Aarriott

2015 UPDATE ON

ENVIRONMENTAL PERFORMANCE



Responsible management of natural resources in our hotel operations has been a part of our business since we opened our first hotel in 1957.

As we have grown over the years, we have established a formal program to reduce our water and energy use. In 2007, we set our first long-term environmental goals and Marriott International's environmental performance is a critical focus for our company. With the changing climate and increased stresses on natural capital and resources, an ever-growing number of customers, associates and external stakeholders want to be informed about and engaged in our efforts to operate our hotels more sustainably.

GOALS/TARGETS¹

- Reduce energy and water consumption 20 percent by 2020.²
- 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.
- Address environmental challenges through innovative conservation initiatives, including rainforest protection and water conservation.

¹ Our <u>Responsible Sourcing</u> and <u>Natural Capital</u> issue reports offer more detailed information on their respective goals.

² Twenty percent reduction from our 2007 energy intensity baseline of 402.2 kWh per square meter of conditioned space and a water intensity baseline of 1.05 cubic meter per occupied room.

ENERGY INTENSITY WATER INTENSITY** **GHG EMISSIONS INTENSITY** kWh per m² of conditioned space m³ per occupied room Global Global Global ↓ 2.0% YOY ↓ 2.4% YOY ↓ 2.0% YOY 2014 0.81 2014 364.2 2014 147.5 2013 371.6 2013 0.83 2013 ↓**9.4**% 1**9**% ↓10.0% 2007 402.2 2007 0.89 2007 VS. 2007 BASELINE VS. 2007 BASELINE VS. 2007 BASELINE Americas Asia Pacific Americas Asia Pacific Americas Asia Pacific ↓ 6.9% YOY ↓ 1.6% YOY ↓ 2.4% YOY ↓ 1.1% YOY **10.7% YOY** ↓ 0.8% YOY 2014 126.9 2014 2014 2014 0.67 2014 1.35 2014 194.5 348.2 378.6 2013 0.72 2013 1.34 2013 128.9 2013 196.1 2013 356.7 2013 382.7 Middle East & Africa Europe Middle East & Africa Middle East & Africa Europe Europe ↓ 2.5% YOY ↓ 2.2% YOY ↓ 3.4% YOY ↓ 13.8% YOY ↓ 6.3% YOY ↓ 6.9% YOY 407.2 383.9 2014 0.57 2014 124.9 2014 197.0 2014 2014 2014 2013 417.7 2013 392.7 2013 0.59 2013 2013 133.3 2013 211.5

*Previously reported environmental data has been revised due to additions to the managed portfolio that met our restatement threshold. All figures include extrapolations for missing data. **As part of our annual review process, we identified a single calculation error in the 2007 global water intensity baseline that resulted in an overstatement of progress toward our goal. The 2007 global water intensity baseline has been restated to 0.89 m3 per occupied room and the 2014 global water intensity reduction has been restated to 9%.

2014 ENVIRONMENTAL PERFORMANCE INDICATORS*

ENERGY/CARBON

#EarthDay: Marriott reduces global **#EnergyIntensity** by 9.4% vs. 2007 baseline.

2014 **#LightingRetrofits** (a) Marriott properties around the globe save 40 million+ kWh of electricity & 30,000 metric tons of **#GreenhouseGasEmissions** annually.



Marriott kitchens employ "intelligent ventilation," which tailors ventilation to real-time needs, delivering significant **#EnergySavings** http://bit.ly/1QBMEEm



#EnergyEfficiency: Marriott's chiller diagnostic tool helps property engineers keep systems operating as designed, saving 28 million+ kWh in The Americas in 2014.

We reduced **#EnergyConsumption** at Marriott's data center by 6.8% & **#WaterConsumption** by 10.5% in 2014 vs. 2013. **#Gamification:** A new app incentivizes our engineers in The Americas to increase operational **#efficiency** through property-toproperty competition.

#LeadingTheWay: Marriott's **#DemandResponse** partnerships help UK manage power grid + save 80 tons of **#GreenhouseGasEmissions** annually http://bit.ly/1PrpIM2

#EnergyEfficiency projects deployed in The Americas save 53 million kWh/year, equivalent to taking 7,600 cars off the road.



CARBON DISCLOSURE PROJECT



Marriott reports annually to the CDP (www.cdp.net). Performance is rated from A to E, with A being highest. Disclosure is rated on a 100-point normalized scale.



We use social media channels like Twitter to tell our story. Web links not functional in Chrome browser.

