



2020 Sustainability Report

Sunstone Hotel Investors, Inc.

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About: Sunstone’s 2020 Sustainability Report is representative of year-end 2019 environmental and social data, unless otherwise noted. Hotel data presented are representative of hotels owned as of December 31, 2019 and includes Renaissance Baltimore which was sold on July 7, 2020. Data and information in this Report is not verified or certified and does not constitute any guarantees or promises with regard to our Company’s activities, performance, or future results.

A Letter from Sunstone

Sunstone Hotel Investors, Inc. ("Company" or "Sunstone") is pleased to present our 2020 Sustainability Report, including details on our Company's progress during 2019 and continued improvement and expansion of our Environmental, Social, and Governance ("ESG") program.

While we are delighted with the advancement of our ESG program, we also acknowledge the current environmental and social dynamics that are impacting our country and the hospitality industry, especially the hotels' associates, guests, and communities. During this unprecedented time, we are collectively experiencing the impact of the COVID-19 global pandemic, increased civil unrest related to a history of social injustices, a historically active hurricane and wildfire season, and significant economic uncertainty. While the future remains uncertain, our Company has responded quickly to meet these challenges. We continue to engage with our stakeholders, including hotel operators, investors, regulatory authorities, and the communities where we own hotels. Our mission is to identify and execute on opportunities to positively impact our hotel investments while supporting our hotel associates, guests, and communities.

We believe that a diverse and inclusive work environment drives long-term shareholder value. Therefore, we're proud to announce that we have signed the CEO Action for Diversity and Inclusion™ pledge. We are committed to advancing Diversity, Equity and Inclusion ("DE&I") in our workplace and in our practices. We strive to foster a safe, respectful and inclusive environment for our employees and in our relationships with our business partners. There is still a lot of work to be done to improve DE&I in the business communities at all levels of organizations, and we remain committed to taking action.

Over the past two years, our Company has made significant progress in the expansion and improvement of our ESG program. While we established a formal ESG program in 2018, in 2019, we released our first two Sustainability Reports (and a GRI Index disclosure), participated in theGRESB Real Estate benchmarking assessment, launched our portfolio-wide long-term energy, carbon, water, and waste reduction targets, and published three core ESG policies, including an Environmental Policy, Human Rights & Labor Policy, and Vendor & Business Partners Code of Conduct.

Following the release of our Sustainability Report in September 2019, we have worked continuously to improve and enhance our ESG program. During 2020, we revised and updated our three core ESG policies and our Company's Business Code of Conduct and Ethics to address shareholder focal points more directly and further align with our long-term sustainability strategy. We made significant progress on our energy, carbon, water, and waste reduction targets, and achieved our 2020 interim carbon and waste reduction targets ahead of schedule. Additionally, we developed and implemented an internal Environmental Management System ("EMS") that aligns with ISO 14001 standards. Our EMS will serve as a central guide in aligning the Company's commitment to our long-term sustainability goals with our corporate strategy of creating lasting value through our ownership of Long-Term Relevant Real Estate®. We are also committed to aligning our ESG-related disclosures with both the Sustainability Accounting Standards Board ("SASB") and the Task Force on Climate-related Financial Disclosures ("TCFD") by the end of 2020.

Furthermore, we made progress on several environmental and social initiatives. We invested in a variety of environmental and sustainability projects throughout our hotel portfolio, including additional LED lighting retrofits, installation of low-flow plumbing fixtures, and bulk amenity dispensers, as well as several building systems upgrades intended to reduce overall energy consumption. We collaborated with our hotel operators to establish updated safety protocols in response to the COVID-19 pandemic, including heightened cleaning and sanitizing procedures, proper personal protection equipment, and training to ensure the safety of guests and hotel associates. We also deployed associate alert devices in several hotels and will continue to deploy these devices over the next year. As part of our waste reduction strategy, 100% of our properties underwent a single-use plastics audit. Finally, our Design & Construction team focused on implementing sustainable procurement practices by selecting vendors, including national flooring, tile, and carpet vendors, with sustainable practices and certifications.

Supporting our hotel communities and associates is a core Company focus. To that end, we continue to support and promote our formalized Sunstone Community Involvement Program, which aims to provide opportunities throughout the year for the Company and our employees to participate in community giving. We also strive to support all hotel associates and their livelihoods. For example, in response to the COVID-19 pandemic, we developed the Hotel Associate Food Assistance Program, whereby the Company donated food supplies to furloughed hotel associates at several of our hotels.

We remain committed to ensuring that environmental and social initiatives are part of our long-term operating and investment strategies. Our commitment includes continuously improving our ESG program, such as evaluating opportunities to invest in renovations; implementing initiatives intended to reduce energy, water, and waste impacts; enhancing the overall environment and health and well-being of guests and associates at our properties; and improving the local communities in which we conduct business. As owners of Long-Term Relevant Real Estate® ("LTRR®"), we take a holistic view in investing in our assets, which means balancing the best interests of our stockholders, the environment, our employees, the hotel associates, guests, and the communities where we own hotels.

Sunstone Hotel Investors

Company Overview

Sunstone is a lodging real estate investment trust (“REIT”) that owns Long-Term Relevant Real Estate® (“LTRR®”) operated under independent and nationally recognized brands such as Marriott, Hilton, and Hyatt. We create long-term stakeholder value through the active ownership of LTRR® within the hospitality sector.¹

We aim to derive significant stockholder value through the ownership of LTRR®, and take a holistic view in investing in our assets, balancing the best interests of our stockholders, the environment, our employees, the hotel associates, and the communities where we operate. We maximize the value of our portfolio through:



20 Hotels



10,610 Rooms



9,346,668 Square Feet

Proactive Portfolio Management

Improving our overall portfolio quality and growth through curating a portfolio of LTRR® through capital recycling and focused investment.

Intensive Asset Management

Positioning our portfolio for growth as a result of recent and ongoing renovations and asset management initiatives, including streamlining of F&B operations and staffing models, asset preservation and engineering, sustainability initiatives, and contract optimization.

Disciplined External Growth

Pursuing high-quality acquisitions using our shares as currency when such acquisitions can be executed at attractive relative valuations.

Maintain Balance Sheet Strength

Preserving financial flexibility by maintaining an appropriately levered balance sheet with ample capacity to invest the necessary capital into our portfolio and to capitalize on opportunities when they become available.

Best-in-Class Governance

Maintaining an industry-leading approach to transparency and communication with our stockholders, through stockholder friendly corporate governance, and strong alignment between management and stockholders.

¹ Diagram reflects hotels owned as of December 31, 2019. Includes Renaissance Baltimore Harborplace which was sold on July 7, 2020.

CORPORATE GOVERNANCE

Our corporate governance follows industry best practice to ensure a high level of transparency, accountability, and effective management. Our Corporate Governance Guidelines outline the operational procedures for our Board of Directors ("Board") and committees and establishes a common set of guidelines and expectations. We have three primary committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee ("NCG"). Each Committee is comprised of independent Board members who ensure compliance with policies and procedures, including Board composition and executive and management compensation. For additional information, please visit our [Corporate Governance](#) page.

Our ESG Strategy and Commitment

Our Company strategy aims to create lasting value through long-term ownership of our hotels. This strategy, combined with focused asset management and a flexible balance sheet, enables us to make meaningful investments to improve our assets' environmental performance, enhance the quality of the work environment for the hotel associates, and support the communities where we own hotels.

Sunstone's ESG Strategy and Commitment



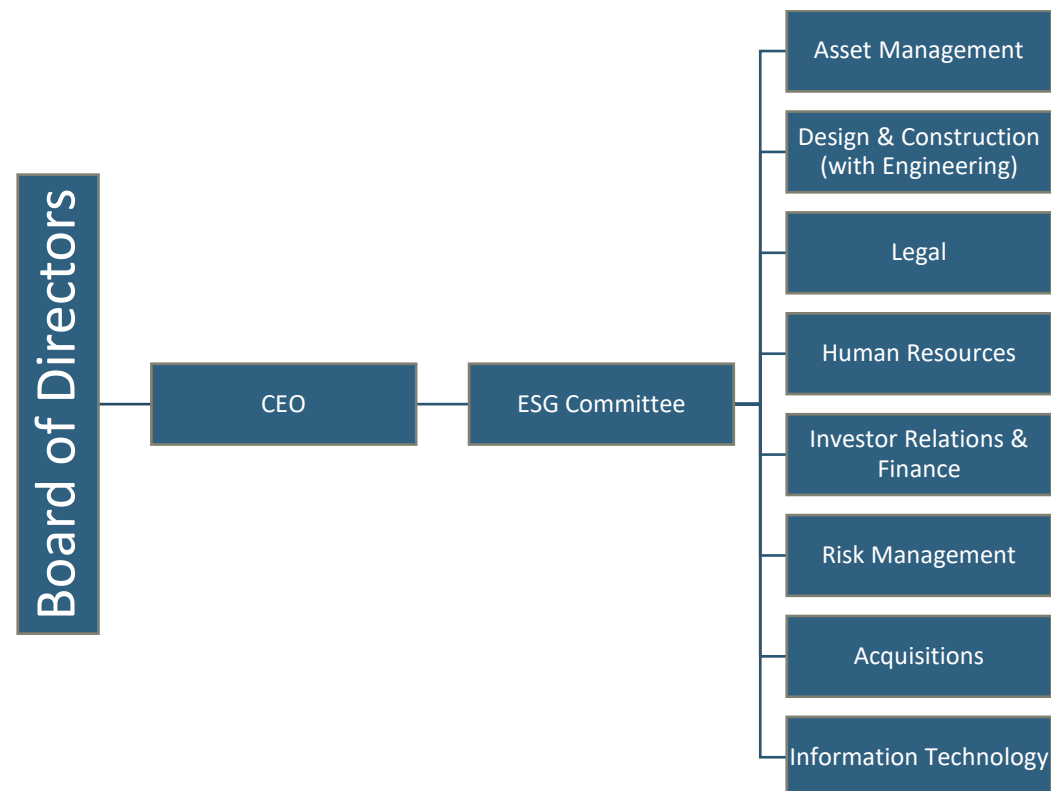
As part of our enhanced ESG strategy, we developed an ISO 14001 aligned EMS, which is integrated across all Company departments and supports our overall corporate strategy of creating lasting value through our ownership of LTRR®. Our EMS is designed to monitor performance and risks while aiming for continuous improvement by setting performance goals, collecting, reviewing, and monitoring environmental data; and reporting on environmental performance throughout our entire portfolio.

As we continue to expand our ESG program, we will look for additional opportunities to incorporate sustainability throughout our portfolio. Our focus will not only be on improving our environmental performance, but also on creating a diverse and inclusive environment at our corporate office and hotels. We are committed to expanding and improving our environmental and social efforts by aligning our ESG commitments with our stakeholders' expectations. We also expect and require that our vendors and business partners do the same.

ESG COMMITTEE

The Company's ESG Committee is composed of employees and executives from our Legal and Finance department. The ESG Committee manages and monitors our ESG program and objectives, including our EMS, and has direct oversight of our ESG strategy, policies and procedures. The ESG Committee meets monthly, with key Company departments quarterly, and one-on-one meetings for specific projects, as necessary. We aim to assess and manage climate-related risks and opportunities by identifying properties with the most significant exposure to risks and implementing strategies to mitigate negative impacts.

To ensure compliance and Company-wide transparency, our ESG Committee reports to the NCG quarterly and annually to the entire Board. In 2019, our ESG Committee reported to the NCG and the Board four times. Our Board maintains direct oversight of our Company's ESG related objectives, risks and opportunities, and policies and procedures, including those related to climate change, water scarcity, and human rights. Additionally, the NCG reviews and approves all ESG-related Company policies.



ESG POLICIES

In 2020, we published an enhanced set of ESG-related policies that further align with our Company-wide ESG strategy and objectives.

Environmental Policy

- Designed to identify environmental impacts, drive sustainability within our portfolio, and raise environmental awareness among stakeholders. Our policy includes managing environmental risks by monitoring, reporting, and investing in efficiency programs and operating procedures.

