

Sunstone Hotel Investors, Inc: 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 (Our Company 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 (Our Company 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 (Corporate Office 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 (Competitive Strengths p. 4 and Properties, 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 (Our Company 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> | <p>2019 10-K Filing (<i>Competitive Strengths</i> p. 4 and <i>Properties</i> p. 35 of 10-K)</p> |
| 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> | <p>2019 10-K Filing (<i>Our Company</i> p. 3, <i>Employees</i> p. 9, <i>Properties</i> p. 35, and <i>Selected Financial Data</i> p. 37 of 10-K)</p> |
| 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> | <p>2019 10-K Filing (<i>Employees</i> p. 9 of 10-K)</p> <p>GRI Index – Disclosures</p> |
| 102-9 | Supply chain | <p>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.</p> | <p>2019 10-K Filing (<i>Investments in Hotel Properties</i> p. F-10 and p. F-16 of 10-K)</p> |
| 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> | <p>2019 10-K Filing (<i>2019 Highlights</i> p. 39 of 10-K)</p> |

| 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> | 2020 Sustainability Report Human Rights & Labor Rights Policy |
| 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. | 2020 Sustainability Report 2019 Annual Report (pgs. 3-6 of Annual Report) |

| 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 |
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| 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 eight 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 | <p>Douglas M. Pasquale is the Chairman of the Board.</p> <p>John V. Arabia is the President and CEO of Sunstone.</p> | <p>Board of Directors</p> |
| 102-24 | Nominating and selecting the highest governance body | <p>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> | <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 | <p>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).</p> | <p>2020 Proxy Statement (pdf pgs. 9-10, 42-52)</p> |

| 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 | <p>Sunstone stakeholders include stockholders, operators, brand and management companies, corporate employees, hotel associates, suppliers, industry associations, local communities, and other business partners.</p> | 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 |
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| 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 pdf p. 30)</i> |
| 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 p.35 of 10-K)</i> |
| 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 (Selected Financial Data 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 (Risk Factors 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> | 2020 Sustainability Report ESG Performance Tables |
| 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. | <p>2019 10-K Filing (pgs.21-22 of 10-K)</p> <p>GRI Index – Disclosures</p> |

Sunstone Hotel Investors, Inc: 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> |