



2022 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE

The Sustainability Accounting Standards Board (SASB) is an independent, private sector organization with a mission to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. For additional information on the SASB Standards, please visit sasb.org.

To support investors and stakeholders, Host has provided the following disclosures based on the SASB Standard for the Real Estate sector.

Activity Metrics (as of 12/31/2021)

| METRIC | CODE | 2021 RESPONSE |
|---|-------------|-------------------------|
| Number of assets | IF-RE-000.A | 81 hotels |
| Leasable floor area | IF-RE-000.B | 43,738,176 square feet |
| Percentage of indirectly managed assets | IF-RE-000.C | 100% indirectly managed |
| Average occupancy rate | IF-RE-000.D | 45.8% |

Accounting Metrics¹

| METRIC | CODE | 2021 RESPONSE |
|---|--------------|---|
| ENERGY MANAGEMENT | | |
| Energy consumption data coverage as a percentage of total floor area | IF-RE-130a.1 | 100% |
| Total energy consumed by portfolio area with data coverage | IF-RE-130a.2 | 955,488 MWh |
| Percentage grid electricity and percentage renewable | IF-RE-130a.2 | 94.6% grid electricity, 5.4% renewable energy |
| Like-for-like percentage change in energy consumption | IF-RE-130a.3 | 14.5% annual like-for-like increase |
| Percentage of eligible portfolio with an energy rating and certified to ENERGY STAR | IF-RE-130a.4 | 86% of eligible properties participate in the ENERGY STAR program |

¹ Accounting metrics include assets that were under Host ownership for the full 2021 calendar year.

Accounting Metrics

| METRIC | CODE | 2021 RESPONSE |
|---|---------------|---|
| ENERGY MANAGEMENT | | |
| How building energy management considerations are integrated into property investment analysis and operational strategy | IIF-RE-130a.5 | <p>Host continues to align capital investment decisions to support the key findings of our scenario analysis. The quantitative scenario analysis has informed the development of Host’s third-generation environmental targets to reduce greenhouse gas emissions intensity by 55% from 2008-2025 and to achieve 30% renewable energy consumption by 2025.</p> <p>Over the past five years, Host has completed over 525 projects to help increase energy efficiency. These projects include:</p> <ul style="list-style-type: none"> ■ Renewable energy investments: Host has set a target to achieve 30% consumption of renewable electricity by 2025. To support this target, our renewable energy strategy is focused on utilizing a mix of on-site and off-site renewable energy sources. Host has now installed two megawatts of on-site solar photovoltaic (PV) systems totaling \$8.2 million of invested capital and leveraging \$3 million in renewable energy incentives. These investments have resulted in \$875,000 in estimated combined annual cost savings and 2,800 metric tons of associated annual emissions reductions. To supplement our on-site renewable energy efforts, Host has also begun purchasing renewable energy credits (RECs). In 2021, Host purchased 25,000 RECs in aims of making meaningful progress toward our renewable energy targets. By 2022, we aim to reach at least 10% of portfolio-wide electricity consumption from renewable sources through green power purchases. We also plan to expand the number of on-site solar PV systems by completing four solar PV projects in 2022. ■ Building automation systems: Host’s portfolio-wide energy efficiency has benefited from the installation of intelligent demand-side guestroom energy management systems. These systems are currently in place at approximately 80% of our portfolio. ■ Energy management pilot: Host continued to implement the second phase of its Internet of Things (IoT) Energy Management pilot, where we are leveraging cloud-based building analytic tools that use algorithms and machine learning based on information gathered from our hotel’s building management systems to monitor energy performance in real-time and help identify and validate new energy ROI projects. In the first phase, five hotels participated in commissioning pilots where hundreds of sensors were used to gather system-level data, which was used to reveal opportunities to optimize building performance. During the COVID-19 pandemic, Host’s Enterprise Analytics team was able to utilize data from low occupancy hotels to perform an energy analysis benchmarking exercise to better understand the distinctions between fixed and variable consumption. ■ Host continues to invest in maximizing the efficiency of HVAC and central plant systems. In 2021, our most significant investment was a cooling tower replacement at the New Orleans Marriott. The cooling towers were approaching end of life at 20 years old. The new cooling towers with evaporative technologies are more energy and water efficient. While the investment was not based purely on the return, we expect to achieve significant energy and water savings over the lifetime of the system with new evaporative technologies. <p>Host’s energy initiatives are also supported by its investments in LED lighting retrofits and elevator and escalator modernizations, along with replacements of roofing, façade and windows with improved insulation and reflective values.</p> |

