

Host Hotels & Resorts, Inc. - Climate Change 2018

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Host Hotels & Resorts, Inc. ("Host") was incorporated as a Maryland corporation in 1998 and operates as a self-managed and self-administered Real Estate Investment Trust (REIT). Host owns properties and conducts operations through Host Hotels & Resorts, L.P., a Delaware limited partnership ("Host L.P."), of which Host is the sole general partner and in which it holds approximately 99% of the partnership interests as of December 31, 2017.

As of February 21, 2018, our consolidated lodging portfolio consists of 93 primarily luxury and upper-upscale hotels containing approximately 52,000 rooms, with the majority located in the United States, and with six of the properties located outside of the U.S. in Brazil, Canada and Mexico. In addition, we own non-controlling interests in four domestic and two international joint ventures and a timeshare venture in Hawaii. For additional information, please visit www.hosthotels.com.

BOUNDARY: Please note that Host does not operate the hotels within its portfolio. Instead, in compliance with REIT law, our hotels are operated by third-party hotel managers ("hotel managers") pursuant to long term management contracts. Therefore, Host maintains certain control of the properties through several mechanisms, including budget approval rights and control over investing and financing decisions. Hotel managers are responsible for each of their own hotel's daily operations, which includes the employment of hotel staff, the determination of room rates, the development of sales and marketing plans, the preparation of operating and capital expenditures budgets and the preparation of financial reports for the owner. Hotel managers are also responsible for the physical control of the hotels' central plants and all other energy consuming equipment and systems. Our hotel managers, which include leading brands such as Marriott®, Hyatt® and Hilton®, receive management fees from Host based on the revenues and profitability of the hotels. We partner with our hotel managers to support and fund environmental initiatives at Host-owned hotels. Thus, Host reports on its

greenhouse gas emissions based on financial control and not operational control of the hotels within its portfolio.

SCOPE 1 AND 2 EMISSIONS REPORTING: To accurately reflect our disciplined asset management model and our financial contributions to the environmental sustainability initiatives at our owned hotels, we currently report emissions under Scope 1 and 2 in our CDP responses based on financial control. Those emissions may also be part of Scope 1 and 2 emissions reported by our hotel managers based on operational control. However, we have reported these emissions as direct Scope 1 and 2 sources in our CDP responses to reflect the commitment that we have made to measuring, managing and improving the carbon footprint of our consolidated portfolio.

FORWARD-LOOKING STATEMENTS: Certain statements in this report may be considered “forward looking” and, accordingly involve risks and uncertainties that could cause actual results to differ materially from those discussed. Forward looking statements are not guarantees of future performance and we refer you to our filings with the SEC, which identify factors that could cause actual results to differ materially from management expectations suggested in such forward-looking statements. Host undertakes no obligation to update any forward looking statements to conform the statements to actual results or changes in the Host’s expectations.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Field Hidden>
Row 2	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Row 3	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Row 4	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Brazil
 Canada
 Mexico
 United States of America

C0.4**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

C0.5**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Financial control

C1. Governance**C1.1****(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a**(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain

Position of individual(s)	Please explain
Board/Executive board	The highest level of responsibility for climate-related issues formally resides with our Board's Nominating and Corporate Governance Committee, one of the three committees on the Board. (The other two committees are the Audit Committee and Compensation Policy Committee.) In 2017, five of Host's 11 Board members served on the Nominating and Corporate Governance Committee. All members on this committee are independent directors. The Board's Nominating and Corporate Governance Committee provides stewardship on our climate change and energy policies, programs and performance in addition to broader environmental, social and governance (ESG) matters. The Nominating and Corporate Governance Committee was assigned responsibility for climate-related issues based on its mandate to oversee Host's corporate governance principles and related matters including Host's corporate responsibility program.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

<p>Frequency with which climate-related issues are a scheduled agenda item</p>	<p>Governance mechanisms into which climate-related issues are integrated</p>	<p>Please explain</p>
<p>Scheduled – all meetings</p>	<p>Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>In 2017, the Board’s Nominating and Corporate Governance Committee received updates on climate, energy and ESG matters at its committee meetings. The Committee chair reports on committee matters to the Board, generally at the next executive session of the Board meeting following each committee meeting. Our President and Chief Executive Officer (CEO), a member of our Board, also provides direct oversight over our emissions reduction target and capital investments to support our climate change mitigation and adaptation strategies. In 2017, our President and CEO continued to chair Host’s Capital Expenditure and Investment Committees, which met generally on a bi-weekly basis to review and approve significant investments including those identified to support our emissions reduction target and/or increase the resiliency of properties against physical risks. Additionally, our President and CEO has reviewed and approved our CDP 2018 Climate Change Information Request response prior to submission.</p>

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
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Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (MD Development and EVP of HR)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

ORGANIZATIONAL STRUCTURE: To support our Board and CEO, we formally engage and convene a cross-functional committee representing our Asset Management; Corporate Communications; Enterprise Analytics; Development, Design & Construction; Human Resources; Information Technology; Investments; Investor Relations; Financial Reporting; Legal and Risk Management functions at Host. Several of these individuals also serve on Host's Capital Expenditure Committee and Investment Committee.

Executive sponsorship of our energy, climate and broader corporate responsibility strategies is provided by our Managing Director of Development, Design & Construction and Executive Vice President of Human Resources. Both individuals directly report to our President and CEO, who also serves on Host's Board of Directors.

ASSOCIATED RESPONSIBILITIES: We have established distinct responsibilities across Host's functional areas to execute on our climate and energy strategy. Distinct cross-functional responsibilities have been defined in the following areas: asset-level sustainability assessments, 10-year capital plans, investment decisions, return on investment validation, project management, utility management and stakeholder engagement.

MONITORING OF CLIMATE-RELATED ISSUES: Climate-related issues are monitored on a regular basis during Host's Capital Expenditure Committee meetings (for investments greater than \$1,000,000), Investment Committee meetings (for investments greater than \$10 million or high-profile projects); our Development, Design & Construction department's quarterly reports, and annual corporate responsibility reporting process. Our five-person Corporate Responsibility

team, led by our Senior Vice President of Engineering and Sustainability, Vice President of Corporate Communications and Social Responsibility and Director of Energy and Sustainability, meets weekly.

Our Corporate Responsibility Committee convenes on an as needed basis, usually in support of preparing our annual investor disclosures on climate change and other corporate responsibility topics. Our Corporate Responsibility Committee has recently convened to review the most recent recommendations of the Task Force on Climate-Related Disclosures, and how they apply to our company's business activities and corporate responsibility strategies.

ISO 14001 CERTIFICATION: As part of our ISO 14001 certification process, Host's organizational structure, associated responsibilities, management of climate-related and other relevant environmental risks and commitment to continuous improvement are validated.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Environment/Sustainability manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Meeting our emissions reduction target is an incentivized performance indicator in Host's defined annual goals, which are tied to compensation, for Host's Senior Vice President of Engineering and Sustainability. Our Senior Vice President of Engineering and Sustainability

and Director of Energy and Sustainability's goals included (1) ensuring alignment with the hotel managers as it relates to our property-specific energy targets that support our intensity target and (2) identifying targeted projects to support Host's greenhouse gas emissions reduction target.

Who is entitled to benefit from these incentives?

Executive officer

Types of incentives

Monetary reward

Activity incentivized

Energy reduction target

Comment

Compensation of Host's Managing Director, Development, Design and Construction is based on the identification and execution of energy return-on-investment (ROI) projects and broader value enhancement opportunities, which support Host's 2020 emission reduction target and our climate, energy and overarching corporate responsibility strategies. Reporting Host's performance and strategy on environmental and corporate responsibility issues, internally, externally and to the appropriate committee of the Board of Directors is a goal for Host's Executive Vice President of Human Resources and Vice President of Corporate Communications and Social Responsibility.

Who is entitled to benefit from these incentives?

Other, please specify (Hotel General Managers)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Meeting our emissions reduction target is indirectly incentivized through variable incentive management fees (IMF) paid to our hotel managers. The IMF is based on the net operating income of each property. Cost reductions achieved from energy reductions result in increased net operating income and therefore increase the IMF.

Who is entitled to benefit from these incentives?

Other, please specify (Hotel General Managers)

Types of incentives

Recognition (non-monetary)

Activity incentivized

Emissions reduction target

Comment

Meeting our emissions reduction target has also been incentivized through our Environmental Stewardship award given at past Host's General Managers Meeting and Best in Class Awards. In order to be eligible to receive the Environmental Stewardship award, a property must have reduced their emissions equal to or greater than Host's emissions reduction target.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	1	2	When setting objectives and making strategic investments (including energy ROI projects), we typically consider the 1-2 year time horizon as "short-term."
Medium-term	3	6	We typically consider the 3-6 year time horizon as "medium-term." This time horizon is often relevant to our investments in renewable energy and future projection of sensitivities in energy pricing across key markets.
Long-term	7	10	We typically consider the 7-10 year time horizon as "long-term." This time horizon aligns with the 10-year capital plans that are in place at all owned hotels in our consolidated portfolio.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	Risk management procedures with regard to climate change risks and opportunities support our 10-year capital plans and long-term horizon for current properties and new acquisitions. Our Risk Management team monitors physical risks related to property inspection cycles. Our Asset Management and Development, Design & Construction teams monitor regulatory and other market risks related to energy consumption levels and consumer trends. Additionally, our Corporate Responsibility team in collaboration with Investor Relations reviews reputational risks and investor trends in advance of providing updates to our Board. The results of our risk management findings as described herein are formally reported to our Board on both an annual and ongoing basis. Our Corporate Responsibility team provides updates on emerging company-wide ESG risks and opportunities to our Board's Nominating and Corporate Governance Committee at each meeting.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

PROCESSES AT COMPANY LEVEL: Our Corporate Responsibility (CR) team maintains ongoing strategic oversight to identify climate-related risks that may impact our reputation, profitability and access to capital. Externally, we engage with our CR-related stakeholders including investors, industry associations, hotel managers and subject matter experts to gain their perspectives on industry risks, opportunities and associated best practices. Internally, our CR team engages with our Board and Investor Relations; Investments; Asset Management; Enterprise Analytics; Development, Design & Construction; Human Resources; Information Technology; Legal; Corporate Communications and Risk Management groups to support the ongoing identification of company-level CR risks and opportunities.

PROCESSES AT ASSET LEVEL: At the asset level, our risk and opportunity identification processes consider physical, regulatory and other business parameters; but are more targeted and consider regional differences in our portfolio. For existing properties, our Asset Management, Enterprise Analytics, and Development, Design & Construction groups work collaboratively with hotel managers, energy consultants, architects and engineers to monitor regional business and regulatory conditions, review energy costs quarterly and identify mitigation and adaptation opportunities. Our asset managers also conduct quarterly, onsite full

business reviews at our consolidated hotels to assess property and business risks. Full business reviews are supported by monthly review calls with each hotel's general manager.

When evaluating potential acquisitions and dispositions, climate change-related risks and opportunities are identified within the due diligence process. We evaluate energy efficiency opportunities to improve margins, create higher investment return and reduce our environmental footprint, when replacing architectural elements such as windows and façades, we evaluate designs that will withstand extreme weather where necessary.

DETERMINATION OF SIZE AND SCOPE OF RISKS: Our risk assessment considers all geographical locations where we own assets in addition to potential new locations under evaluation. Additionally, we consider environmental and socioeconomic trends, which may impact our asset values in addition to revenue and costs in our major markets.

DETERMINATION OF SIGNIFICANCE: The significance of risks is evaluated based on numerous factors, most notably the potential likelihood and magnitude of risks and specific potential impacts to the net operating profit of our hotels. We also consider broader risks and trends that may impact our key markets, which include top major metropolitan areas and premier resort destinations in the United States.

RISK TERMINOLOGIES USED: In assessing market risks, we evaluate relationships between RevPAR (revenue per available room) and various economic indicators, such as real GDP (gross domestic product) and business investment, in order to evaluate the impact of changes in the broader economy. RevPAR is defined as the product of the average daily room rate charged and the average daily occupancy achieved. RevPAR does not include food and beverage, parking, or other guest service revenues generated by the property. Although RevPAR does not include these ancillary revenues, it is considered a key indicator of core revenues for the hotel industry.

DEFINITION OF SUBSTANTIVE FINANCIAL AND STRATEGIC IMPACT: In our CDP 2018 Climate Change response, we define risk as having a substantial financial and strategic impact using both qualitative and quantitative measures. Qualitative measures consider correlations to our business model, anticipated trends and stakeholder concerns. Quantitatively, for this purpose we generally consider a risk to be substantive based on a scenario where at least 1% of our GAAP operating profit could be impacted. In 2017, this threshold was approximately \$7 million.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Host has LEED® accredited professionals on staff, engages LEED® accredited consultants and proactively integrates sustainable design elements into our property improvement projects to ensure regulatory standards are met and exceeded. We also partner with leading design, engineering and construction professionals to ensure compliance with relevant regulations and standards. Examples of the type of risks considered include regulations pertaining to energy efficiency, energy consumption reporting and green building codes and standards. For example, regulatory bodies are adopting more energy efficient codes and standards for building and equipment performance. We also currently report on energy consumption at properties in Atlanta, Boston, Cambridge, Chicago, Los Angeles, Minneapolis, Montgomery County (Maryland), New York, Orlando, Philadelphia, San Diego, San Francisco, Seattle, and Washington, D.C. pursuant to local regulations. Additionally, an increasing number of states and local governments in the United States have adopted green building code and legislation requiring LEED® certification for private developments. Notable regulations include the Green Building Code in California, now effective and referred to as Title 24, and the Green Building Act of 2006 in Washington, D.C. From time to time and often with renovation projects, Host will make investments to support compliance with green building codes, including those in California and Washington, D.C. These investments are usually not mandatory and often present a compelling return on investment. As such, we do not view current regulations as a substantive climate-related risk at this time.</p>
Emerging regulation	Relevant, always included	<p>We review upcoming changes in regulation with our managers, and architectural, engineering and design professionals throughout the year and at annual capital expenditure planning meetings as well as with our strategic energy consultants. We conduct engineering assessments as needed to review options for equipment upgrades should a property be impacted by new regulations. Examples of the type of risks considered in our assessment include national, state and local regulations. Nearly all hotels in our consolidated portfolio are located in the United States. We do not anticipate our hotels becoming subject to any national regulations in the foreseeable future. As more state and local government enact green building codes and mandate reporting, we proactively prepare through our focus on energy, water and waste efficiency projects throughout our portfolio. Even if mandated, associated investments would likely provide an attractive rate of return and/or already align with pre-existing maintenance programs and capital expenditure plans for renewal and replacements.</p>
Technology	Relevant, always included	<p>We evaluate potential technology risks in the context of industry trends that might impact our business strategy with regards to acquisitions, dispositions, asset management and capital expenditures. This evaluation considers input from cross-functional teams at Host, including Asset Management, Investments and Development, Design & Construction. Representatives from these teams also serve on and support our Corporate Responsibility Committee. Examples of the type of risks considered in our assessment include technological developments with the potential to change or disrupt our business. Our current view is that while potentially disruptive forces exist in nearly every industry, the lodging industry is not subject to disruptive risk associated with the transition to a low carbon economy. We view the transition to a low carbon economy as a positive development for our business. As new technologies emerge, we can utilize these technologies to further increase the efficiency and resilience of our portfolio to deliver value to our stockholders.</p>

