



# 2013 Sustainability Report Update

An Update to Marriott's 2011-2012 Sustainability Report





# To Our Stakeholders

**M**arriott® is in the business of helping people “See the World.” We take pride in creating memorable experiences in our hotels while operating sustainably and creating economic opportunity wherever we do business. Customers—including those in some of the strongest emerging markets like Brazil, China and India—are traveling in record numbers and choosing Marriott for their stay.

We seek innovative and creative ways to meet the needs of guests while maintaining high standards in every aspect of our business, from human rights to environmental and social sustainability.

In the last year, we made great strides in supporting our core values and sustainability goals. For example, our World of Opportunity commitment to youth employment continues to expand through partnerships with the Youth Career Initiative globally, The Prince’s Trust and SOS Children’s Villages in Europe, Akilah Institute for Women in the Middle East and Africa and Bridges From School to Work® in the U.S. Our global environmental goals also remain a priority, most notably with our Juma Sustainable Development Reserve rainforest preservation program in Brazil, Nobility of Nature water conservation program in China, and the global implementation of an online environmental sustainability dashboard for all hotels.

This report updates our 2011-2012 Marriott Sustainability Report and focuses on progress made during 2012 in areas of most interest to stakeholders. Unless otherwise noted, this report is based on data from Marriott’s 2012 fiscal year, and reflects the operational performance of our 1,099 company-operated hotels, which include owned, leased and managed properties, and exclude rooms from franchised, unconsolidated joint ventures and timeshare properties.



J.W. Marriott, Jr., Executive Chairman (left); and  
Arne M. Sorenson, President and Chief Executive Officer

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# The Way We Do Business

## OUR COMPANY

Since our founding in 1927, Marriott International has grown to be a leading lodging company with more than 3,800 hotel properties in 74 countries and territories. Approximately 325,000 associates work at our managed and franchised properties, Marriott Corporate Headquarters and office locations. We reported nearly \$12 billion in revenues in fiscal year 2012. As our business evolves, we stay true to our founding principles and core values: putting people first, pursuing excellence, embracing change, acting with integrity and serving our world.

Our focus on innovation and action fuel the way we do business. With the most powerful lodging brand portfolio in the world, and a business model based on management and franchising, we set the bar for the hospitality industry. Yet our strength lies in more than just our business model. Our heritage and how we do business enriches relationships and instills a passion for who we are.



## GLOBAL GROWTH

According to the United Nations World Tourism Organization (UNWTO), there were more than 1 billion trips across international borders in 2012, marking a global milestone for travel and tourism. Marriott has remained an industry leader in advocating for “Smart Visa” and entry policies that ensure secure borders but also enable the freer flow of people. We are working with others such as the World Economic Forum (WEF) Governors for the Aviation, Travel and Tourism Industry and World Travel and Tourism Council (WTTC) to promote global action toward “Smart Visa” policies regionally by 2015 and globally by 2020. Governments working together to promote mobility, remove barriers, eliminate process redundancy, and utilize technology, will allow more people to see the world, enhancing economic growth and employment opportunities.

We also continue to advocate for reforms to U.S. visa and entry systems through the U.S. Travel Association and engagement with The U.S. Department of State, U.S. Department of Homeland Security and the U.S. Department of Commerce Travel and Tourism Advisory Board. We support the Jobs Originated Through Launching Travel (“JOLT”) Act, designed to reduce wait times for visa interviews at consular offices worldwide, increasing inbound international travel to the U.S. In 2010, the Travel Promotion Act was signed into law, resulting in the creation of “Brand USA,” the first-ever public-private partnership charged with marketing the U.S. as an international travel destination. In 2012, Arne Sorenson, president and CEO, was named to Brand USA’s Board of Directors. Brand USA launched its first campaigns in 2012, furthering upward trends in visitation from the United Kingdom, Canada and Japan. For 2013, Marriott has renewed our commitment to support Brand USA’s campaigns, which will be in 11 markets by the end of the year.

We are well positioned to rigorously drive global growth in our four continental regions—The Americas (including the Caribbean and Latin America), Asia Pacific, Europe, and the Middle East & Africa—which saw major growth in 2012. With 18 lodging brands, our portfolio power allows us to meet the development strategies of individual owners and franchisees and propel distribution and growth. Our acquisition of the Gaylord brand and hotel management company in 2012 introduced a new, powerful brand to our portfolio leveraging our back-of-the-house operating systems, Marriott Rewards® and group sales efforts. Gaylord represents nearly 8,100 rooms in additional capacity to fuel our already leading group and meeting portfolio.

Our acquisition of the Gaylord brand and hotel management company in 2012 adds star power to our leading group and meeting portfolio. These four U.S.-based hotels, including the Gaylord Texan® (pictured), celebrate the heritage of their destinations. Gaylord Hotels® blends magnificent settings and luxurious rooms for world-class group meetings.





## Top Markets 2012

	Total Properties	Managed Hotels	Franchised Hotels	Unconsolidated JV Hotels*	Timeshare Properties**	Total Rooms
United States	3,180	734	2,396	–	50	515,356
China	62	61	–	–	1	23,483
Canada	74	14	60	–	–	15,034
United Kingdom	59	54	4	–	1	11,354
Spain	79	4	2	70	3	9,910
Germany	28	16	12	–	–	6,524
Mexico	22	6	16	–	–	5,421
India	16	16	–	–	–	3,909
France	18	14	2	1	1	3,801
Russia	14	10	4	–	–	3,498

\*In 2011, Marriott became a partner in two new unconsolidated joint ventures formed for the operation, management and development of AC Hotels by Marriott<sup>SM</sup>. The hotels are managed by the joint ventures or franchised at the direction of the joint ventures.

\*\*We continue to include timeshare units in the company's unit and room counts following the 2011 spin-off of our former timeshare segment, as Marriott receives a licensing fee from Marriott Vacations Worldwide reported as franchise fees. However, the methodology used to report the number of timeshare properties and rooms changed in 2011 as a result of the timeshare spin-off.

Note 1: Managed hotels includes Managed, Owned, and Leased hotels.

Note 2: We determine Top Markets using Total Room Counts (including Timeshare activity) at year-end 2012.

## Regional Presence 2011 - 2012

	Total Properties		Managed Hotels		Franchised Hotels		Unconsolidated JV Hotels*		Timeshare Properties**		Total Rooms	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Americas	3,263	3,339	801	795	2,406	2,488	-	-	56	56	534,471	550,319
Europe	282	284	144	140	48	55	85	84	5	5	52,653	53,321
Asia/Pacific	136	137	122	125	11	8	-	-	3	4	45,441	44,829
Middle East and Africa	37	41	35	39	2	2	-	-	-	-	10,631	11,925
<b>Total</b>	<b>3,718</b>	<b>3,801</b>	<b>1,102</b>	<b>1,099</b>	<b>2,467</b>	<b>2,553</b>	<b>85</b>	<b>84</b>	<b>64</b>	<b>65</b>	<b>643,196</b>	<b>660,394</b>

\*In 2011, Marriott became a partner in two new unconsolidated joint ventures formed to operate, manage and develop AC Hotels by Marriott. The hotels are managed by the joint ventures or franchised at the direction of the joint ventures.

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## ETHICS AND HUMAN RIGHTS

Acting with integrity is a core value for our associates around the world. How we do business is as important as the business we do, and ethical practices are deeply embedded in our heritage and culture. In September 2012, we issued Marriott's Principles of Responsible Business on global employment, human rights, environment and supplier conduct to our associates to help further communicate our policies, commitment and expectations in these areas. We also shared these Principles with customers and other stakeholders who seek greater understanding of how our company operates and post them on the company's website.