Human Rights and Labor Rights Policy

- Our policy aligns with the principles defined in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the American Hotel and Lodging Association's ("AHLA") 5-Star Promise. We aim to comply with all labor and human rights laws and encourage our operators, suppliers, and business partners to follow the same applicable principles, guidelines, and regulations. This policy aligns with our Company's ESG strategy to ensure the health, safety, and well-being of Company employees, hotel associates and guests, and the communities where we own hotels. This policy also outlines our aim to advance diversity and inclusion within the Company and across our portfolio.

Vendor and Business Partner Code of Conduct

- Defines the ESG standards that we expect from our suppliers, vendors, and business partners, including reducing environmental and social risks, adhering to labor and human rights standards, and operating ethically. This policy aligns with our Company's ESG strategy of continuous improvement, as we aim to work with business partners that uphold our sustainability standards.

[View our ESG Policies here](#)

We also revised our [Business Code of Conduct and Ethics](#) to further integrate ESG into our employees' core expectations and to mandate that our business partners also adhere to our Business Code of Conduct and Ethics.

STAKEHOLDERS, PARTNERSHIPS, AND ENGAGEMENT

Sunstone values our stakeholder partnerships and actively seeks to engage with stakeholders to enhance our ESG program and achieve our long-term goals. As stakeholders have different needs and interests, our internal teams work cohesively to identify and meet their expectations. For example, our Asset Management, Design and Construction, and Engineering teams engage with our operators, community representatives, vendors, and business partners to reduce environmental and social risks. Additionally, our Investor Relations team engages stockholders and industry analysts to establish transparency and build trust in our ESG program. Through these various engagements, we are advancing our ESG initiatives, reporting, and partnerships.

Sunstone Employees

We aim to provide our employees with a safe, inclusive, and interactive work environment, including training programs, formal feedback opportunities, annual performance reviews, and employee recognition programs.

Hotel Properties and Hotel Executive Management Teams

We engage with our properties and hotel executive management teams to actively pursue both brand and Sunstone sustainability goals and objectives, including: identifying and installing efficiency projects, improving hotel associate engagement, implementing community outreach, adhering to labor policies, enhancing cleaning and safety protocols to address COVID-19 concerns, and creating a safe, inclusive and healthy work environment.

Hotel Brand and Management Companies

We collectively engage with hotel brands and management companies to ensure the alignment of interests and implementation and promotion of ESG-related initiatives to achieve long-term goals. In 2019, we began meeting with hotel brands to better understand their ESG programs and long-term objectives so we could create opportunities to collaborate and incorporate their focuses with our strategy.

Communities

We continue to engage with local communities through cultural understanding, giving, and volunteerism. We aim to be partners in communities where our hotels are located and continue to identify opportunities for climate-change or sustainability related projects. We also remain keenly focused on implementing safe and proactive policies and protocols to mitigate the spread of COVID-19.

Investors

We clearly communicate the Company's investment strategy in LTRR® and continue to ensure transparency by providing access to ESG information and updates through the Company website and other third-party sites and benchmarks.

Industry Associations

We actively participate in several industry organizations, including the AHLA, the National Association of Real Estate Investment Trusts ("NAREIT"), the Hospitality Asset Managers Association, and the Cornell Institute for Hospitality Labor and Employment Relations.

2019 Highlights: Progress and Achievements

CORPORATE



Ranked 266th in Newsweek’s **America’s Most Responsible Companies**



1st time **GRESB participant** in 2019



Disclosures aligned with **SASB**

ENVIRONMENTAL

GHG Intensity

↓ 16.4%

Reduction per sq. ft. vs 2015

Exceeded 2020 Interim Target. On Track to meet 2025 reduction target

Energy Intensity

↓ 5.8%

Reduction per sq. ft. vs 2015

On Track to meet 2025 reduction target



100% of properties underwent a single-use plastics reduction audit

Water Intensity

↓ 9.4%

Reduction per sq. ft. vs 2015

On Track to meet 2025 reduction target



78% of properties enrolled in Energy Star’s Portfolio Manager

Waste Intensity

↓ 4.1%

Reduction per sq. ft. vs 2015

Exceeded 2020 Interim Target. On Track to meet 2025 reduction target

SOCIAL



Formalized **Sunstone Community Involvement Program**



50 charities supported



\$125,000 donated to local and national charities



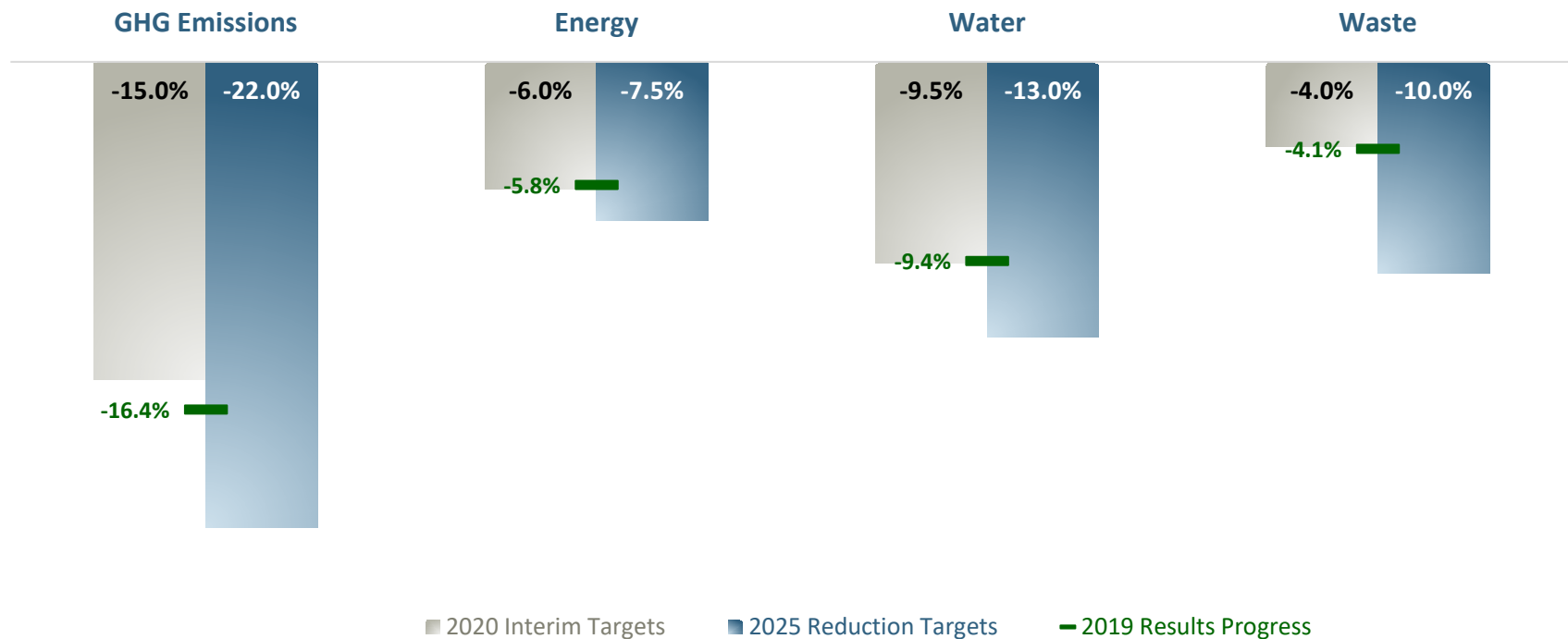
330 pounds of food donated by our employees

2025 ENVIRONMENTAL REDUCTION TARGETS

Following a carbon, energy, water, and waste assessment, we implemented portfolio-wide environmental reduction targets. The environmental reduction goals use a 2015 baseline year and establish 2025 intensity reduction targets and interim 2020 progress checks. In 2019, we made progress against each of our targets, including surpassing our 2020 interim GHG emissions and waste reduction targets. Our EMS will continue to help us track our portfolio's environmental performance and achieve our targets.

2020 and 2025 Environmental Reduction Targets

Intensity reduction per square foot



OUR ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGs”)

As part of our Company’s ESG strategy and commitment, we aim to align our objectives with the UN SDGs, a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. To align with the UN SDGs, we will strive for continuous portfolio-wide improvement, make strategic investments, and engage with stakeholders to support employees and the communities where we own hotels.



UN SDG	Sunstone Objectives and Alignment	Sunstone Corporate and Property Highlights
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being at all ages</p>	<ul style="list-style-type: none"> ◇ Prioritize our corporate employees, hotel associates, and guests’ health, safety, and well-being. ◇ Invest in hotel associates' health and well-being by upgrading associate cafes and break areas, providing high-quality locker room facilities, and providing access to medical insurance through management companies. 	<ul style="list-style-type: none"> ◇ Enhanced Human Rights & Labor Rights Policy with additional occupational health, well-being, and safety guidelines. ◇ Heart-of-House refreshes at The Bidwell – Marriott Portland (Portland, OR) and Marriott Boston Long Wharf (Boston, MA), enhancing key associate areas. ◇ Medical insurance and Hotel Associate Food Assistance Program for furloughed hotel associates.
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and quality education for all and promote lifelong learning</p>	<ul style="list-style-type: none"> ◇ Provide training and mentorship opportunities for corporate employees. ◇ Support organizations that provide financial and workforce assistance for current and future hospitality employees. 	<ul style="list-style-type: none"> ◇ Support the AHLA Education Foundation and its Opening Doors to Opportunity campaign, which provides scholarship and training opportunities to youth and associates working towards advancement.
 <p>6 CLEAN WATER AND SANITATION</p> <p>Increase access to clean drinking water and sanitation</p>	<ul style="list-style-type: none"> ◇ Invest in water efficiency opportunities, continue to make progress toward our 2025 water intensity reduction goal, and evaluate water-related risks, including water stress and quality. 	<ul style="list-style-type: none"> ◇ In 2019, we conducted environmental risk assessments, including a water risk assessment to identify near and long-term concerns.



Create inclusive economic growth to drive progress, create decent jobs for all, and improve living standards

- ◇ Implement policies and procedures to promote inclusive and safe working conditions.
- ◇ Engage with hotel brands and management companies to adhere to the AHLA 5-Star Promise in all aspects of operations.
- ◇ Engage with local, underprivileged youth through various organizations and create educational opportunities.

- ◇ Signatory to the CEO Action for Diversity and Inclusion™ with a pledge to advance diversity and inclusion within the workplace.
- ◇ Worked with our operators to ensure associate training programs for anti-discrimination and human trafficking awareness and prevention.
- ◇ Partnered with Families Forward to actively participate in donation programs throughout the year for teens and families.



Invest in low-carbon opportunities and continue to make progress toward our 2025 energy and carbon intensity reduction goals

- ◇ Integrate climate change measures into policies, strategies, and planning and strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.
- ◇ Invest in low carbon opportunities, including renewable energy, and reduce energy consumption from non-renewable sources.








- ◇ In 2019, we conducted a climate change risk assessment and continued to invest in adaptation measures to minimize risks.
- ◇ We are currently evaluating low-carbon opportunities and planning to complete our first on-site solar project at the **Wailea Beach Resort – Marriott, Maui** (Maui, HI) by 2021.

Managing ESG Risks and Evaluating Opportunities

As part of Sunstone’s ESG program and strategy, we continuously monitor risks at our properties and evaluate potential risks during the due diligence process for new property acquisitions. To monitor risks, evaluate opportunities, and track performance, we created a "plan," "do," "check," and "act" system into our ISO 14001 aligned EMS, which aims to ensure continuous improvement in all facets of our ESG program. Through our EMS, we also aim to reduce our reliance and consumption from non-renewable sources.

