANAGEMENT



- Implementation of recycling opportunities and programs
- Utilization of programs to reduce organic food waste sent to landfills
- Transition to reusable items wherever possible to reduce or stop using single-use plastics, including through the installation of bulk amenities and bans on plastic straws
- Participation in soap recycling and donation programs
- Migration to paperless night audits
- Reduction of paper products for food service
- Work with third-party vendors and charitable organizations to recycle reusable renovation waste

KEY METRICS



Apple Hospitality Key Metrics for 2021⁽¹⁾

- Approximately 19 Million Square Feet
- 224,000 MWh Energy Consumption
- 11.0 Total kWh per Square Foot
- 100% Portfolio Enrolled in ENERGY STAR® Program
- 887,000 kgal Water Consumption
- 13% Diversion Rate⁽²⁾

With 11.3 total kWh per square foot in 2020 as compared to an average of 20.5 total kWh per square foot reported by full-service REITs in 2020, the rooms-focused hotels we invest in are more operationally and environmentally efficient than full-service hotels.⁽³⁾ Additionally, Apple Hospitality's 2021 average total utility cost of \$5.77 per occupied room highlights both the Company's efforts to operate its hotels effectively and the inherent efficiency of the buildings.

AVERAGE UTILITY COSTS PER OCCUPIED ROOM

Full-Service Hotels ⁽⁴⁾	\$10.00
Limited-Service Hotels ⁽⁴⁾⁽⁵⁾	\$6.01
APLE ⁽⁴⁾	\$5.77

(1) Statistics are based on the Company's portfolio of hotels owned in 2021 for period of ownership.
(2) Based on measured waste data (measured waste data is representative of 61% of the total portfolio).
(3) Includes average of total kWh per square foot as reported for 2020 by DRH, HST, PK, PEB, SHO and XHR.
(4) Full-Service Hotels and Limited-Service Hotels based on 2021 data published by CBRE Hotels in 2022. APLE data based on 2021 actual results for all hotels owned in 2021.
(5) Represents over \$115 rate group.

ENERGY EFFICIENCY

To reduce our greenhouse gas emissions, we will continue to actively invest in energy efficiency measures, including equipment upgrades and replacements, guest room energy management systems and efficient lighting systems. We will continue to evaluate renewable energy opportunities, including wind and solar.

In locations with significant seasonal temperature patterns, the Company has worked to install guest room energy management systems, which allow more efficient control of HVAC equipment. We have actively initiated LED installation projects within our hotels and their parking lot lighting fixtures. LED bulbs require approximately 75% less energy on average when compared to the previously existing fixtures and have an increased lifespan which reduces waste.

We actively evaluate the utilization, development and support of sustainable energy within markets where our hotels are located. We are pleased to have recently enrolled our three hotels in Portland, Maine, in a community solar program which supports the production of solar energy for Portland's local power grid. Additionally, our three hotels in Richmond, Virginia, are enrolled in a 100% renewable energy program, which matches 100% of the hotels' energy use with renewable energy. We will continue to explore various ways to incorporate and support sustainable energy sources at our hotels and within our markets.

71%
OF LIGHT FIXTURES IN
GUEST ROOMS ON AVERAGE UTILIZE
LED LIGHT BULBS

48%
OF HOTELS HAVE ENERGY
MANAGEMENT SYSTEMS IN
GUEST ROOMS



MEETING SPACE AT HOME2 SUITES ORLANDO AIRPORT



COURTYARD AUSTIN NORTH/PARMER LANE



GUEST ROOM AT COURTYARD WEST ORANGE, NJ

EV CHARGING STATIONS



We recognize the importance of the utilization of electric vehicles (EV) in the reduction of carbon emissions.

To support our guests and advance the usage of EVs, we have engaged with EV charging providers and currently provide EV charging stations at 15 of our hotels, offering guests a total of 75 charging stations. We are committed to advancing and streamlining the EV charging process for our guests and continue to explore opportunities with EV charging station providers that will enhance usage data analytics and strategically support our EV charging station expansion.

WATER CONSERVATION

We believe that access to clean, potable water for health and hygiene is a basic human right for all. We will continue to support and invest in water efficiency best practices across our hotels, prioritizing water efficient fixtures, landscaping and irrigation.

Over the past several years, the Company installed smart irrigation watering systems at hotels with high water usage for landscaping. A smart irrigation controller has built-in water saving features including a sensor to adjust to the optimal sprinkler run time based on the local weather conditions. Smart controllers help to provide a healthy, beautiful landscape while reducing water usage.

Additionally, the Company identified hotels with above average water usage and worked to improve the plumbing within these hotels. These projects have included the installation of water-conserving plumbing fixtures, including low-flow toilets, showerheads and faucets.

As our Company continues to strategically fine tune our portfolio of rooms-focused hotels in diversified markets, when we enter into a market by contracting for a new development project, we are committed to installing systems targeted at water conservation.

9%

REDUCTION IN WATER CONSUMPTION⁽¹⁾

34%

OF OUR HOTELS HAVE SMART IRRIGATION SYSTEMS

68%

OF OUR GUEST ROOMS HAVE LOW-FLOW TOILETS



FAIRFIELD INN & SUITES PHOENIX CHANDLER/FASHION CENTER



HAMPTON INN & SUITES PHOENIX NORTH/HAPPY VALLEY



HILTON GARDEN INN TUCSON AIRPORT

(1) Reduction in water consumption based on water consumption for the full year 2021 compared to the full year 2019 as reported. Water usage metrics were materially impacted by declines in occupancy in 2020 due to the impact of the COVID-19 pandemic on hotel operations. Comparisons to 2020 usage data are not as meaningful.

WASTE MANAGEMENT



Apple Hospitality supports the ongoing initiatives of Marriott, Hilton and Hyatt as well as our third-party management companies to reduce waste and improve recycling efforts at our hotels.

Reducing Waste

- Recycling opportunities and programs
- Programs to reduce organic food waste sent to landfills
- Reduce or stop using single-use plastics, including through the installation of bulk amenities and bans on plastic straws
- Soap recycling and donation programs
- Paperless night audits
- Reduction of paper products for food service
- Recycle reusable renovation waste
- At our corporate office, each office is equipped with a recycling bin for paper products and recycling bins for plastics and other recyclables are located throughout the office

13%

DIVERSION RATE⁽¹⁾

64%

OF OUR HOTELS HAVE
RECYCLING PROGRAMS

50%

OF OUR HOTELS UTILIZE
BULK AMENITY DISPENSERS

Hilton was the first hotel brand to make soap recycling a brand standard, and the first to set the commitment to send zero soap to landfill. We are pleased to report that more than **50%** of our portfolio participates in soap recycling. Our management companies collect used soap from guest rooms and send the soap to Clean the World, a social enterprise with the mission of saving millions of lives around the world by distributing recycled soap and hygiene products from more than 8,000+ hotel and resort partners to children and families.

We continue to work directly with the brands and our third-party operators to reduce waste and protect the health of land, oceans and waterways by eliminating the use of single-use plastics like straws and toiletries. Marriott, Hyatt and Hilton have each committed to either reduce or stop using single-use plastics by transitioning to reusable items wherever possible, including the installation of bulk amenities and bans on plastic straws.



BULK AMENITIES AT OUR SPRINGHILL SUITES ALEXANDRIA OLD TOWN/SOUTHWEST

(1) Based on measured waste data (measured waste data is representative of 61% of the total portfolio).

CONTINUOUS IMPROVEMENT

The Company’s capital investment and asset management departments, together with our third-party management companies, brands and energy consultants, monitor and promote sustainability initiatives and work to implement strategies as part of our asset management, disposition, acquisition and reinvestment analysis that will further drive our sustainability initiatives.

We actively engage with our hotel brands, third-party management companies and energy consultants to identify risks and evaluate opportunities to support continuous improvement in all facets of our sustainability program. We have implemented energy and water conservation and waste management guidelines at all of our hotels, which provide our management companies with operating guidelines to consistently and responsibly use energy and water and manage waste across the entire portfolio. We seek to invest in proven sustainability practices when renovating our hotels and in portfolio-wide capital projects that can enhance asset value while also improving environmental performance. We target specific environmental efficiency enhancements, including equipment upgrades and replacements, that reduce energy and water consumption and improve waste management. The ESG Advisory Committee, with support from various departments, conducts surveys of our third-party property managers with a focus on the implementation of our sustainability and social responsibility programs, policies and processes, seeking feedback on opportunities to increase investments in climate-related, human capital and other corporate responsibility initiatives. The results of the surveys are used to guide our capital investment plans and evaluate opportunities for continuous improvement.

Concurrently, nearly all hotels in our portfolio operate under Hilton, Marriott or Hyatt brands. Hilton, Marriott and Hyatt have set meaningful environmental efficiency targets.

OUR COMMITMENT TO CONTINUOUS IMPROVEMENT

Continue to support, leverage and maintain the environmental programs and initiatives established by the Hilton, Marriott and Hyatt brand families and our third-party management companies.