	Relevance & inclusion	Please explain
Legal	Relevant, always included	With support from cross-functional teams across the organization, Host's Legal team is responsible for evaluating potential climate-related legal risks. On an annual basis, potential climate-related legal risks are reviewed and discussed with our Corporate Responsibility team. Examples of the type of risks considered in our assessment would include potential liabilities or restrictions that may impact the third-party managers at hotels in our consolidated portfolio. We also consider potential liabilities associated with our disclosures regarding climate change and broader corporate responsibility issues. Because the lodging industry is not as carbon intensive as other sectors, such as those participating in manufacturing and extractive processes, we do not currently classify climate-related legal risks as substantive to our business.
Market	Relevant, always included	With support from Host's Corporate Responsibility team and the newly Enterprise Analytics department, Host's Asset Management is primarily responsible for the evaluation of market risks. This evaluation is informed by monthly full business reviews with each hotel's general manager and quarterly, onsite full business reviews at our consolidated hotels. Examples of the type of risks considered in our assessment include those associated with changing customer preferences, which we believe to be substantive but well-mitigated.
Reputation	Relevant, always included	Host's Corporate Responsibility team is tasked with assessing potential climate-related reputational risk that may impact our business and financial performance. The assessment is informed by engagement with our CR-related stakeholders including investors, industry associations, hotel managers and subject matter experts to gain their perspectives on industry risks, opportunities and associated best practices. Examples of the type of risks considered in our assessment include potential reputational risks among the following stakeholder groups: investors, lenders, rating agencies, analysts, guests, advocacy groups and media. We consider potential climate-related reputational risks to be substantive but well-mitigated at the current time.
Acute physical	Relevant, always included	Our Risk Management team monitors acute physical risks associated with climate change through property inspection cycles and active engagement with insurers. The Risk Management team is supported by cross-functional teams at Host including Asset Management and Development, Design & Construction. Examples of the type of risks considered in our assessment include risks associated with hurricanes and extreme weather events. We consider these risks to be substantive with a direct impact on our business, as evidenced by Hurricanes Harvey and Irma in 2017. (Additional information on our management approach and specific impacts from these storms can be found in our response to Question C2.3a and in our 2017 10-K filing.)
Chronic physical	Relevant, always included	Our Risk Management team also monitors chronic physical risks associated with climate change through property inspection cycles and active engagement with insurers. When evaluating potential acquisitions and dispositions, potential chronic physical risks are identified within the due diligence process by our Investment team with support from our executive leadership and Board of Directors. Examples of the type of risks considered in our assessment include rising sea levels, rising mean temperatures, changes in precipitation patterns (including droughts, wildfires) and extreme variability in weather patterns (including snow and ice). We view these types of risks to be substantive for our business.
Upstream	Relevant, always included	Host's Procurement team within our Design, Development & Construction group is the primary group responsible for the evaluation of climate-related upstream risks. Host's Design, Development & Construction group works collaboratively to support other departments including Asset Management and Risk Management. The assessment of potential risks is also supported by engagement with brands that manage our properties, such as Marriott, Hyatt and Hilton, as well as designers and procurement partners. Examples of the type of risks considered in our assessment include those associated with volatility in the price of energy, fuel and commodities (including products commonly used in renovations such as textiles, wood, and metal). We currently classify upstream climate-related risk as substantive.

	Relevance & inclusion	Please explain
Downstream	Relevant, always included	With support from Host's Corporate Responsibility team and the Enterprise Analytics department, Host's Asset Management is primarily responsible for the evaluation of downstream climate-related risks related to guests at our owned hotels. This evaluation is informed by monthly full business reviews with each hotel's general manager and quarterly, onsite full business reviews at our consolidated hotels. Examples of the type of risks considered in our assessment include those associated with changing customer behavior with regards to interest in sustainability, which we believe to be substantive but well-mitigated.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

DECISION MAKING PROCESS: The decision making process with regards to mitigation, transfer, accept and/or control of potential climate change risks and opportunities considers the following materiality-based factors: (i) greatest business impacts (e.g., those related to potential business disruptions due to extreme weather and opportunities to optimize stockholder value and operating cash flows at our properties), (ii) our degree of control and/or influence as an owner that does not manage its properties, and (iii) the needs, concerns and key business drivers of our stakeholders.

PRIORITIZATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES: Internal reviews of business impacts at the corporate and asset levels—in addition to engagement with CR-related stakeholders including our employees, hotel managers, institutional investors, industry associations, suppliers, academic institutions and non-profit and community organizations—is used to apply our criteria to prioritize risks and opportunities. We also utilize our ISO 14001-certified environmental management system to prioritize risks and opportunities. Additionally, a materiality assessment that included more than 30 internal and external stakeholder interviews has informed the prioritization of risks and opportunities within our present corporate responsibility strategy.

EXAMPLES: We consider our greatest potential transition risk to be changing consumer behavior and our greatest long-term physical risk to be rises in sea levels. Changing consumer behavior is managed through active engagement with the brands, including Marriott, Hilton and Hyatt, that manage our hotels. While the timeframe is uncertain, rises in sea level are managed

through our portfolio diversification strategy and Host's investments to increase the resiliency of our properties. Host has also set a science-based emissions reduction target to help support global action to mitigate risks associated with rises in sea levels.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Market: Changing customer behavior

Type of financial impact driver

Market: Reduced demand for goods and/or services due to shift in consumer preferences

Company- specific description

Among the corporate business travel, government travel and events segments at our hotels, we are seeing increased guest interest in sustainability. Corporate and government customers are increasingly requesting energy, water and waste data within their procurement processes for travel. If Host and its hotel managers are not seen as offering sustainable lodging and meeting services, business could be lost to competitors who can provide that level of service. Additionally, changes in climate could reduce the desirability of some of our markets as travel destinations.

Time horizon

Current

Likelihood

Unlikely

Magnitude of impact

Medium

Potential financial impact

53870000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 1% decrease in 2017 revenue should climate change impact competitive performance of properties within our portfolio.

Management method

We continue to pursue green building certification opportunities where appropriate and currently have four hotels in our portfolio that have received LEED® certification. Three new LEED® certifications are expected in 2018. Additionally, we monitor the percentage of U.S. properties that are included in the TripAdvisor® GreenLeaders program (currently at nearly 97%). We also incorporate sustainability into our major renovations and new developments, and invested nearly \$54 million in completed 2017 energy and emissions reductions initiatives. We support our brands as they develop programs to engage guests on environmental responsibility, and have incentivized sustainability practices through the payment of incentive management fees and our Environmental Stewardship and Best in Class Awards at past General Managers Meetings. We also make capital investments to support the sustainability efforts of our brands. Additionally, we use targeted sustainability checklists for acquisition and work with our design team to incorporate sustainable design. We believe that if Host did not engage in these management methods, both the likelihood and magnitude of this risk would be higher. However, we acknowledge the importance of continuously responding to evolving market risks and expectations to manage this risk.

Cost of management

277000000

Comment

In 2017, we invested approximately \$277 million in capital expenditures for renewal replacement and redevelopment investments and ROI projects for which sustainability attributes are embedded as financially appropriate, to manage this risk. (In 2018, we expect capital expenditures of \$475 million to \$550 million, closer to our historical average spend.) We also invest in professional services from architects, designers, engineers and procurement firms to support our major renovation and new development projects. Host is unique in that our “customers” (the guests staying in our hotels and using our hotel amenities, and the meeting and event planners who purchase hotel rooms and services) are indirect to our organization. We engage with our “customers” through our brands, which develop programs to engage guests on sustainability and respond to emerging needs and inquiries among the corporate business travel, government travel and event segments at each hotel.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Market: Uncertainty in market signals

Type of financial impact driver

Market: Change in revenue mix and sources resulting in decreased revenues

Company- specific description

Negative socio-economic conditions associated with extreme weather events and other climate change risks in the U.S. and key international markets may present wider social disadvantages and uncertainty in market signals that could impact our company's revenues and costs. Long-term, uncertainty in market signals may impact demand for lodging in our key markets. The concentration of our hotels in a limited number of large urban cities exposes us to greater risk to local economic or business conditions, changes in hotel supply in these cities. Hotels in New York, Washington, D.C., San Diego, San Francisco, Boston, Florida, Hawaii, Atlanta, and Los Angeles represented approximately 74% of our 2017 revenues. An economic downturn in any one of these cities likely would cause a decline in the hotel market and adversely affect occupancy rates, the financial performance of our hotels in these cities and our overall results of operations.

Time horizon

Long-term

Likelihood

Unknown

Magnitude of impact

Medium-low

Potential financial impact

13520000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 2% decrease in 2017 GAAP operating profit due to operational impacts to revenue and costs.

Management method

We manage risks related to market pricing volatility through strong asset management, and consistent engagement with our hotel managers. Our portfolio strategy defines and prioritizes major markets based upon several important factors including diversified customer demand, strong and growing destination appeal and vibrant economies. Risk mitigation is ongoing as we continually evaluate our major markets as part of our portfolio strategy function, which entails rigorous analysis of lodging industry fundamentals, growth

rates in each of our top markets, as well as local and regional market dynamics that influence our hotels. Host maintains a 10-year capital plan for each property. Capital plans are supported by Host's new Enterprise Analytics team, which offer independent feasibility, business intelligence, revenue management, capital expenditures acumen and financial planning and analysis. Guided by our environmental targets, we actively engage with our hotel managers, which include Marriott, Hyatt and Hilton, to manage socio-economic risks that could impact properties in our consolidated portfolio. Our asset managers also conduct quarterly, onsite full business reviews at our consolidated hotels. Full business reviews are supported by monthly review calls with each hotel's general manager and executive committee. It is unknown whether these management methods have reduced the likelihood and/or potential magnitude of this risk over the next 1-10 years.

Cost of management

4711000

Comment

In 2017, we estimate costs associated with managing this risk to be less than 0.10% of operating costs and expenses, which is approximately \$4.7 million.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Transition risk

Primary climate-related risk driver

Market: Increased cost of raw materials

Type of financial impact driver

Market: Abrupt and unexpected shifts in energy costs

Company- specific description

Increases in fuel, energy and commodities costs would pose a risk for higher operational costs at our hotels. In addition, increases in fuel, energy and commodities costs may impact demand for business and leisure travel, which in turn could affect lodging demand at Host's owned hotels. In 2017, we experienced an increase in energy and food prices, which were mitigated by our asset management strategy and continued investments in energy efficiency projects. In 2017, Host's energy expenditures were generally flat amid rising prices. We attribute this to the energy efficiency measures in place within our consolidated portfolio.

Time horizon

Short-term

Likelihood

Unknown

Magnitude of impact

Medium

Potential financial impact

13520000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 2% decrease in 2017 GAAP operating profit resulting from potential energy costs, supply chain pricing and lodging demand implications.

Management method

We enter into forward purchase agreements in deregulated markets to hedge against fuel and energy cost increases and invest in capital expenditures to increase energy efficiency within our portfolio. Using our ISO 14001 certified EMS, we evaluate the entire consolidated portfolio on a quarterly basis to identify energy reduction opportunities. We evaluate which hotels are the largest consumers of energy in the highest cost markets and which hotels have the greatest energy utilization intensity per square foot. We leverage rebates and other incentives for emissions reduction projects in specific markets. We prioritize markets with the highest perceived long-term energy pricing risks. For example, we have installed steam to gas conversions systems at three hotels and an 800 kilowatt fuel cell at Sheraton San Diego Hotel & Marina. We also invested in a 500 kilowatt solar photovoltaic system at the Fairmont Kea Lani, Maui. Including the solar PV system at Hyatt Regency Maui Resort and Spa, we generate and own 1.15 megawatts in onsite renewable power. To manage risks associated with increased shipping costs, we continue to work with our EPA SmartWay® logistics providers and suppliers to optimize sourcing and distribution of products such as case goods. We estimate shipping cost savings of nearly 40% through this program. These management methods have not reduced the likelihood of this risk, but they have reduced this risk's potential magnitude over the next 1-3 years.

Cost of management

64270490

Comment

In 2017, we invested nearly \$65 million in completed projects that help reduce our exposure to the risk of energy price increases. These investments have helped Host to reduce emissions per square foot by 32.0% from 2008-2017.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact driver

Reputation: Reduction in capital availability

Company- specific description

Host's climate change adaptation and mitigation approach, in addition to our broader corporate responsibility performance, may impact our reputation among both current and prospective investors, employees and strategic partners. Investors are increasingly interested in incorporating principles for strong environmental, social and governance (ESG) practices within their investment portfolios as demonstrated by the amount of capital represented by the CDP and the UN Principles for Responsible Investment. Several of our investors and specialized ESG research providers that serve the investment community are increasingly interested in receiving information regarding our Corporate Responsibility program. Our management and governance of climate change risks and opportunities may potentially influence our ability to maintain access to these types of large capital pools. Climate change could also affect demand in our major markets if the (i) desirability of specific markets is affected or (ii) consumers prefer competing hotels in specified markets due to climate-related issues.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Medium

Potential financial impact

13520000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 2% decrease in 2017 GAAP operating profit should revenue, margins and cost of capital be adversely impacted by our reputation regarding climate change.

Management method

Host has a dedicated CR team that is tasked with (1) overseeing our corporate responsibility framework and its business integration, (2) developing strategies to meet our emissions reduction target, (3) communicating our ESG performance and management approach internally and externally, and (4) engaging with interested investors and other stakeholders on climate change-related issues. To complement our CR framework, we have formalized "aligning our organizational structure with our business objectives to be a responsible corporate citizen" as one of our strategies to create superior stockholder returns. We have also become an early and voluntary adopter of integrating SASB metrics within our 10-K filings. We emphasize green building certifications, including LEED® and TripAdvisor® GreenLeaders, monitor guest satisfaction and reputation and encourage hotel managers to engage and communicate with guests on the sustainability initiatives at each property. We

encourage hotel managers to continuously implement energy initiatives intended to reduce consumption. We believe that if Host did not engage in these current management methods, both the likelihood and magnitude of this risk over the next 1-3 years would be higher. However, we acknowledge the importance of continuously improving and responding to evolving stakeholder expectations to reduce this risk's likelihood and potential magnitude.

Cost of management

64270490

Comment

In 2017, we invested nearly \$65 million in completed projects that have helped to enable us to reduce emissions per square foot by 32.0% from 2008-2017. We also incur management oversight costs associated with our Corporate Responsibility program. In 2017, approximately 10% of our workforce, including our CEO, participated as members of our corporate responsibility reporting process. Additionally, we invest in consulting fees to support our corporate responsibility strategy and reporting efforts; and encourage and reimburse our staff for technical and professional training.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver

Increased capital costs (e.g., damage to facilities)

Company- specific description

Host recognizes that hurricanes and floods present a risk to all hotels located in certain geographic territories such as Florida (where we own nine hotels, and a championship golf course), locations near the Gulf (including Texas and New Orleans) and Hawaii (where we own three resorts). These hotels incur additional property insurance premiums and capital costs, and have an increased risk of property damage and potential business interruption due to hurricanes. Additional expenses may include investments in tree planting and contract labor for repairs. In 2017, our Miami and Houston locations experienced RevPAR decreases of 11.1% and 1.9%, respectively, due in part to the impact of Hurricanes Irma and Harvey. In Florida, due to evacuation mandates and loss of commercial power, seven of the nine properties were closed for a period of time. All four of our hotels in Houston were able to remain operational during the hurricane. We are still evaluating the property and business interruption impact to our hotels. Our current estimate of the book value of the property and equipment written off, and the related repairs and cleanup costs, is approximately \$32 million. We believe our insurance coverage should be sufficient to cover a substantial portion

of the property damage to the hotels and the near-term loss of business. As of December 31, 2017, we have received \$14.3 million of property insurance proceeds related to these claims, reducing the receivable to \$18 million. In 2017, we also received \$8.7 million of business interruption proceeds related to the hurricanes. Reflecting on these 2017 storms, we believe that we are able to substantially reduce our financial impact associated through our resiliency measures. We are proud that all four Houston hotels were able to remain operational during Hurricane Harvey, two hotels in Florida were able to remain operational during Hurricane Irma and that business disruptions from Hurricane Irma at seven Florida hotels were limited. By comparison, some non-Host owned hotels in Texas and Florida have still not re-opened following the hurricane. By avoiding investments in the Caribbean, we were also able to avoid any direct impacts from Hurricane Maria.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Potential financial impact

20280000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 3% decrease in 2017 GAAP operating profit due to business interruptions, supply chain interruptions, demand implications and repairs from hurricanes and floods. This figure is comparable to the financial implications estimated from the Hurricanes Harvey and Irma in 2017.