SUSTAINABILITY RISK AND OPPORTUNITY ASSESSMENTS

We continue to conduct periodic Sustainability Risk and Opportunity Assessments at each of our properties. These Assessments serve as a valuable tool in making decisions about property investments for ongoing operations, renovation projects, and acquisitions. The Sustainability Risk and Opportunity Assessments examine the following topics:

						
<p>Climate Change Adaptation and Natural Hazards</p> <p>The current and forecasted variances in weather, temperature, precipitation, hurricanes, and other water-related aspects of climate change, including drought and flooding.</p>	<p>Water Supply</p> <p>The relative stress of water supply compared to demand, including the risk of increased water utility costs. Building systems, including plumbing, are also evaluated for potential risks.</p>	<p>Energy</p> <p>The availability of energy resources. Building systems, equipment, and infrastructure, including lighting and building insulation, are evaluated for risks to ensure efficiency throughout the building.</p>	<p>Health, Well-Being, and Socio-economic</p> <p>The social determinants of well-being in and around a community, including factors related to poverty, unemployment, crime, youth education, and air pollution.</p> <p>Building attributes are evaluated to maximize comfort for guests and employees.</p>	<p>Health, Safety, & Security</p> <p>Ensure properties have the proper functioning equipment and necessary procedures to mitigate an emergency's impacts.</p> <p>Ensure employee training protocols, safety and security devices, and cleaning and sanitizing procedures are available.</p>	<p>Regulatory</p> <p>Current proposed regulatory policies or codes relating to ESG that may affect business.</p>	<p>Biodiversity and Habitat</p> <p>Risks from adverse impact due to proximity to wildlife and protected areas, and opportunities to support conservation initiatives.</p>

In addition to risks that may negatively impact our Company, we seek to mitigate potential risks to the environment and our surrounding communities. These potential risks may include increased energy and water consumption, increased waste generation, and social risks related to human and labor rights. To mitigate these potential risks, our Company and our operators implement operating policies and procedures and make strategic capital investments that minimize each property's environmental impact on the surrounding communities.



Wailea Beach Resort - Marriott, Maui (Maui, HI) native and drought resistant vegetation



Oceans Edge Resort & Marina (Key West, FL) restaurant with hurricane-wind grade accordion glass door enclosure



Marriott Boston Long Wharf (Boston, MA) renovated bathroom with LED lighting and water efficiency fixtures

Our Environmental Commitment

SUSTAINABILITY INVESTMENTS

Our investment and operation strategies reflect our long-term ownership focus. We believe in investing in projects that best protect, preserve, and benefit the long-term value of our hotels. This investment strategy is on-going throughout the asset lifecycle, beginning with initial acquisition and continuing throughout our ownership of each hotel.

During the initial acquisition process, we utilize both internal and third-party technical experts to assess each property's infrastructure, including near and long-term capital needs. Once acquired, our Engineering and Asset Management teams continuously monitor energy and water consumption and costs and work with our operators to identify areas for improvement.

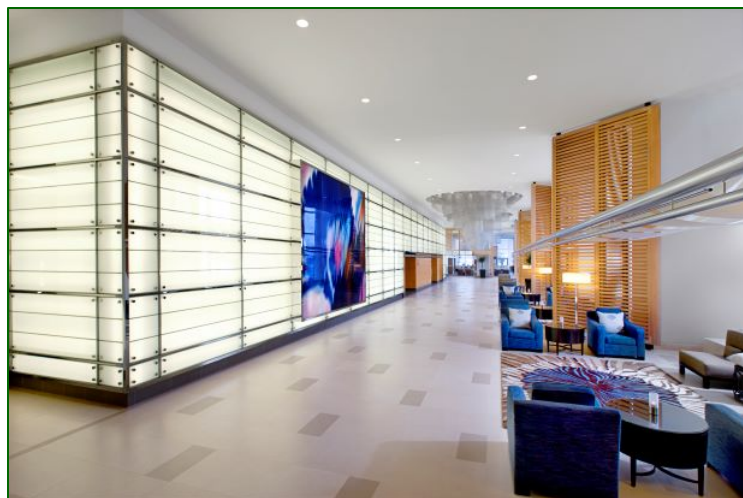
Over the past five years, we have made significant investments in energy, water, and waste management equipment, including:

- ◇ **LED lighting retrofits** that reduce energy consumption and require less frequent replacement;
- ◇ **Water chiller and boiler replacements** that reduce energy consumption;
- ◇ **Smart sensors and Sand Filters** for cooling towers that reduce water and energy consumption;
- ◇ **Roofing and façade upgrades** that reduce energy consumption and protect against climate-related risks;
- ◇ **Smart thermostats** for guest rooms that reduce heating and cooling times when rooms are not occupied;
- ◇ **Smart thermostats** for kitchen walk-in coolers and freezers that reduce energy consumption;
- ◇ **Bulk Amenity dispensers** that reduce single-use plastic waste in landfills;
- ◇ **ORCA waste management systems** that divert food waste from landfills; and
- ◇ **Smart irrigation systems** that reduce water consumption.

We focus our ESG oriented investments by identifying three primary factors: (i) properties with high energy consumption and/or high utility cost; (ii) dated equipment that is inefficient or nearing end-of-useful-life; and (iii) available incentives associated with all potential investments.

Water Recycling Opportunities

Water recycling opportunities are continuously evaluated to reduce our portfolio's reliance on fresh and potable water. At **Renaissance Orlando at SeaWorld®** (Orlando, FL), the hotel utilizes well and storm collection water to maintain the landscaping on the 27-acre property, which draws approximately 7.8M gallons per year. At **Hilton San Diego Bayfront** (San Diego, CA), we installed the AquaRecycle® system to maximize water and energy savings in our laundry operations. This system allows the hotel to reuse over 290,000 gallons of water annually.



Hilton San Diego Bayfront (San Diego, CA) lobby light wall

Lighting Retrofits

Throughout our portfolio, we continuously evaluate opportunities to reduce energy costs and consumption. At **Hilton San Diego Bayfront** (San Diego, CA), we recently replaced the lobby light wall and the rooftop cold cathode lighting to full-color LED node strands. This project will reduce electricity costs by approximately \$60,000 and electricity consumption by an estimated 369,000 kWh annually. In order to further reduce electricity consumption, we are evaluating adding dimmers to public space light switches at several of our properties.

INTEGRATING WASTE MANAGEMENT THROUGHOUT OUR PORTFOLIO

Throughout our portfolio, we continuously monitor waste generation and diversion and we implemented initiatives to achieve our 2025 waste intensity reduction goal. We encourage all of our properties to recycle all possible materials within their markets. In 2019, we invested in high-quality compactors at the **Renaissance Los Angeles Airport** (Los Angeles, CA) and **Renaissance Long Beach** (Long Beach, CA).

At the **Oceans Edge Resort & Marina** (Key West, FL) and the **Hyatt Regency San Francisco** (San Francisco, CA), we installed bulk amenity dispensers throughout the guest rooms to reduce single-use plastics from small amenity bottles. Subject to recent interim protocols related to COVID-19, we will continue to engage with our brand partners to install bulk amenity dispensers throughout our portfolio.

Port of San Diego Recognition

Hilton San Diego Bayfront (San Diego, CA) was recognized by the Port of San Diego's Green Business Network, winning their "Overall Large Company" category. This recognition results from the hotel's commitment to conserving energy and water, tracking and successfully reducing food waste with the LeanPath® tool, and supporting social organizations with donations through their partnership with People Aiding the Homeless.

EFFICIENCY INVESTMENTS

Over the past five years, we made significant investments in efficiency projects to minimize risks that our properties face and to address potential risks our properties may pose to their local communities.

Efficiency Investments					
	2019 ²	2018	2017	2016	2015
Total Number of Investment Projects	18	14	23	22	47
Total Amount Invested (USD)	\$1,719,147	\$2,524,090	\$643,724	\$2,126,124	\$1,620,007
Total Annual Energy Savings (USD)	\$411,528	\$436,745	\$345,544	\$724,689	\$1,350,820
Total Annual Energy Reduction (kWh)	3,474,835	3,484,546	2,358,393	6,344,177	9,851,404
Total Annual Carbon Reduction (kgCO ₂ e)	1,225,352	983,162	821,976	1,597,059	2,807,216

CLIMATE CHANGE AND RESILIENCY

Our climate change adaptation strategy includes evaluating both short-term investments and long-term preventative measures to protect our assets. In the short term, we focus on investments that will protect our assets from the current environmental threat of potential wind, flood, fire, and earthquake events. For example, the removable flood barrier systems at the **Marriott Boston Long Wharf** (Boston, MA), **JW Marriott New Orleans** (New Orleans, LA), and **Hilton New Orleans** (New Orleans, LA) will protect the properties, associates, and guests in the event of a high-water surge in the areas. **Oceans Edge Resort and Marina** (Key West, FL) implemented many preventative measures to improve safety and asset preservation in the event of a major hurricane. These measures include a full back-up generation system, accordion glass door enclosure for the restaurant, roof enhancements, and storm shutters for all entrance doors to protect the buildings from incoming rainwater.



JW Marriott New Orleans (New Orleans, LA) flood barriers

² In 2018 and 2019, Sunstone invested in several large efficiency projects which continued to be implemented/completed through 2020.

As we continue to evaluate long-term preventative goals across our portfolio, our focus includes the impact of potential rising sea levels, including wind and flood events. We intend to develop relationships with sustainability planning committees at the city level in key markets such as Boston, Key West, and Maui. Our goal is to align our own preventative measures with those implemented by local businesses and city governments.

PROTECTING BIODIVERSITY AND THE ENVIRONMENT AROUND OUR HOTELS

We continuously evaluate our impact on local habitats and take the necessary steps to mitigate biodiversity-related risks. For example, during the evaluation and due diligence phase of a potential project at the **Wailea Beach Resort – Marriott, Maui** (Maui, HI), we conducted a Flora and Fauna assessment of the specific area's local environment. This assessment intended to: document the status and abundance of each existing plant and animal species in the habitat; determine the presence of any native flora and fauna, particularly any that are Federally listed as threatened or endangered; and determine if the project may alter or negatively impact the identified flora and fauna. Through this assessment, we identified potential hazards to the native Hawaiian Hoary Bats and Hawaiian Petrels. As a result, we plan to incorporate specialized lighting and altered irrigation processes into the potential project's design to ensure the breeding practices of these animals will not be affected.

We engage with various stakeholders during renovation projects, including but not limited to general contractors, interior designers, purchasing agents, and architects. We expect our business partners to conduct their businesses responsibly and, where possible, recommend, and select materials that meet or exceed our sustainability qualifications. Our Design & Construction team developed an internal Fit-Out and Refurbishment Guide within our EMS to guide sustainability expectations, including design elements, features, sourcing, and materials. Our vendors and business partners are requested to include sustainability elements throughout their process and provide insights and recommendations for limiting our impact on the environment and the local communities. In addition, to the sustainability elements within the Fit-Out and Refurbishment Guide, major construction projects evaluate the potential impact of construction noise on the surrounding areas and focus on finding measures to limit or mitigate the noise.

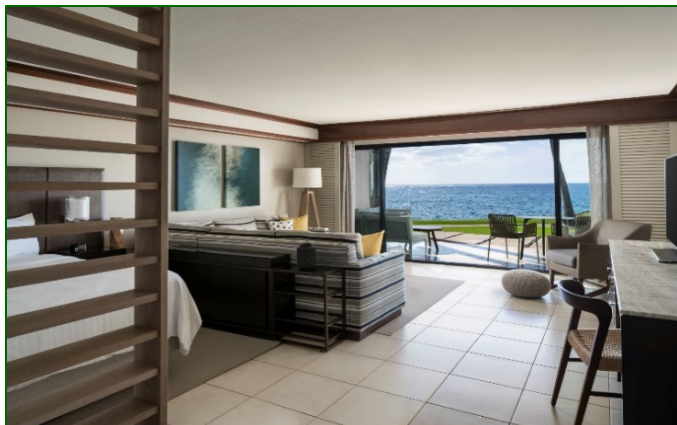
SUSTAINABLE AND LOCAL SOURCING

We continuously evaluate ways to reduce our environmental impact during renovation projects through responsible vendor selection. Over the last two years, we have strategically partnered with major manufacturers that have strong sustainability programs and who provide sustainability certifications on their products. These programs include minimizing waste, energy, and water.



Building Certifications

Renaissance Orlando at SeaWorld® (Orlando, FL) and **Oceans Edge Resort & Marina** (Key West, FL) are both recognized by the Florida Department of Environmental Protection's Green Lodging Program as 2-Palm properties due to their commitment to conserve and protect Florida's natural resources.



