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Host Hotels & Resorts

Environmental Policy



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Environmental Policy

Host Hotels & Resorts (“Host”) is committed to sustainable business practices that drive positive environmental impacts while enhancing the value and profitability of our portfolio. Through responsible investments, we strive to be a sustainability leader in the lodging REIT sector, creating long-term value for our stockholders, employees, communities and other stakeholders.

Host’s environmental policy specifies our commitment to measure, manage and mitigate environmental and climate change risks, establish environmental goals, engage with key stakeholders and business partners, comply with all applicable environmental laws and regulations and continuously improve our environmental and economic performance through responsible investments.

More information on Host’s Corporate Responsibility program is available on our corporate website at <https://www.hosthotels.com/corporate-responsibility/strategy-and-themes>

Statement on Climate Change

Climate change represents a significant issue that threatens global economic, environmental and social systems, as recognized by over 200 countries that have signed the Paris Agreement on climate change. Host has committed to reducing our contribution of greenhouse gas (GHG) emissions, and our 2020 GHG reduction target was the first in the hospitality industry, and among the first 20 companies globally, to be verified by the Science Based Targets initiative (SBTi). We have since set a new 2025 GHG target verified by the SBTi as consistent with the 1.5-degree Celsius ambition level required to meet the goals of Paris Agreement.

More information on our approach to managing climate change related risks and opportunities is available in our most recent CDP Disclosure available on our corporate website at <https://www.hosthotels.com/corporate-responsibility/esg-performance>

Environmental Management System (EMS)

Host’s ISO 14001 certified Environmental Management System (EMS) establishes a framework to ensure an effective approach to assess, measure and manage environmental impacts across our consolidated portfolio and to continuously improve our environmental performance. The EMS is managed by the Director of Energy & Sustainability, with oversight from senior management and the Board of Directors. Board level oversight ensures resources for the EMS are adequate, appropriate environmental risks are identified and managed, performance towards corporate objectives is measured and reported, and EMS is effectively integrated into core business functions. This policy articulates a series of policies, processes and practices that govern Host’s operations to ensure desired environmental outcomes are communicated and implemented across the organization.

Stakeholder Engagement

Host proactively engages and collaborates with key ESG stakeholders to understand their expectations and interests related to environmental issues. Stakeholder feedback informs the development and evolution of program strategies, prioritization of environmental focus areas and how performance is communicated through reporting and public disclosures. Host defines our ESG stakeholders as individuals, entities and groups internal or external to the company who are affected by our business.

More information on Stakeholder Engagement is available on our corporate website at <https://www.hosthotels.com/corporate-responsibility/stakeholder-engagement>

Reporting & Disclosure

Host is committed to providing relevant, accurate and timely information to key ESG stakeholders. On an annual basis, Host evaluates and selects reporting and disclosure opportunities most relevant to our business and stakeholder interests. To ensure the accuracy and completeness of our reporting, formal data management systems and processes, including both internal and third-party assurance of environmental data, have been implemented in accordance with our EMS. Host regularly assesses opportunities to increase transparency of relevant environmental information to key ESG stakeholders and engages with industry associations and organizations to support the establishment of consistent and standardized reporting best practices for the real estate sector. Host publishes our environmental information through multiple channels including Host's corporate website, annual corporate disclosures, corporate press releases and with ESG data providers and ratings agencies.

Publicly available disclosures are available on our corporate website at <https://www.hosthotels.com/corporate-responsibility/esg-performance>

Control of Environmental Focus Areas

As a U.S. public lodging REIT, Host is not permitted to directly manage the operations of hotels within its portfolio. In compliance with U.S. tax laws, our hotels are operated by third-party hotel managers pursuant to long term management contracts. While Host does not manage its hotels, it 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 expenditure budgets and the preparation of financial reports for the owner. Hotel managers are also responsible for the physical control of the hotels' building systems including operations of central plants and all other energy consuming equipment. 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 collaborate with our hotel managers to identify and implement environmental initiatives at Host-owned hotels.

Environmental Goals

As part of Host's commitment to continuously improve our environmental performance, the company has set the following 2025 corporate goals, measured against a 2008 baseline year. Goals will be re-evaluated when the current target is achieved.