- Marriott participated in two UNWTO events and shared our approach in addressing human trafficking. In April 2012, we participated in the panel "Building a Better Response: Human Trafficking in the Context of Tourism," in Vienna, Austria, which included the heads of the UNWTO and the United Nations Office on Drugs and Crime. In September 2012, we participated in the panel "An Ethical Framework for Responsible Tourism," which included the Chairman of the World Committee on Tourism Ethics, as part of its International Congress held in Quito, Ecuador.
- "Human Rights and the Protection of Children" Training:
  - Beginning in 2012, we integrated our "Human Rights and the Protection of Children" training into the onboarding process for all new associates. The training is mandatory for all Marriott managed properties, covering nearly 200,000 associates and is provided to all Marriott franchise properties worldwide.
  - We also continue to deliver this training to our loss prevention directors and officers at all managed properties worldwide as part of their required security officer certification program.
- Marriott was instrumental in securing grants totaling \$550,000 from The U.S. Department of State's Office to Monitor and Combat Trafficking in Persons. The funds help survivors of human trafficking lead self-sustaining lives through skills learned in the hotel-based Youth Career Initiative (YCI). The 24-week YCI program teaches young adults life and employment skills through on-the-job instruction, training and mentoring provided by hotel management. In 2012, YCI's first graduating class in Mexico City included 11 survivors of trafficking from local shelters.
- In 2012, Marriott achieved a high score of 90 percent on the Human Rights Campaign Foundation's Corporate Equality Index. Ratings were based on factors such as non-discrimination policies, diversity training and benefits for domestic partners.
- In 2013, the Ethisphere™ Institute recognized our efforts to lead the industry on upholding high ethical standards for the sixth time. The Institute cited Marriott as one of the World's Most Ethical Companies for our commitment to promoting important principles of corporate social responsibility and adherence to ethical business practices.

Our efforts to lead the industry in upholding the highest ethical standards were recognized for the sixth time in 2013 by the Ethisphere Institute. Marriott was recognized as one of the World's Most Ethical Companies for our commitment to maintaining superior business practices.

Marriott's [Commitment To Human Rights](#), a comprehensive summary of our commitment to the highest ethical standards and work to protecting human rights, is available on [Marriott.com](#).

## MARPAC DISBURSEMENTS

Marriott maintains a Political Action Committee (MARPAC) that supports candidates for U.S. congressional offices who advance policies that promote the travel and tourism industry. MARPAC is funded through voluntary associate contributions in accordance with federal regulations, and strives to maintain an equal contribution split between candidates from the two major political parties during each two-year election cycle.

The figures below reflect MARPAC collections and disbursements for the 2012 election cycle, January 1, 2011 through December 31, 2012.

2012 Election Cycle Receipts	\$560,582	
Contributions to Democratic Candidates	\$156,000	(44%)
Contributions to Republican Candidates	\$160,400	(45%)
Contributions to Other PACs	\$38,500	(11%)
Total Disbursements, 2012 Election Cycle	\$354,900	



# Marriott Business Values

## WORKFORCE

The foundation of our success lies in Marriott's long-standing philosophy, "take care of your associates and they'll take care of your customers." We understand the power of feeling that you belong. When our associates feel valued, respected and trusted, they know Marriott is where they belong.

We are committed to providing a place where our associates have the opportunity to achieve their potential and deliver great guest service. Ultimately, we want to make our associates feel as much at home as our guests do.

Total Global Workforce <sup>1</sup>	Year-end 2011	Year-end 2012
Total Global Associates	191,104 <sup>2</sup>	199,318
Hourly-paid	87% <sup>2</sup>	86%
Salaried	13% <sup>2</sup>	14%
Full-time <sup>3</sup>	91%	91%
Part-time <sup>3</sup>	9%	9%
Male <sup>3</sup>	47%	48%
Female <sup>3</sup>	53%	52%
Voluntary Turnover (includes retirements)	16%	17% <sup>4</sup>
New Hires	35,847	46,372 <sup>4</sup>

Total U.S. Workforce <sup>1</sup>	Year-end 2011	Year-end 2012
Total U.S. Associates	100,261	107,278
Hourly-paid	84%	84%
Salaried	16%	16%
Full-time	88%	88%
Part-time	12%	12%
Male	45%	46%
Female	55%	54%
Voluntary Turnover (includes retirements)	12%	13% <sup>4</sup>
New Hires	20,205	19,130 <sup>4</sup>

<sup>1</sup> Includes hourly-paid and salaried associates at headquarters, corporate offices and managed properties unless otherwise noted.

<sup>2</sup> Figures have been restated to include hourly-paid non-U.S. workforce not previously captured.

<sup>3</sup> Excludes non-U.S. hourly population not tracked in human resource management system.

<sup>4</sup> Excludes Gaylord Hotels acquired in 2012.



where I belong.

## Employment

Hiring, engaging and retaining a diverse workforce around the world is essential to our ability to strengthen the communities in which we live and work. In 2011, we set a goal to add approximately 100,000 more people to our managed and franchised workforce over the next several years in order to support our growth targets. To attract new associates who can help deliver world-class service to our guests, Marriott launched employment-focused websites in 2012, including:

- The new "Marriott, Where I Belong" campaign features real associates and highlights what it feels like to work for a company that is consistently recognized as an employer of choice around the globe. Job seekers can access jobs and more information about the company through Marriott's first-ever mobile careers site or the redesigned and reimaged "Marriott, Where I Belong" [desktop careers site](#). We also invited current, former and prospective associates to participate in the campaign by browsing "Marriott, Where I Belong" photo galleries and uploading their own photo.
- To highlight our commitment to the China market and support our goal of hiring 30,000 associates in the country by the end of 2014, Marriott launched our job seeker-focused presence on the Chinese social networking site, Weibo. The launch on Weibo kicked off with "Our Hotel Rocks," a video contest in which Marriott's mainland China hotels created and submitted one-minute videos to share why their hotel is a great place to work. Videos were submitted from locations ranging from Shanghai, Sanya and Guangzhou, to Beijing, Huizhou and Shenzhen.



Fifteen years ago, Tanya Ritter worked the overnight shift in Room Service at the Melbourne Marriott. Within three months, she was promoted to the Front Office and later progressed to front office manager. She took advantage of training opportunities and networked with other hotel managers to share best practices. As a result of Tanya's experience and commitment to the company, she was recently promoted to operations manager at Courtyard® North Ryde in Sydney, Australia.

### Immigration and Integration

As the U.S. Congress considers reforms to the U.S. immigration system, Marriott is advocating for measures, within the context of safe and secure borders, that will ensure we can fill critical service positions at our U.S. hotels.

We support reforms that would resolve the status of the large numbers of undocumented individuals currently in the United States and permit them to fully participate in the economy. We are also advocating for a uniform federal approach to immigration enforcement that will supersede a growing patchwork of state laws.

### Learning and Development

For Marriott to grow and continue to be successful, the company and its associates must be committed to a cadence of training and opportunities for professional advancement. Training is also an essential way for maintaining our renowned culture that focuses on associate engagement, participative management and outstanding customer service. Also, for Marriott to expand and continue to be successful, associates must be motivated and committed to personal growth and advancement, seeking opportunities for promotion and achievement of professional objectives.

Through skills training programs, professional development opportunities and optional learning experiences, Marriott provides associates with a multitude of choices for developing both professional and personal skills and talents. Marriott associates participate in about 10,000 training classes every year. Associates can also take advantage of a wide variety of eLearning and self-paced learning options. A few of our newest programs include:

- In 2012, we launched The Professional Leadership Program, a one-week leadership program for high-potential leaders from around the world. These senior-level managers have been identified as being ready for near-term career advancement and the course exposes them to innovative, advanced leadership practices. Participants identify their strengths and areas for growth, and create an action plan to support ongoing development.
- Marriott's Women in Leadership (WILL) program helps our women leaders assess and determine leadership and business challenges, develop successful leadership profiles, identify leadership development expectations, define the impact of cultural issues, and create measures of success. Participants are immersed in an intensive leadership development curriculum including executive coaching.

In November 2012, we launched the Marriott Culinary Apprenticeship Academy (MCAA), in the United Kingdom to train and offer young people a viable career in the culinary and hospitality industry. Apprentices who successfully complete the program are guaranteed an entry-level chef position at a Marriott hotel. We also launched a pilot Engineer apprenticeship program in London, which recruited young people to work in our hotels under the guidance of our engineering teams. Across Europe, we continue to offer apprenticeships in all areas of the business.



Apprentices in the U.K.'s Marriott Culinary Academy training and development program attended a master class in fish and seafood. Working with the group was master fishmonger Terry Martin from M & J Seafood, our primary seafood supplier in the U.K.



**"At Marriott, putting people first and embracing differences has always been the cornerstone to our success. It ensures that our associates, customers, suppliers and other stakeholders feel truly appreciated and valued. We are passionate in our efforts to remove barriers and create an inclusive environment that leads to opportunities for others to contribute and grow."**

*Arne Sorenson  
President and Chief Executive Officer*

## GLOBAL DIVERSITY AND INCLUSION

In a message to Marriott associates in early 2012, our President and CEO, Arne Sorenson, highlighted our company's global diversity and inclusion (D&I) strategy. In 2011, Mr. Sorenson launched Marriott's Global Diversity and Inclusion Council to ensure the integration of our D&I focus across all areas of the company. To build on our success and accelerate our progress, Marriott's continent presidents joined the Council in 2012. The Council develops D&I strategies that both support the local needs of all four continental groups and align with the company's overall D&I goals.