Management method

(1) Host considers storm risk in its portfolio strategy through diversification and avoiding many destination markets in windstorm-prone areas. We conduct a formal review annually to determine our exposure to physical risk and engage in financial modeling based partially on historical storms to predict worst-case scenarios to determine insurance needs and potential capital investments. (2) Host has invested capital to install hurricane-resistant windows and façades at high risk properties, including buildings in Florida to reduce exposure to hurricane and wind storm risk. (3) In advance of each hurricane season, Host facilitates an emergency preparedness meeting with hotel managers to identify procedures and resources to address the preservation of assets, health and safety of staff and guests, potential property damage and suspension of operations in the wake of a severe storm. (4) Our Risk Management team maintains crisis management and transition plans for extreme weather events. Transition plans are led by a crisis team consisting of key personnel from our Risk Management, Development, Design & Construction and Asset Management teams along with the hotel's management team and brand leadership. Host also maintains a standing agreement with various national emergency response organizations. These management methods have not reduced the likelihood of this risk, but are expected to significantly reduce the potential magnitude of loss over the next 1-3 years.

Cost of management

65000000

Comment

Over the past five years, Host has invested approximately \$65 million on replacements and restorations to exterior walls, windows, roofs, doors and exteriors to help mitigate this risk. We also invest in insurance to cover potential property damage and business interruptions.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact driver

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company- specific description

To serve guests, our hotels are dependent on the availability and affordability of water and food. Supply reductions due to droughts could lead to cost increases. In past years, we have experienced higher food prices in the central and coastal U.S. due in part to droughts. Linen and laundering costs are also subject to price volatility due in part to the droughts. In recent years, droughts and wildfires in several regions in the U.S. including Georgia, Arizona and California, have been identified as a potential risk which we proactively monitor with regard to both water supply and rates.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Potential financial impact

13520000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 2% decrease in 2017 GAAP operating profit due to increased food, linen and laundering costs, and decreased demand resulting from changes in precipitation extremes and droughts.

Management method

Host has developed a strategic plan for each property in its portfolio, which is based on the analysis of regional physical risks, age and condition of each property. Risks related to changes in precipitation extremes are managed through our preventive maintenance and emergency response plans for each hotel. Our two largest hotel operators, Marriott and Hyatt, have implemented state-of-the-art maintenance management information systems, which Host leverages to monitor preventive maintenance measures undertaken by our hotel managers. We work with our hotel managers to ensure that they are regularly servicing and maintaining our properties' infrastructure systems to best prepare our equipment for unexpected temperature extremes, and to prevent business disruption during such times. Through our ROI opportunity diagnostic analysis, we have identified water efficiency opportunities, targeting properties with drought risk. Our water reduction initiatives also provide energy efficiency benefits. Within our supply chain, our primary method to manage this risk is to ensure we have multiple sources and strong supplier relationships to ensure reliable and timely delivery of products. We also engage with suppliers when visiting factories to review whether they have flood prevention measures in place. These management methods have not reduced the likelihood of this risk, but they have reduced this risk's potential magnitude over the next 1-3 years.

Cost of management

11777500

Comment

We estimate costs associated with managing this risk to be less than 0.25% of 2017 property-level operating costs and expenses, or \$11.8 million. While Host incurs regular preventive maintenance expenses (typically between \$30 to \$60 million annually) these expenditures are driven by the age and condition of a property, as opposed to a specific need to mitigate the risk of precipitation extremes.

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Rising mean temperatures

Type of financial impact driver

Increased capital costs (e.g., damage to facilities)

Company- specific description

Seasonality is a key factor in the lodging industry. Markets with more severe winters or summers could incur associated demand declines. Extreme temperatures (both hot and cold)

also pose potential risks to equipment and physical building elements, such as roofs, façades, windows and water systems, as well as to the markets where our hotels are located.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Potential financial impact

6760000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 1% decrease in 2017 GAAP operating profit due to decreased demand, business disruption and/or repairs related to changes in temperature extremes.

Management method

We work with our hotel managers to ensure that they are regularly servicing and maintaining our properties' infrastructure systems to best prepare our equipment for unexpected temperature extremes and prevent business disruption during such times. Our two largest hotel operators, Marriott and Hyatt have implemented state-of-the-art maintenance management information systems, which Host leverages to monitor their preventive maintenance measures. Host funds and supports these efforts through our annual capital expenditure budget. We make capital expenditures as appropriate to protect our roofs, façades, windows and other building elements from temperature-related risks. Examples include the installation of HVAC controls and reflective film over windows to reduce impacts from the sun and heat. Over the past three years, we have completed more than 65 exterior building projects, which include replacements or restorations to walls, windows and roofs. We work closely with our insurance providers to mitigate temperature-related risks. Host conducts a formal risk exposure assessment annually and engages in financial modeling to determine how much of what type of insurance we need to buy. We also update replacement values for hotels annually to provide our insurers with accurate exposure information on which to rate coverage. These management methods have not reduced the likelihood of this risk, but they have reduced its potential magnitude of loss over the next 10 years.

Cost of management

10000000

Comment

Annually, preventive maintenance expenditures typically range between \$30-\$60 million. Additionally, we typically invest \$5-\$10 million annually on upgrades to roofs, façades, windows and other building elements to protect against temperature-related risks.

Identifier

Risk 8

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Rising sea levels

Type of financial impact driver

Reduced revenues from lower sales/output

Company- specific description

Many of Host's domestic and international properties are located in gateway cities and are on or near coastal areas, which could potentially be affected should sea levels rise dramatically. Specific impacts from rises in sea levels may include business interruptions, demand implications, property damage and supply chain implications. Beach erosion has been observed near properties located in Hawaii and Florida. The erosion could be exacerbated by potential sea level rises.

Time horizon

Long-term

Likelihood

Unknown

Magnitude of impact

Medium

Potential financial impact

33800000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 5% decrease in 2017 GAAP operating profit due to business interruptions, supply chain interruptions, demand implications and repairs resulting from sea level rises.

Management method

Diversification of properties across markets is an important method by which we manage physical risks related to potential sea level rises. We also incorporate regional physical risks in the strategic plan for each property in our portfolio and have emergency response plans in place across the portfolio. When evaluating acquisitions, potential risks related to sea level rise is a factor that we consider. Remediation measures, such as flood walls and opportunities to relocate equipment to higher floors, are also considered. In Hawaii, we continue to monitor beach erosion; engage with consultants, engineers and government officials on this issue; and explore potential options should the levels of erosion continue to increase. Through our climate change adaptation and mitigation strategies, which include preventive maintenance and emissions reduction investments, we also strive to reduce some

of our exposure to this risk. We have also developed a science-based emissions reduction target. Host is the first hospitality company to have its emissions reduction target approved by the Science Based Targets initiative (SBTi). Additionally, we continue to monitor leading research, such as that published by Intergovernmental Panel on Climate Change, to monitor this risk which presents potentially severe implications. It is currently unknown whether our management methods have resulted in a reduction in the likelihood and/or potential magnitude of this risk over the next 10 years.

Cost of management

64270490

Comment

In 2017, we invested nearly \$65 million in completed sustainability engineering and renovation projects that may help support our mitigation strategy against this potential risk.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

Equipment replacements with newer, more efficient technology can reduce energy consumption thereby generating an attractive internal rate of return while significantly reducing greenhouse gas emissions. Our most recent energy ROI projects have yielded early cash-on-cash returns of approximately 25% . Additionally, the majority of our hotels participate in the ENERGY STAR® building energy rating program, which enables us to benchmark our progress, reduce operating costs and support our 2020 goal to reduce energy consumption per square foot by 15% from our 2008 baseline.

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Medium-low

Potential financial impact

13520000

Explanation of financial impact

We estimate \$13.5 million annually (assuming a potential 2% increase in 2017 operating profit due to additional savings from completed emissions projects should the price of energy increase.)

Strategy to realize opportunity

Through strong asset management and deployment of ROI best practices, Host works continuously with its hotel managers to increase energy efficiency within our portfolio. Our investments to capitalize on this opportunity include: (1) Refurbishment, replacement and retrofit of energy efficient lighting and controls; (2) Refurbishment, replacement and retrofit of central plant equipment to incorporate superior energy efficient and sustainable technologies; (3) Refurbishment, replacement and retrofit of air handling and exhaust systems; (4) Utilization of intelligent demand controls and variable speed drive technology; (5) Refurbishment, replacement and retrofit of guestroom HVAC systems; (6) Refurbishment, replacement and retrofit of energy intensive relay logic-based mechanical elevator and escalator controls with micro-processor based controls with variable speed drive technology and regenerative motors; (7) Refurbishment, replacement and retrofit of roofing, window and door systems with products with higher insulation and reflective properties; (8) Refurbishment, replacement and retrofit of building automation systems including the replacement of pneumatic controls with more precise direct digital controls. We believe that these investments and collaborative efforts have increased the likelihood and potential magnitude of this opportunity over the next 1-3 years.

Cost to realize opportunity

64270490

Comment

In 2017, we invested nearly \$65 million in sustainability engineering and renovation projects wherein energy efficiency opportunities were identified. These investments helped enable

Host to reduce energy per square foot by 15.9% from 2008-2017. During the same period, we have also reduced Scope 1 and 2 greenhouse gas emissions per square foot by 32.0%.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Type of financial impact driver

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company- specific description

To serve guests, our hotels are dependent on the availability and affordability of water. Hotels are typically more water-intensive than other commercial buildings, with water use highly correlated with occupancy levels. Host's portfolio is comprised of full-service hotels with water intensive features including spas, pools, landscaping, golf course and laundry plants. Our hotels may be subject to risks due to potential volatility in both water supply and rates associated with climate change. In recent years, potential water scarcity issues have been identified as a potential risk in the key markets, including Arizona, California and Georgia, which we proactively monitor with regard to both water supply and rates. Through a proactive approach and strategic investment in water efficiency, we are able to invest in projects with a compelling ROI and hedge against risks associated with both water supply and rates.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Potential financial impact

6760000

Explanation of financial impact

We estimate \$6.7 million annually (assuming a potential 1% increase in 2017 operating profit due to additional savings from completed water efficiency projects should the price of water increase).

Strategy to realize opportunity

Host has a goal to reduce water use per occupied room by 25% from 2008 levels. To support this target, Host is focused on water efficiency initiatives in key markets with potential water risk, including Arizona, California and Georgia. We are currently on track to meet our 2020 water efficiency target with a 25.1% intensity reduction from our baseline. Through our ROI opportunity diagnostic analysis, we have identified more than 50 water opportunities in California alone, and have requested water management plans from each property. Our current water reduction initiatives, including low-flow fixtures and occupancy sensors, also provide energy efficiency benefits. In 2017, we invested in new water efficiency projects at 12 hotels in Arizona, California, Georgia, Ontario and the Washington D.C. metro area. We continue to implement new water technologies. We have installed smart irrigation systems that use cloud-based applications to automate schedules based on weather forecasts and landscape-specific parameters. Irrigation systems on many of our golf courses are even more sophisticated, enabling the control of individual sprinkler heads to deliver water with pinpoint precision and avoid overwatering. We have also implemented onsite wastewater laundry recycling systems and high efficiency laundry equipment, which are estimated to use 70% less water. We believe that these management methods have increased both the likelihood and potential magnitude of this opportunity.

Cost to realize opportunity

10000000

Comment

Over the past five years, Host invested approximately \$10 million in water efficiency projects. These investments helped enable Host to reduce water consumption per occupied room by 25.1% from 2008-2017.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Shift toward decentralized energy generation

Type of financial impact driver

Returns on investment in low-emission technology

Company- specific description

When a hotel is able to consume energy from a decentralized generation source, the property is able to both hedge against future increases in the price of energy and increase the overall resiliency of its operations to respond better to physical risks associated with climate change. Host's investments in decentralized energy sources (including steam-to-gas conversion systems, onsite solar photovoltaic systems and fuel cells) are also often able to incorporate lower carbon technologies. Within our consolidated portfolio, markets including

California, Hawaii and New York have presented compelling opportunities to invest in decentralization energy opportunities with an attractive rate of return. These opportunities include the installation of steam-to-gas conversion systems and onsite solar photovoltaic systems.

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Medium-high

Potential financial impact

110000000

Explanation of financial impact

We estimate a financial opportunity of approximately \$110 million, based on applying the estimated cost savings from Host's investments in decentralized energy generation as a factor of the capitalization rates for applicable properties.

Strategy to realize opportunity

We continue to eliminate our reliance on less efficient district steam utilities. We completed the design and installation of a state of the art, high efficiency, steam plant at the New York Marriott Marquis, where we have invested approximately \$11.8 million to install an onsite steam plant and co-generation system. The project includes the installation of four natural gas-fired boilers to produce steam in order to provide the hotel with heat and domestic hot water. The New York Marriott Marquis became Host's third property with steam-to-gas conversion, following the completion of projects at Sheraton New York Times Square Hotel and the San Antonio Marriott Riverwalk. We also invest in low carbon technologies to enable for decentralized renewable energy. We have completed a multi-year project to invest in a 500 kilowatt solar photovoltaic system at the Fairmont Kea Lani, Maui. Including the solar PV system at Hyatt Regency Maui Resort and Spa, we generate and own 1.15 megawatts in onsite solar capacity and have a 600 kilowatt solar PPA at Phoenician, a Luxury Collection Resort. In 2017, Host was the guarantor of a \$5.2 million fuel cell PPA at Sheraton San Diego Hotel & Marina. We also made investments in the solar water heating systems at Manchester Grand Hyatt San Diego and Grand Hyatt Atlanta in Buckhead. We believe that these management methods have increased both the likelihood and potential magnitude of this opportunity over the next 1-3 years.

Cost to realize opportunity

29700000

Comment

Over the past four years, Host has invested approximately \$29.7 million in steam-to-gas conversion systems and solar photovoltaic systems investments to enable decentralized energy generation.