Establish and report on baseline Scope 1 and 2 greenhouse gas emissions for our portfolio of hotels and report Scope 1 and 2 greenhouse gas emissions for our portfolio of hotels in future years.

Utilize and support renewable energy sources.

Increase recycling participation at our hotels.

Set reduction targets for energy usage, emissions and water consumption.

Reduce food waste.

SOCIAL RESPONSIBILITY



We support and empower one another, embracing diversity of opinion and background. We are thoughtful in our interactions with others and know that strong, caring relationships are the core of our industry.

Apple Hospitality REIT has always been firmly committed to strengthening communities through charitable giving, by volunteering our time and talents, and by participating in the many philanthropic programs important to our employees and leaders within our industry, including our brands, the American Hotel & Lodging Association (AHLA) and our third-party management companies. We are dedicated to making a positive impact throughout our Company, the hotel industry, our local community and the many communities our hotels serve.



STAFF AT THE SPRINGHILL SUITES ALEXANDRIA OLD TOWN/SOUTHWEST

COMMUNITY INVOLVEMENT

In 2017, Apple Hospitality formed Apple Gives, an employee-led charitable organization, to expand our impact and further advance the achievement of our corporate philanthropic goals.

Apple Gives collaborates with organizations that are important to Apple Hospitality employees, our third-party management companies, our hotels and numerous industry organizations, and works to make a positive impact across our community and the communities our hotels serve by:

- organizing company-wide community events with charitable organizations;
- deploying aid to markets and associates affected by natural disasters;
- allocating funds and other resources to a variety of causes; and
- through Company matched donations to 501c3 organizations that Apple Hospitality employees choose to support.

550+

HOURS VOLUNTEERED BY
APPLE HOSPITALITY EMPLOYEES

100+

NONPROFIT ORGANIZATIONS HELPED
BY APPLE HOSPITALITY



STRENGTHENING OUR INDUSTRY



Apple Hospitality is committed to the health, safety, security and well-being of hotel associates and guests and is proud to support the initiatives of the American Hotel & Lodging Association (AHLA).

AHLA strives to be an indispensable resource serving, supporting and advocating on behalf of the American hospitality industry in order to build a vibrant and united hospitality industry that powers America's economy. Apple Hospitality supports the many programs of AHLA to strengthen our industry and advance the safety, security and well-being of hotel associates and guests, including AHLA's 5-Star Promise; Safe Stay initiative; No Room for Trafficking program; the AHLA Foundation; Responsible Stay; Hospitality is Working; and numerous other career development and social responsibility programs.

Justin Knight, our CEO, serves as chair of the 2022 AHLA Board of Directors and the Company maintains active participation on AHLA's Sustainability Committee, ForWard Advisory Committee, No Room for Trafficking Workgroup and Consumer Innovation Forum.



EMPLOYEE HEALTH AND WELL-BEING

At Apple Hospitality REIT, we believe that each team member plays a vital role in the success of our organization. We believe the physical and mental health, safety and well-being of our employees, the associates at our hotels and our hotel guests is critical to the continued success of our Company.

We aim to provide an inspiring, diverse, equitable and inclusive work environment where our employees feel valued, empowered and encouraged to make positive differences within the Company and throughout their communities. We firmly believe the most successful management provides clear leadership while empowering the team to make timely and responsible decisions and to take actions necessary to achieve exceptional operating results. The Company's Employee Handbook outlines employee benefits and expectations and provides guidelines that employees are to follow regarding workplace health, policies and safety. Employees are required to annually acknowledge receipt and review of the Company's Employee Handbook.

DIVERSITY, EQUITY AND INCLUSION

Apple Hospitality is committed to diversity, equity and inclusion, and we do not tolerate discrimination or harassment in the workplace. Each year, all employees are required to complete a formal online training program focused on the prevention of discrimination and harassment in the workplace, including unconscious bias. In 2021, our CEO, Justin Knight took the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

HEALTH AND WELL-BEING

Apple Hospitality is strongly committed to supporting and promoting the physical, mental and emotional health and well-being of our employees. Quality medical, vision and dental insurance is available to all full-time employees with a portion paid by the Company on the team member's behalf. As part of our benefits program, the Company provides free preventive care services, including flu shots, routine check-ups and screenings, and employees have access to telehealth services. At the Company's headquarters, employees have access to an on-site gym; comfortable office, meeting and gathering spaces; and kitchens stocked with a variety of fresh fruits and healthy snacks.

Apple Hospitality offers competitive compensation and benefits, a flexible leave policy, fully paid parental leave for up to 12 weeks for primary caregivers and three weeks for secondary caregivers for the birth or adoption of a new child, financial assistance for adoption of a new child, an education reimbursement program, and a culture that encourages balance of work and personal life. Apple Hospitality provides its employees with two days paid leave each year for volunteer work and donation matching to support non-profit organizations. The Company emphasizes an open-door policy for communications and conducts regular employee satisfaction surveys and annual performance reviews, which provide the opportunity for continuous improvement.

Our Company is committed to working safely and maintaining a safe workplace in compliance with cleanliness guidelines set forth by the Centers for Disease Control and Prevention (CDC), and in compliance with applicable Occupational Safety and Health Act (OSHA) standards. Our employees work in an office setting. The Company has in place an incident response plan which provides guidance for leadership and all employees to swiftly and effectively respond to a variety of potential scenarios, including cybersecurity threats, inclement weather or other incidents which may require a timely response for the safety, security and well-being of employees and the protection of internal data systems. We had no OSHA claims or known lost days due to workplace injuries in 2021.



APPLE HOSPITALITY REIT HEADQUARTERS

MANAGEMENT COMPANY OUTREACH

Apple Hospitality's hotels and third-party management companies are engaged in targeted charitable programs that provide support to their respective communities and hotel associates are encouraged to serve in ways that improve their localities.

As a real estate investment trust, third-party management companies operate our hotels. We only engage those that we believe are the best in the industry and share our commitment to the well-being of hotel associates and guests. We benchmark and share best practices across management companies and brands that encompass enhancement of existing initiatives, training programs and policies to continuously improve safety and security measures to ensure the health and well-being of associates and guests.



Our third-party management colleagues donate to food drives, participate in charity walks and bike rides, assemble care packages, donate school supplies, provide disaster relief, and pursue numerous other altruistic initiatives across the 87 markets our hotels serve.



STAFF AT RESIDENCE INN DANA POINT
SAN JUAN CAPISTRANO



STAFF AT HILTON GARDEN INN SAN
DIEGO/RANCHO BERNARDO



STAFF AT HILTON GARDEN INN OMAHA
DOWNTOWN/OLD MARKET AREA



STAFF AT HILTON GARDEN INN CHICAGO
O'HARE AIRPORT



STAFF AT HAMPTON INN & SUITES
PANAMA CITY BEACH-PIER PARK AREA



STAFF AT HILTON GARDEN INN MADISON
DOWNTOWN

GOVERNANCE AND RESILIENCY



APPLE HOSPITALITY REIT

We aim to maintain the highest standards of ethics and corporate governance. We are dedicated to operating a company with integrity, excellence and accountability.

Apple Hospitality is committed to strong governance practices that align with the best interests of our stakeholders. We maintain open and effective lines of communication with our stakeholders; we regularly assess and evaluate risks to our business to safeguard the integrity and security of our systems and data; and we continually work to strengthen our portfolio against climate-related risk through our acquisition due diligence, ongoing risk management, strategic property enhancements and preventative maintenance.

KEY POLICIES

CODE OF BUSINESS CONDUCT AND ETHICS

High ethical standards are the cornerstone of the Company's long-term success. The standards outlined in the Company's Code of Business Conduct and Ethics are the foundation upon which the Company conducts its business and dictate how the Company relates to its stakeholders. High ethical standards, and the related principles of trust, honesty, respect, integrity and commitment, are evident in the Company's mission statement and Company values. The Code of Business Conduct and Ethics sets basic principles to guide all directors, officers and employees of the Company.

CORPORATE GOVERNANCE GUIDELINES

The Company's Corporate Governance Guidelines reflect the Board of Director's commitment to monitoring the effectiveness of decision-making at the Board and management level and ensuring adherence to good corporate governance principles, all with a goal of enhancing shareholder value over the long term.

HUMAN RIGHTS POLICY

We are committed to respecting and protecting fundamental human rights across our value chain in accordance with the United Nations Guiding Principles on Business and Human Rights and the Civil Rights Act of 1964. We believe that supporting these principles is a business imperative that should guide our Company and the third-party management companies, brands, suppliers, contractors and other colleagues with whom we engage.

VENDOR CODE OF CONDUCT

We expect all vendors, including our suppliers and contractors, to share Apple Hospitality's commitment to protecting the rights, dignity and safety of workers and avoiding activities that cause or contribute to adverse human rights impacts with international standards and guidelines, including those expressed by Foundational Principles 11 and 13 of the United Nations Guiding Principles on Business and Human Rights to avoid infringing on the rights of others and to prevent adverse human rights impacts directly linked to their operations, products or services.