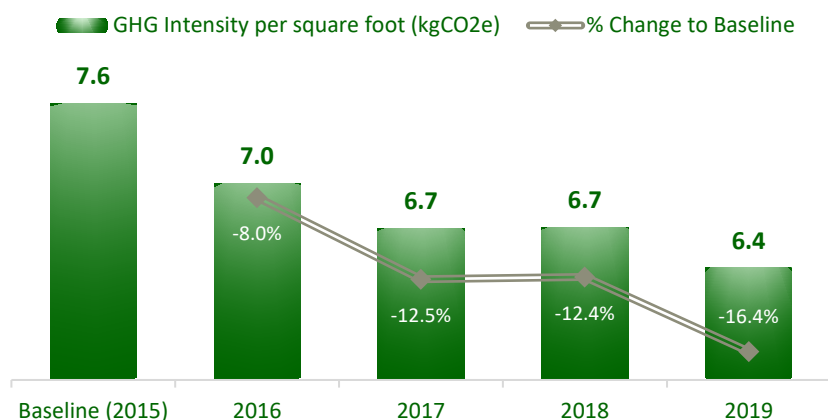
Wailea Beach Resort – Marriott, Maui (Maui, HI)

As part of an ongoing project at the **Wailea Beach Resort – Marriott, Maui** (Maui, HI), we are replacing exterior guest room doors on many guest room buildings. While this is a long-term project, the replacement doors are Forest Stewardship Council (FSC) certified wood doors. These doors are created from responsibly managed forests.

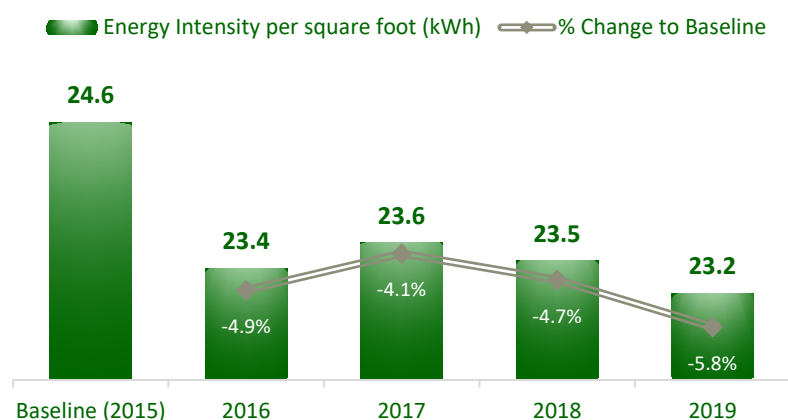
MONITORING ENVIRONMENTAL PERFORMANCE

We continuously monitor our environmental impact by tracking and reporting on portfolio-wide carbon, energy, water, and waste performance. We established a 2015 performance baseline for energy, water, waste, and GHG emissions. We will monitor our progress routinely and use our performance to analyze potential opportunities and investment decisions. By measuring and monitoring our environmental performance, we aim to increase efficiency throughout our portfolio and mitigate environmental and regulatory risks.

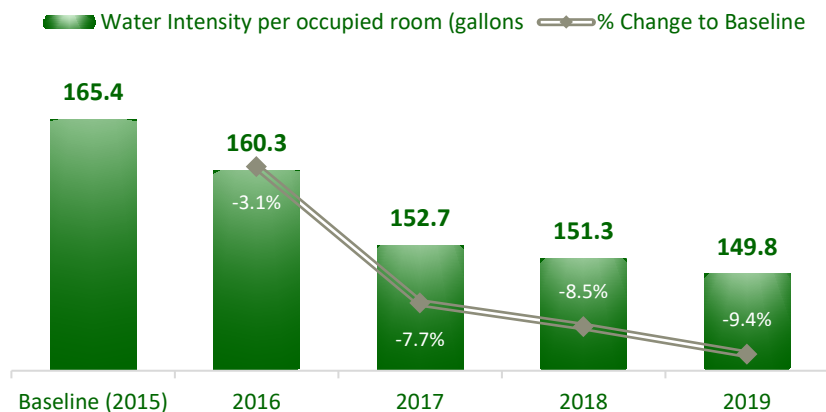
GHG Emissions



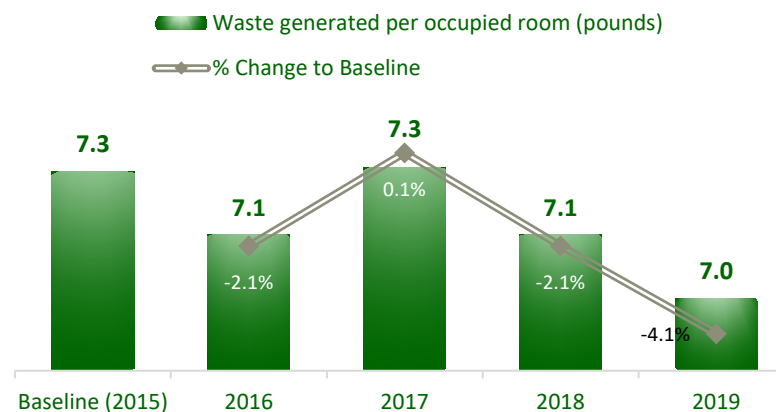
Energy



Water



Waste



As part of our EMS, we monitor ESG practices across our hotel portfolio, allowing for proactive benchmarking against the full portfolio. We believe our reporting transparency has directly contributed to the progress towards our Company-wide intensity reductions goals for energy, carbon emissions, water, and waste.

Energy



- ☐ 85% of our portfolio has over 75% of high-efficiency lighting fixtures.
- ☐ 95% of our portfolio has occupancy sensors in over 90% of guestrooms.
- ☐ 79% of our portfolio has boilers that are over 85% efficient.

Water



- ☐ 100% of our portfolio has low-flow showerheads in at least 90% of guestrooms.
- ☐ 85% of our portfolio has a water efficiency program.
- ☐ 95% of our portfolio has low-flow aerators in at least 90% of guestrooms.

Waste



- ☐ 70% of our portfolio has a food waste prevention strategy.
- ☐ 100% of our portfolio monitors waste performance on an ongoing basis.

Integrating Sustainability and a Sense of Place: The Bidwell – Portland Marriott



As part of our Company's ESG strategy and commitment, we aim to incorporate sustainability throughout all aspects of our hotels. The recently renovated and repositioned **The Bidwell – Portland Marriott** ("The Bidwell") is located in the heart of downtown Portland, Oregon and embodies the city's bucolic and innovative essence in a boutique-style hotel. We placed sustainability at the forefront of our strategy, beginning with the initial property design phase and continuing through demolition, construction, the hotel's relaunching, and ongoing operations.

Always Good Natured

HOTEL DESIGN

Portland is known as a city of emerging idealists, organizers, doers, and innovators. The city has a long history of conservation, international aid, humanitarian relief, and socially conscious and tech-savvy businesses.

As part of our repositioning strategy, we selected an interior designer from the local Pacific Northwest region with distinct knowledge on maximizing the guests visual experience and the ambiance of Portland. The Pacific Northwest's atmosphere emanates throughout the hotel, from the guest rooms' extensive earth tones to the sleek and sophisticated bar and restaurant.

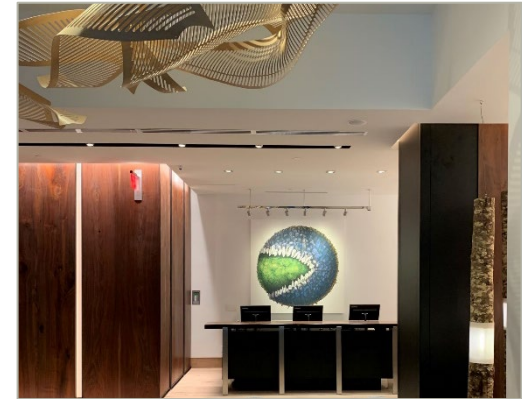


The hotel guest's journey begins in the lobby, which incorporates the biophilic natural design elements seen throughout **The Bidwell**. The front desk and feature panel wall were crafted from a tree sustainably sourced from a local forest outside the city, along with a large decorative chair created from found driftwood. All other decorative wood craftsmanship in both the public and meeting spaces is made from local species of sustainably sourced wood. The lobby and other hotel public spaces showcase artwork from regional artists. Finally, the lobby will feature a commissioned mural designed by an artist who participates in the Forest For The Trees' annual mural festival. The mural will be re-commissioned every few years and highlight activities and unique features of Oregon and the Pacific Northwest.



The Bidwell's decorative wood craftsmanship in the public and meeting spaces are all made from local species of sustainably sourced wood.

The hotel honors Portland's pioneer heritage with the High Horse bar and restaurant. We focused on our guests' health needs by expanding the fitness center and modernizing exercise practices, including specific stretching areas, Peloton® equipment, and TRX straps. Sustainability measures were also incorporated through LED lighting, low-flow water toilets, sinks and showerheads in guest and public bathrooms, updated guest room FCU valves and flow controls with metering devices, and other miscellaneous building systems upgrades.



DEMOLITION AND CONSTRUCTION

Our demolition and construction strategy focused on waste minimization and responsible procurement. Throughout the hotel's demolition phase, we removed a significant amount of materials, including a massive steel staircase. To minimize construction waste, we hired a demolition contractor to ensure all the steel beams removed from the property would be reused and repurposed.

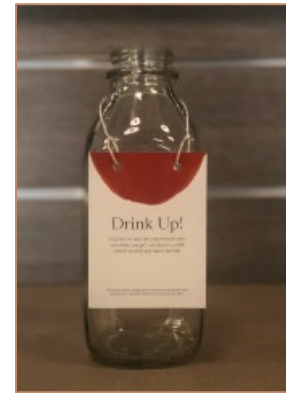
As part of our Company's overall ESG efforts, we established national contracts with tile, flooring, and carpet suppliers who focus on manufacturing products with reduced environmental impacts. For **The Bidwell** renovation, we installed flooring throughout the property sourced from responsible suppliers and used low VOC paints.

OPERATIONS

Our hotel operator works diligently to ensure the hotel runs sustainably while highlighting the local community to guests. Throughout the hotel's operations, we are committed to reducing single-use plastics. In the guest rooms, we provide empty glass milk-style bottles for water, which can be filled using the new water filtration stations located on each guest room floor. In the food and beverage operations, we replaced certain single-use plastic items, including utensils, plates, and cups with sustainable products. We replaced plastic cups with a sustainable product in the fitness center and provided a filtered water station.

Our Company's ESG strategy also focuses on supporting local business communities surrounding our hotels. **The Bidwell** not only encompasses the Pacific Northwest style and sense of place but also provides meaningful recognition and revenue opportunities to the local business community, including artists, designers, breweries, wineries, and farms. We showcase local farms, breweries, and wineries in our food and beverage operations, with a significant portion of our food

sourced from local suppliers. Our bar will serve up to 12 local microbrews on tap, and our wine list will offer locally produced wines. Beyond the food and beverage operations, **The Bidwell** features a small market shop that offers packaged food and beverage options from local vendors, clothing, and jewelry from local artists and designers, and other gift items made locally.



Our Social Commitment

We strive to create a healthy and supportive workplace for Sunstone employees through establishing a safe, inclusive, and accommodating work environment, as well as, competitive wages and benefits, and career development opportunities. We also work with our hotel managers to offer the same support for hotel associates. Furthermore, we seek to support the communities where we work and own hotels through community outreach programs and fundraising efforts.

PROFESSIONAL DEVELOPMENT OPPORTUNITIES

We provide individualized training for our employees, including training programs in real estate investments and negotiation, accounting and reporting systems, CPA test preparation, tax, sustainability, information technology systems, and engineering (roofing, elevator, and chiller maintenance). All Sunstone employees also participate in ongoing training related to governance risks and harassment and discrimination prevention.

Our ESG committee provides basic ESG-related training routinely to all Sunstone employees through participation in monthly Company meetings and engagement with Sunstone's various departments. This ongoing training includes updates on current sustainability progress, discussions on ESG topics, and opportunities for contribution to our Company's ESG program and long-term sustainability goals.

EMPLOYEE SATISFACTION AND ENGAGEMENT

In 2019, we conducted an employee satisfaction survey to better identify the positive attributes and improvement areas for our employees and the work environment. As a result of the survey, we formalized the Sunstone Community Involvement Program, which aims to provide opportunities throughout the year for the Company and our employees to participate in community giving.