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Type of financial impact driver

Increased revenue through demand for lower emissions products and services

Company- specific description

As regulatory bodies adopt more energy efficient codes and standards for building and equipment performance and an increasing number of states and local governments in the U.S. have adopted legislation requiring LEED® certification for private developments, actions associated with compliance may increase demand at specific properties, particularly within the business travel segment. Industry standards, such as those from the Global Business Travel Association (GBTA), value certified hotels and products within recommended procurement standards. Additionally, investors are increasingly interested in incorporating principles for strong environmental, social and governance (ESG) practices within their investment portfolios as demonstrated by the amount of capital represented by the CDP and the UN Principles for Responsible Investment. Several of our investors and specialized ESG research providers that serve the investment community are increasingly interested in receiving information regarding our Corporate Responsibility program. Lenders also are increasingly interested in climate change and corporate responsibility practices as part of their evaluations for project financing. Our management and governance of climate change risks and opportunities may potentially positively impact our ability to maintain access to these types of large capital pools.

Time horizon

Long-term

Likelihood

Unknown

Magnitude of impact

Medium-high

Potential financial impact

180000000

Explanation of financial impact

We estimated \$180 million (assuming approximately 1% increase in 2017 pro rata total capitalization) as a result of our programs to deliver on Host's science-based target and broader corporate responsibility strategy over the long-term.

Strategy to realize opportunity

Host has developed a science-based target to support the development of low emissions goods and services within our consolidated portfolio. In 2016, Host became the first hospitality organization to have its greenhouse gas emissions target verified by the Science Based Targets initiative (SBTi). Our science-based target projects a linear pathway, where we plan to focus on energy intensity and efficiency specifications through our 2020 target, and from 2030-2050 increasing renewable energy for generation of electricity both onsite and offsite using the Sectoral Decarbonization Approach. Through our science-based target and broader CR program, we engage our employees to further strengthen our organization. Our Green Team works in close collaboration with the management company to capitalize on a series of enhanced energy efficiency opportunities at our LEED® certified corporate headquarters. From 2010-2017, energy consumption at corporate headquarters has decreased per square foot by nearly 25%. Host also specifies and purchases EPA ENERGY STAR® qualified appliances and electronics for its hotels to further reduce energy consumption and visibly show our commitment to use energy efficient products. We also ship furniture, fixtures and equipment via EPA's voluntary SmartWay® transportation partnership, saving approximately \$270,000 over the past three years. We believe that these management methods have increased the likelihood and potential magnitude of this opportunity.

Cost to realize opportunity

64270490

Comment

In 2017, we invested nearly \$65 million in completed projects that have helped to support our science-based target and enabled us to reduce emissions per square foot by 32% from 2008-2017. We also incur management oversight costs associated with our Corporate Responsibility program. In 2017, approximately 10% of our workforce, including our CEO, participated as members of our corporate responsibility reporting process. Additionally, we invest in consulting fees to support our corporate responsibility strategy and reporting efforts; and encourage and reimburse our staff for technical and professional training including sustainability.

Identifier

Opp5

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact driver

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description

Host and its hotel managers have the opportunity to provide an additional differentiator for our hotels by offering sustainable lodging and meeting services, as evidenced by the receipt of green building certifications including LEED® and TripAdvisor® GreenLeaders. Interest in sustainability characteristics and certifications may increase at specific properties, particularly within the business travel segment. Industry standards, such as those from the Global Business Travel Association (GBTA), value certified hotels and products within recommended procurement standards. Among the government travel and events segments at our hotels, we are also seeing increased guest interest in sustainability. Increasingly, customers are requesting energy, water and waste data within their procurement processes for travel.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Potential financial impact

53870000

Explanation of financial impact

Estimated financial impact assumes the potential for an approximate 1% increase in 2017 revenue attributable to climate change and sustainability attributes and efforts at our properties.

Strategy to realize opportunity

Host encourages its hotel managers to position themselves as leaders in responding to emerging market trends around sustainable tourism and green meetings and to incorporate best practices such as linen-less banquet tables for meetings and events. We offer support as they develop programs (including Marriott's Your Choice program) to engage guests on environmental responsibility, and have incentivized sustainability practices through the payment of incentivized management fees and our Best in Class Environmental Stewardship Award at past General Managers Meetings. We embed sustainability into new developments and renovations and work with our suppliers and hotel managers to increase sustainable sourcing for design and construction projects. Examples include use of products with recycled content; low VOC paints, adhesives and finishes; EPA ENERGY STAR® qualified appliances and electronics; low flow shower heads, toilets and faucets; and LED lighting. As a result of these efforts, nearly 97% of our hotels in the U.S. have at least one green building certification including one or more of the following: TripAdvisor® GreenLeaders, Green Key Eco-Rating Program, Green Seal Hotels and Lodging, LEED® and ENERGY STAR. Four hotels in our portfolio that have received LEED® certification. Three new LEED® certifications are expected in 2018. We believe that these management methods have increased both the likelihood and potential magnitude of this opportunity over the next 1-3 years.

Cost to realize opportunity

65000000

Comment

In 2017, we invested \$277 million in capital expenditures for renewal replacement and redevelopment investments and ROI projects for which sustainability attributes are embedded as financially appropriate, to manage this risk. In 2018, we expect capital expenditures of \$475 million to \$550 million, closer to our historical average spend. We invest in professional services from architects, designers, engineers and procurement firms to support major renovation and new development projects. Host is unique in that our "customers" (the guests staying in our hotels and using our hotel amenities, and the meeting and event planners that purchase hotel rooms and services) are indirect to our organization. Our third-party managers, including Marriott®, Hyatt® and Hilton®, directly engage with these "customers," which includes developing guest-facing sustainability programs and supporting the sustainability needs with each hotel's corporate business travel, government travel and event segments.

Identifier

Opp6

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact driver

Increased market valuation through resilience planning (e.g., infrastructure, land, buildings)

Company- specific description

Participating in renewable energy and energy efficiency programs helps to increase the resiliency of hotels in our consolidated portfolio to better withstand potential physical and market risks associated with climate change. Additionally, rebates are sometimes available within certain markets for installation of more efficient equipment or "clean" energy use, which help projects reach our investment return threshold. Nearly all hotels in our consolidated portfolio are located in the United States. As more states, local municipalities and utility providers introduce additional incentive and rebates for renewable energy and energy efficiency, Host has the opportunity to strengthen the value of assets and further increase net operating profits at the hotels in our consolidated portfolio.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Potential financial impact

20280000

Explanation of financial impact

We estimate \$20.3 million annually (assuming a potential 3% increase in 2017 operating profit due to energy efficiency savings and benefits from renewable energy to hedge against physical climate risk and potential increases in the cost of energy).

Strategy to realize opportunity

We also completed the installation of two solar photovoltaic projects in Hawaii, where our exposure to energy cost volatility is higher than other geographical locations. The largest investment has been in a 500 kilowatt solar photovoltaic system at the Fairmont Kea Lani, Maui. Including the solar PV system at Hyatt Regency Maui Resort and Spa, we generate and own 1.15 megawatts in onsite solar capacity. Additionally, Host has a 600 kilowatt solar PPA at The Phoenician, a Luxury Collection Resort. We also made investments in the solar water heating systems, at properties including Manchester Grand Hyatt San Diego and Grand Hyatt Atlanta in Buckhead. We continue to evaluate further renewable energy opportunities in key markets including California, Hawaii and the Washington D.C. area. Host continues to invest in energy efficiency projects across our portfolio, completing approximately 165 new projects in 2017. As a result of a nearly decade-long focus on energy efficiency investments (including targeted ROI projects) and engagement with our hotel managers, we have been able to reduce our energy intensity per square foot by 15.9% from our 2008 baseline. We also leverage rebates and other incentives for emissions reduction projects in specific markets. In 2017, we benefited from \$1.6 million in rebates from 12 of our completed emissions reduction projects. We believe that these management methods have increased the likelihood and potential magnitude of this opportunity.

Cost to realize opportunity

64270490

Comment

In 2017, we invested nearly \$65 million in sustainability engineering and renovation projects wherein energy efficiency opportunities were identified. These investments helped enable Host to reduce energy per square foot by 15.9% from 2008-2017. During the same period, we have also reduced Scope 1 and 2 greenhouse gas emissions per square foot by 32.0%.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
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	Impact	Description
Products and services	Impacted	Risks associated with product and services (i.e., our hotels with guest rooms, meeting and event spaces, restaurants, spas and other features and amenities) include (1) changing consumer behavior, (2) uncertainty in market signals, (3) extreme weather events, (4) rises in temperatures and (5) rises in sea levels. These risks have been integrated into our business strategy and planning process through our (1) establishment of 2020 environmental goals, which includes a science-based targets, (2) investments to increase the efficiency and resiliency of our consolidated portfolio and (3) active engagement with brands that manage our properties. These brands include Marriott, Hyatt and Hilton – each company has its own robust sustainability commitments and programs that align with Host’s objectives as an owner and our corporate responsibility strategy. We view some of these risks, particularly those related to changing consumer behavior and climate change resilience, as opportunities to obtain competitive advantages in key markets. We manage these opportunities through engagement with the hotel brands and a proactive approach to preventive maintenance, risk management and alignment with green building standards including LEED® and TripAdvisor® Green Leaders. The potential magnitude of these risks is currently estimated at 1-5% of 2017 GAAP operating profit. The potential magnitude of these opportunities is currently estimated at 5-10% of 2017 operating profit over a longer time horizon.
Supply chain and/or value chain	Impacted	Risks associated with our supply chain include changes in the cost of energy, fuel and commodities as well as uncertainty in market signals associated with climate change. (Risks associated with our value chain are described in the “Products and Services” area above.) Opportunities associated with our supply chain include investments in energy and water efficiency technologies and decentralized energy generation, including renewable energy. To manage both these risks and opportunities, we prioritize both responsible investment and environmental stewardship in our corporate responsibility strategy with a focus on (1) investing in proven sustainable practices, (2) proactively monitoring energy performance across our portfolio and (3) establishing long-term capital investment plans for all our assets. The potential magnitude of these risks is currently estimated at 2% of 2017 GAAP operating profit. The potential magnitude of these opportunities is also currently estimated at 2% of 2017 operating profit.
Adaptation and mitigation activities	Impacted	Host’s adaptation and mitigations activities, including those to address extreme weather events and rises in temperatures and sea levels, are impacted by identified risks and opportunities. Specifically, our strategy to mitigate these risks and identify potential competitive advantages is grounded in our focus on resilience. Our resilience strategy is anchored in preventive maintenance and risk management. The potential magnitude of these risks is currently estimated at 5% of 2017 GAAP operating profit. The potential magnitude of these opportunities is currently unknown.
Investment in R&D	We have not identified any risks or opportunities	As a lodging REIT, Host does not make any investments that we classify as R&D. As such, investment in R&D is not applicable to Host.

	Impact	Description
Operations	Impacted	As an owner that does not operate our hotels, climate-related risk and opportunities are more applicable to our product and services as described above. Risks associated with Host's operations (namely our corporate functions at leased offices) include our reputation among current and prospective employees and our physical risks from snow, ice and windstorms that may prevent employees from commuting to our corporate headquarters. We view our reputation among current and prospective employees as an opportunity more than a risk. Aligning our organizational structure with our business objectives to be a top employer and a responsible corporate citizen is one of our strategies to support Host's goal to be the preeminent owner of high-quality lodging real estate in growing markets in the U.S. and to generate superior long-term returns for our stockholders throughout all lodging cycles. Host's Green Team partners with our Corporate Responsibility team to engage employees on environmental stewardship. Additionally, Host's corporate headquarters is LEED® certified. Our Green Team works in close collaboration with the owner's management company of the leased corporate headquarters office space to capitalize on a series of enhanced energy, water, waste and materials stewardship opportunities at our corporate headquarters. From 2010 to 2017, our energy consumption at corporate headquarters per square foot has decreased by nearly 25%. To manage physical risks that could impact our corporate offices, Host has its own business continuity and emergency preparedness plans to protect physical and IT assets. Through telecommuting, our employees are able to work remotely and access our servers on days they are unable to come into the office due to snow, ice and windstorms. The potential magnitude of these risks and opportunities is currently estimated at less than 2% of 2017 GAAP operating profit.
Other, please specify	Impacted	We have identified access to capital as an important climate-related opportunity. An increasing number of investors seek to positively screen companies on ESG performance and make long-term investments in companies that are carbon efficient and positioned to benefit from the transition to a low carbon economy. We manage through our corporate responsibility strategy and annual disclosures, which include our responses to the CDP Climate Change request, Global Real Estate Sustainability Benchmark (GRESB) and Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment. In 2017, Host was selected as a member of the DJSI's North America Index and was named a GRESB Green Star with the highest score among U.S. publicly traded companies. Host is also an early adopter of integrating the Sustainability Accounting Standards Board (SASB) disclosure in our 10-K filing and the first hospitality company to have its greenhouse gas emissions approved by the Science Based Targets initiative (SBTi). The potential magnitude of this opportunity is currently estimated at 1% of our current total enterprise value.

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description

	Relevance	Description
Revenues	Impacted	The following risks have been identified as having potential impact to our revenues: (1) changing consumer behavior (as guests and meeting planners have increased interest in the sustainable attributes of hotels and events) and (2) potential business disruptions associated with extreme weather events (such as Hurricanes Harvey and Irma). The management of these risks also presents the opportunity to increase revenue through the demonstration of sustainability attributes at our hotels and our ability to maintain operations during extreme weather events. These risks and opportunities have impacted our financial planning processes in the following ways: We actively invest in energy, water and waste efficiency projects. We pursue LEED® certification as appropriate and incorporate green building best practices in our major renovation and value enhancement projects. We also proactively invest in resiliency measures (include investments in business interruption insurance). The potential magnitude of these risks is currently estimated at 1% of 2017 revenue. The potential magnitude of these opportunities is currently unknown.
Operating costs	Impacted	The following risks have been identified as having potential impact to our operating costs: changes in the cost of energy, fuel, water and commodities (including food and linen at our hotels). Central to how we manage these risk is our investments in energy ROI projects, which is also an opportunity, as we move toward more energy efficient buildings in our portfolio. Since 2008, we have reduced energy consumption per square foot by 15.9%. We have also reduced water consumption per occupied room by 25.1% from our 2008 baseline. These risks and opportunities are managed in our financial planning processes in the following ways: We enter into forward purchase agreements in deregulated markets to hedge against fuel and energy cost increases, and invest in capital expenditures to increase the energy efficiency within our portfolio. The potential magnitude of these risks and opportunities are both currently estimated at 2% of 2017 GAAP operating profit.
Capital expenditures / capital allocation	Impacted	The following risks have been identified as having potential impacts to our capital expenditures: extreme weather events and rises in mean temperatures. These risks impact the following financial planning processes: incorporation as appropriate into 10-year capital plans for each hotel, and investments made in preventive maintenance to support our ongoing renewal and replacement capital expenditures. Our capital expenditures are also positively influenced by opportunity to move toward more energy efficient buildings, invest in decentralized energy generation and participate in renewable energy and energy efficiency programs. These risks impact the following financial planning processes: investments in targeted energy ROI projects and other capital expenditures in which in sustainability engineering, renovation and exterior building projects wherein emissions reduction opportunities were identified. Our most recent energy ROI projects have yielded early cash-on-cash returns of approximately 25%. In 2017, we invested nearly \$65 million in capital expenditures on completed energy efficiency and emission reductions projects. The potential magnitude of these risks and opportunities are both currently estimated at 2% of 2017 GAAP operating profit. (In 2017, nearly 25% of our capital expenditures included investments to address climate-related risks and opportunities.)
Acquisitions and divestments	Impacted	Sea level rise is the primary climate-related risk that impacts our planning process with regards to acquisitions and divestments. We also consider chronic physical risks, such as rises in temperature and variability in weather patterns. In the long-term, our ability to manage these risks could potentially provide opportunities to gain a competitive advantage among lodging REITs. These risks and opportunities impacted our financial planning processes in the following ways: When evaluating potential acquisitions and dispositions, chronic physical risks are considered within the due diligence process by our Investments team with support from our executive leadership and Board of Directors. Additionally, maintaining a geographically diverse portfolio is one Host's goals to be the preeminent owner of high-quality lodging real estate in growing markets in the U.S. and to generate superior long-term returns for our stockholders throughout all lodging cycles. Renewable energy consumption (including onsite decentralized energy generation) is an opportunity that supports our planning process with regards acquisitions and divestments. For example, our recent 2018 acquisition of three Hyatt-managed properties, the Hawaii property is expected to increase the percentage of renewable energy consumed in our consolidated properties. The magnitude of potential risks or opportunities in the content of acquisitions and divestments is currently unknown.