- In 2012, we launched a refresh of our diversity and inclusion website, [Marriott.com/diversity](http://Marriott.com/diversity), showcasing our global diversity and inclusion initiatives. The site is inspired not only by the different cultures of Marriott associates, but also those of our guests, owners and suppliers in the communities where we live and do business globally.



**VITAL VOICES**  
GLOBAL PARTNERSHIP

- In February 2013, women business leaders from the Middle East and Gulf States gathered at the JW Marriott® Marquis® Dubai to discuss "Women as Dynamic Forces of Change," as part of a three-day celebration honoring the iconic new hotel. Created as a forum to empower women, the luncheon and panel discussion sparked the beginning of a longer-term strategic brand partnership between JW Marriott and Vital Voices, a global nonprofit that trains and mentors women in emerging economies to enhance leadership skills and economic opportunity.
- In 2012 and 2013, our training programs for leaders included a growing percentage of women, with women representing 42 percent of participants in our Leadership Excellence Program, 18 percent of participants in the General Managers One Week Program, 33 percent of participants in the Executive Development Program, and 46 percent of participants in the newly launched Professional Leadership Program.

## Customers

Finding ways to express our loyalty and commitment to all our guests is an essential element in our global diversity and inclusion strategy. In our marketing campaigns we celebrated the diversity of our customers with efforts in 2012 including:

- Creating a fresh new look for [Marriott.com/gaytravel](http://Marriott.com/gaytravel), the first hospitality portal tailored for lesbian, gay, bisexual and transgender (LGBT) customers worldwide in English, French, Spanish, German and Portuguese. Additionally, launching a new marketing campaign, "Be You, With Us<sup>SM</sup>," in June to celebrate Pride Season in cities around the world that host gay pride parades and festivals to celebrate the LGBT community.
- Launching the "For You, We're Marriott®" campaign, to help showcase the distinction among our brands for business travelers as their needs and budgets change. The new campaign focused on African-American, Hispanic and LGBT business travelers and ran in both print and digital media throughout the last quarter of 2012.



The 72-story JW Marriott Marquis Dubai is the first JW Marriott Marquis outside of North America, the world's tallest hotel according to Guinness World Records, and the 59th addition to the brand's growing global luxury portfolio. At the hotel's February 2013 grand opening, the brand made a commitment to support women's initiatives globally through organizations like Vital Voices.





## Workforce

Marriott realized long ago that providing opportunities to create a diverse and inclusive environment strengthens our company's culture and provides a competitive advantage. We were the first hospitality company to establish a formal diversity and inclusion program more than 20 years ago. Our enterprisewide Diversity and Inclusion Council sets the tone for creating an inclusive environment and drives initiatives that celebrate the differences of all Marriott associates. Today, Marriott has one of the most diverse and inclusive workforces, due in large part to the following efforts:

- In 2012, we implemented a foundational cross-cultural workshop and Intercultural Development Inventory (IDI), a leadership tool designed to measure an individual's (or group's) fundamental orientation to cultural differences.
- In 1999, we formally launched our Women's Leadership Development Initiative. Representation of women at all levels of the company has steadily increased since then as a result of this focus. Today in the U.S., 54 percent of our workforce and 53 percent of all managers, including executives, are women.
- Working with Women Corporate Directors (WCD), we host Boot Camps to train executive-level women for participation on corporate boards, including top women at Marriott.

## Owners and Suppliers

Marriott's Diverse Ownership Initiative and inclusive purchasing program help us bridge the gap between successful women and minority business owners and the hospitality industry. Our commitment not only provides a competitive advantage but also enhances sustainable business growth and economic and social vitality. Our relationships with thousands of minority-, woman-, service veteran-, disabled-, and lesbian, gay, bisexual, and/or transgender (LGBT)-owned businesses around the globe continue to grow and strengthen. Marriott is an active corporate member of multinational organizations that support the development of diverse and historically excluded suppliers. Over the last decade, Marriott has spent nearly \$4 billion with diverse suppliers and that number continues to grow. Women-owned business enterprises make up approximately 10 percent of our supply chain.

- Five general managers of Marriott and The Ritz-Carlton® hotels were among the honorees at the 20th Annual Trumpet Awards held by the National Association of Black Hotel Owners, Operators and Developers (NABHOOD). The Trumpet Awards recognize African American managers who operate full-service hotels and have demonstrated outstanding commitment and leadership in the hospitality industry.
- Our continental procurement teams are working with organizations like WEConnect International and Vital Voices to support and identify diverse suppliers, including women, who can provide products and services for our business needs. In 2012, we participated in discussions around women's economic empowerment with both organizations.

*Continued on next page*

Diversity	2010	2011	2012	Target
Minority- and Women-Owned Hotels	578	600	614	700 by 2015
Inclusive Purchasing*	\$480M	\$567M	\$499M**	\$600M by 2015

*\*Figures have been restated as absolute values to better reflect internal tracking mechanisms and performance measurement.*

*\*\*Decrease in spend was due to Marriott International's disposition of Marriott Vacation Club® and ExecuStay®.*



The JW Marriott Chandigarh hotel in India supports Chhoti Si Asha, a nonprofit organization that works to build economic opportunities for underprivileged youth and women living in local slum communities. Its vocational training program, "Stitch a Living," produces hand-stitched bags and other accessories sold at the hotel.

Continued from previous page

- We sponsor and provide expertise to the National Minority Supplier Development Council (NMSDC) and its Global-Link Initiative that connects diverse suppliers with businesses in Australia, Canada, China, South Africa and the U.K. To help foster relationships between potential suppliers and Marriott, we recently participated in the organization's trade missions to Australia and China.
- Marriott was recently honored by The Women Presidents' Educational Organization (WPEO) as an "Outstanding Corporation" for creating access for Women's Business Enterprises (WBEs) to private-sector opportunities, including development of innovative resources and initiatives for supplier diversity.
- The Women's Business Enterprise National Council also selected Marriott as one of America's Top Corporations for Women's Business Enterprises in 2012. The Council recognized Marriott for developing and driving innovative best practices that result in productive business partnerships with women entrepreneurs as well as valuable products and services for our customers.

## Guest Satisfaction

Marriott's reputation for superior customer service dates back to founder J. Willard Marriott's original goal for his business: good food and good service at a fair price. Extensive research into the experiences that drive guest satisfaction and loyalty is the basis of our Quality Assurance program, which ensures our hotels and services are experienced consistently by guests.

Marriott Rewards, the longest running hotel guest loyalty program, is committed to creating long-term relationships and outstanding guest experiences with our customers. For the sixth consecutive year, Marriott Rewards was awarded The Freddie Award for Program of the Year in the Americas based on votes from 2.9 million frequent travelers from around the globe.

### Guest Satisfaction

	2010	2011	2012
Guest Satisfaction Score Response Rate	24%	22%	21%
Overall Guest Satisfaction Score*	81.9	81.6	81.9
Rewards Members**	35 million	38 million	42 million

*Note: Results include both Marriott-managed and franchised U.S. and Canadian hotels branded as JW Marriott®, Renaissance® Hotels, Marriott Hotels®, Courtyard®, SpringHill Suites®, Fairfield Inn & Suites®, Residence Inn®, and TownePlace Suites®. The Ritz-Carlton® Customer Engagement program is not included as it uses a different scale than the other Marriott brands, which makes the scores incomparable.*

*\*Respondents ranked various aspects of their hotel stay and service experience on a scale of one to 10, with 10 being excellent. Overall Guest Satisfaction Scores represent a percentage of respondents ranking their overall hotel experience with at least a score of eight.*

*\*\*Includes members of the Marriott Rewards and The Ritz-Carlton Rewards® programs worldwide.*



## HOTEL DEVELOPMENT AS A SOCIO-ECONOMIC DRIVER

In coming years, we expect that more than 50 percent of our hotel growth will be outside of the United States, in emerging markets such as Brazil, China, India and Sub-Saharan Africa. Sustainable hotel development helps to stimulate economies by creating jobs, supporting local businesses and growing local tourism infrastructure. Examples of how Marriott is stimulating economic development include:

- **Peru.** Marriott is working with the German Agency for International Cooperation (GIZ), which has developed a research model to quantify the economic contribution and community benefit of tourism and hotels in host countries. GIZ began this work in advance of the World Economic Forum in Peru, where our President and CEO Arne Sorenson, who co-chaired the Forum, announced the results of the first Marriott hotel study.