INCIDENT RESPONSE PLAN

The Company has in place an incident response plan which provides guidance for leadership and all employees to swiftly and effectively respond to a variety of potential scenarios, including cybersecurity threats, inclement weather or other incidents which may require a timely response for the safety, security and well-being of employees and the protection of internal data systems.



HAMPTON INN & SUITES ATLANTA-DOWNTOWN

GOVERNANCE



Alignment with the best interests of our shareholders is at the forefront of our values.

Corporate Governance Aligns with Shareholders

- Audit, Compensation and Corporate Governance Committees are independent
- Regular executive sessions of independent directors
- De-staggered Board allows for annual elections of directors
- Required to tender resignation by an incumbent director not receiving majority of votes cast in election
- 78% of executive target compensation is incentive based, with 50% based on shareholder returns
- Required share ownership of:
 - 5 times base salary for CEO,
 - 3 times base salary for other executive officers, and
 - 4 times base cash compensation for directors
- Opted out of Virginia law requiring super majority vote for specified transactions with interested shareholders
- The Company maintains an independent reporting hotline, monitored by our Chief Legal Officer and Chief Financial Officer, that is available 24/7 for Apple Hospitality employees to confidentially report potential concerns

BOARD OF DIRECTORS WITH EFFECTIVE EXPERIENCE

Glade M. Knight – Executive Chairman

Founder, Apple Hospitality REIT; Former Chairman/CEO, Cornerstone Realty NYSE:TCR

Justin G. Knight – Director
Chief Executive Officer, Apple Hospitality REIT

Glenn W. Bunting – Director
President, GB Corporation

Jon A. Fosheim – Lead Independent Director

Co-founder, Green Street Advisors

Kristian M. Gathright – Director
Former Executive Vice President & Chief Operating Officer, Apple Hospitality REIT

Blythe J. McGarvie – Director
Founder and Former Chief Executive Officer, Leadership for International Finance

L. Hugh Redd – Director
Former Senior Vice President & Chief Financial Officer, General Dynamics

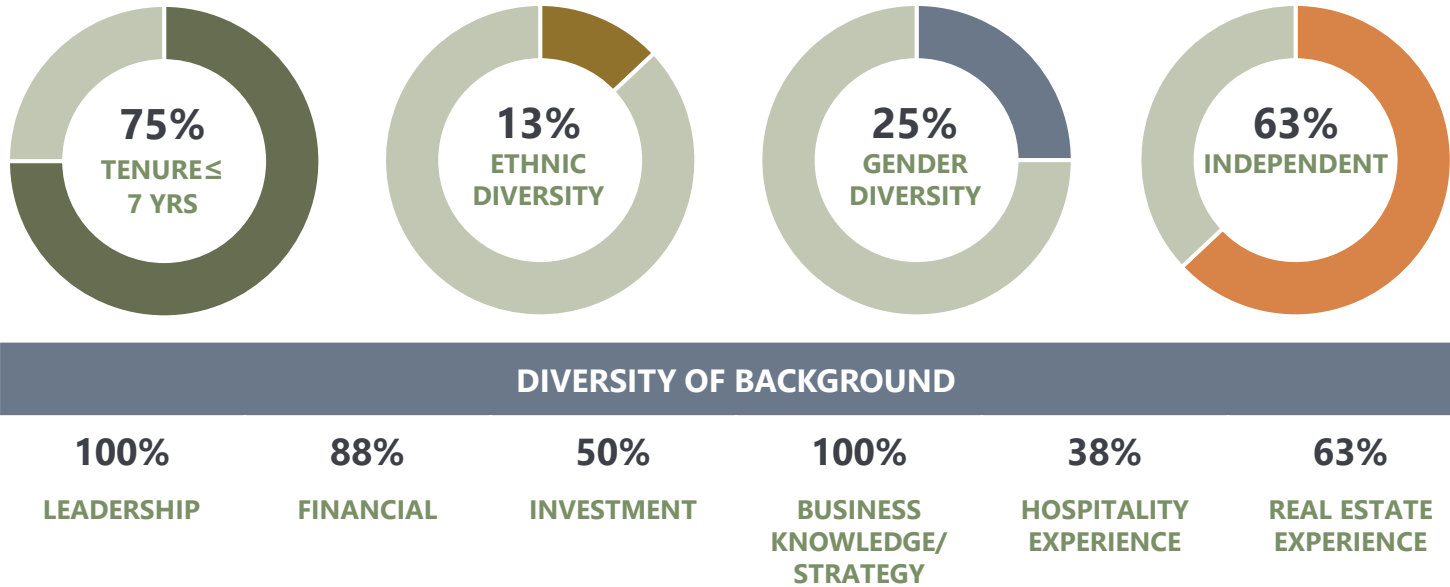
Howard E. Woolley – Director
President, Howard Woolley Group, LLC

BOARD COMPOSITION



Apple Hospitality REIT’s Board consists of eight members who provide diverse perspectives, industry knowledge and professional experience that help guide our corporate governance.

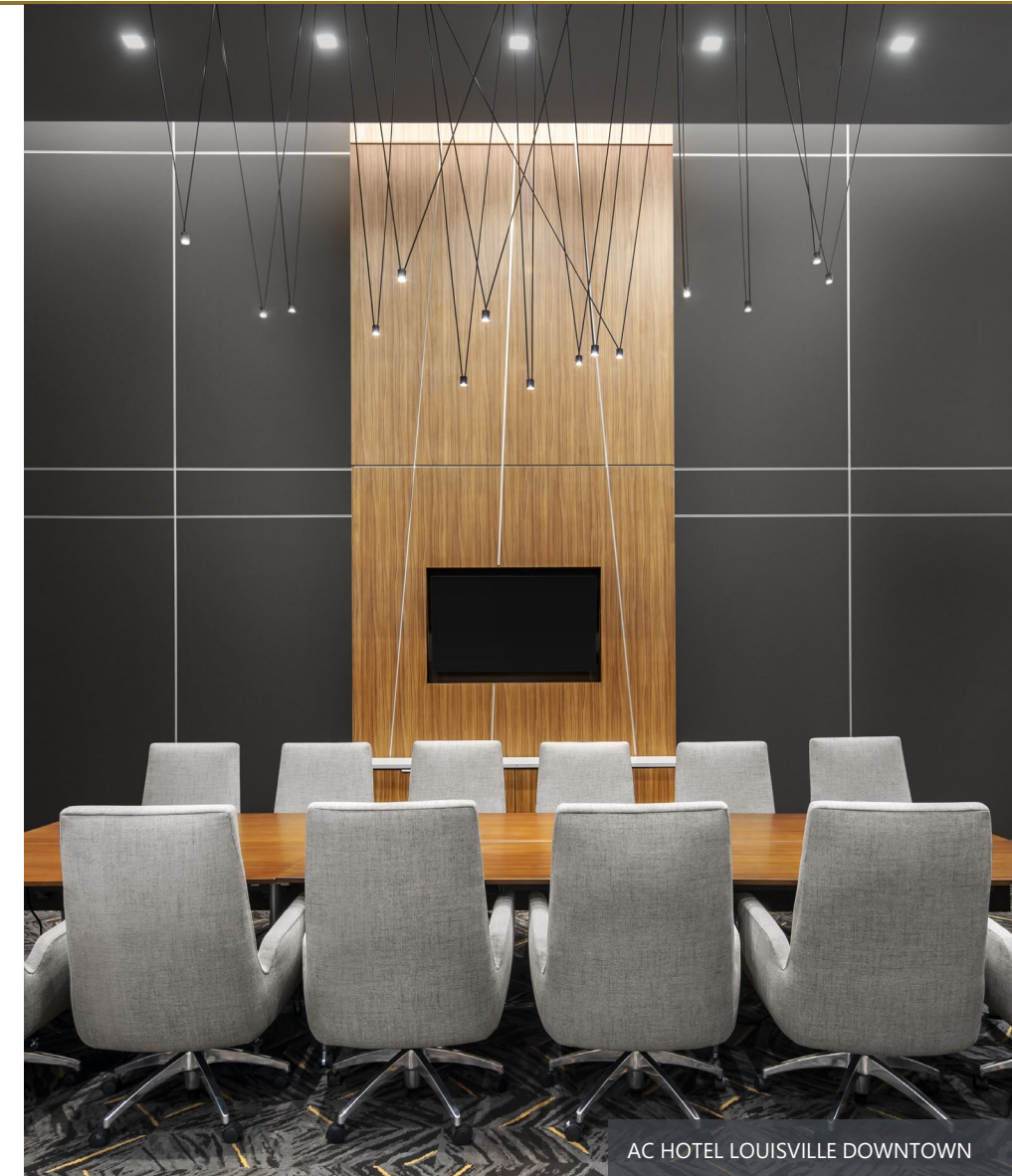
The terms of the Company’s Board are de-staggered, which allows for annual elections of directors. The Company’s Chairman and Chief Executive Officer roles have been separated to create a leadership structure that the Board believes strikes the appropriate balance between the authority of those who oversee the Company and those who manage it on a day-to-day basis. In order to optimize the effectiveness and independence of the Board, the independent directors have designated an independent, non-employee director to serve as the Company’s Lead Independent Director. The Board’s Audit, Compensation, and Nominating and Corporate Governance committees are independent of management. Each committee has a formal charter that outlines each committee’s purpose and responsibilities and can be found on our website [here](#).