	Relevance	Description
Access to capital	Impacted	Our reputation with regards to climate-related issues could impact our access to capital. We currently consider our reputation on climate-related issues to be more of an opportunity than a risk. These risks and opportunities impacted our financial planning processes in the following ways: We invest time and resources in our corporate responsibility strategy and annual disclosures, which include our responses to the CDP Climate Change request, Global Real Estate Sustainability Benchmark (GRESB) and Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment. Host is also an early adopter of integrating the Sustainability Accounting Standards Board (SASB) disclosure in our 10-K filing and the first hospitality company to have its greenhouse gas emissions approved by the Science Based Targets initiative (SBTi). In 2017, approximately 10% of our workforce, including our CEO, participated on the Corporate Responsibility Committee. Additionally, we invest in consulting fees to support our corporate responsibility strategy and reporting efforts; and encourage and reimburse our staff for technical and professional training on leading standards including LEED® and ISO 14001. The potential magnitude of these risks and opportunities are both currently estimated at 1% of 2017 total enterprise value.
Assets	Impacted	Risks identified as having potential negative impact to the value of the hotels in our consolidated portfolio include (1) uncertainly market signals associated with climate change, (2) prevalence of extreme weather events, (3) changes in temperature and precipitation patterns (including droughts, floods and water scarcity) and (4) rises in sea levels. Risks identified as having potential positive impact to the value of the hotels in our consolidated portfolio include (1) alignment with green building standards (including LEED® and TripAdvisor® GreenLeaders), (2) decreased net operating costs through investments in energy, water and waste efficiency measures, and (3) increased resilience of the properties in response to physical risks associated with climate change. These risks and opportunities impact our financial planning, primary through our (1) capital expenditure plans for the hotels in our consolidated portfolio and (2) our acquisition and divestment strategy and supporting due diligence processes. The potential magnitude of these risks is currently estimated at 1-5% of 2017 GAAP operating profit. The potential magnitude of these opportunities is currently estimated at 5-10% of 2017 operating profit over a longer time horizon.
Liabilities	Not yet impacted	Risks and opportunities associated with climate change has not yet impacted our liabilities. At Host, maintaining a strong and flexible capital structure that allows us to execute our strategy throughout all lodging cycles is one of our top business planning priorities. Aside from potentially helping to reduce our cost of capital and associated interest payment from debt obligations, we have not identified any impacts to our liabilities associated with climate change. Any potential correlation between our climate change strategy and cost of capital is viewed as speculative and uncertain at the current time.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

I. HOW BUSINESS STRATEGY INFLUENCED BY CLIMATE CHANGE

Climate change and broader corporate responsibility (CR) topics are explicitly aligned and integrated into Host's core business strategies. Our climate change and CR programs support our overarching goal to be the preeminent owner of high-quality lodging real estate and to generate superior long-term returns for our stockholders. Climate change also informs how we execute on other core business strategies, which includes disciplined capital allocation.

Examples of how climate change has influenced and supported our business strategies include our efforts to (1) maximize stockholder value and operating income at each of our properties, (2) manage and mitigate exposure to potential financial risks, which include business disruptions, reputational risks, property damage and increased energy costs and (3) engage with our hotel managers, investors, local communities and other CR-related stakeholders to support shared goals.

II. EMISSIONS REDUCTION TARGETS

Our strategy is linked to our 2020 emissions and energy target. Upon achieving our 2017 emissions reduction target ahead of schedule, we developed a verified science-based target to guide performance toward 2020 and extended our energy target. Additionally, we have recently set a 2025 renewable energy target to support post-2020 emissions reductions.

III. BUSINESS DECISIONS IMPACTED BY CLIMATE CHANGE

In 2017, the most substantive business decisions impacted by climate change were Host's investments in nearly 175 emissions reduction projects to support our 2020 emissions and energy targets. We also acquired the W Hollywood, which became the third property in our portfolio to receive LEED® certification, and integrated sustainability features into our largest active value enhancement project at The Phoenician, A Luxury Collection Resort.

IV. ASPECTS IMPACTING STRATEGY

Our assessment of our greatest climate-related risks and opportunities has informed our overall business strategy, which is focused on protecting and maximizing operating cash flow at our hotels. We seek to (1) create value in our existing portfolio through well-integrated asset management and capital investment and (2) allocate and recycle capital with discipline to earn returns that exceed our cost of capital.

Hotels consume energy at higher intensity levels than other types of commercial buildings due to continuous 24/7 operations. Therefore, reducing energy consumption presents the greatest climate change opportunity for Host. Host's status as a REIT by which we own but do not operate our hotels also impacts our business strategy. We provide investment capital, strategic direction and ongoing monitoring to enable climate change adaptation and mitigation initiatives at our hotels. The hotel managers are ultimately responsible for ensuring that the technologies we invest in are managed and operated efficiently.

Our hotels are operated by internationally-known managers such as Marriott, Hyatt and Hilton as well as respected independent managers in the lodging industry. As such, execution on Host's climate and energy strategy involves constant engagement with these managers and alignment of our strategy with the numerous programs implemented by the different hotel managers across our portfolio.

Another aspect that influences our climate and energy strategy is that when we acquire existing hotels we often expect to hold them for long periods of time. Thus, we must consider long-term physical risks (such as potential sea level rises and extreme weather events) and invest in making properties more resilient to these exposures and more energy efficient. As a result, we are focused on investing in high quality, durable and long-lasting products and materials for the properties that we own.

V. SHORT-TERM STRATEGY

Climate change has influenced Host's short-term strategy (1-2 years) in the following ways: (1) We are focused on identifying thoughtful, innovative capital expenditures that reduce portfolio greenhouse gas emissions and increase resiliency; (2) We continue to work with hotel managers to reduce energy consumption at our hotels through capital investments and more efficient operating practices; and (3) We are focused on deeper engagement with our hotel managers to enhance proactive emergency response plans to respond to physical risks associated with climate change at our hotels.

Using our ISO 14001 certified environmental management system, we have targeted hotels with the greatest risks and opportunities and developed specific action plans for these hotels. In 2018, key priorities are to execute on a targeted set of capital and operational emissions reduction projects at those properties. We also evaluating a pilot project using a cloud-based building analytic tool that will use algorithms based on our hotel's building management systems to monitor energy and water performance in real-time and help identify and validate new energy and water ROI projects. The tool will also help us to establish technical operational efficiency baselines for our hotels for our HVAC, chillers and boilers.

VI. LONG-TERM STRATEGY

Climate change has influenced Host's long-term strategy (3-10 years) in the following ways: (1) We are tracking and working with specific properties to pursue green building certifications and higher environmental performance ratings; and (2) We continue to evaluate low carbon energy sources that will reduce costs, maximize the value of our properties and protect them from physical risks and business disruptions. Currently, potential renewable energy opportunities in markets within California, Hawaii and Washington, D.C. are prioritized.

VII. STRATEGIC ADVANTAGE

Since 2008, Host has reduced its carbon intensity per square foot by 32.0%. Additionally, nearly 97% of our hotels in the U.S. have at least one green building certification including one or more of the following: TripAdvisor® GreenLeaders, Green Key Eco-Rating Program, Green Seal, LEED®, Super Energy Performance® (SEP™) and ENERGY STAR. We also engage with our employees, hotel managers, investors, suppliers and industry thought leaders on climate change-related issues to foster innovation, collaborate toward shared goals and identify new opportunities for value creation. Additionally, we were able to mitigate business disruptions

associated from Hurricanes Harvey and Irma at hotels in Texas and Florida. All Host hotels in Houston and all Florida hotels not under mandatory evacuation orders remained operational during the storms.

VIII. INFLUENCE OF PARIS AGREEMENT

To support global action on climate change as reflected by the Paris agreement, Host has become an early adopter of setting a science-based target. Host's target was the first in the hospitality industry to be approved by the Science Based Targets initiative (SBTi).

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details

Climate-related scenarios	Details
2DS	<p>Our science-based target was developed to support the leading scenarios to limit global temperature rise by 2 degrees Celsius. Our target is based on a linear pathway, where we plan to focus on energy intensity and efficiency specifications through our 2020 target, and from 2030-2050 explore gradually increasing renewable energy for generation of electricity both onsite and offsite, as outlined by the Sectoral Decarbonization Approach (SDA) and its methodology for power generation. The boundary for the analysis used to develop our science-based target included our entire consolidated portfolio and its value chain. The time horizon used in the analysis extended to the year 2050. The following assumptions were used: We assessed projected portfolio growth against current emissions reduction plan and strategies and the recommendations set forth in the leading scenario that would require limiting the rise in global temperatures to no more than 2° Celsius compared to pre-industrial temperatures and require a 66% target reduction by 2050. We also considered the SDA trajectory of growth and the scenarios presented in the IEA 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. Our emission reduction pathway is also based on projections that square footage in our emissions boundary (the denominator) for our intensity target will be lower and/or flat from base year 2008 to our current interim target year 2020. In general, our business model does not align with the growth scenarios of service buildings of SDA given that we are an entity involved in the ownership, improvement, and acquisition/disposition of hotel properties, the footprint of 95% of which are within OECD countries (which see an absolute energy increase of 23% by 2050 per the SDA source Energy Technology Perspectives 2014 referenced in the service building scenario). For example, our 2020 floor area is less than that of the 2008 baseline, and we estimate conservative growth in portfolio size going forward. We then consulted the SBT manual for a general overarching reduction target to align with, which is found in Table 2-1, using the IPCC Fifth Assessment Report indicating a 66% reduction in emissions by 2050. Our 2020 target was analyzed in alignment with that linear trajectory given our projected growth in floor area and forecasted emission reductions. However, 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. Prior to submitting our 2020 target for approval by the Science Based Targets initiative (SBTi), we reviewed and socialized results of the scenario analysis and proposed science-based targets internally. We monitor and report on our progress against the target internally throughout the year. On an annual basis, we review our progress against the science-based target with our CEO. The results of the scenario analysis have impacted our long-term strategy. An example is the evaluation of low carbon energy sources include potential renewable energy opportunities in markets within California, Hawaii and Washington, D.C. are prioritized. We publicly report on our progress against the targets on our corporate website, which includes performance tables and a GRI Index, and through investor questionnaires including the CDP Climate Change request, the Global Real Estate Sustainability Benchmark (GRESB) survey and the Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment survey.</p>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

100

% reduction from baseline year

28

Metric

Metric tons CO₂e per square foot*

Base year

2008

Start year

2014

Normalized baseline year emissions covered by target (metric tons CO₂e)

0.12

Target year

2020

Is this a science-based target?

Yes, this target has been approved as science-based by the Science Based Targets initiative

% achieved (emissions)

100

Target status

Underway

Please explain

Host's emissions reduction target has been successfully assessed as a science-based target through the quality check process of the Science Based Targets initiative (SBTi), and is recognized as an approved target at <http://sciencebasedtargets.org/companies-taking-action>. Based on our intensity target and assuming no change in consolidated portfolio square footage in 2020, associated absolute emissions would decrease by 28% from 2008 levels. Please note that our 2008 baseline only includes properties that were owned by Host

on a consolidated basis during the full base year. In 2011, we set an initial 12% emissions reduction target by performing a thorough analysis of our portfolio and evaluating the reduction targets set by our hotel managers as proportionate to square footage, guestrooms and energy consumption and by incorporating the intensity metric of square footage. In 2014, having achieved our first-generation target three years ahead of schedule, we set our current second-generation target to emissions per square foot by 28% from 2008-2020. We are currently on track to meet our 2020 target ahead of schedule with a 32.0% reduction per square foot achieved in 2017 from our 2008 baseline. We engage with our hotel managers, which include Marriott®, Hyatt® and Hilton®, in the principal climate change strategies of increasing operational efficiencies. Our efforts help the managers achieve their own energy, water and carbon reduction targets. Additionally, we incentivize achievement of our emissions reduction target through our management fees which are tied to profitability at hotels.

% change anticipated in absolute Scope 1+2 emissions

-28

% change anticipated in absolute Scope 3 emissions

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target

Renewable energy consumption

KPI – Metric numerator

% of renewable electricity consumed

KPI – Metric denominator (intensity targets only)

Base year

2016

Start year

2016

Target year

2025

KPI in baseline year

0.3

KPI in target year

30

% achieved in reporting year

1

Target Status

New

Please explain

Over the next 1-3 years, we expect to increase our baseline percentage of renewable energy consumed through acquisition of properties with solar PV systems and other source of renewable energy generation and consumption.

Part of emissions target

To support Host's long-term emission reduction goal, we have set a provisional renewable electricity target. Upon the expiration of our 2020 sustainability targets, we will revisit this renewable energy target as we launch Host's third generation sustainability targets.

Is this target part of an overarching initiative?

Science-based targets initiative

Target

Energy usage

KPI – Metric numerator

Kilowatt hours of energy consumed

KPI – Metric denominator (intensity targets only)

Square foot

Base year

2008

Start year

2011

Target year

2020

KPI in baseline year

31.08

KPI in target year

26.47

% achieved in reporting year

100

Target Status

Underway

Please explain

In 2017, Host met this target ahead of schedule, having reduced its energy consumption per square foot by 15.9% from 2008-2017.

Part of emissions target

As a corollary to our science-based target, Host has set a 2020 goal to reduce energy consumption per square foot by 15% from our 2008 baseline.

Is this target part of an overarching initiative?

Science-based targets initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year?

Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	10	3880
To be implemented*	94	6660
Implementation commenced*	236	20442
Implemented*	172	16915
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Low-carbon energy purchase

Description of activity

Fuel Cells

Estimated annual CO2e savings (metric tonnes CO2e)

864

Scope

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

1536000

Investment required (unit currency – as specified in CC0.4)

5200000

Payback period

16-20 years

Estimated lifetime of the initiative

Ongoing

Comment

In 2017, the Sheraton San Diego Hotel & Marina entered into a power purchasing agreement for its 800 kilowatt fuel cell at the property. Host served as a guarantor for the power purchasing agreement, which required no upfront investment. The Sheraton San Diego Hotel & Marina has new fuel cells onsite, which generate onsite electricity to power its central plant, HVAC systems, guestrooms and water systems. In addition, exhaust heat from the fuel cell process is recovered and channeled to heat the hotel and its pools. The power purchasing agreement included a \$1.3 million rebate. Please note that reported annual monetary savings includes the benefits from this rebate. In subsequent years and after the rebate has been applied, we project cost savings of at least approximately \$200,000 annually positively impacting asset valuation.