- GHG: 55% reduction in GHG emissions per square foot (verified by SBTi)
- Energy: 25% reduction in energy use per square foot
- Renewable Energy: 30% of electricity use
- Water: 25% reduction in water consumption per occupied room*
- Waste: 75% landfill waste diversion in major renovation projects

*Water intensity goal includes a context-based sub-goal to prioritize water reduction initiatives at properties with high water scarcity and quality risk (goal excludes irrigation water withdrawals from maintenance of golf courses at three properties).

Management of Environmental Focus Areas

Asset Performance

Host is committed to monitoring and improving the resource efficiency and environmental footprint of our properties to enhance value within our portfolio. Host's approach to development, redevelopment and renovation projects includes targeted environmental efficiency projects, equipment upgrades and promoting best practices to our hotel managers that, in each case, offer Host appropriate returns on investment.

More information is available on our corporate website and in our annual CR Report at https://www.hosthotels.com/corporate-responsibility/esg-performance#esgperformance_tab

Utility Performance Reporting and Analysis

Host is committed to measuring, monitoring and managing energy and water consumption in our consolidated portfolio to improve operational efficiency, and to communicating our environmental performance. Utility data from our managers are regularly analyzed to identify opportunities to enhance asset value through responsible investment and resolve anomalies based on consumption patterns or rates. Host is dedicated to transparent and accurate disclosures and our utility data and environmental performance metrics are assured by a third-party.

Energy and Water Conservation

Host is committed to minimizing energy and water consumption without adversely affecting guest satisfaction and implementing energy procurement strategies to optimize energy costs, forecasting, and market price volatility. As part of our 2025 water reduction goal, Host has prioritized water reduction efforts at hotels with high water related risks, including water quality and scarcity, to help address local challenges and needs. Collaborating with our hotel managers, Host has established an internal protocol to calculate energy and water reduction goals.

Renewable Energy

Host is committed to increasing the use of renewable energy (e.g., solar PV, solar thermal, wind and geothermal applications) to hedge electricity costs and support progress toward our verified science based GHG reduction target. We will analyze on-site and off-site renewable energy and, together with our hotel managers, seek opportunities with appropriate returns.

Indoor Air Quality (IAQ) and Legionella

Host encourages our hotel managers to align IAQ and Legionella management with ASHRAE Standards 62.1, 62.2 and 188 to ensure both the health of the building occupants as well as the physical asset itself. Sources of poor IAQ and Legionella can be diverse, complex and challenging to identify and costly to remediate. If left untreated, the result can lead to health compromises and the premature deterioration of the building's finishes and infrastructure. For these reasons, hotel managers must be thoughtful and take immediate action to all potential poor IAQ and conditions that may increase Legionella risk and their root causes. On an annual basis, Host administers our Moisture Management, IAQ and Legionella inspection survey and managers without a plan addressing these areas are encouraged to develop one.

Biodiversity

Host recognizes that development, redevelopment and renovation activities can impact biodiversity, and remains committed to avoiding greenfield development in areas designated under the World Conservation Union (IUCN) Protected Area Categories I-IV, UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention). Additionally, Host is committed to maintaining the biodiversity of surrounding environments and engages with third-party consultants to perform Property Condition Reports, which include environmental impact areas that are subject to regulation such as hazardous material abatement, and guide construction activities for hotel properties that are located in or adjacent to areas with high biodiversity risk.

Value Enhancement

Host is committed to providing value to our stakeholders, employees and communities in an environmentally responsible manner. Integral to our disciplined capital allocation and asset management strategies, we evaluate responsible investment opportunities in proven sustainability technologies and best practices during the ownership of our properties to enhance asset value.

More information is available on our corporate website and in our annual CR Report at https://www.hosthotels.com/corporate-responsibility/esg-performance#esgperformance_tab

Sustainable Projects

Host enhances the value of our assets through the implementation of targeted energy and water saving Return on Investment (ROI) projects and through Maintenance Capex (MC) projects that consist of the refurbishment and replacement of systems and equipment approaching “end of life” with enhanced efficiency technologies. Sustainable projects may reference either ROI or MC, and project data will be captured and included in the company’s reporting disclosures. Energy and water saving ROI projects are also supported by Host’s ROI diagnostic survey tool to identify energy and water efficiency opportunities and prioritize investments based on returns supported by utility rates, incentive availability and an internal price of carbon.