Note: Based on composition of the Company’s Board of Directors as of December 2022.

ESG OVERSIGHT

Apple Hospitality REIT's Board of Directors understands the importance of the Company's programs, policies and initiatives related to environmental stewardship, social responsibility and governance and through its Nominating and Corporate Governance Committee oversees the Company's ESG Program. The Company has an ESG Advisory Committee to centralize the establishment, review and internal oversight of the Company's sustainability and corporate responsibility initiatives. The ESG Advisory Committee includes the Company's Chief Financial Officer, Chief Legal Officer and Vice President of Investor Relations and receives support from other Company departments, including asset management, capital investments, acquisitions and dispositions, financial reporting and risk management. The Nominating and Corporate Governance Committee regularly receives reports from the Company's ESG Advisory Committee related to the progress of the Company's ESG initiatives. The chair of the Nominating and Corporate Governance Committee reports to the full Board of Directors at each regular Board meeting. In addition, the Board's Audit Committee is tasked with oversight responsibility for the Company's enterprise risk and risk management policies, including those related to cybersecurity and cyber risks. The Company's executive officers have ESG-related objectives within their responsibilities and for 2022, Apple Hospitality included an ESG metric into the executives' incentive compensation plan.

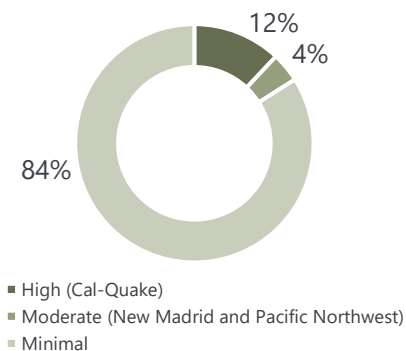


AC HOTEL LOUISVILLE DOWNTOWN

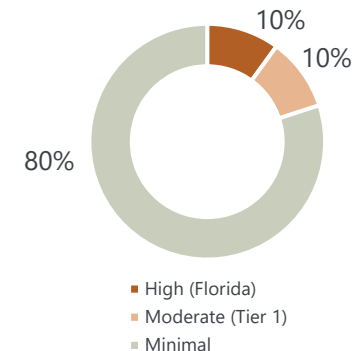
RESILIENCE MEASURES

To deliver sustainable value for our shareholders over the long term, we consistently work to strengthen the resiliency of our portfolio against climate-related risks, such as earthquakes, floods, windstorms, fires and extreme temperatures, through the broad geographic diversification of our portfolio, active risk management, property enhancements, preventative maintenance and by sharing best practices across our portfolio.

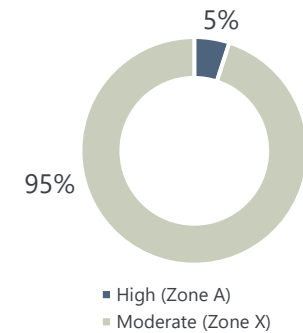
We actively assess the vulnerability of our assets to climate-related risks. We have in place a risk management plan and work with a third-party disaster recovery firm to protect our assets and promptly restore operations following natural disasters. Across our portfolio, we continue to make strategic investments in energy efficiency, water conservation and waste reduction projects. We also engage in preventative maintenance and with developers for projects under construction and invest in enhancements to roofs, facades and structural property elements to protect our assets from climate change-related risk. We also work with our insurance carriers to perform loss prevention assessments and formulate action plans to mitigate risk. As part of our risk management program, we continuously evaluate potential threats to our business model, our assets and the integrity and availability of our systems and services. We maintain insurance coverage for property and business interruption risks with respect to all of our hotels. We formally review and update our enterprise risk management assessment annually to include mitigation efforts as applicable.



Earthquake Risk Exposure



Windstorm Risk Exposure



Flood Risk Exposure

Note: Based on portfolio of hotels as of December 2022 and information obtained and utilized by insurance carriers.

DATA PRIVACY AND CYBERSECURITY

With diligent security measures in place and consistent training at the corporate level, Apple Hospitality's corporate cybersecurity strategy aims to avoid or minimize the risks associated with a cybersecurity event.

Apple Hospitality REIT's Board of Directors administers cybersecurity risk oversight primarily through its Audit Committee. Apple Hospitality REIT does not have direct access to personal data from guests who stay at our hotels, nor do we process business transactions with our guests. Apple Hospitality's corporate IT systems have no connectivity to hotel and/or third-party management and brand technology platforms. It is the responsibility of our third-party hotel management companies and brands to protect the privacy of data and information provided by guests. Apple Hospitality's information technology and risk management departments regularly engage with our third-party management companies and brands to understand and benchmark their execution and compliance with applicable policies and industry best practices for data protection and cybersecurity.

Apple Hospitality's information technology and risk management departments use an internal set of applications and control activities to actively monitor potential threats and regularly conduct internal testing to identify potential vulnerabilities to our information technology infrastructure and systems. These activities include, but are not limited to, continuous monitoring of network and infrastructure vulnerabilities, automated patching and software updates, redundancy and back-up systems, and incident response handling. All Apple Hospitality employees are required to report cybersecurity events, including suspicious activity or emails, to the Company's IT department.

Should a cybersecurity event occur, we are positioned to coordinate a swift response with our teams to mitigate theft, damage or disruption to our information technology infrastructure and systems. The Company has in place an incident response plan which provides guidance for leadership and all employees to swiftly and effectively respond to a variety of potential scenarios, including cybersecurity threats, for the protection of internal data systems. We also carry cybersecurity insurance to further mitigate potential losses from a cybersecurity breach.



AC HOTEL PITTSBURGH DOWNTOWN

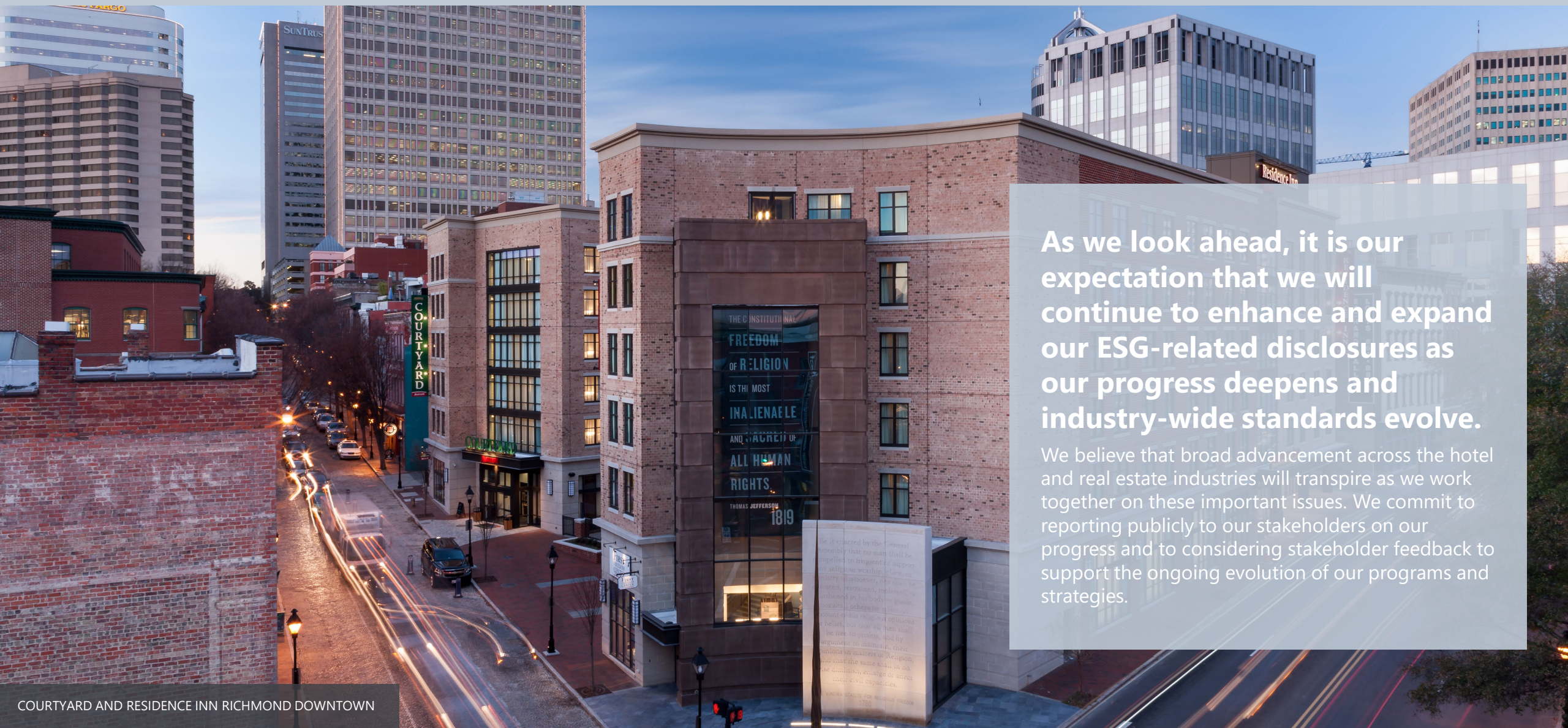
ADDITIONAL RESOURCES



APPLE HOSPITALITY REIT

As we look ahead, it is our expectation that we will continue to enhance and expand our ESG-related disclosures as our progress deepens and industry-wide standards evolve.