Activity type

Energy efficiency: Building services

Description of activity

HVAC

Estimated annual CO2e savings (metric tonnes CO2e)

7948

Scope

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

1998768

Investment required (unit currency – as specified in CC0.4)

13637245

Payback period

4 - 10 years

Estimated lifetime of the initiative

11-15 years

Comment

In 2017, we invested in 65 projects to improve the HVAC and related systems at our properties, often increasing the mechanical efficiency of properties to reduce energy consumption. The largest investments were made as part of the redevelopment of The Phoenician, A Luxury Collection Resort. These projects included a campus-wide building management system, central plant replacement (two chillers & cooling tower), refurbishment of four large cooling towers, guestroom fan coil unit and air handler replacements, refurbishments, upgrades, variable frequency drive installations, pump replacements and ECM (electronically commutated motors) fan motors. The reported payback period is based on the aggregate of projects. However, please note that some HVAC projects have an estimated payback period greater than 10 years.

Activity type

Energy efficiency: Building services

Description of activity

Building controls

Estimated annual CO2e savings (metric tonnes CO2e)

2213

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

553158

Investment required (unit currency – as specified in CC0.4)

1986147

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

In 2017, we completed the installation of building automation systems, in-room energy management systems and diagnostic systems at 13 of our hotels. The largest investments were made to install a new state-of-the-art building automation system at The Phoenician, A Luxury Collection Resort. Building automation system and energy management system technology typically have life cycles of 10-15 years but may require periodic micro-processor upgrades.

Activity type

Energy efficiency: Building services

Description of activity

Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)

2635

Scope

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

675741

Investment required (unit currency – as specified in CC0.4)

33668499

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

In 2017, we completed 56 projects to replace and upgrade motors and drives at more than 35 of our hotels. These projects include elevator and escalator modernizations investment at 25 of our hotels. With features including solid state electronics, intelligent dispatching, regenerative drives and power save modes, these modernizations increase the energy efficiency associated with operating a property's elevators and escalators, and are incorporated in major renovations and end-of-life replacements. Host was an early adopter of high efficiency motors and drives. Much of this equipment is now approaching end of life and Host continues to fund their replacement to maintain efficiency. These replacements are

difficult to quantify. Preventive maintenance is anticipated to extend the estimated lifetime of these investments.

Activity type

Energy efficiency: Building services

Description of activity

Other, please specify (Boilers, Chillers and Water Systems)

Estimated annual CO2e savings (metric tonnes CO2e)

1834

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

614110

Investment required (unit currency – as specified in CC0.4)

3387634

Payback period

4 - 10 years

Estimated lifetime of the initiative

21-30 years

Comment

In 2017, we completed 21 projects to replace boilers, chillers and water systems components. These projects included a targeted ROI to replace the chiller at Hyatt Regency Maui Resort and Spa, where energy costs are higher and we received a rebate to offset a portion of the one investment. The existing centrifugal chiller in the hotel's central plant was replaced with a new energy-efficient chiller using a variable speed drive. The reported payback period is based on the aggregate of these projects; however, please note that some central plant projects have an estimated payback period greater than 10 years. Preventive maintenance is anticipated to extend the estimated lifetime of these investments.

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

1306

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

332186

Investment required (unit currency – as specified in CC0.4)

595965

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

In 2017, Host invested in a series of lighting upgrades at 10 hotels. Each was a targeted energy ROI project. We also received rebates of nearly \$100,000 to help offset the costs of these investments. With an attractive payback period, we have invested approximately \$10 million in lighting upgrades to LED technologies over the past five years. Currently, all hotels in our consolidated portfolio have LED lighting installed in at least of part of the property. As part of Host's renovation plan, Host routinely replaces "plug-in" and architectural fixtures with high efficiency products. Please note that this is difficult to quantify this investment. Most LED technology has a useful life of 50,000 hours, or roughly 5 to 7 years.

Activity type

Energy efficiency: Building fabric

Description of activity

Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

116

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

28975

Investment required (unit currency – as specified in CC0.4)

5795000

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

In 2017, we completed 6 exterior building projects, which included replacements or restorations to roofs, exterior walls, windows and/or doors. The most significant investments were made at Houston Marriott at the Texas Medical Center where we restored the hotel's facades. These replacements and restorations are expected to reduce cooling costs through improved insulation and reflective characteristics to the building envelope. When investing in building exterior restorations (as opposed to replacements), we avoid waste to landfill to the greatest extent possible and associated emissions.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Host utilizes financial optimization calculations to evaluate major building infrastructure replacement projects, including chillers, boilers, elevator modernizations, roof and façade projects, as well as designated energy ROI projects, which include (but are not limited to) energy management systems, HVAC upgrades, lighting upgrades and the installation of new electronically commutated motors (ECM) and variable frequency drives on existing motors across the portfolio. In 2017, we spent approximately \$277 million in portfolio capital expenditures, which are comprised of renewal, replacement and redevelopment investments and ROI projects. We consider energy costs and impacts in addition to other sustainability elements when making capital expenditures. In 2017, capital expenditures included nearly \$65 million in sustainability engineering, renovation and exterior building projects wherein emissions reduction opportunities were identified. For our designated energy ROI projects, financial optimization calculations include Internal Rate of Return (IRR) and the inclusion of available incentives, such as rebates, and other specific considerations relevant to each property and emissions reduction opportunity. We have also recently begun a pilot project to use an internal price of carbon as a shadow price to help inform future investment decisions.
Compliance with regulatory requirements/standards	Emissions reduction activities are occasionally influenced by the need for compliance with regulatory requirements. For example, investments in major renovations in California have been made to comply with Title 24, The Energy Efficiency Standards for Residential and Non-residential Buildings section of the California Building Standards Code. Over the past five years, we have invested over \$100 million in major renovations that are in compliance with Title 24 regulations helping to increase energy efficiency at our properties in California. Additionally, we are investing in water efficient technologies, which also reduce energy consumption through reduced hot water heating, to comply with regulations restricting water use in California.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

Lodging and additional services related to use of owned hotels

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (GHG Protocols)

% revenue from low carbon product(s) in the reporting year

100

Comment

Host estimates approximately 250,000 metric tons of CO₂e were avoided over a period of eight years. Host supports and funds environmental initiatives at our hotels, which are managed by third parties including Marriott®, Hyatt® and Hilton®. The emissions at Host-owned hotels are the Scope 1 and 2 emissions of our hotel managers based on operational control. Since 2009, our absolute emissions have decreased by 252,104 metric tons of CO₂e. We utilize the GHG Protocols to calculate our emissions, which are assured by a third-party verifier. Assumptions, emission factors and global warming potentials are stated herein within the CDP 2018 Climate Change Information Request and in prior years' disclosures.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2008

Base year end

December 31 2008

Base year emissions (metric tons CO2e)

126407

Comment

Please note that our 2008 baseline only includes properties that were owned by Host on a consolidated basis during the full base year.

Scope 2 (location-based)

Base year start

January 1 2008

Base year end

December 31 2008

Base year emissions (metric tons CO2e)

542338

Comment

Please note that our 2008 baseline only includes properties that were owned by Host on a consolidated basis during the full base year.

Scope 2 (market-based)

Base year start

January 1 2008

Base year end

December 31 2008

Base year emissions (metric tons CO2e)

542338

Comment

RECs were not applicable to our 2008 baseline. As such, there is no variance between our base year Scope 2 market-based and location-based emissions.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

104031

End-year of reporting period

<Field Hidden>

Comment

Scope 1 emissions are primarily generated from the use of natural gas and fuel at our owned hotels.

Row 2

Gross global Scope 1 emissions (metric tons CO2e)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

<Field Hidden>

Row 3

Gross global Scope 1 emissions (metric tons CO2e)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

<Field Hidden>

Row 4

Gross global Scope 1 emissions (metric tons CO2e)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

<Field Hidden>

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Both market-based and location-based Scope 2 emissions figures are measured and reported in our CDP Climate Change response. To track performance against our science-based target, we use our location-based Scope 2 emissions figure.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based

309473

Scope 2, market-based (if applicable)

309197

End-year of reporting period

<Field Hidden>

Comment

Host's 2017 market-based Scope 2 emissions figure reflects the purchase of renewable energy certificates covering 100% of electricity at Axiom Hotel.

Row 2**Scope 2, location-based**

<Field Hidden>

Scope 2, market-based (if applicable)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

<Field Hidden>

Row 3**Scope 2, location-based**

<Field Hidden>

Scope 2, market-based (if applicable)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

<Field Hidden>

Row 4**Scope 2, location-based**

<Field Hidden>

Scope 2, market-based (if applicable)

<Field Hidden>

End-year of reporting period

<Field Hidden>

Comment

<Field Hidden>

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Direct emissions from combustion of fuel oil at select properties

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why the source is excluded

Incomplete information (In 2017, we excluded direct emissions from the combustion of fuel oil for emergency generators, fire pumps and other instances with incomplete information at the following hotels: The Westin New York Grand Central, Orlando World Center Marriott, and Hyatt Place Waikiki Beach.) These emissions are estimated to comprise less than 0.05% of total Scope 1 and 2 emissions.

Source

Additional identified Scope 1 emission sources

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why the source is excluded

Unreliable information (fugitive emissions resulting from leakages occurring in package air conditioning units, central chillers and restaurant refrigeration equipment are not included within the boundary.) A study by the Cornell University Center for Hospitality Research concluded that fugitive emissions and mobile fuel burning from hotel operations are likely less than 1% of total emissions at the portfolio level, and thus these have not been included.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

111416

Emissions calculation methodology

Emissions were calculated using the Quantis/WRI Scope 3 Screening Tool based on spend in categories associated with Host's purchases of furniture, fixture and equipment and other renovations spend. Categories include construction, metals, paper, rubber and plastics, leather, electrical equipment, textiles and wood products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

We have calculated an estimate of our Scope 3 emissions from purchased goods and services, which was considered to inform the development and approval of our science-based target. Please note that we believe that the margin of error may be substantial for this source of Scope 3 emissions. Estimated emissions include major categories of purchased goods and services in renovation projects and do not include purchases made at Host's corporate offices or operational goods and services procured by the hotel management company.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners**Explanation**

We do not calculate, but we consider the life cycle emissions when Host directly purchases capital equipment for our hotels. We also consider but do not calculate for our construction and renovation projects. Life cycle emissions for capital goods are believed to not be relevant at the current time due to long replacement cycles.

Fuel-and-energy-related activities (not included in Scope 1 or 2)**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

We have evaluated fugitive emissions, which we consider to be Scope 1 emissions, and have found the related emissions to be statistically insignificant.

Upstream transportation and distribution**Evaluation status**

Relevant, calculated

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

Explanation

Currently, we are able to calculate partial emissions based on our voluntarily shipments of materials using EPA's SmartWay® trucking companies. In 2017, we reduced this Scope 3 emissions source by 3.2 MT CO2e through the use of rail shipping (a 71% reduction in emissions compared to the alternative of over-the-road shipping).

Waste generated in operations**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e**Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners**Explanation**

We track waste for our corporate headquarters and are currently in the process of collecting baseline data for our hotels. Additionally, we track avoided waste-to-landfill as part of our hotel renovation projects.

Business travel**Evaluation status**

Relevant, calculated

Metric tonnes CO2e

402

Emissions calculation methodology

Emissions were provided by a third-party using factors of 0.53 pounds of CO2e per short haul mile and 0.49 pounds of CO2e per long haul mile of air travel.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Data has been provided by our business travel vendor in 2017. Additionally, we utilize video conferencing technologies to reduce Scope 3 business travel emissions whenever practical.

Employee commuting**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

As of February 21, 2018, Host had approximately 205 employees; 198 of which work in the United States. Using a very conservative assumption, we estimate associated emissions to be no greater than 2,500 MT CO2e.

Upstream leased assets**Evaluation status**

Relevant, calculated

Metric tonnes CO2e

752

Emissions calculation methodology

Emissions were calculated using the GHG Protocols and applying the EPA E-Grid factor of 0.3785 kg of CO₂e per KWH for the RFCE region. Global warming potentials are based on the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

We lease the office space used for our corporate headquarters. To calculate emissions related to our leased office headquarters in Bethesda, Maryland, we requested utility bill data reflecting our pro-rated share of the complex from the building manager. We have also added our smaller corporate offices in Amsterdam, London, San Diego and Miami to our boundary utilizing assumptions based on square footage and regional emissions factors.

Downstream transportation and distribution**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO₂e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

These emissions are not relevant to our business model. We do not sell products.

Processing of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO₂e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

These emissions are not relevant to our business model. We do not sell products.

Use of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO₂e

Emissions calculation methodology**Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

These emissions are not relevant to our business model. We do not sell products.

End of life treatment of sold products**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

These emissions are not relevant to our business model. We do not sell products.

Downstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

These emissions do not currently meet the threshold for relevance.

Franchises**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

These emissions are not relevant to our business model. We do not have franchises. However, these emissions are relevant to some of our hotel managers.

Investments**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

In addition to our consolidated hotel portfolio, we own non-controlling interests in four domestic and two international joint ventures and a timeshare venture in Hawaii.

Other (upstream)**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

We have not identified any other upstream Scope 3 emission sources at this time.

Other (downstream)**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

We have not identified any other upstream Scope 3 emission sources at this time.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00007676

Metric numerator (Gross global combined Scope 1 and 2 emissions)

413504

Metric denominator

unit total revenue

Metric denominator: Unit total

5387000000

Scope 2 figure used

Location-based

% change from previous year

10.22

Direction of change

Decreased

Reason for change

For the eighth consecutive year, our emissions intensity per revenue continued to decrease. During the reporting year, our revenue decreased by 0.8% (from \$5,430 billion to \$5,387 billion) and our emissions per dollar of revenue decreased by 10.22% (from 0.00008550 to 0.00007676). Our completed 2017 emissions reduction projects, for which we estimate nearly 20,500 metric tons of CO₂e saved, contributed to the annual decrease in emission intensity per revenue.