The further support our engagement strategy, Company employees also participate in our annual employee performance process. Each employee sets annual performance or work-related goals, which are then self-evaluated and evaluated by supervisors. We also provide each employee an opportunity to ask career related questions and receive performance feedback. We will continue to engage with our employees to provide a platform for continuous feedback and improvement.



100% of Sunstone employees participate in annual performance reviews

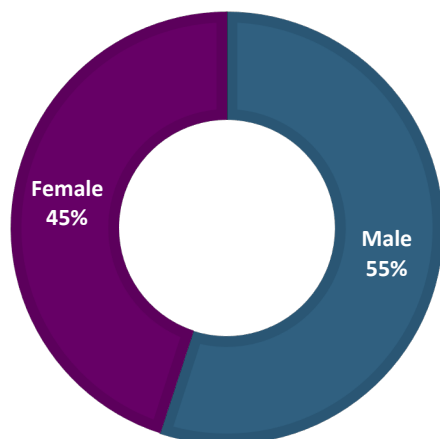
INCLUSIVE WORKING ENVIRONMENT

We aim to create an inclusive work environment free of any form of harassment or discrimination. We provide our employees with Company-wide harassment prevention training to increase awareness and ensure all employees experience a safe workplace. As of December 31, 2019, Sunstone had 47 employees.

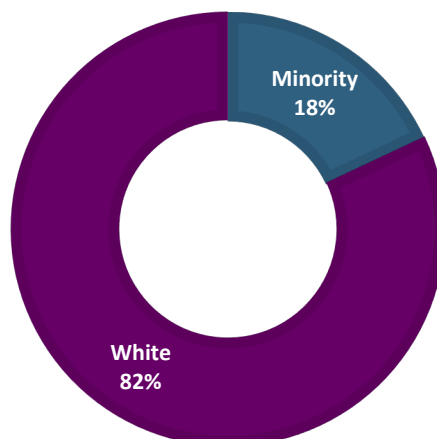
We recognize the value of different perspectives, backgrounds, and a fair and equal work environment. We recently signed the CEO Action for Diversity and Inclusion™ pledge, a commitment by over 1,000 CEO's to advance diversity and inclusion in the workplace. We are committed to advancing DE&I through education, awareness and advocacy within our workplace and with our business partners. In conjunction with employee training and engagement on DE&I, we will evaluate our current employee profile and workplace practices to determine opportunities for improvement. As an organization with less than 50 employees and low turnover, we recognize that change will take time within our organization, but we are committed to long-term progress. A current initiative underway is to increase female and racial minority representation on our Board.

**CEO ACTION FOR
DIVERSITY & INCLUSION**

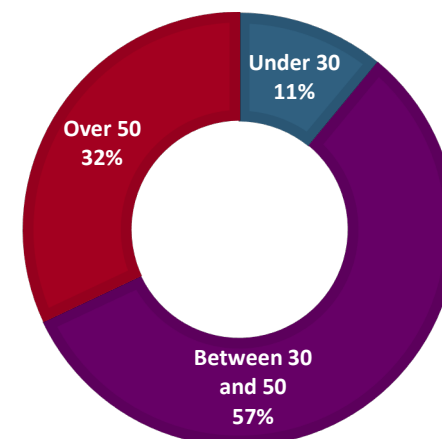
2019 GENDER METRICS



2019 RACE METRICS



2019 AGE METRICS



HEALTH, SAFETY, AND WELL-BEING

We aim to prioritize the health, safety, and well-being of our employees. We offer all employees identical benefit options and believe the benefits provided to our employees and the features within our office space positively impact and improve the physical and mental health, safety and well-being of our employees.

Employee Benefits	Health & Safety Changes Resulting from COVID-19	Office Space Features
<ul style="list-style-type: none"> ◇ Medical, dental, and vision insurance ◇ Life insurance ◇ Employee matched retirement plan ◇ Access to Employee Assistance Program ("EAP") ◇ Voluntary gym membership ◇ Voluntary annual on-site biometric health screening ◇ Summer Fridays ◇ Healthy snack and beverage options in corporate office ◇ Monthly newsletter promoting wellness 	<ul style="list-style-type: none"> ◇ Temporary work-from-home environment with proper at-home office equipment ◇ Flexible work hours ◇ When in-office operations resume, updated cleaning and social distancing protocols 	<ul style="list-style-type: none"> ◇ Acoustic comfort ◇ Biophilic and inclusive design ◇ Lighting controls with significant natural light ◇ Thermal comfort ◇ Ergonomic and adjustable furniture ◇ Wellness/lactation room ◇ Panic button at the front desk for security ◇ Secure office location with authorized entry requirements

In 2019, no employee work-related severe injuries or fatalities occurred. The Human Resources Director periodically conducts assessments of any potential unsafe working conditions. If an unsafe condition is identified, Human Resources will engage with Design & Construction or the building maintenance department to fix the potential safety issue.

SOCIAL INVESTMENTS: HEART OF HOUSE AND FITNESS SPACES

We support hotel associates' health and well-being by investing in hotel associate back-of-house areas, which we call "Heart-of-House." Heart-of-House investments include upgrading associate cafes and break areas and providing high-quality locker room facilities. The investments in the back-of-house areas typically lead to improved hotel associate satisfaction, which we believe leads to higher associate retention rates. These investments signify our proactive relationship with our operators and directly supports our ESG commitment to hotel associates' health and well-being.



The Bidwell (Portland, OR)

In process of completing a Heart-of-House refresh for the associate café, back-of-house corridors, and associate office areas.

- ◇ Associate café - updated seating furniture and new lockers
- ◇ Associate offices - new furniture, updated fixtures, and general refresh to reflect repositioned ambiance



Marriott Boston Long Wharf (Boston, MA)

Recently completed a Heart-of-House refresh for the housekeeping offices, associate entrance, and the men's and women's associate locker room.

- ◇ Housekeeping offices - upgraded locking-cage for storage and a new housekeeping specific training area
- ◇ Associate entrance - provide a proper and welcoming entrance for hotel associates
- ◇ Associate locker rooms - new flooring and paint and refinished benches, sinks, and vanity tops

We also promote our hotel guests' health and well-being by investing in high-quality and expanded state-of-the-art guest fitness centers at our hotels. These investments include a wide-range of high-quality fitness equipment and health-oriented amenities aimed to promote our ESG commitment to provide health and well-being improvements and opportunities for our guests.

SAFETY AND SECURITY AT OUR HOTELS

Throughout our portfolio, we aim to protect and promote our guests and hotel associates' health, safety, and well-being. Since the outbreak of the COVID-19 pandemic, the safety and protection of our guests and hotel associates has been our top priority. Brands and operators have worked diligently with ownership input and guidance from the CDC and other regulatory agencies to develop updated safety, cleaning, and sanitizing protocols and procedures. These measures include: ensuring hotel associates have the proper personal protection equipment and training to safely complete their work; creating and implementing cleaning and sanitizing protocols that meet local, state, and federal guidelines; displaying proper signage and providing safety information to hotel guests; restructuring operations and workflow procedures to adhere to social distancing standards; and ensuring vendors can provide the equipment and materials needed for the protocols.



In addition to the recently implemented COVID-19 procedures, safety and security, including planning for potential disasters or catastrophes is critical for our Company. We deployed a portfolio-wide emergency preparedness program that requires every hotel to have an emergency protocol and on-hand equipment (e.g., satellite phone, life safety and water remediation equipment, first aid supplies, etc.) to promote the safety of hotel associates and guests and to mitigate loss and damage in the event of a catastrophe.

We believe hotel associates should feel safe when interacting with guests, particularly in guest rooms. We support the implementation of GPS and location tracking panic devices for managers and associates with guest interacting positions, including housekeeping associates. We are also in the process of deploying panic devices at all of our hotels.

We fully support and encourage all of our operators to adopt and abide by AHLA's 5-Star Promise. The 5-Star Promise is part of an industry-wide commitment to advance safety and security for hotel associates and guests based on the following five important initiatives:

- ◇ Build on our industry's longstanding commitment to hospitality and a People Culture by continuing to provide industry-wide training and materials on safety and security, and retain expert guidance to work with the industry on diversity and safety matters;
- ◇ Ensure mandatory anti-sexual harassment policies are in place in multiple languages;
- ◇ Provide ongoing training and education for associates on identifying and reporting sexual harassment;
- ◇ Provide U.S. hotel associates with associate safety devices to help them feel safe on the job; and
- ◇ Broaden vital partnerships with wide-ranging national organizations that target sexual violence and assault and trafficking and promote workplace safety.



Sunstone supports American Hotel and Lodging Association's "No Room for Trafficking" Campaign Awareness Day 2019

COMMUNITY ENGAGEMENT

In 2019, we formalized our Community Involvement Program based on feedback from our employees. Through this program, we aim to improve community health and well-being, provide assistance or support in case of disaster, and support charities and community groups, including those aimed at helping our youth.

At our headquarters in Irvine, California, we actively support local and national charities and organizations through our corporate giving program. In 2019, we donated over \$125,000 to over 50 different charitable organizations, including American Cancer Society, American Hotel & Lodging Educational Foundation, American Red Cross, Children's Hospital Los Angeles, Southern



Since 2015, Sunstone has donated over **\$385,000**

California Marine Corps Support Group, Puppies Behind Bars, Pacific Marine Mammal Center, and Orange County Rescue Mission. Our employees also have the opportunity to donate to qualifying organizations through our Matching Gifts Program. Through this program, the Company matches personal gifts on a dollar-for-dollar basis, up to an annual maximum of \$5,000 per employee per year.

We also participate in several local charitable programs through the organization Families Forward. As part of the Sunstone Community Involvement Program, our employees participate in food drives, school supply donations, and holiday gift-giving for the underprivileged in our community. In 2019, our employees donated over 330 pounds of food through Families Forward.



SUPPORTING COMMUNITIES IN NEED

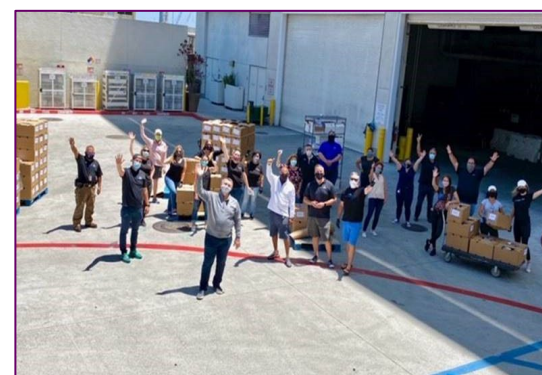
In response to the COVID-19 pandemic, Sunstone continues to support our hotel associates and the local communities where our hotels are located. As part of our Hotel Associate Food Assistance Program, the Company spent approximately \$225,000 for food drives for furloughed hotel associates across several of our hotels. In Maui, Hawaii, we purchased nearly \$60,000 in food, primarily from local Maui farmers, to donate to furloughed associates at the **Wailea Beach Resort – Marriott, Maui** (Maui, HI). In addition to food drives, the Company continues to pay medical benefits for furloughed hotel associates as a sign of our commitment and support to the hotel associates during the pandemic.

In addition to supporting our hotel associates through the pandemic, many of our hotel properties found ways to provide to their local communities. As hotels experienced suspended operations, perishable food was donated to local food banks and other donation centers. At the **Hyatt Regency San Francisco** (San Francisco, CA), hotel associates donated sets of bath amenities kits to the local hospital for doctors and nurses to use before going home to their families.

Sunstone remains committed to supporting our communities on both a local and national level and will continue to evaluate community engagement opportunities.



Hotel Associate Food Assistance Program at select hotels





Reference Materials

Appendix A: GRI Content Index – General Disclosures

Sunstone Hotel Investors, Inc. General Disclosures provide our stakeholders with Company information relating to our operations, strategy, and governance structure. We also offer insight into our engagement with stakeholders and reporting approaches. Our GRI Content Index references information within our online Sustainability Report, Proxy Statement, 10-K, and Corporate Governance webpages.