We believe that broad advancement across the hotel and real estate industries will transpire as we work together on these important issues. We commit to reporting publicly to our stakeholders on our progress and to considering stakeholder feedback to support the ongoing evolution of our programs and strategies.



COURTYARD AND RESIDENCE INN RICHMOND DOWNTOWN

ENVIRONMENTAL PERFORMANCE TABLE

Environmental Performance	2021	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾
Direct Energy Consumption (megawatt hours)	224,000	212,000	245,000	251,000
Intensity per Square Foot (kilowatt hours)	11.0	11.3	13.0	12.95
Utility Cost per Occupied Room	\$5.77	\$6.65	\$4.78	\$4.93
Water Consumption (kilogallons)	887,000	713,000	974,000	1,030,000
Water Intensity per Occupied Room (kilogallons)	0.13	NR	NR	NR
Hotels EPA ENERGY STAR Enrolled	100%	98%	96%	
LEED Certified® Hotels	2	-	-	-

Note: Energy, water and waste metrics were materially impacted by declines in occupancy in 2020 due to the impact of the COVID-19 pandemic on hotel operations. Comparisons to 2020 usage data may not be as meaningful.

(1) As previously reported. NR = Not Reported.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") REPORT

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Disclosure	Response	References
Board's oversight of climate-related risks and opportunities	<p>The Company's full Board of Directors ("Board") is responsible for overseeing risks to the Company's business. The Board's oversight of climate-related risks and opportunities is conducted through its Nominating and Corporate Governance Committee ("Governance Committee"). In 2022, the Board approved changes to the Charter of the Governance Committee to formalize the Governance Committee's role in reviewing the Company's policies, programs and practices related to corporate responsibility and sustainability and climate-related risks and opportunities. The Governance Committee regularly receives reports from the Company's Environmental, Social and Governance Advisory Committee ("ESG Advisory Committee") on the Company's progress toward established initiatives and targets at Governance Committee meetings. The Governance Committee's chair reports to the full Board at each regular Board meeting.</p> <p>The Audit Committee is tasked with oversight responsibility for the Company's overall risk profile and risk management policies, including those related to cybersecurity and cyber risks.</p>	<p>2022 Proxy Statement</p> <p>Nominating and Corporate Governance Committee Charter</p> <p>Audit Committee Charter</p> <p>Corporate Responsibility Report</p>
Management's role in assessing and managing climate-related risks and opportunities	<p>The Company's ESG Advisory Committee was established to further the Company's objective to centralize the establishment, review and internal oversight of the Company's sustainability and corporate responsibility risks, opportunities and initiatives. The Company's Chief Financial Officer serves as the executive sponsor of the ESG Advisory Committee. The ESG Advisory Committee is comprised of key Company leaders, including the Company's Chief Financial Officer, Chief Legal Officer and Vice President of Investor Relations, and receives support from various other Company departments, including asset management, capital investments, acquisitions and dispositions, financial reporting, and risk management. The Chief Financial Officer and Chief Legal Officer, who both report directly to the Company's Chief Executive Officer, who serves on Apple Hospitality's Board of Directors, participate in Governance Committee and Audit Committee meetings, regularly providing updates on the Company's climate-related risks, opportunities and initiatives. The Governance Committee in turn reports to the full Board of Directors on a routine basis. In addition, our Chief Financial Officer, along with our Chief Executive Officer, regularly engage with external stakeholders, investors and analysts on matters related to climate risks and opportunities for our hotels. Within the Company, we have established responsibilities within our capital investment, asset management and risk management departments to implement, monitor and evaluate our sustainability initiatives and climate-related risks and opportunities. Our asset disposition and acquisition analysis is also influenced by our evaluation of climate-related risks and opportunities. The ESG Advisory Committee, with cross-departmental support, conducts surveys of our third-party property managers, focusing on the implementation of our corporate sustainability initiatives and seeking feedback on opportunities to increase investments in climate-related initiatives. The results of those surveys are used to guide our capital investment plans and evaluate opportunities for continuous improvement.</p>	<p>Nominating and Corporate Governance Committee Charter</p> <p>Corporate Responsibility Report</p> <p>2022 Proxy Statement</p>

TCFD REPORT CONTINUED

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

Apple Hospitality REIT, Inc. has identified the following climate-related risks and opportunities. For the purposes of assessing climate risk and opportunities, we use the following time horizons: short-term (1-3 years), medium-term (4-6 years) and long-term (7-10+ years).

Disclosure	Response			References
Climate-related risks and opportunities identified over the short, medium and long-term	Time Frame	Physical Climate Risk	Opportunities	TCFD
	Short- and Medium-Term	<ul style="list-style-type: none"> • Extreme weather events, such as hurricanes, droughts, wildfires and floods • Extreme weather including temperature, precipitation and wind • Air quality due to smog, smoke or other pollution 	<ul style="list-style-type: none"> • Use of renewable energy, sustainable supplies and building materials and reduced water consumption • Energy efficiency and efficacy programs and resulting financial savings 	
	Long-Term	<ul style="list-style-type: none"> • Rising sea levels • Systemic climate shifts 	<ul style="list-style-type: none"> • Rebates and incentives offered with regulatory changes 	
	Time Frame	Transition Climate Risk		
	Short- and Medium-Term	<ul style="list-style-type: none"> • Increased insurance premiums • Changing consumer behaviors • Increased requirements and regulations for climate-related disclosure and actions • Reputation and stakeholder perception and concern • Increased operational, capital and reporting costs 	<ul style="list-style-type: none"> • Continued enhancement of companywide ESG performance reporting • Low emission goods and services 	
	Long-Term	<ul style="list-style-type: none"> • Uncertainty in market signals • Asset valuation shifts 	<ul style="list-style-type: none"> • Viability and asset value protection resulting from investment in resilience measures 	

TCFD REPORT CONTINUED

Strategy, cont.

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

Disclosure	Response	References
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	<p>Management of climate-related risk and sustainability supports Apple Hospitality's mission to be a leading real estate investment company committed to increasing shareholder value through the distribution of attractive dividends and long-term capital appreciation. Our portfolio of hotels is broadly diversified across a variety of markets, which strengthens the resiliency of our portfolio by minimizing the overall portfolio impact of volatility caused by potential disruptions in a particular market, including climate-related events, or by a specific industry or demand generator. Our short and medium-term view is that our primary risks are increased operating costs associated with climate-risk mitigation efforts and enhanced ESG reporting requirements and changing consumer preferences. Over the long-term, we consider our most significant risks to be extreme variability in weather and shifts in asset valuations. We attempt to mitigate these risks by actively monitoring our power purchase contracts for increased utilization of renewable energy and to lock in longer-term, fixed rates. We also work with our franchise brands and third-party management companies to implement energy efficient technology and conservation programs at our hotels to both reduce operating costs and to address expressed preferences from our customers and other stakeholders. To mitigate the extreme weather risks and shifts in asset valuations, we consider environmental and weather-related risks as part of our capital investment and asset acquisition and disposition strategies, including evaluating the condition of the asset, its proximity to hurricane prone regions and flood zones, the existing use of energy efficient technology, and environmental and socioeconomic trends. Our recent acquisitions include two LEED Certified® hotels and a hotel implementing green-roof technology. Apple Hospitality invests in resiliency measures to include various sustainability investments and the purchase of business interruption insurance. In 2023, we plan to continue working with our franchise brands, third-party management companies and stakeholders to create value and reduce risk through our ESG initiatives.</p> <p>We recognize certain climate-related opportunities that may result from responding to or mitigating the highlighted risks. Those opportunities include a move to more efficient buildings and reduced water usage consumption; attracting new investors; reputational benefits resulting in increased demand for services; reduced operational costs and reduced exposure to future fossil fuel price increases. As we invest in low-emission and energy efficient technology and infrastructure at our hotels, our goal is to monitor the return on the investment and adapt our strategies, as necessary, to balance our commitment to sustainability with achieving returns for our stakeholders from those investments.</p>	<p>2021 Annual Report on Form 10-K</p> <p>Corporate Responsibility Report</p>
Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including 1.5 degrees or lower scenario	<p>We recognize the fundamental shift that will occur as businesses and society strive toward decarbonization and a net zero economy. In a scenario in which global temperatures are limited to 1.5 degrees above pre-industrial levels, the economy will have a greater focus on reduced resource and energy intensity. In any future scenario, there will be climate impacts that require mitigation and adaptation to physical infrastructure, which is especially applicable to real estate investment.</p> <p>We are committed to the continuous enhancement of our ESG programs, environmental performance and related disclosures.</p>	<p>Corporate Responsibility Report</p> <p>TCFD</p>

TCFD REPORT CONTINUED

Risk Management

Disclose how the company identifies, assesses and manages climate-related risks.