In the first of a series of case studies, GIZ's research on the JW Marriott Hotel Lima reveals that the hotel contributes more than \$10 million annually to the Peruvian economy through expenditures on salaries, supplies and services:

- Approximately \$6.9 million is spent on salaries for the hotel's 350 associates (98 percent of the hotel's associates are Peruvian and they spend almost 100 percent of their salaries in the greater Lima area);
- The remaining \$3.3 million is spent on supplies of Peruvian goods and services such as maintenance, energy and water. The hotel also spends \$660,000 on imported items including beverages and fish.

GIZ found an exceptionally high satisfaction rate among hotel associates regarding their working environment in comparison to research GIZ conducted at non-Marriott hotels in 10 countries. At least 50 percent of the hotel's cash flow, equating to more than \$5 million, directly supports low-income people, resulting in a powerful social benefit to the local community.

- **Rwanda.** Marriott's first hotel in Sub-Saharan Africa—and largest in Rwanda with 250 rooms—is currently under construction and slated to open in early 2014. This hotel represents the start of our aggressive growth plans in Sub-Saharan Africa where we are helping to stimulate the Rwandan travel industry and create jobs. Through our partnership with Akilah Institute for Women, whose graduates are training at our hotels in Dubai, (more on page 14), we will have skilled local talent who can fill positions at our hotel in Kigali and worldwide as they grow with Marriott.

- **Haiti.** In December 2012, we broke ground on the \$45 million 175-room Marriott Hotels brand hotel in the Turgeau area of Port-au-Prince, with opening expected in early 2015, making it the first four-star branded hotel in Haiti. The hotel will help boost the Haitian economy by supporting local vendors, generating over 200 new hospitality jobs, and sending a signal that Haiti is indeed "open for business." Highlights of our recent efforts in Haiti in advance of the hotel's opening include:
  - In 2012, Marriott executives representing operations, human resources and corporate social responsibility met with officials from Haiti's Ministry of Tourism, Ministry of National Education and Vocational Training, and the Haiti Tourism Association for a private round-table discussion on workforce training to benefit the country's tourism sector. Next steps include creating opportunities for our future Haitian workforce to train at nearby Caribbean hotels in advance of the hotel's opening.
  - We also made a formal commitment in 2012 through the Clinton Global Initiative to help grow Haiti's travel and tourism industry and provide jobs through our hotel. To help deliver on this commitment we have joined the Clinton Global Initiative's Haiti Action Network, chaired by our Haiti hotel owner and Digicel Chairman and Founder Denis O'Brien. The Action Network is driving activity in 80 support organizations in Haiti to help rebuild the nation and attract foreign investment in the wake of the country's 2010 earthquake.

**"We believe we can make a difference in Haiti by creating jobs and developing the human talent that can help lift this country over time back to its rightful place as one of the top destinations in the Caribbean."**

*Arne Sorenson  
President and Chief Executive Officer*



# Marriott and Society

**M**arriott is committed to the idea that strong neighborhoods, towns and cities are vital to the well-being of every society and economy. By partnering with our associates, owners, franchisees and guests to donate time and money, we can make a positive impact on the communities in which we operate. In 2012, our charitable contributions were more than \$23 million in cash and in-kind donations to organizations worldwide. Associates raised an additional \$4.3 million for their communities during company-sponsored events and volunteered nearly 460,000 hours valued at \$10.2 million.

Marriott and The Ritz-Carlton Rewards Members donate millions of points each year in support of charitable organizations, aligning with Marriott's community engagement strategy.

In October 2012, we launched a new donation option that allows for Marriott Rewards and The Ritz-Carlton Rewards Members to easily convert their points into dollars and donate to thousands of nonprofit organizations in the U.S. and Canada. Within weeks of its launch, our Members donated more than 50 million points, equating to a donation of nearly \$250,000, to the American Red Cross for Hurricane Sandy relief efforts.

Investing in the communities where we do business through our "Spirit To Serve Our Communities®" social responsibility and community engagement initiative, Marriott locations worldwide are focused on five strategic areas that spell out SERVE:



## **S**helter & Food

Addressing housing and hunger needs including in times of disaster

## **E**nvironment

Progressing toward a healthier planet & more sustainable future

## **R**eady for Jobs

Educating and training the next generation for a "World of Opportunity"

## **V**itality of Children

Aiding sick and impoverished children

## **E**mpowering Diversity

Providing opportunity and inclusiveness to diverse groups

Contributions* (\$M)	2010	2011	2012
Cash Contributions	\$6.9	\$7.5	\$7.2
In-Kind Contributions	\$16.9	\$15.6	\$16.0
<b>Total Cash/In-Kind Contributions</b>	<b>\$23.8</b>	<b>\$23.1</b>	<b>\$23.2</b>
Associate Fundraising	\$4.2	\$4.9	\$4.3
Associate Volunteerism**	\$6.6	\$9.4	\$10.2
<b>Total Corporate and Associate Contributions</b>	<b>\$34.6</b>	<b>\$37.4</b>	<b>\$37.7</b>

\*In addition to Marriott Corporate Headquarters' giving, we rely on voluntary reporting from our managed (and some franchised) properties to capture our overall contributions. We encourage our hotels to share these numbers, as we believe they are currently underreported.

\*\*Based on Independent Sector's estimated value of volunteer time for 2012: \$22.14 per hour. Independent Sector is a leading forum for charities, foundations and corporate giving programs in America and around the world.





## SHELTER & FOOD

Marriott has a trusted and respected reputation as a company that cares for both guests and associates like family. In some instances, caring for our “family” may mean creating places of refuge, providing housing or feeding the hungry, particularly during times of disaster. We also use our expertise and resources strategically to address poverty alleviation. In 2012, our brands and associates demonstrated why Marriott is known for caring for its communities.

- After Hurricane Sandy devastated the New York and New Jersey region in November 2012, our hotels welcomed guests including emergency relief workers and displaced residents. Marriott and The J. Willard & Alice S. Marriott Foundation, a private family foundation, each contributed \$250,000 to hurricane relief. Half went to the American Red Cross to help meet immediate community needs that broadly benefited Marriott associates, their families, friends and neighbors. The other half was earmarked for longer-term recovery efforts. We doubled our impact by engaging our Marriott Rewards Members who contributed 50 million points, equating to a donation of nearly \$250,000 to the American Red Cross.



Fairfield Inn & Suites continued its long-lasting commitment to the brand's Hospitality at Home® program by participating in the third annual “Rally to Serve®” month-long event in October 2012, benefiting Habitat for Humanity®. Nearly 2,500 Fairfield associates, owners, franchisees and guests, representing nearly 50 states and Canadian provinces, helped build homes, donated products from hotel renovations, made financial contributions and volunteered at Habitat ReStores. Associates (pictured) from the Fairfield Inn & Suites Holiday Tarpon Springs in Florida, kicked up their heels after completing their work on a Habitat home.

- In April 2012, Marriott was the first of three major hotel companies to participate in a new national program allowing American citizens to donate their hotel reward points to wounded soldiers and their families. Marriott Rewards Members can now donate points to The Fisher House Foundation “Hotels for Heroes” program, which provides free hotel rooms to wounded, injured, and ill military men and women who are undergoing treatment at military or Veterans Health Administration facilities. In 2012, Rewards Members contributed nearly 36 million points to the organization.

## VITALITY OF CHILDREN

In 2012, Marriott and our partners continued to build on our long-standing commitment to aiding sick and impoverished children in and beyond the communities where we operate.

- Through the Children's Miracle Network Hospitals, our associates have raised nearly \$90 million over nearly 30 years, including more than \$5.4 million in 2012, to deliver healthcare for children while providing support for their families. Campaigns such as the Aquafina and Lipton Tea promotion in our select-service properties, breakfast promotion in our full-service properties and The Torch Relay across all of our brands, raised funds for children's hospitals.
- TownePlace Suites promoted two initiatives as part of the brand's Real Giving program. In April 2012, more than 120 TownePlace Suites hotels partnered with Kellogg's® in its second annual “Share Your Breakfast” campaign. Hotels collected almost 10,000 signatures during their breakfast hour in an initiative that will help share 1 million breakfasts with children across the country who might otherwise go without. The funding will be provided directly to schools through Action for Healthy Kids®, the country's leading nonprofit and largest volunteer network fighting childhood obesity and undernourishment in the United States.