#Renewables: Seven Marriott properties in **#India** source electricity directly from local **#WindEnergy** plants; Bengaluru

Marriott Hotel Whitefield uses **#WindPower** for 65% of its electricity needs.

@JWMarriottDC & our DC-area hotels recognized by Northeast Energy Efficiency Partnership for leadership in #EnergyEfficiency http://bit.ly/1xLCPIt

Pire States Stat

#RenewableEnergy: Amman Marriott Hotel goes **#solar** for 80% of hotel **#WaterHeating** needs http://bit.ly/1d0a8mU

Climate Counts

Since the @ClimateCounts scorecard was launched, Marriott has scored highest among global hospitality companies for its **#SustainableBusinessPractices** http://bit.ly/1dIN3WD

WATER

#WaterConservation: Marriott reduces water intensity by 9%* vs. 2007 baseline.

International Tourism Partnership (ITP) convenes Marriott and other industry leaders to discuss our **#stakeholders'** most pressing concerns, including **#WaterConservation** http://bit.ly/10z2XRm

*As part of our annual review process, we identified a single calculation error in the 2007 global water intensity baseline that resulted in an overstatement of progress toward our goal. Our 2014 global water intensity reduction has been restated to 9%.

WATER (CONTINUED)

#Collaboration @Davos 2015: Marriott + industry will join ITP's Hotel **#WaterMeasurement** Initiative to standardize hotel industry's approach to measuring & communicating **#WaterConsumption**.

#WaterSavings: 14M+ gallons saved/year @ 17 Hospitality Properties Trust properties thanks to 2,600+ new @EPAwatersense @Kohler toilets.

The Ritz-Carlton, New York Central Park recognized by NYC Dept of Environmental Protection for reducing total **#WaterUsage** 10%+ in 2014 http://on.nyc.gov/1Cngh2m



639 Marriott properties represent 80% of hotels participating in @EPAWaterSense **#H2OtelChallenge** – measuring, managing and reducing **#WaterUse** http://bit.ly/1Efrm91

#WaterConservation projects completed during 2014 are expected to save 52 million+ gallons/year @ 78 Marriott hotels in North America. 2014 **#WaterSavings** projects at hotels in Asia Pacific are expected to save 43.6 million gallons of water.

European managed hotels saved 20.3 million gallons of **#water** in 2014 through efforts like pump audits, high efficiency dishwashers & **#WaterEfficient** shower heads http://bit.ly/1Efrm91

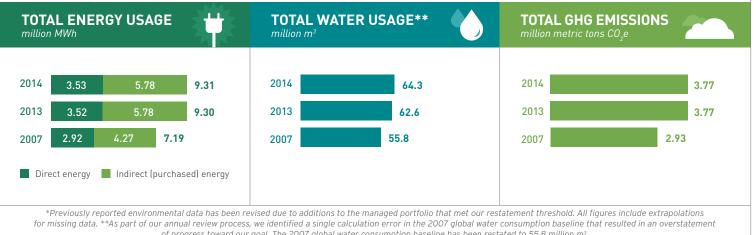
Hotels in the Middle East & Africa installed **#WaterSaving** devices, including high-efficiency bathroom fixtures & smart irrigation sensors that are expected to save approx. 92,000 m³ of water annually http://bit.ly/1Efrm91 "Working together, hotels, associates and guests can reduce water usage. From low-flow showers and toilets to daily operations in the kitchens, or even guests choosing not to have their towels changed, we all play a part in water conservation."

Denise Naguib Vice President, Sustainability and Supplier Diversity

Marriott's efforts to **#ConserveWater**, esp. in **#DroughtStricken** regions like California, highlighted http://bit.ly/lbpJkvG



GLOBAL ENVIRONMENTAL DATA*



of progress toward our goal. The 2007 global water consumption baseline has been restated to 55.8 million m³.

WASTE

#GoPaperless: Marriott's **#NewApp** helps **#MeetingPlanners** make events more efficient + **#sustainable** http://bit.ly/1KaOiZd



In 2014, our managed & franchised properties diverted nearly 270,000 pounds of used technology from the solid **#WasteStream**.

From 2013 to 2014, Marriott's pounds of **#LandfillWaste** per occupied room in our managed North American hotels decreased by 3.1%.

#WasteManagement efforts, including **#FoodWasteRecycling** @ managed hotels in North America, resulted in 40,000+ tons diverted from the landfill in 2014.

We work w/ suppliers like Kimberly-Clark® to source #ResponsibleFibers: Our bath tissue & personal paper products have a minimum of 20% #RecycledContent & 100% of the products have #ForestStewardshipCouncil certification.