Disclosure	Response	References
Describe the company's processes for identifying and assessing climate-related risks	Apple Hospitality's executive and senior management team actively monitors key risks across our portfolio each year as an integral part of our asset disposition and acquisition analysis, capital investment planning and budgeting, and insurance renewal and review. As part of the capital investment process, due diligence is conducted on all potential acquisitions and major capital projects. Property condition assessments are performed by third-party consultants prior to acquisition and provide insight into potential risks. The Company engages with third-party consultants to review energy and water bills across our portfolio to monitor for unusual usage and opportunities for improvement. In 2022, we surveyed each of our hotels on the use and implementation of energy efficient technology, training on sustainability initiatives and energy and waste management programs. The survey results will drive our focus areas as we look for ways to improve operations and develop best practices at our hotels and as we prioritize additional strategic sustainability investments. We engage with external stakeholders, including industry associations, third-party management companies, our franchise brands, investors and other subject matter experts to gain additional perspectives on industry risks and opportunities. Input from our legal and finance teams aids in the identification of disclosure expectations and regulatory risk. The information collected across our departments is reported to the ESG Advisory Committee which maintains ongoing strategic oversight to identify, assess and respond to climate-related risks that may impact our reputation, profitability and access to capital. Representatives from the ESG Advisory Committee participate in the Governance Committee and Audit Committee meetings, regularly providing updates on the Company's climate-related risks, opportunities and initiatives. The Governance Committee in turn reports to the full Board of Directors on a routine basis.	Corporate Responsibility Report TCFD
Describe the company's processes for managing climate-related risks	Internally, our senior management, asset management, risk management, capital investment, and acquisitions and dispositions departments are tasked with identifying climate-related risks and opportunities as part of their department oversight and integrating identified climate-related risks and opportunities into decision-making with respect to investments in new and existing hotels. Across our portfolio, we continue to make strategic investments in energy efficiency, water conservation and waste reduction projects. We also engage in preventative maintenance and with developers for projects under construction and invest in enhancements to roofs, facades and structural property elements to protect our assets from climate-change-related risks. We engage directly with external stakeholders, including industry associations, investors, analysts, our franchise brands and our third-party property managers to understand trends and opportunities driving responses to climate-related risks. The insights and engagement help us manage the risks within our portfolio and anticipate future regulatory changes or shifts in consumer preferences. Apple Hospitality has an Environmental Policy. The goal of the policy is to proactively manage environmental risks at our hotels to enhance resiliency and minimize potential disruptions associated with climate change, water scarcity, threats to ecosystems, natural disasters and other results of climate-related changes that may impact our portfolio.	Corporate Responsibility Report TCFD Environmental Policy

TCFD REPORT CONTINUED

Risk Management

Disclose how the company identifies, assesses and manages climate-related risks.

Disclosure	Response	References
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company’s overall risk management	<p>Protecting and enhancing the value of our hotel assets is a critical component to maximize long-term shareholder value in our Company. As we evaluate the needs and opportunities of our portfolio and our investment decisions, each of our Company departments is directed to integrate the identified climate-related risks and opportunities in its operational and investment decisions and to consider climate-related risk mitigation as a key component in our overall approach to risk management and driving long-term shareholder value.</p> <p>Our risk management team, which reports to our Chief Financial Officer, takes a cross-departmental approach to evaluating risks and opportunities at the corporate, third-party management and property level. We also engage with our third-party managers and consultants to support the ongoing identification of physical, regulatory and market risks and opportunities at the company and asset level.</p> <p>The ESG Advisory Committee, with cross-departmental support, conducts surveys of our property managers focusing on the implementation of our corporate sustainability initiatives and risk mitigation efforts and seeking feedback on opportunities to increase investments in climate-related initiatives.</p> <p>The information collected across our departments is reported to the ESG Advisory Committee which maintains ongoing strategic oversight to identify, assess and respond to climate-related risks that may impact our reputation, profitability and access to capital. Representatives from the ESG Advisory Committee participate in the Governance Committee and Audit Committee meetings, regularly providing updates on the Company’s climate-related risks and initiatives. The Governance Committee in turn reports to the full Board of Directors on a routine basis.</p>	<p>Corporate Responsibility Report</p> <p>TCFD</p> <p>Nominating and Corporate Governance Committee Charter</p>

TCFD REPORT CONTINUED

Metrics and Targets

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

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

Category	Metric	Disclosure Location
Energy	Direct Energy Consumption	Corporate Responsibility Report
Energy	Energy Intensity	Corporate Responsibility Report
Energy	Utility Cost Per Occupied Room	Corporate Responsibility Report
Water	Total Water Consumption	Corporate Responsibility Report
Water	Water Intensity	Corporate Responsibility Report

Scope 1 and 2 Greenhouse Gas Emissions

Apple Hospitality intends to establish and report on baseline Scope 1 and 2 greenhouse gas emissions for our portfolio of hotels and report Scope 1 and 2 greenhouse gas emissions for our portfolio of hotels in future years.

Targets and Performance Against Targets

Apple Hospitality intends to set reduction targets for energy usage, emissions and water consumption and increase recycling participation at our hotels.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

To assist stakeholders in understanding and benchmarking our corporate responsibility performance, we utilize the Global Reporting Initiative (GRI) Standards. The GRI Standards include an internationally recognized set of indicators for economic, environmental and social topics related to business performance. Apple Hospitality REIT, Inc. has reported the information cited in this GRI Content Index for the period from January 1, 2021 to December 31, 2021 with reference to the GRI Standards, GRI 1: Foundation 2021. For additional information on the GRI Standards, please visit www.globalreporting.org.

The responses and references provided in our GRI Content Index include direct answers, links to publicly available sources on our corporate website and links to other relevant publicly available sources, including this Corporate Responsibility Report. This index includes references to third-party commitments and statements that may be relevant to the operation of our hotels. Apple Hospitality owns but does not manage or control the day-to-day operations of our hotels, however, our third-party operators are encouraged to take brand offered training in combating human trafficking and supporting the initiatives offered by the brands. The commitments and statements referenced in this GRI Content Index are intended to highlight those objectives in the context of these disclosures and we support the efforts expressed in those documents. Throughout this index the response and references column provides a summary of the full disclosure available at the corresponding reference links. Users are encouraged to review full details available at corresponding reference links.

General Disclosures

GRI Indicator	Description	Responses and/or References
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Apple Hospitality REIT, Inc. (the "Company" or "Apple Hospitality") 2021 Annual Report on Form 10-K
102-2	Activities, brands, products, and services	2021 Annual Report on Form 10-K About Us Hotel Portfolio To maintain its status as a REIT, the Company is not permitted to operate any of its hotels. As a result, the Company has entered into management agreements with third-party managers to operate its hotels.
102-3	Location of headquarters	814 East Main Street Richmond, Virginia 23219 2021 Annual Report on Form 10-K
102-4	Location of operations	2021 Annual Report on Form 10-K About Us Hotel Portfolio
102-5	Ownership and legal form	Apple Hospitality REIT, Inc. is a publicly traded REIT listed on the New York Stock Exchange under the "APLE" ticker symbol. The Company was formed in 2007 as a Virginia corporation. 2021 Annual Report on Form 10-K

GRI CONTENT INDEX CONTINUED

GRI Indicator	Description	Responses and/or References
ORGANIZATIONAL PROFILE CONTINUED		
102-6	Markets served	2021 Annual Report on Form 10-K About Us Hotel Portfolio
102-7	Scale of the organization	About Us 2021 Annual Report on Form 10-K (pages 4, 10, 58 and 59)
102-8	Information on employees and other workers	Contractors and/or seasonal workers do not comprise a significant amount of the Company's workforce. The Company does not typically employ part-time workers. 2021 Annual Report on Form 10-K 2022 Proxy Statement (page 15) Human Rights Policy Corporate Responsibility Report – Stakeholder Engagement , Employee Health and Well-Being
102-9	Supply chain	Third-party management companies are responsible for procurement to support day-to-day operations at the hotels in our portfolio. 2021 Annual Report on Form 10-K Corporate Responsibility Report – Stakeholder Engagement Vendor Code of Conduct
102-10	Significant changes to the organization and its supply chain	None during the reporting period.
102-11	Precautionary Principle or approach	Environmental Policy Corporate Responsibility Report – ESG Strategy Hilton Travel with Purpose Goals Marriott Serve 360 Goals Hyatt World of Care
102-12	External initiatives	UN Sustainable Development Goals Human Rights Policy AHLA's 5 Star Promise , Safe Stay , No Room for Trafficking and Responsible Stay Corporate Responsibility Report UN Sustainable Development Goals
102-13	Membership of associations	Corporate Responsibility Report – Stakeholder Engagement , Strengthening Our Industry