Number	Description	Response	References
Organizational Profile			
102-1	Name of the organization	Sunstone Hotel Investors Inc. ("Sunstone" or "Company")	2019 10-K Filing (<i>Our Company</i> p. 3 of 10-K)
102-2	Activities, brands, products, and services	<p>Sunstone is a real estate investment trust ("REIT"). Our business is to acquire, own, asset manage, and renovate or reposition hotels that we consider to be Long-Term Relevant Real Estate® ("LTRR®") in the United States.</p> <p>All but two (the Boston Park Plaza and the Oceans Edge Resort & Marina) of our hotels are operated under nationally recognized brands such as Marriott, Hilton, and Hyatt.</p>	2019 10-K Filing (<i>Our Company</i> p. 3 of 10-K)
102-3	Location of headquarters	Our corporate headquarters is located at 200 Spectrum Center Drive, 21 st Floor, Irvine, California 92618.	2019 10-K Filing (<i>Corporate Office</i> p. 9 of 10-K)
102-4	Location of operations	As of December 31, 2019, we owned 20 hotels located in key gateway markets and unique resort locations throughout the United States, including Boston, Chicago, Key West, Los Angeles, Maui, New Orleans, New York, Orlando, Portland, San Diego, San Francisco, and Washington DC/Baltimore.	2019 10-K Filing (<i>Competitive Strengths</i> p. 4 and <i>Properties</i> , p. 35 of 10-K)
102-5	Ownership and legal form	Sunstone was incorporated in Maryland on June 28, 2004. We are a REIT under the Internal Revenue Code of 1986, as amended.	2019 10-K Filing (<i>Our Company</i> p. 3 of 10-K)

Number	Description	Response	References
102-6	Markets served	<p>As of December 31, 2019, all of our 20 hotels were located in key gateway markets and unique resort locations throughout the United States. Our business is to acquire, own, asset manage, and renovate or reposition hotels that we consider to be LTRR® in the United States, specifically hotels in urban and resort locations that benefit from barriers to entry and diverse economic drivers.</p> <p>Our properties are located in the following cities: Baltimore, Boston, Chicago, Key West, Long Beach, Los Angeles, New Orleans, New York City, Orlando, Portland, San Diego, San Francisco, Wailea, Washington DC, and White Plains.</p>	2019 10-K Filing <i>(Competitive Strengths p. 4 and Properties p. 35 of 10-K)</i>
102-7	Scale of organization	<p>As of December 31, 2019, the Company had interests in 20 hotels, comprised of 10,610 rooms.</p> <p>Sunstone also employed 47 full-time employees as of February 1, 2020.</p> <p>As of December 31, 2019, our total revenues were \$1,115,167,000.</p>	2019 10-K Filing <i>(Our Company p. 3, Employees p. 9, Properties p. 35, and Selected Financial Data p. 37 of 10-K)</i>
102-8	Information on employees and other workers	<p>As of February 1, 2020, we had 47 full-time employees. The Company may also hire independent contractors.</p> <p>All persons employed in the day-to-day operations of the hotels are employees of the management companies we engaged to operate such hotels.</p>	2019 10-K Filing <i>(Employees p. 9 of 10-K)</i> GRI Index – Disclosures
102-9	Supply chain	Our supply chain categories include building materials; furniture, fixtures, and mechanical equipment; operating supplies and equipment; food and beverage supplies; guest amenities; and office supplies for our corporate headquarters location, among other common lodging-related supplies and equipment.	2019 10-K Filing <i>(Investments in Hotel Properties p. F-10 and p. F-16 of 10-K)</i>
102-10	Significant changes to the organization and its supply chain	<p>No significant changes to the organization or its supply chain occurred in 2019.</p> <p>In October 2019, we sold the leasehold interest in the 187-room Courtyard by Marriott Los Angeles.</p>	2019 10-K Filing <i>(2019 Highlights p. 39 of 10-K)</i>

Number	Description	Response	References
102-11	Precautionary principle or approach	Sunstone engages with our stakeholders, including hotel brands and management companies, to manage Environmental, Social and Governance (“ESG”) related risks. Our internal Environmental Management System (“EMS”) aims to identify risks and evaluate opportunities to ensure continuous improvement in all facets of our sustainability program.	2020 Sustainability Report
102-12	External initiatives	<p>The Company’s sustainability program and objectives align with the United Nations Sustainable Development Goals (“UN SDGs”).</p> <p>As stated in our Human Rights & Labor Rights Policy, we adhere to the principles defined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.</p> <p>The Company also fully supports and encourages all of our operators to adopt and abide by the principles of the American Hotel & Lodging Association’s (“AHLA”) 5-Star Promise. The 5-Star Promise is part of an industry-wide commitment to advance hotel safety, security, and hospitality.</p>	<p>2020 Sustainability Report</p> <p>Human Rights & Labor Rights Policy</p>
102-13	Membership of associations	<p>Sunstone is a member of the National Association of Real Estate Investment Trusts (“NAREIT”).</p> <p>We also actively engage with several industry organizations, including the AHLA, the Hospitality Asset Managers Association, and the Cornell Institute for Hospitality Labor and Employment Relations.</p>	2020 Sustainability Report
Strategy			
102-14	Statement from senior decision-maker	A statement from our CEO is available in our 2020 Sustainability Report and 2019 Annual Report.	<p>2020 Sustainability Report</p> <p>2019 Annual Report (pgs. 3-6 of Annual Report)</p>

Number	Description	Response	References
102-15	Key impacts, risks and opportunities	<p>In our 2019 10-K, we identify risk factors that pose a significant risk to our business. We also report on our Company's risks in our GRESB response.</p> <p>The Company conducted environmental, social, and regulatory risk assessments to identify risks throughout our portfolio of hotels. Additional information on these assessments is available in our annual Sustainability Report.</p> <p>In addition to risks that may negatively impact our Company, we seek to mitigate potential risks to the environment and our surrounding communities. In 2019, we set 2025 energy, GHG emissions, water, and waste-to-landfill intensity targets to guide us in minimizing our environmental impact. In 2020, we also published enhanced Environmental and Human Rights & Labor Rights Policies to address environmental and social risks, including our aim to advance diversity and inclusion.</p>	<p>2019 10-K Filing (Risk Factors pgs.12-34 of 10-K)</p> <p>2020 Sustainability Report</p> <p>Environmental Policy</p> <p>Human Rights & Labor Rights Policy</p> <p>GRESB Response</p>
Ethics and Integrity			
102-16	Values, principles, standards and norms of behavior	<p>The Company's Code of Business Conduct and Ethics and Human Rights & Labor Policy outlines our values, principles, standards, and behavior norms.</p> <p>The Company's Nominating and Corporate Governance Committee ("NCG") and the Code of Ethics Contact Person are responsible for applying the Code of Business Conduct and Ethics.</p>	<p>Code of Business Conduct and Ethics</p> <p>Human Rights & Labor Rights Policy</p>

Number	Description	Response	References
102-17	Mechanisms for advice and concerns about ethics	<p>Sunstone maintains a Business Conduct and Ethics Hotline that is available to all Sunstone employees 24/7/365. The Ethics Hotline provides all employees the ability to anonymously report violations of the Company's Code of Business Conduct and Ethics. Sunstone will not tolerate retaliation against those who report misconduct in good faith.</p> <p>Suppliers, vendors, or business partners may also report any grievances to the Company by directly writing to the Company's Legal Department: Sunstone Hotel Investors, Inc.; Attn: General Counsel, 200 Spectrum Center Drive, 21st Floor, Irvine, CA 92618. Any grievance may be communicated anonymously if desired.</p>	<p>Code of Business Conduct and Ethics</p> <p>Vendor and Business Partner Code of Conduct</p>
Governance Structure			
102-18	Governance Structure	<p>Sunstone's corporate governance and Board of Directors ("Board") structure information is available on our Company website's Corporate Governance web page.</p> <p>Our Company's ESG Committee monitors our ESG program and objectives and is responsible for providing updates to the NCG quarterly and annually to the entire Board.</p>	<p>Corporate Governance</p> <p>Corporate Governance Guidelines</p> <p>2020 Sustainability Report</p>
102-20	Executive-level responsibility for economic, environmental, and social topics	<p>The Company's ESG program and objectives are monitored and overseen by our ESG Committee. The ESG Committee is comprised of employees and executives from our Legal and Finance departments and has direct oversight of our ESG policies and procedures, including Sunstone's EMS. The ESG Committee reports directly to the CEO.</p> <p>To ensure compliance and Company-wide transparency, our ESG Committee updates the NCG quarterly and annually to the entire Board. Sunstone's Board also reviews and approves all of our Company's ESG-related policies, including Code of Business Conduct and Ethics, Human Rights & Labor Policy, Environmental Policy, and Vendor & Business Partner Code of Conduct.</p>	<p>2020 Sustainability Report</p> <p>Code of Business Conduct and Ethics</p> <p>Human Rights & Labor Rights Policy</p> <p>Environmental Policy</p> <p>Vendor and Business Partner Code of Conduct</p>

Number	Description	Response	References
102-22	Composition of the highest governance body and its committees	<p>Sunstone's Board is comprised of seven members.</p> <p>Three primary committees: the Audit Committee ("Audit"), the Compensation Committee ("Comp"), and the NCG are overseen by the Board to ensure compliance with policies and procedures, including Board composition and executive and management compensation. Each committee is comprised of a Chairperson and committee members with financial experts required for Audit membership.</p>	<p>Board of Directors</p> <p>Corporate Governance</p> <p>Corporate Governance Guidelines</p> <p>2020 Sustainability Report</p>
102-23	Chair of the highest governance body	Douglas M. Pasquale is the Chairman of the Board and Interim CEO.	Board of Directors
102-24	Nominating and selecting the highest governance body	The NCG identifies individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and makes recommendations to the Board.	<p>Corporate Governance</p> <p>Nominating and Corporate Governance Committee Charter</p>
102-25	Conflicts of interest	<p>Our Code of Business Conduct and Ethics and annual Proxy Statement outline the Company's Conflict of Interest Policy.</p> <p>Any transaction, activity, or relationship that could reasonably be expected to give rise to or the appearance of a conflict of interest must be disclosed in writing and be discussed in advance with the Code of Ethics Contact person. If the conflict involves the Code of Ethics Contact person, it should be disclosed in writing and discussed in advance with the NCG Chair or the Audit Chair.</p>	<p>2020 Proxy Statement (pdf p. 29)</p> <p>Code of Business Conduct and Ethics</p>
102-28	Evaluating the highest governance body's performance	Comp exercises independent discretion and judgment in making compensation decisions after evaluating the executive's past performance (including the extent to which the executive has met or exceeded specified targets or affected the Company's performance).	2020 Proxy Statement (pdf pgs. 9-10, 42-52)

Number	Description	Response	References
102-35	Remuneration policies	<p>Our annual Proxy Statement outlines the Company's remuneration policies.</p> <p>Our compensation practices include the following: stockholder returns, pay for performance; tie a major portion of our at-risk pay to the Company's achievement of objective corporate performance criteria; short-term employment agreements with our executives; require our CEO and other executives to have a meaningful ownership interest in the Company; hold an annual say-on-pay vote; and solicit independent compensation advice.</p>	2020 Proxy Statement (pdf pgs. 9-10, 42-52)
102-36	Process for determining remuneration	<p>Our annual Proxy Statement outlines our Company's process for determining remuneration.</p> <p>Comp assists the Board in determining the compensation of our executive officers. The Comp evaluates and recommends to the Board appropriate policies and decisions relative to executive officer salary, benefits, bonus, incentive compensation, severance, equity-based, and other compensation plans.</p>	2020 Proxy Statement (pdf pgs. 9-10, 42-52)
Stakeholder Engagement			
102-40	List of stakeholder groups	Sunstone stakeholders include stockholders, operators, brand and management companies, corporate employees, hotel associates, suppliers, industry associations, local communities, and other business partners.	2020 Sustainability Report 2020 Proxy Statement <i>(Environmental, Social and Governance Practices pdf p. 30)</i>
102-41	Collective bargaining agreements	<p>Sunstone employees are not members of any labor union and are not subject to collective bargaining agreements.</p> <p>The Company is subject to exposure to collective bargaining agreements at certain hotels operated by its management companies. As of December 31, 2019, such collective bargaining agreements cover approximately 32.8% of workers employed by the Company's third-party managers.</p>	2019 10-K Filing <i>(Collective Bargaining Agreements p. F-32 of 10-K)</i>