Intensity figure

0.00801

Metric numerator (Gross global combined Scope 1 and 2 emissions)

413504

Metric denominator

square foot

Metric denominator: Unit total

51638411

Scope 2 figure used

Location-based

% change from previous year

6.48

Direction of change

Decreased

Reason for change

In 2017, the amount of square feet within our boundary decreased by 4.75% (from 54,216,327 to 51,638,411) and our emissions per square foot decreased by 6.48% (from 0.00856 to 0.00801). Our emissions reduction projects, for which we estimate nearly 20,500 metric tons of CO₂e saved for completed projects in 2017, contributed to the annual decrease in emission intensity per square foot.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
CO ₂	103906	IPCC Fifth Assessment Report (AR5 – 100 year)
CH ₄	61	IPCC Fifth Assessment Report (AR5 – 100 year)
N ₂ O	64	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	100408
Canada	1577
Mexico	1807
Brazil	239

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Urban	30281
Resort/Luxury	20451
Suburban	13070
Airport	6850
Convention	33315

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
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Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	302628	302361	757768	1065
Canada	3652	3652	10465	0
Mexico	2448	2448	5321	0
Brazil	746	746	4750	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Urban	110753	110486
Resort/Luxury	62044	62044
Suburban	35526	35526
Airport	18030	18030
Convention	83121	83121

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	224	Decreased	0.05	In 2017, we estimate a 0.05% reduction associated with additional production of solar energy from the photovoltaic systems at Fairmont, Kea Lani; Maui and Hyatt Regency Maui Resort and Spa. The numerator used in the calculation is 224 MT CO2e and the denominator is our 2016 Scope 1 and 2 emissions, where were 464,249 MT CO2e.
Other emissions reduction activities	23076	Decreased	4.97	In 2017, we estimated a 4.97% reduction due to (1) estimated benefits accrued from Host's 2017 completed emissions reduction activities (as reported in 4.3b), (2) the cumulative effect of emissions reduction projects completed in late 2016, and (3) our hotel managers' emissions reduction activities, which includes process efficiency projects and guest and employee behavioral change initiatives. The numerator used in the calculation is 23,076 MT CO2e and the denominator is our 2016 Scope 1 and 2 emissions of 464,249 MT CO2e. Also, please note that hotel managers' emissions reduction activities continue to accelerate as a result of collaboration with Host's Asset Management team to execute on (1) operating efficiency best practices, (2) opportunities identified from property energy audits funded by Host, and (3) retro-commissioning efforts.
Divestment	26944	Decreased	5.8	The emissions in our 2017 boundary decreased by 5.80% resulting from the sale of four domestic hotels and one international hotel. The 5.80% decrease was calculated using 26,944 MT CO2e (which were the 2016 Scope 1 and 2 emissions from these properties) as the numerator and our 2016 Scope 1 and 2 emissions of 464,249 MT CO2e as the denominator.
Acquisitions	0	No change	0	In 2017, we acquired two hotels: Don Cesar (including Beach House Suites by Don Cesar) and W Hollywood. These hotels were not included in our emissions boundary because they were not in our consolidated portfolio during the entire calendar year of 2017. Emissions from these two hotels will be included in our boundary for 2018.
Mergers	0	No change	0	Not applicable to Host
Change in output	6221	Increased	1.34	In 2017, we estimate an increase of 1.34% associated with an increased number of rooms sold in our consolidated portfolio. The numerator used in the calculation is 6,221 MT CO2e. The denominator used is our 2016 Scope 1 and 2 emissions, which were 464,249 MT CO2e.
Change in methodology	18328	Decreased	3.95	Each year, we update emission factors for electricity in alignment with our greenhouse gas emission inventory methodology and to reflect changes among emissions factors sources used. In 2017, we estimate a decrease of 3.95% associated with using more recent U.S. EPA eGRID factors for purchased electricity. The numerator used in the calculation is 18,328 MT CO2e. The denominator used is our 2016 Scope 1 and 2 emissions, which were 464,249 MT CO2e.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in boundary	0	No change	0	In 2017, a change of boundary did not impact our emissions performance.
Change in physical operating conditions	11606	Increased	2.5	Our estimate considered net weather consumption data with a decrease in heating degree days and increase in cooling degree days, which are evaluated using data obtained for each property and an internally calculated normalizing function for their effect on energy load. The net impact is estimated to equate to an increase of 11,606 MT CO2e, resulting in a 2.50% increase from 2016 Scope 1 and 2 emissions of 464,249 MT CO2e.
Unidentified	0	No change	0	There are no unidentified drivers in Host's 2017 emissions performance. In 2017, the absolute decrease in our emissions is primarily attributable to our emissions reduction projects, the divestment of five hotels and use of more recent U.S EPA eGRID factors for purchased electricity.
Other	0	No change	0	There were no other identified drivers.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	571711	571711
Consumption of purchased or acquired electricity	<Field Hidden>	477	713893	714369
Consumption of purchased or acquired heat	<Field Hidden>	0	582	582
Consumption of purchased or acquired steam	<Field Hidden>	0	47556	47556
Consumption of purchased or acquired cooling	<Field Hidden>	0	15187	15187
Consumption of self-generated non-fuel renewable energy	<Field Hidden>	1573	<Field Hidden>	1573
Total energy consumption	<Field Hidden>	2050	1347928	

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	Yes

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

557163

MWh fuel consumed for the self-generation of electricity

<Field Hidden>

MWh fuel consumed for self-generation of heat

211411

MWh fuel consumed for self-generation of steam

19563

MWh fuel consumed for self-generation of cooling

317116

MWh fuel consumed for self- cogeneration or self-trigeneration

9073

Fuels (excluding feedstocks)

Propane Liquid

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11394

MWh fuel consumed for the self-generation of electricity

<Field Hidden>

MWh fuel consumed for self-generation of heat

11394

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1524

MWh fuel consumed for the self-generation of electricity

<Field Hidden>

MWh fuel consumed for self-generation of heat

1524

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Fuels (excluding feedstocks)

Fuel Oil Number 4

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

57

MWh fuel consumed for the self-generation of electricity

<Field Hidden>

MWh fuel consumed for self-generation of heat

57

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Acetylene**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Agricultural Waste**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Alternative Kiln Fuel (Wastes)**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Animal Fat

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Animal/Bone Meal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Anthracite Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Asphalt

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Aviation Gasoline

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Bagasse

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Bamboo

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Basic Oxygen Furnace Gas (LD Gas)

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biodiesel

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biodiesel Tallow

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biodiesel Waste Cooking Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Bioethanol

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biogas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biogasoline

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biomass Municipal Waste

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Biomethane

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Bitumen

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Bituminous Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Black Liquor

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Blast Furnace Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Brown Coal Briquettes (BKB)

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Burning Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Butane

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Butylene

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Charcoal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Coal Tar**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Coke**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Coke Oven Gas**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Coking Coal**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Compressed Natural Gas (CNG)

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Condensate

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Crude Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Crude Oil Extra Heavy

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Crude Oil Heavy

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Crude Oil Light

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Diesel

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Distillate Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Dried Sewage Sludge

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Ethane

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Ethylene

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Fuel Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Fuel Oil Number 1**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Fuel Oil Number 2**Emission factor**

0.00025

Unit

kg CO2e per MWh

Emission factor source

EPA Emission Factors for GHG Inventories January 2016, last modified 14 Dec 2017

Comment

This is the same emissions factor that we used in our prior year's inventory

Fuel Oil Number 4**Emission factor**

0.00027

Unit

kg CO2e per MWh

Emission factor source

WRI Stationary Combustion Tool V4.1, average of Gas/Diesel Oil and Residual Fuel Oil, lower heating value

Comment

This is the same emissions factor that we used in our prior year's inventory.

Fuel Oil Number 5**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Fuel Oil Number 6**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Gas Coke**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Gas Oil**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Gas Works Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

GCI Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

General Municipal Waste

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Grass

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Hardwood

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Heavy Gas Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Hydrogen

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Industrial Wastes

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Isobutane

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Isobutylene

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Jet Gasoline

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Jet Kerosene

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Kerosene

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Landfill Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Light Distillate

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Lignite Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Liquefied Natural Gas (LNG)

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Liquefied Petroleum Gas (LPG)

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Liquid Biofuel

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Lubricants

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Marine Fuel Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Marine Gas Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Metallurgical Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Methane

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Motor Gasoline

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Naphtha

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Natural Gas

Emission factor

0.00018

Unit

kg CO2e per MWh

Emission factor source

EPA Emission Factors for GHG Inventories January 2016, last modified 14 Dec 2017

Comment

This is the same emissions factor that we used in our prior year's inventory. We use a separate emissions factor with low heating values of 0.2025 for Brazil and Mexico properties using the WRI stationary combustion tool version 4.1 and .1796 for our Canada properties using the 2016 Climate Registry - Default Emissions Factors April 19, 2016, which represent a very small percentage of our Scope 1 and 2 emissions inventory.

Natural Gas Liquids (NGL)

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Natural Gasoline

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Non-Biomass Municipal Waste

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Non-Biomass Waste

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Oil Sands

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Oil Shale

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Orimulsion

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Other Petroleum Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Paraffin Waxes

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Patent Fuel

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

PCI Coal**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Peat**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Pentanes Plus**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Petrochemical Feedstocks**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Petrol

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Petroleum Coke

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Petroleum Products

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Pitch

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Plastics

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Primary Solid Biomass

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Propane Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Propane Liquid

Emission factor

0.00021

Unit

kg CO2e per MWh

Emission factor source

EPA Emission Factors for GHG Inventories January 2016, last modified 14 Dec 2017

Comment

This is the same emissions factor that we used in our prior year's inventory.

Propylene**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Refinery Feedstocks**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Refinery Gas**Emission factor**

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Refinery Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Residual Fuel Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Road Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

SBP

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Shale Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Sludge Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Softwood

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Solid Biomass Waste

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Special Naphtha

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Still Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Straw

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Subbituminous Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Sulphite Lyes

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Tar

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Tar Sands

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Thermal Coal

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Thermal Coal Commercial

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Thermal Coal Domestic

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Thermal Coal Industrial

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Tires

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Town Gas

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Unfinished Oils

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Vegetable Oil

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Waste Oils

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Waste Paper and Card

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Waste Plastics

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Waste Tires

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

White Spirit

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Wood

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Wood Chips

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Wood Logs

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Wood Pellets

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Wood Waste

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

Other

Emission factor

<Field Hidden>

Unit

<Field Hidden>

Emission factor source

<Field Hidden>

Comment

<Field Hidden>

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1572	1572	1572	1572
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Solar PV

Wind

Hydropower

Biomass (including biogas)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

1065

Emission factor (in units of metric tons CO₂e per MWh)

0

Comment

The Axiom Hotel purchased renewable energy certificates during the reporting period. An emissions factor of 0.0 has been utilized in the absence of exact emissions factors provided by the utility companies.

Basis for applying a low-carbon emission factor

Power Purchase Agreement (PPA) without energy attribute certificates

Low-carbon technology type

Solar PV

MWh consumed associated with low-carbon electricity, heat, steam or cooling

478

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

We have a 600-kilowatt solar PPA at The Phoenician, a Luxury Collection Resort. An emissions factor of 0.0 has been utilized, due to the nominal emissions associated.

Basis for applying a low-carbon emission factor

Power Purchase Agreement (PPA) without energy attribute certificates

Low-carbon technology type

Other low-carbon technology, please specify (Fuel Cell)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

582

Emission factor (in units of metric tons CO2e per MWh)

0.1

Comment

In 2017, the Sheraton San Diego Hotel & Marina entered into a power purchasing agreement for its 800-kilowatt fuel cell at the property. The emissions factor used incorporates efficiency gains relative to published EPA emissions factors for natural gas.

C9. Additional metrics**C9.1**

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy use

Metric value

26.13

Metric numerator

Kilowatt hours

Metric denominator (intensity metric only)

Square foot

% change from previous year

2

Direction of change

Decreased

Please explain

Host has set a 2020 goal to reduce energy consumption per square foot by 15% from our 2008 baseline. In 2017, Host met this target ahead of schedule, having reduced its energy consumption per square foot by 15.9% from 2008-2017.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[Host CY17 Assurance Statement.pdf](#)

Page/ section reference

p. 3 (Table 1. Summary of Host's GHG Inventory and Additional Data, Calendar Year 2017)

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[Host CY17 Assurance Statement.pdf](#)

Page/ section reference

p. 3 (Table 1. Summary of Host's GHG Inventory and Additional Data, Calendar Year 2017)

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- all relevant categories

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

[Host CY17 Assurance Statement.pdf](#)

Page/section reference

p. 3 (Table 1. Summary of Host's GHG Inventory and Additional Data, Calendar Year 2017)

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	ISO14064-3	As part of the assurance process, our assurance provider also assured Host's (1) progress against our emissions reduction target, (2) year-on-year change in Scope 1 and 2 emissions, and (3) energy consumption. (This information can be found on page 3 of our assurance statement.) Host CY17 Assurance Statement.pdf
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	As part of the assurance process, our assurance provider also assured Host's (1) progress against our emissions reduction target, (2) year-on-year change in Scope 1 and 2 emissions, and (3) energy consumption. (This information can be found on page 3 of our assurance statement.) Host CY17 Assurance Statement.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Energy consumption) <i>Energy consumption</i>	ISO14064-3	As part of the assurance process, our assurance provider also assured Host's (1) progress against our emissions reduction target, (2) year-on-year change in Scope 1 and 2 emissions, and (3) energy consumption. (This information can be found on page 3 of our assurance statement.) Host CY17 Assurance Statement.pdf

[Host CY17 Assurance Statement.pdf](#)

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.**Objective for implementing an internal carbon price**

Stakeholder expectations
Drive energy efficiency
Drive low-carbon investment

GHG Scope

Scope 1
Scope 2

Application

Host has initiated a pilot project to apply a shadow price to help inform investment decisions in energy efficiency technologies and low carbon energy sources. The internal price of carbon will also help to support our long-term emissions reduction plans and engagement with our third-party managers on sustainability initiatives.

Actual price(s) used (Currency /metric ton)

100

Variance of price(s) used

Most of our hotels are located in the United States. Our properties in California, Maryland, Massachusetts and New York are located in states with carbon markets through California's own cap-and-trade program and the multi-state Regional Greenhouse Gas Initiative (RGGI). However, Host's hotels do not actively participate in carbon markets. Additionally, because these markets are still evolving, carbon may be mispriced, underpriced or subject to high volatility. As such, we have decided not to have an internal price of carbon vary based on these markets. Instead, we have decided to apply a fixed price of \$100 per ton in alignment with the recommendations set forth in a 2017 joint-report of the World Bank and the International Monetary Fund. As market conditions evolve and we incorporate lessons learned from our pilot project, we will assess whether to include variance in the internal price of carbon that we use.

Type of internal carbon price

Shadow price

Impact & implication

We believe that it is currently premature to assess the impacts and implications from our pilot project to apply a shadow price of carbon to inform future investments. Our approach to carbon pricing may evolve over the time to reflect changing market conditions and best practices. Additionally, we plan to incorporate lessons learned from our pilot to inform the evolution of our corporate responsibility program, goals and targets.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

26

% total procurement spend (direct and indirect)

87

% Scope 3 emissions as reported in C6.5

98

Rationale for the coverage of your engagement

We have developed strong relationships with our strategic suppliers, which currently represents approximately 87% of total spend. We actively engage with these suppliers on climate and energy issues. In 2017, we also formally presented Host's greenhouse gas emission targets and sustainability expectations for renovation projects as featured topics during our annual meeting with strategic suppliers.

Impact of engagement, including measures of success

The impacts from our engagement with these suppliers includes the identification of products that are energy efficient, locally-sourced and have other sustainability attributes, such as third-party certifications, recycled content and low VOC content, identified in our Materials Selection Policy. Our engagement with brands, designers, and procurement partners also support these results. When evaluating suppliers, we also engage to assess potential physical supply risks, which includes impacts from climate change volatility. In collaboration with our procurement partners, we also perform a full 3-year financial review of new suppliers to ensure that they are viable. Additionally, we try to ensure that we have multiple sources and various options for items, and maintain strong supplier relationships so that we can take appropriate measures to identify solutions and alternatives when physical

events occur. To mitigate physical risks, we assess whether suppliers have flood prevention measures in place when we visit factories. Measures of success include quantified Scope 3 emissions reductions for major renovation projects that consider all phases of the product lifecycle. For example, over the past three years, we estimate a 71% reduction in emissions from transport through the use of EPA SmartWay® logistics providers. To measure success, we are focused on developing strategic partnerships with design firms. Additionally, we developed Sustainable Operating Procedures for product selection. To implement the procedures, we have incorporated collection of sustainability data into our project management software platform for product managers and designers to use for renovation projects greater than \$5 million. These foundational efforts will enable us to collect more robust data on our suppliers' sustainability programs, with which we can track and enhance performance key metrics, including energy reductions, sustainable procurement and waste to landfill diversion.