GRI CONTENT INDEX CONTINUED

GRI Indicator	Description	Responses and/or References
STRATEGY		
102-14	Statement from the most senior decision-maker	Corporate Responsibility Corporate Responsibility Report – A Message from Our CEO
102-15	Key impacts, risks, and opportunities	2021 Annual Report on Form 10-K (pages 12-26) Corporate Responsibility Corporate Responsibility Report – ESG Strategy , Resilience Measures , TCFD Report
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Mission and Values Code of Business Conduct and Ethics Human Rights Policy Vendor Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Code of Business Conduct and Ethics (Section 10. Compliance Procedures, page 3) The Company maintains an independent reporting hotline that is available 24/7 for Apple Hospitality employees to confidentially report potential concerns. The hotline is monitored by our Chief Legal Officer and Chief Financial Officer.
GOVERNANCE		
102-18	Governance structure	Corporate Governance Committee Composition Governance Documents 2022 Proxy Statement (pages – 13, 16 – 21) Corporate Responsibility Report – Governance and Resiliency Section
102-21	Consulting stakeholders on economic, environmental, and social topics	2022 Proxy Statement (page 17) Corporate Responsibility Report – Stakeholder Engagement
102-22	Composition of the highest governance body and its committees	Board of Directors Committee Composition 2022 Proxy Statement (pages 13, 16-20)
102-23	Chair of the highest governance body	2022 Proxy Statement (pages 13, 16-20)

GRI CONTENT INDEX CONTINUED

GRI Indicator	Description	Responses and/or References
GOVERNANCE CONTINUED		
102-24	Nominating and selecting the highest governance body	Corporate Governance Guidelines (pages 1-5) Charter of the Nominating and Corporate Governance Committee (pages 1-4) 2022 Proxy Statement (pages 13, 16-20)
102-25	Conflicts of interest	Code of Business Conduct and Ethics Corporate Governance Guidelines (page 9) 2022 Proxy Statement (page 16)
102-28	Evaluating highest governance body's performance	Corporate Governance Guidelines (page 10) Charter of the Nominating and Corporate Governance Committee 2022 Proxy Statement (page 13, 16-17)
102-35	Remuneration policies	Compensation Committee Charter 2022 Proxy Statement
102-36	Process for determining remuneration	2022 Proxy Statement (pages 26-38)
102-38	Annual compensation ratio	2022 Proxy Statement (page 44)
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Health, Safety and Well-Being Policy Corporate Responsibility Report – Stakeholder Engagement Human Rights Policy
102-41	Collective bargaining agreements	None of Apple Hospitality's employees are subject to collective bargaining agreements. The Company's third-party management companies are responsible for hiring and maintaining the labor force at each of its hotels. Third-party management companies may employ workers that are subject to collective bargaining agreements. Pursuant to our Human Rights Policy Statement and our management agreements, all third-party management companies are expected to comply with or exceed the requirements of labor-related laws and regulations, including those addressing wages and working hours and workers' rights to unionize or rights to work.

GRI CONTENT INDEX CONTINUED

GRI Indicator	Description	Responses and/or References
STAKEHOLDER ENGAGEMENT CONTINUED		
102-42	Identifying and selecting stakeholders	Health, Safety and Well-Being Policy Corporate Responsibility Report - Stakeholder Engagement
102-43	Approach to stakeholder engagement	Health, Safety and Well-Being Policy Corporate Responsibility Report – Stakeholder Engagement
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	2021 Annual Report on Form10-K
102-46	Defining report content and topic boundaries	To define report content and boundaries for our GRI Specific Standard Disclosures, we have assessed the materiality of topics among key stakeholder groups both within and outside our organization.
102-47	List of material topics	A list of material topics can be found in “Specific Disclosures” within the GRI Content Index.
102-48	Restatements of information	Not applicable during the reporting period.
102-49	Changes in reporting	Not applicable during the reporting period.
102-50	Reporting period	Our reporting period covers calendar year 2021.
102-51	Date of most recent report	2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Apple Hospitality REIT, Inc. 814 East Main Street Richmond, VA 23219 Phone: 804-344-8121 info@applehospitalityreit.com

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
ECONOMIC		
Economic Performance	103 Management approach	2021 Annual Report on Form 10-K Mission Statement Corporate Responsibility Report – ESG Strategy Investor Presentations
	201-1 Direct economic value generated and distributed	2021 Annual Report on Form 10-K (page 59 – Consolidated Statements of Operations and Comprehensive Income (Loss)) Social Responsibility
	201-2 Financial implications and other risks and opportunities due to climate change	2021 Annual Report on Form 10-K (page 14 and 20) Corporate Responsibility Report - TCFD Report
	201-3 Defined benefit plan obligations and other retirement plans	Corporate Responsibility Report – Employee Health and Well-Being The Company directly contributes to defined contribution plans for the benefit of its Corporate employees who meet certain eligibility requirements and who voluntarily elect participation in the plans. The amount to be matched by the company is determined annually. Our recorded liability for this obligation is not material.
Indirect Economic Impacts	103 Management approach	Social Responsibility Corporate Responsibility Report – Community Involvement
	203-1 Infrastructure investments and services supported	Social Responsibility Corporate Responsibility Report – Community Involvement , Management Company Outreach

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
ECONOMIC CONTINUED		
Anti-Corruption	103 Management approach	Code of Business Conduct and Ethics Audit Committee Charter 2022 Proxy Statement (page 16) <p>Apple Hospitality regularly monitors Company operations for risks related to corruption. The Company has no foreign operations or assets, and its operating structure includes only one reportable segment.</p> <p>Apple Hospitality employees are expected to comply with the Company's Code of Business Conduct and Ethics and are required to annually certify the Company's employee handbook. All new hires are subject to a background check.</p> <p>Apple Hospitality maintains a policy against insider trading and has adopted specific trading windows for directors, senior level officers and certain employees.</p> <p>The Company maintains a policy against conflicts of interests in business dealings with the Company.</p>
	205-1 Operations assessed for risks related to corruption	<p>Apple Hospitality regularly monitors Company operations for risks related to corruption. Apple Hospitality is subject to the Sarbanes-Oxley Act of 2002 and engages in a formal assessment in conjunction with a third-party audit firm on an annual basis.</p>
	205-2 Communication and training on anti-corruption policies and procedures	<p>Apple Hospitality requires annual review and certification of the Company's employee handbook. Employees are expected to comply with our employee handbook and our Code of Business Conduct and Ethics.</p>
	205-3 Confirmed incidents of corruption and actions taken	<p>Apple Hospitality is not involved in any legal cases regarding corrupt practices.</p>

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
ENVIRONMENTAL		
Energy	103 Management approach	Sustainability Environmental Policy 2022 Proxy Statement Corporate Responsibility Report – Energy Efficiency
	302-1 Energy consumption within the organization	Sustainability Corporate Responsibility Report – Key Metrics , Environmental Performance Table
	302-3 Energy intensity	Sustainability Corporate Responsibility Report – Key Metrics , Environmental Performance Table
	302-4 Reduction of energy consumption	Sustainability Corporate Responsibility Report – Key Metrics , Environmental Performance Table
Water and Effluents	103 Management approach	Sustainability Environmental Policy Corporate Responsibility Report – Water Conservation
	303-1 Interactions with water as a shared resource	Sustainability Corporate Responsibility Report – Water Conservation , Key Metrics , Environmental Performance Table
Emissions	103 Management approach	Sustainability Environmental Policy Apple Hospitality intends to establish and report on baseline Scope 1 and 2 greenhouse gas emissions for our portfolio of hotels and report Scope 1 and 2 greenhouse gas emissions for our portfolio of hotels in future years.

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
ENVIRONMENTAL CONTINUED		
Waste	103 Management approach	Sustainability Environmental Policy Corporate Responsibility Report – Waste Management Section
	306-2 Management of significant waste-related impacts	Sustainability Corporate Responsibility Report – Waste Management Section Corporate Responsibility Report – Key Metrics
	306-4 Waste diverted from disposal	Sustainability Corporate Responsibility Report – Key Metrics
Environmental Compliance	103 Management approach	2021 Annual Report on Form 10-K Environmental Policy
	307-1 Non-compliance with environmental laws and regulations	In 2021, Apple Hospitality did not identify any known instances of non-compliance with environmental laws and/or regulations.
Supplier Environmental Assessment	103 Management approach	Vendor Code of Conduct Environmental Policy Corporate Responsibility Report – Stakeholder Engagement
	308-1 New suppliers that were screened using environmental criteria	Vendor Code of Conduct Corporate Responsibility Report – Stakeholder Engagement

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL		
Employment	103 Management approach	Social Responsibility Human Rights Policy Corporate Responsibility Report – Stakeholder Engagement , Employee Health and Well-Being , Management Company Outreach
	401-1 New employee hires and employee turnover	In 2021, Apple Hospitality had 7 new hires and our turnover rate was 6.5%.
	401-2 Benefits	Social Responsibility Corporate Responsibility Report – Employee Health and Well-Being
	401-3 Parental leave	Corporate Responsibility Report – Employee Health and Well-Being
Occupational Health and Safety	103 Management approach	Health, Safety and Well-Being Policy Human Rights Policy Social Responsibility Corporate Responsibility Report – Employee Health and Well-Being
	403-9 Work related injuries	There were no work-related injuries that resulted in lost-time or fatalities during the reporting period.