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Marriott Business Councils are clusters of hotels—ranging from city to regional level—that leverage the work of business units against common objectives focused on community engagement, culture and government affairs. For the past eight years the South German/Swiss Business Council has supported the Star of Hope Orphanage in Alba Iulia, Romania. Hotel associates and vendors collect money and used goods to donate directly to the children, even offering the services of four engineers to renovate the orphanage. (Pictured is general manager of the Munich Marriott, Markus Lewe.)

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- Additionally, during the 2012/2013 winter season, TownePlace Suites associates, owners, franchisees and guests devoted time and effort to make and donate thousands of warm, fleece blankets to local hospitals across the U.S. and Canada. For the fourth year in a row, TownePlace Suites teams raised money for fleece supplies, organized blanket-making events and made deliveries to sick children in need of a little extra comfort. At Marriott's Corporate Headquarters, associates donated handmade blankets to the Children's National Medical Center.

- Marriott hotels across Indonesia organized an annual event called "Shoes to School 2012," collecting nearly 2,500 pairs of new shoes for orphans in 10 Jakarta orphanages for the start of the new academic year. The "Shoes to School" program was founded by the associates of JW Marriott Hotel Jakarta in 2004.

### **READY FOR JOBS**

As a global industry leader, we strive to create and support opportunities for disadvantaged youth to receive education and life skills training, including those who are interested in careers in hospitality. Investing in this comprehensive approach to developing our hospitality workforce has a positive impact on the livelihood of local communities. Hotels create jobs and income through both direct employment and a vast network of suppliers.

- As Marriott expects to increase its presence in Africa more than sixfold from eight to 50 hotels by 2020, we also anticipate hiring nearly 10,000 associates, the majority of whom will be local residents. In September 2012, we announced our partnership with Akilah Institute for Women, a program that provides affordable, market-relevant higher education, including a diploma in hospitality management, for Rwandan women from disadvantaged backgrounds. Since then, we have educated and trained 17 young Rwandan women to work in the hotel industry, and ultimately to help open our first Sub-Saharan Africa hotel—the Kigali Marriott Hotel—as supervisors in early 2014. Training and working in our hotels in Dubai for one year, these young women are building skills to assist in teaching approximately 250 other Kigali Marriott Hotel associates, most of whom will be Rwandans.

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These Rwandan women are among the first 30 Akilah Institute for Women graduates to earn a business diploma with a focus in hospitality management. More than half of these graduates are currently being trained and mentored at our Marriott hotels in Dubai and Doha before taking on supervisory roles at our new Kigali, Rwanda hotel, which will open in early 2014.







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- The Youth Career Initiative (YCI) enables international hotels to provide a six-month hospitality education program for high school graduates from disadvantaged backgrounds. The program empowers young people by providing them with the necessary life and vocational skills to expand the choices and options in life. Since 1997, Marriott has taken on the role of champion for the implementation of YCI within the hotel industry globally, initiating pilot programs in markets where there is opportunity and need, training more than 580 young people to date. The most recent program was launched in India in 2012 with a 100 percent employment rate upon graduation. The J. Willard & Alice S. Marriott Foundation, a private family foundation, has also been a major donor since 2007, and in 2012 awarded a three-year, \$500,000 grant to YCI to support its growth.
- Marriott supports youth with disabilities through "Bridges From School to Work," the sole program of the Marriott Foundation for People with Disabilities, a not-for-profit organization. In 2012, its 23rd year of providing employment opportunities for young people with disabilities, Bridges placed 813 youth with disabilities into competitive jobs with more than 350 businesses in the U.S. including Marriott and others in the hospitality industry.
- Through the World of Opportunity Europe initiative, our hotels continued to help young people from disadvantaged backgrounds by providing employment skills training and vocational opportunities through a variety of charitable partners, including SOS Children's Villages in Continental Europe and The Prince's Trust in the United Kingdom. In 2012, our support included €300,000 (approximately \$400,000) cash, €100,000 (approximately \$130,000) in-kind, and nearly 4,000 hours of volunteerism. These efforts resulted in our hotels sponsoring more than 250 young people across Europe in vocational training and employment courses.
- Our Marriott hotels in India have partnered with the Mahindra Pride Schools. The program helps transform the lives of youth from socially and economically disadvantaged communities by providing access to skills that empower them to earn a livelihood. Marriott properties in Pune, Chennai and Chandigarh provide six months of "on the job" hospitality training to the students and a stipend to sustain them during this period. Graduates are considered for job openings at the hotels. In the last 18 months 37 students have been trained and hired in our India hotels.



Nathan Shawcross was unemployed and homeless before contacting The Prince's Trust in 2012. After completing The Prince's Trust Employ Me course at the Aberdeen Marriott (Scotland), Nathan successfully interviewed for a job at the hotel and now works as a housekeeping assistant. "This course has turned my life around. It gave me the confidence I needed to go on the job interview. From what I learned about Marriott, I knew that it was a company that I wanted to be part of."

*Nathan Shawcross with General Manager Chris McGuinness.*



# Marriott and the Environment

**W**e believe responsible hotel and resource management creates economic opportunities and can be a positive force for the environment. Marriott's Global Green Council, a cross-functional team of senior executives, integrates a sustainability lens with the way we design and deliver programs and services enterprisewide. The Council meets quarterly to advance sustainability initiatives across the company. From senior executives and our associates worldwide to an array of external partners, we have engaged the resources needed to help us accomplish our goals. Our strategy also looks beyond the doors of our hotels to focus on preserving natural resources and mitigating the effects of climate change.

Marriott's environmental goals are to:

- Further reduce energy and water consumption 20 percent by 2020<sup>1</sup>;
- Empower our hotel development partners to build green hotels;
- Green our multi-billion dollar supply chain;
- Educate and inspire associates and guests to conserve and preserve; and
- Address environmental challenges through innovative conservation initiatives including rainforest protection and water conservation.

Marriott received the highest ranking in the hotel sector from 2008-2012 on the Climate Counts company scorecard. Climate Counts is a nonprofit ratings organization that scores companies annually on their climate strategies and overall commitment to sustainability.



<sup>1</sup> Energy 20 percent per kWh/conditioned m<sup>2</sup>; Water 20 percent per occupied room (POR). Baseline: 2007.

## Environmental Performance Indicators\*

	2007	2011	2012	Change from 2011
Total Water Consumption (million cubic meters)	58.6	53.2	55.3	4.2%
<i>Intensity<sup>a</sup></i>	0.86	0.75	0.76	1.1%
Total Energy in megawatt hours (million MWh)	7.59	7.84	8.10	3.4%
<i>Intensity<sup>b</sup></i>	401.2	348.7	335.0	- 3.9%
<i>Direct Energy (million MWh)</i>	3.40	3.08	3.33 <sup>e</sup>	8.2%
<i>Indirect (Purchased) Energy (million MWh)</i>	4.19	4.76	4.77 <sup>e</sup>	0.3%
Greenhouse Gas (GHG) Emissions (million metric tons CO <sub>2</sub> e) <sup>c</sup>	3.19	3.44	3.55	2.9%
<i>Intensity<sup>d</sup></i>	372.3	337.5	322.7	- 4.4%

*a* Cubic meter per occupied room.

*b* kWh per square meter of conditioned space.

*c* Direct (i.e., Scope 1) and Indirect (i.e., Scope 2) energy.

*d* lbs. per square meter conditioned space.

*e* 2012 Direct and Indirect energy totals were 12.11 million gigajoules (GJ) and 17.47 million GJ, respectively.

\*2007 baseline and 2011 results have been restated to more accurately reflect actual managed hotel data. Previously reported numbers were based on a subset of the managed hotel portfolio. Restated and current results are based on an extrapolation ratio applied to actual hotel data (85%) in order to estimate the entire managed portfolio.