Comment

We engage with suppliers both directly and in collaboration with our brands (including Marriott, Hilton and Hyatt) and strategic procurement partners to identify energy efficiency projects and capital procurement initiatives, which include, but are not limited to: LED lighting; energy efficient televisions; and low-flow showerheads, toilets and faucets. As an owner and not a manager, we also engage with suppliers representing our direct spend, which is primarily comprised of furniture, fixtures and equipment and construction. In our supply chain engagement with brands, suppliers, designers and architects, we seek to identify sustainable construction materials that use recycled/repurposed materials and low VOC paint that are locally manufactured and have third-party certifications. Host has diverted approximately 700 tons of waste from landfill including construction debris, mattresses, carpets, wall coverings, and other liquidated items since 2008. We value innovation and also strive to foster and embed leading practices across our portfolio when feasible and/or appropriate and collaborate with our strategic suppliers toward our sustainable procurement strategy. In 2017, our hotels continued initiatives to recycle kitchen oil for use for conversion to fuel. This is an emerging best practice that Host has begun to expand throughout our portfolio of owned hotels.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

26

% total procurement spend (direct and indirect)

87

% Scope 3 emissions as reported in C6.5

98

Rationale for the coverage of your engagement

We have developed strong relationships with our strategic suppliers, which currently represents approximately 87% of total spend. We actively engage with these suppliers on climate and energy issues. In 2017, we also formally presented Host's greenhouse gas emission targets and sustainability expectations for renovation projects as featured topics during our annual meeting with strategic suppliers.

Impact of engagement, including measures of success

The impacts from our engagement with these suppliers includes the identification of products that are energy efficient, locally-sourced and have other sustainability attributes, such as third-party certifications, recycled content and low VOC content, identified in our Materials Selection Policy. Our engagement with brands, designers, and procurement partners also support these results. When evaluating suppliers, we also engage to assess potential physical supply risks, which includes impacts from climate change volatility. In collaboration with our procurement partners, we also perform a full 3-year financial review of new suppliers to ensure that they are viable. Additionally, we try to ensure that we have multiple sources and various options for items, and maintain strong supplier relationships so that we can take appropriate measures to identify solutions and alternatives when physical events occur. To mitigate physical risks, we assess whether suppliers have flood prevention measures in place when we visit factories. Measures of success include quantified Scope 3 emissions reductions for major renovation projects that consider all phases of the product lifecycle. For example, over the past three years, we estimate a 71% reduction in emissions from transport through the use of EPA SmartWay® logistics providers. To measure success, we are focused on developing strategic partnerships with design firms. Additionally, we developed Sustainable Operating Procedures for product selection. To implement the procedures, we have incorporated collection of sustainability data into our project management software platform for product managers and designers to use for renovation projects greater than \$5 million. These foundational efforts will enable us to collect more robust data on our suppliers' sustainability programs, with which we can track and enhance performance key metrics, including energy reductions, sustainable procurement and waste to landfill diversion.

Comment

We engage with suppliers both directly and in collaboration with our brands (including Marriott, Hilton and Hyatt) and strategic procurement partners to identify energy efficiency projects and capital procurement initiatives, which include, but are not limited to: LED lighting; energy efficient televisions; and low-flow showerheads, toilets and faucets. As an owner and not a manager, we also engage with suppliers representing our direct spend, which is primarily comprised of furniture, fixtures and equipment and construction. In our supply chain engagement with brands, suppliers, designers and architects, we seek to identify sustainable construction materials that use recycled/repurposed materials and low VOC paint that are locally manufactured and have third-party certifications. Host has diverted approximately 700 tons of waste from landfill including construction debris, mattresses, carpets, wall coverings, and other liquidated items since 2008. We value innovation and also strive to foster and embed leading practices across our portfolio when feasible and/or appropriate and collaborate with our strategic suppliers toward our sustainable procurement strategy. In 2017, our hotels continued initiatives to recycle kitchen

oil for use for conversion to fuel. This is an emerging best practice that Host has begun to expand throughout our portfolio of owned hotels.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

We also regularly engage with brand managers and interior designers and provide support to ensure that purchases associated with renovations and new construction projects align with our climate strategy and emissions reduction targets. As part of this engagement and collaboration, we support initiatives that help meet our sustainability goals for renovations and new developments.

Additionally, we engage with industry associations including the American Hotel & Lodging Association (AH&LA), the Travel Industry Association (TIA), the U.S. Green Building Council (USGBC) and local Convention and Visitors Bureaus (CVBs) not only to monitor physical, business and regulatory risks but also to explore opportunities to innovate and advance the conversation regarding climate change mitigation and adaptation within the hotel industry. To ensure that our information technology supports our climate and energy strategy, we also engage with Hotel Technology Next Generation (HTNG) and an association for Hospitality Financial and Technology Professionals (HFTP). In 2017, our Senior Vice President of Information Technology recently joined the Board of HTNG.

Members of our Corporate Responsibility team also participate in the AH&LA's Sustainability Committee to advance and harmonize best practices in the hotel industry, and represent Host on the Real Estate Roundtable's Sustainability Policy Advisory Committee.

Host is unique in that our "customers" (the guests staying in our hotels and using our hotel amenities, and the meeting and event planners who purchase hotel rooms and services) are indirect to our organization. However, guests play a critical role in helping Host meet its emissions reduction targets because guestrooms typically occupy approximately 60% of a hotel's square footage. We engage with our "customers" through our brands, with whom we collaborate to support mutual goals and Host's emissions reduction targets. For example, Marriott guests are incentivized with benefits and reward points to participate in the "Your

Choice” program, which reduces a hotel’s environmental footprint by foregoing full housekeeping for up to three days: reducing water, energy, and chemical use. In 2017, we estimate approximately 600,000 participating guest nights in this program at Marriott properties in our consolidated portfolio.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
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Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	Host engages with policy makers in the context of our value enhancement projects in key markets, such as San Diego, California and Phoenix, Arizona. For example, Host assisted AECOM to provide policy recommendations for the Port of San Diego's implementation of its Climate Action Plan. AECOM was hired by the Port of San Diego to perform a study to inform the Climate Action Plan, which supports Host's climate and energy strategy at the corporate level and asset level for hotels located in San Diego. Host held a meeting with AECOM to discuss best practices in greenhouse gas management and reduction technologies, and provided feedback on potential policy recommendations on energy monitoring and reporting, and incentives for onsite alternative energy production. Host also provided AECOM with a summary of sustainability initiatives and technologies supporting efficient use of energy and water resources. In 2017, we produced recommendations for a planned public hearing to identify sustainability standards for the city of Phoenix that are measurable and enforceable for the redevelopment of The Phoenician, A Luxury Collection Resort.	The Port of San Diego's Climate Action Plan addresses both climate change mitigation and adaptation. As part of the plan, the Port is to develop a policy with respect to its tenants' operations and development to incentivize above compliance investment in capital improvements that leads to greenhouse gas reductions to meet or exceed the 10% reduction goal by 2020. Additional information on the Port of San Diego's Climate Action Plan can be found at: https://www.portofsandiego.org/climate-mitigation-and-adaptation-plan.html In 2017, we proposed the following sustainability standards for the redevelopment of The Phoenician, A Luxury Collection Resort: (1) the incorporation of LEED® or other green building techniques and strategies (such as Energy Star or Home Energy Rating System standards); (2) the use of LED lighting along with high performance windows, insulation and HVAC systems; (3) efficient use of water within new residential areas will be encouraged through landscaping techniques such as low-water use plant selection and efficient irrigation systems; and (4) the use of recycled, local or regionally produced building materials along with the reuse or recycle of construction waste. Additional information on Host's proposed sustainability standards provided to the city of Phoenix can be found at: https://www.phoenix.gov/pddsites/Documents/PZ/Z-83-16n - PUD hearing draft submittal.pdf .

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

The National Association of Real Estate Investment Trusts® (NAREIT)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The National Association of Real Estate Investment Trusts® (NAREIT) provides a representative voice for REITs and publicly traded U.S. real estate companies. NAREIT has endorsed the use of energy grants in lieu of tax credits for REITs and the Better Buildings Initiative (BBI), which offers incentives for energy efficient buildings. Over the past decade, NAREIT has formally endorsed the Commercial Buildings Modernization Act, the Efficiency Improvement and the Section 179D tax deduction for energy efficient buildings. In 2017, NAREIT continued to advocate in the support to extension and reform the Section 179D tax deduction for energy efficient buildings in the United States. NAREIT wrote letters to Senator Hatch and Representatives Blumenauer, Reed and Reichert encouraging that Section 179D further incentivize investment in energy efficient building construction and development, and encourage retrofit to modernize and improve again building infrastructure. Additional information on NAREIT policy positions can be found at: <https://www.reit.com/nareit/policy-issues>. Information on NAREIT's positions regarding sustainability initiatives (including energy grants in lieu of tax credits) can be found at: <https://www.reit.com/advocacy/policy/other-federal-legislation/sustainability-green-initiatives>.

How have you, or are you attempting to, influence the position?

Host supports NAREIT's efforts to redesign the current Better Buildings Initiative (BBI) tax deduction to offer a credit that is more generous and will encourage REITs to retrofit their properties, and of its endorsement of the Section 179D tax deduction for energy efficient buildings. Host has provided input to help inform NAREIT's comments to the United States Securities and Exchange Commission on climate change disclosures. Host's Director of Sustainability is also a member of NAREIT's newly formed Real Estate Sustainability Committee, and participated in the establishment of the Sustainability Committee's strategy and priorities, and the planning of its ESG forum. He also works closely with NAREIT's new Vice President for environmental, social and governance issues.

Trade association

American Hotel & Lodging Association (AH&LA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The American Hotel & Lodging Association (AH&LA) is a national association for hoteliers, and has a government affairs department that seeks to support the economic interests of the U.S. hospitality industry. Climate change adaptation and mitigation is not currently a central regulatory and legislative priority for the AH&LA, but the association provides climate change related resources for the industry through its program and initiatives. Climate change related programs and initiatives include providing members with resources on emergency preparedness and best practices on environmental stewardship. Additional information on

AH&LA's public policy positions and efforts (including those of its political action committee entitled "HotelPAC") can be found at: <https://www.ahla.com/advocacy>.

How have you, or are you attempting to, influence the position?

Members of our Corporate Responsibility team participate in AH&LA's Sustainability Committee to advance and harmonize best practices in the hotel industry. In 2017, Host continued to support the Sustainability Committee's initiative to help evaluate and advance the use of ENERGY STAR® scores for the hospitality sector. Host's Director of Sustainability also participated in an AH&LA Sustainability and Finance Committee project to update the latest edition of the Uniform System of Accounts for the Lodging Industry (USALI) to include best practices in reporting sustainability metrics. Additionally, our Chief Executive Officer serves on AH&LA's Executive Committee. Please note that Host does not have direct control or influence over HotelPAC, AH&LA's political action committee. While AH&LA's policy agenda is overall consistent to Host's position on lodging trends, the positions of all candidates supported by its HotelPAC may not support our positions on energy and climate policy.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Host is an active participant of the Real Estate Roundtable® (RER). The RER is comprised of leaders within the U.S.' top public and privately-held real estate companies and national real estate trade associations. Energy and sustainability is one of four topics on the RER's advocacy agenda.

For years, the top priority of RER's Sustainability Policy Advisory Committee has been "Tenant Star" legislation, which would direct the United States Environmental Protection Agency (EPA) and the Department of Energy (DOE) to implement a voluntary, market-based branding program to recognize commercial landlord and tenants that design, construct, and operate within high-performance and energy efficient leased spaces. RER is now actively working with EPA and DOE to develop rules to implement "Tenant Star", which is the centerpiece of the U.S. Energy Efficiency Act of 2016. RER also contacted DOE over funding concerns and other issues related to the Commercial Buildings Energy Consumption Survey, a national sample survey that collects information on U.S. commercial buildings, their energy-related building characteristics, and their energy consumption and expenditures. To support sustainable strategies in the industry and work with policymakers to advance these strategies, RER has created the RealSustainable initiative in partnership with NAREIT and Building Owners and Managers Association (BOMA) International.

Like NAREIT, the RER also supported reforming Section 179D of the United States tax code to encourage investments in energy retrofits. The RER has also advocated the need for cost-effective policies and energy efficiency incentives to the U.S. Environmental Protection Agency. RER's specific advocacy positions (including those related to Energy and Sustainability) can be found at: <http://www.rer.org/2018-Policy-Agenda/>.

Host is also a member of the U.S. Travel Association (USTA), a trade organization that advocates for policies that help grow and sustain the travel business. Organizations such as NAREIT, the RER and the USTA provide a forum for Host to engage on key policy issues, such as climate change regulations and related incentives and programs, in collaboration with the REIT and tourism industries.

Additionally, Host is an advisory board member of the Center for Hospitality Research (CHR) at the Cornell University School of Hotel Administration, where we have participated in the CHR roundtables where executives and academics collaborate to discuss solutions to climate, energy and sustainability challenges for the lodging industry. Host also served on the Sustainability Accounting Standards Board (SASB) Infrastructure Working Group to inform and provided feedback on the development of provisional standards for environmental disclosures among REITs. NAREIT and RER have also provided feedback to SASB.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We engage on climate change policy through membership in leading trade associations for the real estate and lodging industries. The real estate and lodging industries are both generally supportive on policies that will make buildings more energy efficient and resilient.

Our processes to ensure that indirect activities are consistent with our overall climate change strategy are as follows: (1) Prior to entering into new affiliations or expanding the scope of current affiliations, an organization's policy positions are among the several factors that we

consider; (2) Through membership and committee participation, we are able to monitor whether their activities are consistent with our climate and energy strategy across all geographies where we own hotels in addition to potential new locations under evaluation; and (3) Additionally, we utilize our annual disclosures to the CDP Climate Change program as an opportunity to further review and assess whether the public policy positions of trade associations with which Host has an affiliation are consistent with our own climate change strategy. (With regards to associations that maintain political action committees, we cannot ensure that our candidates supported have policy views that are consistent with Host's climate change strategy.)

In instances where we engage directly on climate change policies, such as our policy recommendations for the Port of San Diego's Climate Action Plan and our redevelopment of The Phoenician, A Luxury Collection Resort in Phoenix, Arizona, we utilize our internal Corporate Responsibility policies to ensure that direct engagement activities support and align with our overall climate strategy. Additionally, in the example of engagement with policymakers in San Diego and Phoenix, the individuals that engage directly are responsible for implementation of Host's climate and energy strategy at both the corporate and asset levels.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

[Host_Hotels_Resorts_Inc_2017_Form_10K.pdf](#)

Content elements

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Other, please specify (Early adopter of SASB in 10-K filing)

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

[Host_Hotels_Resorts_Inc_GRI_Index.pdf](#)

Content elements

Governance
Strategy
Emissions figures
Emission targets
Other metrics

Publication

In voluntary communications

Status

Complete

Attach the document

[hosthotels.com CR pages.pdf](#)

Content elements

Governance
Strategy
Emissions figures
Emission targets
Other metrics

Publication

In voluntary communications

Status

Complete

Attach the document

[Host_Hotels_Resorts_Inc_Investor_Presentation.pdf](#)

Content elements

Strategy
Other metrics
Other, please specify (Emissions reduction activities)

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	President and Chief Executive Officer Our President and Chief Executive Officer is also a member of Host's Board of Directors.	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm below

I have read and accept the applicable Terms



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