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Training and Education	103 Management approach	<p>2022 Proxy Statement Corporate Responsibility Report – Employee Health and Well-Being</p> <p>Our employees are encouraged to participate in courses, workshops and other programs to extend and deepen their professional competencies; and to be involved in activities and service groups that can further strengthen their knowledge and connections within our industry through affiliations with trade and professional associations.</p> <p>We aim to promote team members who best exemplify our management philosophy and principles and conduct annual performance evaluations of all team members, including our managers. Our performance review systems are designed to ensure that the performance standards for each team member are carefully defined and each team member understands these standards, and that the standards are set relative to the position.</p>
	404-2 Programs for upgrading employee skills and transition assistance programs	<p>Corporate Responsibility Report – Employee Health and Well-Being</p> <p>We have developed an Education Reimbursement Program that is designed to assist team members in furthering their education and enhancing their job performance. We also support our employees in participating in seminars, classes and courses to improve the necessary skills for enhanced job performance.</p>
	404-3 Percentage of employees receiving regular performance and career development reviews	All employees received performance reviews during the reporting period.

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures		Responses and/or References
SOCIAL CONTINUED			
Diversity and Equal Opportunity	103	Management approach	<p>Corporate Responsibility Report – Employee Health and Well-Being</p> <p>We value the unique attributes of each of our team members and are committed to providing a welcoming and inclusive work environment for all individuals. We require that all team members lend their support to achieving our objectives of equal opportunity employment and zero tolerance for any type of illegal harassment or discrimination. We require that all employees complete training related to anti-harassment, anti-discrimination, and diversity and inclusion, including unconscious bias, on an annual basis.</p> <p>We also believe that every employee, regardless of position, is responsible for upholding our commitment to diversity, equity and inclusion.</p> <p>Each employee is expected to treat all other employees with dignity and respect and in a fair and non-discriminatory manner in all employment-related dealings including recruitment, hiring, promotion, compensation and employee development decisions.</p> <p>The Company’s CEO, Justin G. Knight, has signed the CEO Action for Diversity & Inclusion™ pledge.</p> <p>Women represent 50% of our executive team.</p> <p>To support an inclusive environment, we make religious accommodations for employees and provide on-site lactation rooms for new mothers.</p>

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Diversity and Equal Opportunity Continued	405-1 Diversity of governance bodies and employees	<p>2022 Proxy Statement Corporate Responsibility Report – Board Composition</p> <p>Women represent 50% of our executive team. As of December 2022, women represent 25% of our Board of Directors and 13% of our Board of Directors is ethnically diverse.</p>
Human Rights Assessment	103 Management approach	<p>Corporate Responsibility Report – Employee Health and Well-Being Human Rights Policy Health, Safety and Well-Being Policy</p> <p>Apple Hospitality is committed to respecting and protecting fundamental human rights across our value chain in accordance with the United Nations Guiding Principles on Business and Human Rights and the Civil Rights Act of 1964. We believe that supporting these principles is a business imperative that should guide our Company and the third-party management companies, brands, suppliers, contractors and other colleagues with whom we engage.</p> <p>We aim to lead by example on human rights in our role as an employer of approximately 65 employees. Apple Hospitality is an equal opportunity employer. We do not discriminate, or allow discrimination, based on race, sex/gender, religion, color, national origin, age, veteran status, marital status, disability, traits historically associated with race, genetic information, sexual orientation, gender identity, marital status, pregnancy, childbirth or related medical conditions including lactation, or any other classification protected by applicable federal, state or local law. We do not tolerate any form of discrimination or harassment in the workplace and require that all employees complete training related to anti-harassment, anti-discrimination, and diversity and inclusion on an annual basis. We are committed to supporting all employees in their career development, providing employees with training opportunities and offering employee benefits that support personal and professional growth.</p>

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Human Rights Assessment Continued	103 Management approach	Substantially all of our hotels operate under the Marriott, Hilton or Hyatt brands – each of which have made strong brand-wide commitments to protect human rights; advance diversity and inclusion; and ensure that workers are trained to prevent all forms of human trafficking, discrimination and harassment. As a real estate investment trust, we engage third-party management companies to operate our hotels. We carefully vet our third-party management companies and only engage those that we believe are the best in the industry and share our commitment to the well-being of hotel associates and guests. Our third-party management companies are responsible for the employment and training of hotel associates, protection of workers' rights, and day-to-day operations at our hotels. We support the management companies by sharing best practices identified from 17 management companies and 15 brands. These best practices encompass our management companies' enhancement of existing initiatives to continuously improve safety and security measures to ensure the health and well-being of associates and guests, including training and policies that address anti-harassment, anti-discrimination, diversity and inclusion, anti-trafficking, sanitation and data privacy. While we are an owner and not an operator of hotels, we recognize the importance of advancing travel and tourism solutions in an effort to eradicate all forms of human trafficking and protect all vulnerable individuals from exploitation.
	412-1 Operations that have been subject to human rights reviews or impact assessments	None during the reporting period. Hilton Slavery and Human Trafficking Statement Marriott Human Trafficking Statement Hyatt Human Rights Statement

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Human Rights Assessment Continued	412-2 Employee training on human rights policies or procedures	<p> Hilton Slavery and Human Trafficking Statement Marriott Human Trafficking Statement Hyatt Human Rights Statement Corporate Responsibility Report – Strengthening our Industry Corporate Responsibility Report – Employee Health and Well-Being </p> <p>Our employees are trained on Apple Hospitality's Employment Diversity and Violence Free Workplace policies to protect our employees from discrimination and harassment.</p> <p>AHLA's 5 Star Promise, which is committed to providing ongoing training and education for hotel workers on identifying and reporting sexual harassment; and to broadening vital partnerships to target trafficking and sexual violence and assault, and promote workplace safety.</p> <p>Nearly all of our hotels operate under Hilton, Marriott and Hyatt brands, which are committed to ensuring that hotel workers receive human rights. Hilton, Marriott and Hyatt have mandatory human rights training, including training to prevent human trafficking by recognizing the signs and properly reporting them.</p>

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Local Communities	103 Management approach	Social Responsibility Corporate Responsibility Report – Community Involvement , Management Company Outreach
	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility Corporate Responsibility Report – Community Involvement , Management Company Outreach
Supplier Social Assessment	103 Management approach	Vendor Code of Conduct Hilton Responsible Sourcing Policy Hilton Slavery and Human Trafficking Statement Marriott Global Procurement Supplier Conduct Guidelines Marriott Human Trafficking Statement Nearly all of our hotels operate under Hilton, Marriott and Hyatt, each of which have developed policies and programs to assess human rights and labor risks within their own supply chain.

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Supplier Social Assessment Continued	414-1 New suppliers that were screened using labor practices criteria	Vendor Code of Conduct Corporate Responsibility Report – Stakeholder Engagement Apple Hospitality's Vendor Code of Conduct sets forth our expectations for suppliers. Additionally, nearly all of our hotels operate under the Hilton, Marriott and Hyatt brands, which actively screen their own suppliers on social performance and report on their progress.
	103 Management approach	Apple Hospitality REIT, Inc. maintains active membership in industry associations including the AHLA and Nareit and supports their legislative efforts to strengthen the lodging and real estate investment industries. Apple Hospitality makes payments to these associations, including membership dues.
Public Policy	415-1 Political contributions	In 2021, the Company did not make political contributions directly or indirectly to any political party, elected representative or person seeking political office. The Company does pay membership fees to AHLA and Nareit, a portion of which may be used to support their legislative efforts to strengthen the lodging and real estate investment industries. Information on AHLA's public policy positions is publicly available at: https://www.ahla.com/advocacy . Information on Nareit's public policy positions is publicly available at: https://www.reit.com/nareit/advocacy .
	103 Management approach	Health, Safety and Well-Being Policy Corporate Responsibility Report – Stakeholder Engagement We actively engage with our third-party management companies to continually evaluate and enhance building and operational safety procedures, implementing best practices for accident prevention, fire protection, crime prevention and natural disaster preparedness and response.
Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Potential health and safety impacts were assessed across our entire portfolio during the reporting year.

GRI CONTENT INDEX CONTINUED

Specific Disclosures: Management Approach and Topic-Specific Disclosures

Material Topic	GRI Disclosures	Responses and/or References
SOCIAL CONTINUED		
Customer Privacy	103 Management approach	2021 Annual Report on Form 10-K (pages 15 and 19) Hilton Global Privacy Statement Marriott Group Global Privacy Statement Hyatt Global Privacy Policy Corporate Responsibility Report – Data Privacy and Cybersecurity
	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	None during the reporting period for Apple Hospitality REIT.

**APPLE HOSPITALITY REIT**

Contact Information

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