Number	Description	Response	References
102-42	Identifying and selecting stakeholders	Sunstone identifies and selects our stakeholders by considering our Company's operations, programs, goals, impacts, and opportunities. This process includes identifying and selecting stakeholders that may be impacted by our operations.	2020 Sustainability Report 2020 Proxy Statement (<i>Environmental, Social and Governance Practices</i> pdf p. 30)
102-43	Approach to stakeholder engagement	<p>Sunstone engages with all of our stakeholders regularly, in various capacities to address risks and assess opportunities throughout our Company.</p> <p>We engage with our operators, third-party management companies, and Sunstone employees to assess and manage risks related to customer satisfaction, health and safety, human rights, and diversity, equity and inclusion.</p> <p>We engage with our operators to manage environmental risks and achieve our environmental targets and objectives. In 2019, we began engaging hotel brand companies, collectively with peers, to ensure the alignment of interests and implementation and promotion of ESG-related initiatives to achieve long-term goals.</p> <p>We engage with our investors to ensure clear communication and transparency of our ESG program to meet their expectations.</p>	2020 Sustainability Report
Reporting Practices & Materiality			
102-45	Entities included in the consolidated financial statements	A list of properties is provided in our annual 10-K filing.	2019 10-K Filing (<i>Properties</i> p.35 of 10-K)
102-46	Defining report content and topic boundaries	<p>Report content and topic boundaries are defined by determining the most relevant, material and important information to our Company.</p> <p>We also consider our stakeholders' expectations, including investors, to identify and report on material topics.</p>	GRI Index – Disclosures

Number	Description	Response	References
102-47	List of material topics	<p>Sunstone provides disclosures for the following select material topics:</p> <ul style="list-style-type: none"> • Economic: economic performance, indirect economic impacts, and anti-corruption. • Environmental: energy, water, waste and effluents, and GHG emissions. • Social: employment, occupational health and safety, training and education, diversity and equal opportunity, local communities, product health and safety, and customer privacy. 	GRI Index – Disclosures
102-48	Restatements of information	Portfolio waste data (2015-2018) was restated in our 2020 Sustainability Report due to greater data availability.	2020 Sustainability Report
102-49	Changes in reporting	No changes are reported during the reporting period.	2020 Sustainability Report
102-50	Reporting Period	Our reporting period is calendar year 2019 (January 1 – December 31, 2019).	2020 Sustainability Report
102-51	Date of most recent report	October 8, 2020.	2020 Sustainability Report
102-52	Reporting cycle	Our Sustainability Report and related ESG disclosures are published annually.	2020 Sustainability Report
102-53	Contact point for questions regarding the report	<p>Sunstone Hotel Investors, Inc. 200 Spectrum Center Drive 21st Floor Irvine, CA 92618 Phone: 949-330-4000</p>	Sunstone Hotel Investors
102-56	External assurance	We did not receive external assurance during this reporting cycle.	GRI Index – Disclosures

GRI Content Index: Management Approach Disclosures – Economic

Number	Description	Response	References
Economic Performance			
103	Management Approach	<p>Aimed at deriving significant stockholder value through the ownership of LTRR®, we take a holistic view in investing in our assets, balancing the best interests of our stockholders, the environment, our employees, the hotel associates, and the communities where we operate.</p> <p>Through our ESG program and strategy, we aim to improve our portfolio's quality and value and effectively mitigate risks.</p>	2020 Sustainability Report
201-1	Direct economic value generated and distributed	<p>In 2019, total revenues were \$1,115,167,000.</p> <p>Our Company also donated over \$125,000 in Company matched or Company sponsored donations to support local and national charities and organizations in 2019.</p>	<p>2019 10-K Filing (<i>Selected Financial Data</i> p. 37 of 10-K)</p> <p>2020 Sustainability Report</p>
201-2	Financial implications and other risks and opportunities due to climate change	<p>Sunstone performs assessments throughout the Company to identify and effectively mitigate risks, including those related to climate change.</p> <p>A list of financial implications and other risks and opportunities due to climate change is located in our 10-K filing.</p>	<p>2019 10-K Filing (<i>Risk Factors</i> pgs. 12-34 of 10-K)</p>

Number	Description	Response	References
Indirect Economic Impacts			
103	Management Approach	<p>Sunstone actively supports local and national charities and organizations through our Community Involvement Program. Sunstone employees are also engaged in supporting charities, organizations, and communities by participating in our Matching Gifts Program and various drives, including food, school supplies, and holiday food and gifts.</p> <p>Our Community Involvement Program aims to support youth and local families. Since 2016, we have donated \$115,000 to the American Hotel & Lodging Association Educational Foundation (“AHLA EF”).</p> <p>We monitor the impacts of our Community Involvement Program and continuously seek opportunities to assist local communities.</p>	<p>2020 Sustainability Report</p> <p>GRI Index – Disclosures</p>
203-1	Infrastructure investments and services supported	<p>At our headquarters in Irvine, California, we actively support local and national charities and organizations through our Community Involvement Program.</p> <p>In 2019, Sunstone donated over \$125,000. Sunstone employees can donate to qualifying organizations through our Matching Gifts Program. Through this program, Sunstone matches personal gifts on a dollar-for-dollar basis, up to an annual maximum of \$5,000 per employee per year. Included in the \$125,000 is \$8,000 of supply donations through food drives, school supplies drive, and gift drive for teens.</p>	<p>2020 Sustainability Report</p> <p>GRI Index – Disclosures</p>
Anti-Corruption			
103	Management Approach	<p>Sunstone’s Code of Business Conduct and Ethics, which is overseen by the NCG, outlines the broad principles of legal and ethical business conduct, and includes anti-corruption of information.</p> <p>All Sunstone employees, including management, receive training related to governance risks, including initial training when the employee joins the Company.</p>	<p>Code of Business Conduct and Ethics</p>

Number	Description	Response	References
205-1	Operations assessed for risks related to corruption	Sunstone regularly monitors Company operations for risks related to corruption. We also conduct Company-wide bribery and corruption risk assessments.	GRI Index – Disclosures
205-2	Communication and training on anti-corruption policies and procedures	Sunstone employees are expected to comply with our Code of Business Conduct and Ethics. Sunstone employees receive training on governance-related risks, including bribery and corruption.	Code of Business Conduct and Ethics
205-3	Confirmed incidents of corruption and actions taken	No known incidents of corruption during the reporting cycle.	GRI Index – Disclosures

GRI Content Index: Management Approach Disclosures – Environmental

Number	Description	Response	References
103	Management Approach	<p>Sunstone's 2025 environmental targets aim to reduce energy and carbon emissions per square foot by 7.5% and 22%, respectively, and water and waste intensity per occupied room by 13% and 10%, respectively.</p> <p>We implemented an internal EMS, including a Plan, Do, Check, Act process to drive continuous improvement. Through Sunstone's EMS, we aim to reduce our portfolio's environmental impact and risks by monitoring our performance, investing in efficiency and capital projects, and evaluating operations. Our Company's EMS also directly monitors climate-change related risks, including sea-level rise and natural hazards.</p> <p>We actively strive to reduce utility usage and greenhouse gas emissions by installing energy-efficient equipment and investing in low-carbon opportunities; managing and reducing waste by eliminating single-use plastics and increasing recycling programs; monitoring regulatory compliance; and conducting climate-change studies and implementing adaptation measures.</p>	<p>2020 Sustainability Report</p> <p>ESG Performance Tables</p>
Energy			
302-1	Energy consumption within the organization	In 2019, total energy consumption was 217,019 MWh.	ESG Performance Tables
302-3	Energy intensity	In 2019, energy intensity was 23.22 kWh per sq. ft.	ESG Performance Tables
Water and Effluents			
303-3	Water withdrawal	In 2019, total groundwater withdrawal was 7,792 kilogallons.	ESG Performance Tables
303-5	Water consumption	In 2019, total water consumption was 485,183 kilogallons.	ESG Performance Tables
GHG Emissions			
305-1	Scope 1 emissions	In 2019, scope 1 emissions were 17,817 metrics tons CO ₂ e.	ESG Performance Tables

Number	Description	Response	References
305-2	Scope 2 emissions	In 2019, scope 2 emissions were 41,542 metrics tons CO2e.	ESG Performance Tables
305-4	Greenhouse gas intensity (GHG)	In 2019, greenhouse gas intensity was 6.35 kg. per sq. ft.	ESG Performance Tables
Effluents and Waste			
306-2	Waste by type and disposal method	<p>In 2019, total waste generated was 11,285 U.S. tons.</p> <p>In 2019, 7,625 U.S. tons of waste was sent to landfill, 1,601 U.S. tons of waste was recycled, 1,020 U.S. tons of waste was composted, and 1,028 U.S. tons of waste was incinerated. 10 U.S. tons of hazardous waste were also generated.</p>	ESG Performance Tables

GRI Content Index: Management Approach Disclosures – Social

Number	Description	Response	References
Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>All Sunstone employees receive benefits, including medical, dental, and vision insurance, life insurance, and retirement plans. All employees are also provided with a gym membership and an annual voluntary on-site biometric health screening.</p> <p>Prior to onset of COVID-19, we also offered flexible working hours and working from home arrangements on a case-by-case basis. Due to COVID-19, we have temporarily implemented a work from home environment for the health and safety of our employees with additional benefits of at-home computer and computer-related equipment and flexible hours.</p>	2020 Sustainability Report
Occupational Health & Safety			
403-6	Promotion of worker health	<p>Sunstone offers all employees benefits, including health insurance and life insurance, and retirement plans. All employees are also provided with a gym membership and an annual voluntary on-site biometric health screening.</p> <p>We also distribute a monthly wellness newsletter to all Company employees to promote a healthy lifestyle.</p> <p>Through Heart-of-House investments, we promote the hotel associates' health and well-being through investing in hotel back-of-house spaces, including refreshed associate cafes, associate locker rooms, and common areas.</p>	2020 Sustainability Report
403-9	Work-related injuries	In 2019, no Sunstone employee work-related severe injuries or fatalities occurred.	2020 Sustainability Report

Number	Description	Response	References
Training and Education			
404-2	Programs for upgrading employee skills and transition assistance programs	Sunstone supports our employees by creating an inclusive, collaborative, and supportive work environment, competitive wages and benefits, and career development opportunities. We provide individualized training for our employees, including programs in real estate investments and negotiation, accounting and reporting systems, CPA test preparation, tax, sustainability, information technology systems, and engineering (roofing, elevator, and chiller maintenance).	2020 Sustainability Report
404-3	Percentage of employees receiving regular performance and career development reviews	All Sunstone employees receive regular performance and/or career development reviews. During these performance reviews, supervisors and employees discuss areas of improvement and opportunities for growth.	2020 Sustainability Report
Diversity and Equal Opportunity			
103	Management Approach	<p>Sunstone aims to create an inclusive work environment, free of any form of harassment or discrimination. The Company is committed to advancing diversity, equity and inclusion within the workplace and with our business partners and recognizes the value of different perspectives and backgrounds within the workplace.</p> <p>The Company is a signatory to the CEO Action for Diversity and Inclusion™ which aims to advance diversity and inclusion in the workplace.</p> <p>The Company's current initiative is to increase female and racial minority representation on our Board.</p>	2020 Sustainability Report
405-1	Diversity of governance bodies and employees	<p>Sunstone's Board is comprised of 7 men and 1 woman.</p> <p>45% of our employees are women and 55% are men.</p> <p>Please refer to Sunstone's ESG Performance tables for additional information on employee age and race/ethnicity metrics.</p>	<p>Board of Directors</p> <p>ESG Performance Tables</p>