Accounting Metrics

| METRIC | CODE | 2021 RESPONSE |
|--|--------------|---|
| WATER MANAGEMENT | | |
| Water withdrawal data coverage (% of total floor area) | IF-RE-140a.1 | 100% |
| Water withdrawal data coverage (% floor area in regions with "high" or "extremely high" baseline water stress) | IF-RE-140a.1 | 31.2% |
| Total water withdrawn | IF-RE-140a.2 | 7,624 thousand cubic meters |
| Total water withdrawn (% in regions with "high" or "extremely high" baseline water stress) | IF-RE-140a.2 | 40.4% |
| Like-for-like percentage change in water withdrawn | IF-RE-140a.3 | 10.7% annual like-for-like increase |
| Water management risks and discussion of strategies and practices to mitigate those risks | IF-RE-140a.4 | <p>Using our ISO 14001-certified management system, Host continues to prioritize water efficiency in support of our 2025 target to reduce water intensity per occupied room by 25% from our 2008 baseline. We have adopted water conservation practices such as:</p> <ul style="list-style-type: none"> ■ Installing low flow faucets, showerheads and toilets in guestrooms, public and back of the house areas across our portfolio. We have completed the installations of nearly 3,000 low flow toilets with expected annual water savings of 12 million gallons of water. ■ Investing in upgraded commercial laundry plants with resource-efficient, fully automated tunnel systems at The Ritz-Carlton, Naples, and Orlando World Center Marriott. These systems maximize the use of recycled water and achieve up to a 40% reduction in water consumption. ■ Installing smart irrigation management systems that use cloud-based data to optimize watering schedules based on weather forecasts and landscape-specific parameters. ■ Continuously identifying new methods to reuse and recycle water, such as reclaimed non-potable water for the irrigation of golf courses and property grounds and rainwater collection system used to supplement the property's landscaping needs. |

Accounting Metrics

| METRIC | CODE | 2021 RESPONSE |
|---|--------------|--|
| MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS | | |
| Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements | IF-RE-410a.1 | <p>In management agreements, there isn't a need for cost recovery clauses because risks and rewards are shared between owner and operator, and there isn't the landlord-tenant split incentive.</p> <p>Instead of a traditional lease, Host enters into long-term management agreements, generally at 20-year terms, with major brands and third-party management companies to operate our hotels. Under a management agreement, owners pay operators a management fee that focuses on top line performance and Incentive Management Fees (IMF) which incentivize operating profits. The agreements also give owners access to all financial data, including utility and other sustainability-related information.</p> |
| Associated leased floor area | IF-RE-410a.1 | 43,738,176 |
| Percentage of tenants that are separately metered or sub metered for grid electricity consumption and water withdrawals | IF-RE-410a.2 | This is not applicable to Host, because we do not typically have multiple tenants at properties. Each property has a singular third-party management company that occupies and manages the hotel. |
| Approach to measuring, incentivizing, and improving sustainability impacts of tenants | IF-RE-410a.3 | <p>Unlike other REIT sectors, Host does not have tenants in the traditional sense. Our operators are the closest equivalent to a tenant, and we partner with premium brands and leading management companies to manage our hotels. Our management agreements already contain many aspects of green leases or does not require additional clauses. Unlike a lease, where the tenant just rents the space from a landlord, the owner in the management agreement gets a share of revenues and incentivizes profits with incentive management fees. This financial incentive aligns manager interests on improving operating expenses including utility costs.</p> <p>Both Host and our third-party hotel managers share a common financial interest in advancing green building and eco-design and closely partnering to support Host's and the brand's environmental stewardship goals.</p> <ul style="list-style-type: none"> ■ Host's asset managers conduct quarterly business reviews of our consolidated hotels to assess property and business risks. Full business reviews are supported by monthly review calls with each hotel's general manager. ■ Host incentivizes environmental performance through the payment of variable incentive management fees, which are based on profitability, and Host's Environmental Stewardship Award given at our General Managers meeting. ■ Host also conducts annual webinars with hotel managers' property engineering teams to provide resources, guidance and case studies on operational best practices to maximize return on investments. These webinars help Host and hotel managers assess and prepare potential efficiency projects for budgetary approval. |

Accounting Metrics

| METRIC | CODE | 2021 RESPONSE |
|--|--------------|---|
| CLIMATE CHANGE ADAPTATION | | |
| Area of properties located in 100-year flood zones, by property subsector | IF-RE-450a.1 | 4,470,827 square feet |
| Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks | IF-RE-450a.2 | <p>Host has evaluated macro-level impacts to our business based on a 2-degree scenario and 4-degree scenario. We have also evaluated the potential micro-level impacts for Host based on whether we are perceived as a “low-carbon” or “high-carbon” company. Additionally, we have modelled Host’s emission reduction pathway to reach alignment with a more aggressive 1.5-degree scenario.</p> <p>For Host’s qualitative scenario analysis, we used the absolute contraction approach at the 1.5-degree level of ambition. We also considered the Sectoral Decarbonization Approach trajectory of growth and the scenarios presented in the International Energy Agency projecting energy rise in service buildings of 26% and 77% in Organization for Economic Co-operation and Development (OECD) countries and non-OECD countries, respectively. We then modeled Host’s emissions reduction pathway using a projection that based year 2008 to 2025. Host’s 2021 portfolio square footage is less than that of the 2008 baseline and we estimate conservative growth in portfolio size going forward. We maintain an intensity-based target as it is most closely aligned with our business objectives and understanding among our stakeholders, and can be re-evaluated should significant changes in boundary occur through 2050. The boundary for both qualitative and quantitative scenario analysis included our entire consolidated portfolio and its value chain. The time horizon used in the analysis extended to the year 2050.</p> <p>Climate change poses notable risks to our portfolio, as we are the owner of properties located near coastal areas and exposed to weather events and revenue at our hotels is associated with the overall health of the economy and weather conditions. We have strategically invested in targeted energy ROI projects that help us reduce our emissions per square foot more than 40% from our 2008 baseline. In 2019 and 2020, Host issued the first green bonds in the lodging industry and achieved the lowest effective bond pricing in the company’s history. In 2021, Host issued a third green bond, bringing our aggregate total to \$1.85 billion to support acquisitions and investments in sustainability ROI projects and LEED-certified hotels.</p> |