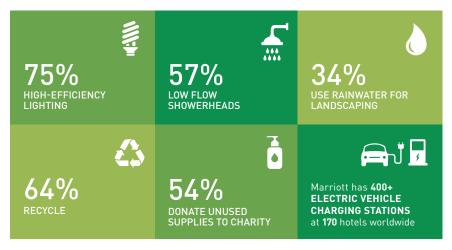
#Efficiency: In 2014, our supplier @Ecolab helped reduce our **#waste** by 1 million+ lbs thanks to efforts like using housekeeping products that have less plastic packaging.

Marriott is proud to have the highest number of hotel rooms participating in @CleantheWorld soap & amenity **#recycling** program for those in need http://bit.ly/1BzIPuF



ENVIRONMENTAL PRACTICES AT OUR HOTELS

By percentage of hotels reporting participation through the <u>Green Hotels Global™ tool</u>*



*Percentage calculations are based on 4,175 managed and franchised hotels in our reporting system as of year-end 2014.

ASSOCIATE & GUEST ENGAGEMENT

Going beyond the towel rack... Marriott CEO Arne Sorenson via @LinkedIn says **#Conservation** makes **#BusinessSense** http://linkd.in/18Uy9cM



VP of **#Sustainability** Denise Naguib shares what sustainability means for Marriott's hotels http://bit.ly/1h6QYb7

Marriott worked w/ US Government-wide Travel Advisory Committee to provide **#SustainableTravel** guidance for the US General Services Administration http://1.usa.gov/1QkGXKZ

Marriott's annual **#Associate Engagement** survey results show 85% of associates agree that the company is working diligently to **#ProtectThe Environment**.

#Energizer: Our global engineering & operations team gathers @ a 3-day Global Energy Summit to hear from energy & sustainability experts, exchange ideas & collaborate on innovative approaches.

Our associates help kick off our **#EnvironmentalAwareness** Month worldwide by celebrating **#EarthHour** annually. See how The Ritz-Carlton properties celebrate http://bit.ly/1zu9qIQ



ASSOCIATE & GUEST ENGAGEMENT (CONTINUED)

The Ritz-Carlton Hotel Company signs on as founding partner in United Nations **#volunteerism** initiative **#Impact2030 #environment** http://bit.ly/IGCUK99

Marriott Advanced Engineering Program fosters **#EngineeringTalent** & leverages partner resources for continuing education & training.



Marriott's European hotels challenge guests to create **#TowelOrigami**. One **#tree** donated to @WeForest for every post http://bit.ly/1JPp15T

@MarriottRewards[®] Elite membership cards go mobile: In less than 1 yr, plastic card production cut by 700K w/ Elite members switching to #MarriottMobileApp.

#MangroveRestoration continues in **#Thailand**. Marriott + IUCN (International Union for the Conservation of Nature) with Mangroves for the Future plant more than 7K seedlings in 2014.



Marriott headquarters associates help assemble 2,000 hygiene kits using recycled soaps + amenities for **#HomelessFamilies** w/ our partner @CleantheWorld.

#SustainableTravel: By YE 2014, Marriott had the largest number of hotels with the @TripAdvisor **#GreenLeaders** badge http://bit.ly/1PwlaOq

1,600+

Marriott properties have earned TripAdvisor's GreenLeaders™ badge.

GREEN BUILDINGS

Marriott has the most LEED-certified hotels in the U.S. **#GreenBuilding** Council Volume Certification program & 140 hotels certified & registered as **#LEEDbuildings** http://bit.ly/1KDt9bY

#GreenBuilding: 17 Marriott properties #LEEDCertified in 2014; company has a total of 51 **#LEEDCertified** properties as of YE 2014.



VERIFICATION OF 2014 ENVIRONMENTAL DATA

Marriott sought and obtained third-party verification (per ISO 14064-3:2006) of the following data:

- Environmental Data: 2014 total energy use, water consumption and greenhouse gas (GHG) emissions.
- Environmental Performance Indicators: 2014 Energy, Water and GHG intensity for each continental operating group.

The limited assurance statement provided by Lloyd's Register LRQA is available <u>here</u>.

Leadership in Energy Efficiency and Design (LEED[®]) is the most widely used green building rating system in the world.

LEED BUILDINGS*



*All data is cumulative; registered and certified data includes managed and franchised properties, as well as Marriott Corporate Headquarters.

RELATED LINKS

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Unless otherwise noted, this report is based on data from Marriott's 2014 fiscal year and reflects the operational performance of our company-operated properties, which include owned, leased and managed properties, and exclude rooms from franchised, franchised unconsolidated joint ventures and timeshare properties.