Number	Description	Response	References
Human Rights Assessment			
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>In 2020, we published an enhanced Human Rights & Labor Rights Policy and we believe that companies have a responsibility to respect and uphold fundamental human rights. We aim to adhere to the principles defined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.</p> <p>We fully support and encourage all of our operators to adopt and abide by the principles of the AHLA's 5-Star Promise. The 5-Star Promise is part of an industry-wide commitment to advance safety and security for hotel associates and guests based on the following five important initiatives:</p> <ul style="list-style-type: none"> ◇ Build on our industry's longstanding commitment to hospitality and a People Culture by continuing to provide industry-wide training and materials on safety and security, and retain expert guidance to work with the industry on diversity and safety matters. ◇ Ensure mandatory anti-sexual harassment policies are in place in multiple languages. ◇ Provide ongoing training and education for associates on identifying and reporting sexual harassment. ◇ Provide US hotel associates with associate safety devices to help them feel safe on the job. ◇ Broaden vital partnerships with wide-ranging national organizations that target sexual violence and assault and trafficking and promote workplace safety. <p>In addition, we support and participated in AHLA's "No Room for Trafficking" awareness campaign, which is an industry-wide initiative to end human trafficking.</p> <p>Nearly all of our hotels (18 out of 20) are operated under nationally recognized brands such as Marriott, Hilton, and Hyatt. These brands and management companies developed and provided human rights training and policies to hotel associates. Our two independent hotels deployed human rights training and policies with their management companies.</p>	<p>2020 Sustainability Report</p> <p>Human Rights & Labor Rights Policy</p>

Number	Description	Response	References
Local Communities			
103	Management Approach	<p>Sunstone engages with local communities and organizations through our Community Involvement Program. Our Program is targeted towards supporting youth and local families through direct donations and donation drives. Sunstone employees are actively involved in our Community Involvement Program and participate in food drives, school supply donation drives, and holiday gift-giving drives for youth and families in our community. Since 2015, Sunstone has donated over \$385,000 to charitable organizations.</p> <p>We also aim to support local communities where our hotels are located, including identifying opportunities to support associates who work at the properties we own.</p> <p>In 2019, Sunstone also conducted a Socio-Economic Risk and Opportunities Assessment to identify key factors that contribute to communities' social impact or well-being where our properties are located.</p>	2020 Sustainability Report
413-1	Operations with local community engagement, impact assessments, and development programs	<p>At our headquarters in Irvine, California, we actively support local and national charities and organizations through our corporate giving program. In 2019, Sunstone donated over \$125,000 to nearly 50 different charitable organizations. Sunstone employees also have the opportunity to donate to qualifying organizations through our Matching Gifts Program.</p> <p>Our portfolio of hotels also actively engages with their local communities through their community service and donation programs.</p>	2020 Sustainability Report

Number	Description	Response	References
Public Policy			
415-1	Political Contributions	<p>Sunstone's Code of Business Conduct and Ethics outlines our Political Contributions Policy.</p> <p>All political, legislative, and regulatory activities conducted by, or on behalf of, the Company must be coordinated through the Legal Department to ensure compliance with all laws and regulations.</p>	Code of Business Conduct and Ethics
Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	<p>Sunstone aims to prioritize our employees' health, safety, and well-being. We also aim to protect and promote our guests' and hotel associates' health, safety, and well-being through investments at our properties.</p> <p>Throughout our portfolio of hotels, third-party fire life safety checks are also performed.</p>	2020 Sustainability Report
Customer Privacy			
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No known complaints regarding breaches of customer privacy and customer data losses were reported during the reporting cycle for Sunstone corporate information.	2019 10-K Filing (pgs.21-22 of 10-K) GRI Index – Disclosures

Appendix B: SASB Disclosures

Code	Metric Description	Response
Activity Metrics		
IF-RE-000.A	Number of assets	20
IF-RE-000.B	Leasable floor area	9,346,668 Square Feet
IF-RE-000.C	Percentage of indirectly managed assets	100%
IF-RE-000.D	Average occupancy rate	84%

Sustainability Disclosure Topics and Accounting Metrics		
Code	Market Description	2019 Values
Energy Management		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area	100%
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage	781,271 GJ
	Percentage grid electricity	55%
	Percentage renewable energy	0%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage	-1.4%
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating	78%
	Percentage of eligible portfolio that is certified to ENERGY STAR	3%
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	<p>Sunstone's ESG investment strategy begins during the initial due diligence for new property acquisitions and continues throughout our hotel ownership. During the hotel acquisition process, we utilize both internal and third-party technical experts to assess each property's infrastructure, including near and long-term capital needs.</p> <p>Through Sunstone's EMS, we actively manage building energy at our standing investments, as part of our ESG strategy. Sunstone's EMS aims to reduce our portfolio's environmental impact and risks through monitoring our performance and investing in efficiency, capital, and management projects.</p>

Sustainability Disclosure Topics and Accounting Metrics		
Code	Market Description	2019 Values
Water Management		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area	100%
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress	100%
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage	1,837 Thousand Cubic Meters
	Percentage in regions with High or Extremely High Baseline Water Stress	29%
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage	-1.8%
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	<p>Through Sunstone's EMS, we actively manage building water consumption at our standing investments, as part of our ESG strategy. Sunstone's EMS aims to reduce our portfolio's environmental impact and risks through monitoring our performance and investing in water efficiency and management projects.</p> <p>As part of our strategy, we conducted a water risk assessment to identify high or extremely high baseline water stress properties. To mitigate risks, we implement water saving technologies and strategies throughout our portfolio, including installing high-efficiency fixtures, smart irrigation, and drought-tolerant landscaping.</p>
Management of Tenant Sustainability Impacts		
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	0%
IF-RE-410a.2	Percentage of tenants that are separately metered or sub metered for water withdrawals	80%

Sustainability Disclosure Topics and Accounting Metrics		
Code	Market Description	2019 Values
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Sunstone continuously engages with hotel executive management teams and operators to measure and improve environmental performance. Throughout our portfolio, our Design & Construction, Engineering, and Asset Management teams continuously monitor energy and water consumption and costs, as well as work with our operators to identify areas for improvement. We also provide operators with tenant fit-out guides.
Climate Change Adaptation		
IF-RE-450a.1	Area of properties located in 100-year flood zones	2,210,391 Square Feet
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	<p>As part of our climate change adaptation strategy, we conducted portfolio-wide climate change risk assessments. We identified properties with high risks through these assessments and began to implement strategies to mitigate risks related to climate change.</p> <p>Our climate change adaptation strategy includes evaluating both short-term investments and long-term preventative measures to protect our assets. In the short term, we are focused on investments that will protect our assets from the current environmental threat of potential wind and flood events.</p>

Appendix C: ESG Performance Data Tables

COMPANY PROFILE

	2019 ³	2018	2017 ⁴	2016	Baseline (2015)
Total Number of Properties	20	21	25	28	29
Total Number of Rooms	10,610	10,780	12,450	13,666	13,845

ECONOMIC (IN THOUSANDS)

	2019 ⁵	2018	2017 ⁶	2016	Baseline (2015)
Revenue (USD)	\$1,115,167	\$1,159,053	\$1,193,638	\$1,189,340	\$1,249,180
Adjusted EBITDA (USD)	\$320,244	\$331,842	\$338,640	\$330,012	\$351,332
Revenue Per Available Room (RevPAR) (USD)	\$196.08	\$191.74	\$172.27	\$164.22	\$162.42
Occupancy Rate	83.7%	83.8%	82.4%	81.9%	82.3%

SOCIAL AND GOVERNANCE⁷

	2019	2018	2017	2016	Baseline (2015)
Employees					
Total Number of Employees	47	48	49	48	50
Employee Gender Metrics					
- Male (%)	55%	56%	53%	56%	58%
- Female (%)	45%	44%	47%	44%	42%

³ Represents the Company's ownership results for all 20 hotels owned by the Company as of December 31, 2019.

⁴ As of December 31, 2017, we had interests in 27 hotels, including the Marriott Philadelphia and the Marriott Quincy which we classified as held for sale and subsequently sold in January 2018, leaving 25 hotels currently held for investment.

⁵ Represents the Company's ownership results for all 20 hotels owned by the Company as of December 31, 2019.

⁶ As of December 31, 2017, we had interests in 27 hotels, including the Marriott Philadelphia and the Marriott Quincy which we classified as held for sale and subsequently sold in January 2018, leaving 25 hotels currently held for investment.

⁷ Social metrics are representative of Sunstone Company employees only.

	2019	2018	2017	2016	Baseline (2015)
Employee Race Metrics					
- Asian (%)	9%	6%	6%	6%	8%
- Black or African American (%)	0%	0%	0%	0%	0%
- Hispanic or Latino (%)	9%	6%	6%	6%	4%
- White (%)	82%	88%	88%	88%	88%

Employee Age Metrics					
- Under 30 years old (%)	11%	10%	10%	15%	12%
- 30 – 50 years old (%)	57%	56%	56%	56%	56%
- Over 50 years old (%)	32%	34%	34%	29%	32%

Board of Directors					
Total Number of Board Members	8	8	8	9	8

Board of Directors Gender Metrics					
- Male Board Members (%)	88%	88%	88%	89%	88%
- Female Board Members (%)	12%	12%	12%	11%	12%

Company Donations and Community Service					
Total Amount of Charitable Donations (USD)	\$125,235	\$89,750	\$60,010	\$54,308	\$63,917
Clean the World Soap & Amenity Donations (pounds)	19,649	11,391	21,263	14,698	N/A

ENVIRONMENTAL

	2019 ⁸	2018	2017	2016	Baseline (2015)
Floor Area Coverage for Intensity Metrics	9,346,668	9,453,668	9,348,591	9,348,591	9,088,591
Occupied Rooms for Intensity Metrics	3,238,823	3,295,670	3,260,130	3,221,533	3,141,497

Energy					
Total Energy Consumption (megawatt hours)	217,019.75	222,100.10	220,955.21	219,012.25	223,934.62
Total Direct Energy Consumption (megawatt hours)	97,308.03	93,048.40	89,689.06	86,036.12	89,720.81
Total Indirect Energy Consumption (megawatt hours)	119,711.72	129,051.70	131,266.15	132,976.13	134,213.82

⁸ Environmental metrics do not include Courtyard by Marriott Los Angeles sold in October 2019.

	2019 ⁹	2018	2017	2016	Baseline (2015)
Energy					
Energy Consumption per square foot (kilowatt hours)	23.22	23.49	23.64	23.43	24.64
Energy from Renewables ¹⁰ (%)	9.5%	9.2%	9.3%	9.1%	8.7%

Greenhouse Gas Emissions (CO2e)					
Total Greenhouse Gas Emissions (metric tons)	59,358.50	63,006.32	62,203.23	65,375.19	69,048.29
Total Scope 1 Emissions (metric tons)	17,816.59	17,055.93	16,398.43	15,688.67	16,391.80
Total Scope 2 Emissions (metric tons)	41,541.91	45,950.39	45,804.79	49,686.53	52,656.49
Carbon Emissions per square foot (kilograms)	6.35	6.66	6.65	6.99	7.60

Water					
Total Water Consumption (kilo-gallons)	485,182.91	498,754.84	497,706.97	516,269.18	519,663.90
Water Consumption per occupied room (gallons)	149.80	151.34	152.66	160.26	165.42

Waste¹¹					
Total Waste Generated ¹² (US Tons)	11,285.66	11,725.43	11,868.19	11,461.47	11,411.58
Waste Generated per occupied room (pounds)	6.97	7.12	7.28	7.12	7.27
Total Waste Landfilled (US Tons and %)	7,625.37 (67.6%)	8,110.31 (69.2%)	8,296.16 (69.9%)	7,999.63 (69.8%)	7,960.32 (69.8%)
Landfilled Waste per occupied room (pounds)	4.71	4.92	5.09	4.97	5.06
Total Waste Incinerated (US Tons and %)	1,028.26 (9.1%)	1,114.00 (9.5%)	1,072.20 (9.0%)	1,002.00 (8.7%)	1,299.14 (11.4%)
Waste Diversion Rate ¹³ (%)	23.2%	21.3%	21.1%	21.5%	18.8%

⁹ Environmental metrics do not include Courtyard by Marriott Los Angeles sold in October 2019.

¹⁰ Percent of renewable energy from the EPA eGRID, including hydro.

¹¹ Portfolio waste data (2015-2018) was restated due to greater data availability.

¹² Includes both non-hazardous and hazardous waste. Hazardous waste makes up less than 0.1% of total waste generated for 2015-2019.

¹³ Includes recycled and composted waste.