## 2012 Environmental Performance Indicators

	Americas	Europe	Asia Pacific	Middle East/Africa
Total Water Consumption (million cubic meters)	37.2	4.8	11.5	1.8
<i>Intensity<sup>a</sup></i>	0.70	0.52	1.33	1.08
Total Energy in megawatt hours (million MWh)	4.89	1.08	1.64	0.49
<i>Intensity<sup>b</sup></i>	335.2	300.7	377.9	296.1
<i>Direct Energy (million MWh)</i>	2.20	0.41	0.64	0.09
<i>Indirect Energy (million MWh)</i>	2.70	0.67	1.00	0.41
Greenhouse Gas (GHG) Emissions (million metric tons CO <sub>2</sub> e) <sup>c</sup>	1.95	0.40	0.84	0.36
<i>Intensity<sup>d</sup></i>	293.8	243.2	426.8	477.6

*a* Cubic meter per occupied room.

*b* kWh per square meter of conditioned space.

*c* Direct (i.e., Scope 1) and Indirect (i.e., Scope 2) energy.

*d* lbs. per square meter conditioned space.



## ENERGY/WATER/WASTE/CARBON

Marriott has a comprehensive set of initiatives and practices in place to drive down operational costs as well as reduce energy use, water consumption and waste. Database and monitoring systems help us track consumption and monitor progress against goals. Our strategy enables properties to focus on opportunities for savings, drives pull-through of best practices and leverages our global market presence. A few examples of our efforts are described below.

### Energy

- Marriott developed the Energy and Environmental Action Plan (EEAP), a comprehensive, best practice audit tool for full-service properties, to help meet the company's energy and water reduction goals. The EEAP, implemented at our managed hotels in the Americas in 2011, was deployed to our remaining three continental divisions in 2012 and covers a range of items from reuse of materials and waste reductions to equipment upgrades and retrofits. In 2012, properties in the Americas also identified energy projects that could be completed early enough in the year to realize significant savings by year-end. These "Signature" projects resulted in a savings of more than 20 million kilowatt-hours of electricity in 2012.
- In 2011, Marriott became the first lodging company to partner with Constellation Energy to manage peak period energy use and participate in demand response (DR) markets on a large scale in the U.S. Constellation's VirtuWatt™ system allows us to track energy usage across participating hotels and automate energy load curtailment strategies. In 2012, Marriott's DR program at 225 U.S. properties reduced electricity consumption by 1.98 million kilowatt-hours and cut associated CO<sub>2</sub>e emissions by an estimated 2,200 metric tons. Marriott has signed a similar DR agreement with KiWi Power in the U.K.
- In 2012, Marriott continued its work with the U.S. Department of Energy (DOE) to pilot an energy management program under the Global Superior Energy Performance Partnership (GSEP). The GSEP brings together public and private sector leaders from around the world, including DOE, to accelerate energy efficiency and cut energy use throughout industrial facilities and large buildings. As part of this pilot, the JW Marriott in Washington, D.C. has developed and implemented the ISO 50001 energy management system (EnMS) standard and is expected to be the first hotel in the U.S. to achieve the ISO 50001 certification. The International Organization for Standardization (ISO) is the world's largest developer of voluntary international standards.

- By year-end 2012, 23 renewable energy installations were deployed at Marriott hotels, representing more than half of our goal of 40 renewable energy sites by 2020. Many of these sites heat water for pools and spa operations; some employ solar panels or wind turbines.



By the end of 2012, more than 50 Marriott properties offered EV charging stations, with that number continuing to grow in 2013. The Courtyard by Marriott Hannover Maschsee in Germany is the first hotel in the city to have an electric vehicle charging station.

### Water

- Marriott has implemented innovative systems that lessen the environmental impact and cost of our laundry operations by reducing the amount and temperature of water required to wash linens. Through a partnership with Ecolab® Marriott piloted Aquanomic in 2010, and continued to deploy this system to additional properties throughout 2012. A similar system, Ensure, continues to roll out in Asia. Using baseline comparisons at specific property locations, we estimate that the combined water savings in 2012 was more than 100 million gallons. More than 2,000 metric tons of CO<sub>2</sub>e emissions were also avoided by reducing the energy requirement for laundry by 20 percent.

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#### Progress to Date\* - Intensity

**Water Consumption** ↓ 11.6%  
Cubic meter per occupied room

**Energy Consumption** ↓ 16.5%  
kWh per square meter of conditioned space

**GHG Emissions** ↓ 13.3%  
lbs. per square meter of conditioned space

\*Compared to baseline 2007



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- By the end of 2012, Marriott had installed 3-D Trasar monitoring equipment and innovative water treatment chemistry in over 214 of our full-service hotels worldwide. This equipment helps optimize the water treatment in the hotels' chillers and cooling towers, substantially reducing the need for fresh water in these systems. This multi-year rollout included more than 40 new properties in 2012. Conservative estimates of water savings based on current program participation indicate 107 million gallons of water saved annually.
- In 2013, Marriott expects all its full-service managed properties in the Americas will install water sub-meters and begin weather-adjusted reporting for irrigation and cooling tower water consumption.

## Waste

- Marriott decreased landfill waste per occupied room in its Americas region by 4.9 percent from 2011 to 2012. We work collaboratively with our U.S. waste and recycling partners to audit our waste stream and reduce the tonnage that must be transported to a landfill. In 2012, Marriott initiated 15 third-party waste audits and waste characterization analyses to better understand our waste streams. As a result, Marriott-managed properties in the Americas diverted over 12,800 tons of waste from the landfill through recycling and food waste composting.
- In 2012, Marriott became an official hotel partner of Clean the World®, a nonprofit that collects, recycles and distributes partially used soaps and other hygiene amenities globally to communities in need. With nearly 47,000 rooms already participating, Marriott is the number one hotel chain in the Clean the World portfolio, having collected more than 75,000 pounds of soap and 50,000 pounds of amenities.
- In the U.K., we have partnered with Convert2Green and 3663, a Marriott food vendor, to collect and turn waste cooking oil from our hotels into carbon savings. Convert2Green collects the waste oil and refines it into biodiesel at its plant in Cheshire. 3663 then uses the biodiesel to fuel its trucks to deliver goods back to our properties. In 2012, our hotels recycled more than 18 percent—or 40,000 liters—of their cooking oil, equating to a CO<sub>2</sub>e emissions savings of 91.14 metric tons.

## Carbon

- To address the significant increase in customer requests for the carbon footprint of their hotel stay, Marriott aligned with hospitality industry leaders to create a solution. The Hotel Carbon Measurement Initiative (HCMI), a partnership with World Travel and Tourism Council, International Tourism Partnership, and 23 hotel companies, developed a unified methodology and set of metrics for calculating and reporting emissions at hotels. In 2012, Marriott rolled out an online environmental sustainability dashboard, the Green Hotels Global™ tool, which utilizes the new industry methodology.
- By the end of 2012, we had more than 2,200 hotels activated in the Green Hotels Global tool that provides information on environmental practices in categories such as energy, water and waste management, supply chain, environmental policy and certifications. This new platform details and presents the environmental metrics and practices of each hotel in our portfolio. In 2012, we previewed the tool with our largest corporate customers and in March 2013, it became a brand standard.

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Marriott reports  
annually to the  
Carbon Disclosure Project  
[www.cdproject.net](http://www.cdproject.net)

	2011	2012
Carbon Performance Band	B	B
Carbon Disclosure Score	70	82

*Note: Performance rated from A to E with A being highest.  
Disclosure rated 100-point normalized scale.*

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- We also recognize the importance of disclosure to our investors and other key stakeholders. Marriott was the first U.S.-based hospitality company to disclose to the Carbon Disclosure Project (CDP) in 2006; in 2011, we submitted our first CDP Supply Chain Response, and in 2012 our first Water Response.



In the United Kingdom, Marriott has partnered with a U.K.-based social enterprise, Sleeping Bags, to supply sustainable guest-room bags for hair dryers and newspapers. The products are made by upcycling Marriott's "retired" bed linen and are manufactured within the U.K.

## SUPPLY CHAIN

We have consistently collaborated with our suppliers as part of our overall environmental strategy. Our focus in supply chain engagement is the development of innovative products and programs to deliver superior performance and meet our sustainability goals. We are focused on dynamic partnerships and initiatives to help mitigate our impact on the natural environment while developing the innovative products and services that maintain our position as a global hospitality leader.