Green Building Certifications

Host recognizes the value of green building certifications and is committed to obtaining appropriate sustainable design certifications and supporting our hotel managers to secure operational (performance-based) sustainability designations. Relevant certifications include:

- EPA Energy Star
- BREEAM
- Green Globes
- Green Key Global
- Green Seal
- LEED
- TripAdvisor GreenLeaders

Development, Redevelopment & Renovation Projects

Host is the preeminent owner of iconic and irreplaceable assets and we seek to enhance our portfolio through acquisitions and dispositions, as well as reinvesting within our assets. We may create and mine value from individual assets through value enhancement initiatives that seek to maximize the profitability of real estate within our existing portfolio. These initiatives include hotel expansion, timeshare development, building of office space or condominium units on excess land, redevelopment or expansion of existing retail space and the acquisition of development entitlements. Host evaluates opportunities to embed sustainability into development, redevelopment and renovation activities and utilize industry recognized sustainability guidelines as a basis for design. Green building certification standards are considered and incorporated on a project-by-project basis where there is an appropriate economic and environmental benefit.

Sustainable Material Selection

Host is committed to procuring materials and products from sustainable sources or containing recycled content in our designs when cost effective and aligned with hotel brand standards.

More information on Sustainable Material Selection is available on the corporate website at https://www.hosthotels.com/corporate-responsibility/stakeholder-engagement#suppliers_tab

Waste Diversion of Construction Material

Host is committed to managing our renovation projects in an environmentally conscious manner that meets or exceeds regional construction waste regulations and has set a goal to divert waste in at least 75% of our major renovation projects. Typical renovation materials to be diverted from landfill include case goods and furniture, carpet and carpet pads, mattresses, electronics and recyclable materials such as wood, metal, plastic and corrugated cardboard. Host monitors and reports waste diversion rates on an annual basis.

Resilience

Host's approach to asset resilience is anchored in preventative maintenance, continuous enhancements and risk management. We are committed to mitigating potential physical hazards through third-party property risk control surveys and investments in restorations and replacements of exterior façades, roofs, windows and doors to further increase the resilience of hotels located in hurricane, wind and flood risk areas. Host continues to increase resilience by investing in stand-by emergency generators and ensuring critical equipment, including electrical switchgear, major mechanical equipment and telephone switches, is located above grade and above storm surge levels where possible. Additionally, we invest in renewable and non-renewable distributed energy systems that increase resilience by reducing reliance on vulnerable district utilities. In advance of each hurricane season, we lead emergency preparedness meetings with hotel managers to share best practices and resources to address preservation of assets, health and safety of staff and guests, potential property damage remediation and suspension of operations in the wake of an extreme weather event.

Acquisitions & Dispositions

Host regularly evaluates both single hotel and hotel portfolio transactions to acquire iconic upper-upscale and luxury properties, as well as strategic and opportunistic dispositions. When evaluating potential acquisitions, climate change and environmental risks and opportunities for the property and surrounding areas are identified within the due diligence process. Prior to acquisition, we evaluate energy efficiency opportunities that will reduce the asset's environmental footprint, as well as improve margins, create higher return on investment return, and drive incremental stockholder value after acquisition. Architectural elements such as elevation, windows, doors and façades are evaluated for resilience against extreme weather where appropriate. Similarly, prior to disposition, any opportunities that have been identified but not yet implemented, are included in the offering memorandum to ensure potential buyers include these in their purchase consideration.

Supplier Engagement

Host actively engages with our hotel brand companies, independent operators, procurement partners and strategic suppliers—including designers; architects; project managers; and furniture, fixtures and equipment suppliers—on environmental and climate change-related issues. As part of our engagement, Host seeks to communicate our environmental expectations and procure sustainable materials to incorporate into our development, redevelopment and renovation projects where feasible. In 2019, Host adopted a [Supplier Code of Conduct](#), which outlines standards and expectations of how our suppliers should conduct business in a manner that aligns with Host's values and commitment to responsible business practices. Host expects our suppliers to follow high ethical standards, promote fair trade practices, comply with applicable laws and regulations, uphold human and employment rights and demonstrate a commitment to reducing the environmental impact of their operations. Host also expects its hotel managers to consider the ideals expressed in our [Supplier Code of Conduct](#) when setting their own policies concerning the provision of goods and services to the hotels they manage for Host and when acting on behalf of Host, in their capacity as hotel manager.

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Host reserves the right to amend or modify this Environmental Policy at any time. Please direct questions about this policy to: Corporate.Responsibility@hosthotels.com