- Marriott continues to focus on driving sustainability in our supply chain by working closely with Avendra, the largest professional procurement company serving the hospitality industry in North America. Additionally, we work with our continent procurement leaders to understand opportunities available for improving the products we source. In 2012, Avendra worked with key constituencies, including Marriott, in a collaborative effort to define Avendra's three-year plan related to sustainability initiatives. The six-month project involved customer perspectives, supplier interviews and surveys, industry analyses and a broad look at the global sustainability landscape. In the end, the project helped define a roadmap for Avendra that encourages more sustainable supply chains and product offerings within its contracted suppliers. Avendra set two key sustainability goals:
  - Target 100 percent of contracted suppliers to have a sustainability policy by year-end 2016. The interim goal is 75 percent by year-end 2014.
  - Identify 10 product categories and champion improved sustainable alternatives in these categories by year-end 2016 with the interim goal of five product categories identified by year-end 2014. The focus for 2013 will be in the categories of paper and foodservice disposables.
- We have revised our standard to reference more robust recycled content for facial and bath tissue with no virgin rainforest pulp used in its composition. We are in the process of presenting for review this standard to our internal and external stakeholders, which includes our advisory council as well as franchise partners.



## Greening the Furniture, Fixtures and Equipment Supply Chain for Hotels: Hospitality Sustainable Purchasing Consortium

- In 2011, Marriott became a founding partner of the Hospitality Sustainable Purchasing Consortium (HSPC), facilitated by MindClick SGM™. With a focus on greening the furniture, fixture and equipment (FF&E) supply chains for hotels, we have committed to using the results of our suppliers' scores as one of the criteria in selecting our products.
  - From 2011 to 2012, Marriott along with other members of the HSPC worked with MindClick to create the HSP Index that measures, improves and publishes the social responsibility, environmental operations and product sustainability performance of suppliers.
  - Marriott set a goal to spend 75 percent of our 2013 FF&E procurement dollars with companies rated in the HSP Index. As of June 2013, Marriott is more than halfway toward reaching that goal with 35 participating suppliers from 20 different product categories.
  - In fall 2013, Marriott will pilot a marketing program to promote the health benefits of sustainable procurement to our guests with the potential for broader implementation in 2014. A Marriott hotel will be renovated using suppliers and products rated by the HSP Index and results will be assessed through impact on guest perception and satisfaction.

## Sustainability in Our Kitchens

- As part of our Future Fish sustainable seafood program, in February 2012, Marriott ceased to include shark fin soup on our banquet and restaurant menus and, if requested by customers, we are encouraging suitable options. We are working hard to reconcile our sustainability goals with the cultural sensitivities and marketplace realities regarding shark fin recipes served in Asia. We are working with environmental groups to shift preference to more sustainable delicacies and have a two-year target of ending the consumption of shark fin in our hotels by influencing demand. This is a journey, but we are clearly on the way.
- Animal welfare is an important consideration as Marriott works toward a more sustainable food supply chain, and we are addressing these complex issues with our vendors who supply our hotels. In support of the humane treatment of animals, we are directing suppliers to use only cage-free eggs and liquid egg products by 2015, expanding our 2011 breakfast program policy requiring cage-free eggs in JW Marriott hotels.
- We are directing our pork suppliers to discontinue the use of gestation confinement crates in their production processes by 2018.

## GREEN BUILDINGS

Working in partnership with the U.S. Green Building Council (USGBC) for Leadership in Energy and Environmental Design (LEED®) and the Green Building Certification Institute (GBCI), Marriott continued to see progress in our efforts to empower hotel development partners to build green hotels. To date, there are over 110 LEED-certified or registered hotels open or in our pipeline.

- In 2011, Marriott developed a LEED Volume Program as a way to streamline the LEED certification process for property developers, saving them time and money. Volume certification opens the path to LEED certification based on a pre-approved prototype and process. Some examples of new hotels opened under our LEED Volume Program in 2012 include:
  - In September 2012, the TownePlace Suites Denver Airport at Gateway Park opened as the brand's first property to use the LEED Volume prototype. The hotel incorporates environmental features including high-tech daylight sensors to reduce electrical lighting with natural sunlight and renewable energy sources such as solar and wind.
  - The TownePlace Suites in Frederick, Md., opened in November 2012 as the first LEED hotel in that city. The hotel's eco-friendly features include a fleet of bicycles for guest use, front and back of house recycling programs, charging stations for electric cars and a saline-water indoor swimming pool.

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The JW Marriott Cusco hotel in Peru is situated at the gateway of the Andes mountain sanctuary Machu Picchu. The hotel supports historic preservation and features a highly customized design that incorporates and celebrates a colonial church and ancient Inca artifacts found on the site.



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- The Renaissance Arlington Capital View Hotel was awarded LEED Gold certification in June 2012. The hotel's certification was based on a number of green design and construction features including: heat island reduction with green roof, guest bike program, more than 26 percent of the building is made of post-consumer recycled material, landscaping water usage has been reduced by 50 percent, energy-efficient glass and lighting, and recyclables storage and collection.
- In February 2012, the Atlanta Airport Marriott Gateway earned LEED Silver certification and was named one of the greenest hotels in the city. Ten percent of the hotel was constructed using recycled materials, and the property features a landscape and irrigation design that reduces water consumption by 50 percent. The hotel uses non-coal produced energy, low-flow plumbing and shower fixtures, energy-efficient lighting and low-VOC (volatile organic compounds) paint, sealants and carpets.

## LEED Buildings

	2010 YE	2011 YE	2012 YE
LEED-Registered (includes Certified)*	77	88	102
LEED Volume Program** (hotels in the pipeline)	4	8	13
<b>Total LEED Registered + LEED Volume Program</b>	<b>81</b>	<b>96</b>	<b>115</b>
LEED-Certified	10	16	22
Renewable Energy Source Hotels (Portion of energy directly generated on site)	10	20	21

\* Data Provided by the USGBC on 2/12/13

\*\*Program launched in 2010

Note: All data is cumulative; registered and certified data includes franchised properties and Marriott Corporate Headquarters



## EDUCATING AND INSPIRING ASSOCIATES AND GUESTS

Our environmental vision is to be the global hospitality leader that demonstrates how responsible management of hotels can be a positive force for the environment and create economic opportunities around the world. How we communicate this vision and encourage our associates and guests to partner with us is vital to our success.

### Associates

- Every April, Marriott properties around the world celebrate Environmental Awareness Month. To kick off the special month, a number of our hotels, resorts and business offices from all regions dim their lights for one hour, "Earth Hour," in a united effort to raise awareness and concern for environmental protection. In 2012, more than 6,800 cities and towns in 152 countries and territories switched off their lights on March 31. The Renaissance Boston Waterfront Hotel participated by not only shutting off or dimming all exterior and interior lights, but also holding a candlelight dinner in its restaurant. The hotel offered a special luminous cocktail called the "GLOWtini" in the candle-lit Capiz Lounge.
- For the 10th consecutive year, the team at the JW Marriott Rio de Janeiro participated in Clean Up the World Day, which was held in Brazil and 125 other countries on September 15, 2012. The program is part of the Clean Up the World Campaign, which "inspires and empowers communities to clean up, fix up, and conserve their environment." As part of a partnership with the charitable organization New Chance, the hotel team took 45 underprivileged children from the Tuiuti community with them when they volunteered to help clean up an area of the beach.
- Marriott properties of the Hong Kong Business Council united to clean up Lung Kwu Tan Beach, located in Tuen Mun, Hong Kong, as part of the International Coastal Cleanup project in September 2012. A total of 153 participants took part in this meaningful activity and collected 630 kg (1,400 lbs) of garbage from the beach area.

### Guests

While we strive to do all that we can to provide an enjoyable guest experience in an energy-efficient hotel, our guests also impact our carbon footprint through their in-room use of lighting, HVAC, linens and towels. Given the potential for substantial water and energy resource and cost savings, we recently implemented a new linen and terry re-use policy. The policy includes a global standard, brand-specific communications urging guest participation and associate training at all managed and franchised properties.

## INNOVATIVE CONSERVATION INITIATIVES

To help mitigate the direct and indirect environmental impacts of our business beyond our hotels, we are investing in a portfolio of innovative conservation initiatives that are part of our “Spirit to Preserve®” environmental strategy.

- Our JW Marriott brand recently launched a partnership with Oceana, the largest international organization focused solely on ocean conservation. Together JW Marriott and Oceana raise awareness and encourage action to preserve, maintain and restore ocean ecosystems. Through on-property learning programs, off-site interactions with wildlife and our ongoing commitment to using sustainable seafood, JW Marriott has engaged with this partnership to reflect our guests, associates and owners’ core values.



## Conserving Fresh Water: Nobility of Nature

One of our most important community commitments in China is our Nobility of Nature program. Our collaboration with the Government of Sichuan Province and Conservation International helps protect the source of fresh water for more than 2 billion people. In 2012 and 2013 we have seen measurable success in our efforts to build sustainable business and conserve fresh water resources in Southwest China and beyond including:

- Nearly 6,000 Pingwu and Yingjing County (Sichuan Province) villagers are participating in the Nobility of Nature project. Sustainable beekeeping has replaced hillside farming and deforestation in these areas;
- Marriott’s funding has helped provide equipment to monitor the condition of nearby fresh water sources and wildlife, 750 beehives, training in the organic bee farming business and marketing support;
- As of early 2013, bee farming revenue for Guanba Village in Pingwu, has quadrupled and honey sale revenue in Yingjing has nearly tripled; these project sites are now self-sustaining;
- Nobility of Nature honey is available for breakfast, retail and bulk kitchen use in nearly all The Ritz-Carlton, JW Marriott, Renaissance, Marriott and Courtyard hotels in China, and most recently in Hong Kong;

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Marriott recently recognized 10 of its outstanding Nobility of Nature (NoN) Hotel Associate Ambassadors for their work in promoting fresh water conservation among associates and guests.



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- A Chinese university case study recently highlighted the project's environmental and social benefits and potential for replication throughout China;
- Marriott's China hotels reduced water usage per occupied room by 6.8 percent from 2010 to 2012; and
- 365 Marriott Nobility of Nature Associate Ambassadors promote fresh water conservation at nearly 50 hotels in China and Hong Kong.

#### **Rainforest Preservation: Juma Sustainable Development Reserve**

2013 will mark the five-year anniversary of our partnership with the Amazonas Sustainable Foundation (FAS). In 2008 we pledged to help FAS protect 1.4 million acres of rainforest in the Juma Sustainable Development Reserve in Amazonas, Brazil. Recent highlights of the Juma REDD (Reducing Emissions from Deforestation and Forest Degradation) project include:

- Ninety-five percent of the Juma Reserve is covered by rainforest. According to Brazil's National Institute for Space Research, which monitors deforestation in Brazil, the Juma Reserve has lost only 1.2 percent of its forest from 1988 to 2012;
- Juma received the Rainforest Alliance's Eco-Index® award for "Best Lessons Learned" in April 2012;
- Renaissance São Paulo Hotel started a campaign last year to donate 1 Brazilian real (BRL) for every lunch sold at the hotel restaurant to support Juma. From October 2012 through March 2013, nearly BRL 5,000 (\$3,000) has been raised and donated to Juma. We are exploring expanding this to other hotels, including the JW Marriott Rio de Janeiro;
- FAS is pursuing Verified Carbon Standard certification for the Juma REDD project this year and is expected to be recognized as a REDD+ (Reducing Emissions from Deforestation and Forest Degradation "plus" conservation, sustainable forest management, and enhancement of forest carbon stocks) project upon completion of this certification;

- FAS is working with Google to map the Juma rainforest for real-time tracking of deforestation;
- Juma's Abelha community now has a learning center and school;
- Boa Frente community now has a garden to help feed local students and beehives to help pollinate the garden;
- Local residents continue to pursue sustainable livelihoods through activities such as their Brazil nut cooperative, growing fruit and raising chickens; and
- In addition to our Renaissance São Paulo Hotel, Juma's Brazil nuts are now also featured at the JW Marriott Rio de Janeiro.

We are also continuing to pursue high-profile opportunities where we can help showcase Juma on the global stage as a model for investing in rainforest preservation:

- In 2012, we unveiled a case study of the Juma REDD project at the United Nations Environmental Conference Rio +20 in Rio de Janeiro. Marriott sponsored the study and the event, which was held at the JW Marriott Hotel Rio de Janeiro.
- Marriott sponsored FAS General Director Virgilio Viana's participation as a panelist in The Future of the Amazon discussion at the World Economic Forum Latin America (Lima, Peru; April 2013).



The recently constructed Conservation and Sustainability Center in Abelha provides a community hub and sustainability education center to nearby residents living within this section of the Juma Reserve.



# Awards and Recognition

## Sustainability and Social Responsibility

- World's Most Ethical Companies  
Ethisphere™ Institute - 2008-2013
- FTSE4Good Index  
Financial Times Stock Exchange - 2002-2013
- World Savers Award - Doing It All  
(The Ritz-Carlton Hotel Company, L.L.C.)  
*Condé Nast Traveler* - 2012
- Climate Counts Company Scoreboard -  
#1 in industry  
Climate Counts - 2008-2012
- Corporate Social Responsibility Award  
Global Business Travel Association - 2010
- Best Green Companies  
(Greenest Hotel Company)  
*The Sunday Times* (UK) - 2010-2011
- Best Employee Environmental  
Engagement  
*The Sunday Times* (UK) - 2010-2011
- Supplier Sustainability  
Excellence Award  
U.S. Postal Service - 2011
- Top 12 Green IT Organizations  
*Computerworld* magazine - 2008-2010

## Workplace

- World's Most Admired Companies  
*FORTUNE*® magazine - 1999-2013
- China's Top Employers  
The CRF Institute - 2012-2013
- Best Companies for Hourly Workers  
*Working Mother* magazine - 2010-2013
- Best Employer Brand Award  
ERE Recruiting Excellence - 2012
- Best Group Employer,  
United Arab Emirates  
Catererglobal.com Best Employers  
in Hospitality Awards - 2011

## Great Place to Work Institute® Recognition:

- World's Best Multinational  
Workplaces - 2011-2012
- 100 Best Companies to Work For  
in America (*FORTUNE* magazine) -  
1998-2013
- Best Companies to Work For in  
India - 2005, 2007-2012
- Best Companies to Work For in  
United Arab Emirates - 2011-2013

## Aon Hewitt Recognition:

- Best Employers in Asia Pacific -  
2001-2013 (biennial)
- Best Employers in Middle East -  
2009, 2013
- Best Employers in Canada - 2007-2013
- Best Employers in India -  
2007, 2009, 2011
- 25 Best Big Companies  
*The Sunday Times* (UK) - 2008-2013
- Best Places to Work in IT  
*Computerworld* magazine - 2010-2012
- Universum Top 100 Ideal Employers  
Universum - 2011-2012
- Workplace Excellence Seal of Approval  
Alliance for Workplace Excellence -  
1999-2013
- AWLP Work-Life Seal of Distinction  
WorldatWork's Alliance for Work-Life  
Progress - 2012-2013
- Health & Wellness Seal of Approval  
Alliance for Workplace Excellence -  
2008-2013
- 50 Top Employers for College Grads  
*Bloomberg BusinessWeek* - 2011

## Diversity and Inclusion

- Top 50 Companies for Diversity  
*DiversityInc* magazine -  
2001, 2003-2013
- #1 for Supplier Diversity  
*DiversityInc* magazine - 2011-2012
- 50 Best Companies for Latinas  
to Work For  
*LATINA Style* magazine - 1998-2012

- 40 Best Companies for Diversity  
*Black Enterprise* magazine - 2005-2012
- Corporate Circle Award  
The National Urban League - 2012
- Recognized for Workforce Diversity  
and Inclusion  
Hispanic Association on Corporate  
Responsibility, Corporate Inclusion  
Index Survey - 2012
- Corporation of the Year  
FraserNET - 2010
- Top 60 Diversity Elite  
*Hispanic Business* magazine -  
2005-2012
- Corporate Equality Index -  
90% Score  
Human Rights Campaign - 2012-2013
- Working Mother 100 Best Companies  
*Working Mother* magazine - 1991-2005;  
2007-2012
- Top Companies for Executive Women  
National Association of Female  
Executives (NAFE) - 2006-2013
- Diversity Champion Award  
Alliance for Workplace Excellence -  
2013
- Corporate Leadership Award  
(Global Language Program)  
Migration Policy Institute - 2011
- Top 25 Company for Supplier Diversity  
*Hispanic Business* magazine - 2010-2012
- Corporate Leadership Award  
Women President's Educational  
Organization - 2012
- Supplier Diversity Partner of the Year  
Australian Indigenous Minority Supplier  
Council (AIMSC) - 2011
- Best Corporation Member of the Year  
MSD China, an affiliate  
organization of the U.S.-based  
National Minority Supplier  
Development Council - 2011
- Global Vision Award  
Immigration Equality - 2013





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