

GLOBAL CITIZENSHIP AT STARWOOD

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This inaugural report covers Starwood's Global Citizenship metrics, data, and GRI content as of December 31, 2012, unless otherwise noted. This report also includes additional highlights and progress from calendar year 2013. Please refer to footnotes throughout the report for additional information on data and metrics published in this report. In 2014, we plan to release an update that includes full data for calendar year 2013. Inside you will find details on our Global Citizenship strategy and programs in addition to information on our goals and progress.

This report was compiled using the Global Reporting Initiative's (GRI) G4 framework as a guide and contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

We welcome your feedback on this report. Please send any comments or questions to global.citizenship@starwoodhotels.com.



Message from Frits van Paasschen

CEO and President

We are living in a time of unprecedented global change. A time that we have dubbed the Age of Great Change. Globalization, middle-class growth, and the acceleration of digital connectivity around the world are remaking society in dynamic and exciting ways. At the same time, these forces of change are bringing with them new challenges for the global ecosystem.

We view these challenges not as roadblocks but as a call to action. This is why we have made global citizenship a key to our strategy, practices, and culture. At Starwood, we have a shared belief that people want a better way to experience the world. We view our work in sustainability and social responsibility as our commitment to making sure there is a better world to experience. This first-ever Global Citizenship report is our way of sharing with you some of the many things that we've been working on.

Despite long-standing efforts across our hotels, we don't pretend to have all the answers. It may be that someday when we look back, our efforts today will seem like just the beginning. But one lesson we can learn from history is that it takes time for society to change in response to a new worldview. It also requires a bold start with a vision toward the future.

Shaping our future is something we all share together at Starwood. We can focus our efforts in three ways: 1) taking direct action to reduce our impact on the environment; 2) collaborating with our owners and partners; and 3) tapping into the passion of our associates.

Taking Action

In the Age of Great Change, sustainability is no longer about "doing good" but rather about "doing what is urgently needed." Climate change is already having devastating consequences around the globe. Across our company, we see how climate change is harming many local communities, and we're compelled to play our part in protecting the planet. We've laid out goals to reduce our environmental impact and offer sustainable products and services to our customers and guests.

These goals aren't just numbers. They represent our commitment to doing the right thing around the world. We are convinced that achieving these goals can help prove that doing good for the environment makes sound business sense.

Collaboration

We are leading the industry in applying our environmental and social standards uniformly across all our owned, managed, and franchised properties. Many of our hotels are independently owned, so collaboration with our hotel owners is critical. We were the first to take this inclusive approach with owners.

We also work closely with suppliers, community partners, and NGOs. We value not only their partnership but also their feedback. We know that we're not always the experts, so we listen to those who are. We are a culture that thrives on change and innovation, so we're always interested in new, different, and better ways to do things.

Associate Passion

The global community of 181,400 Starwood associates is a force for change. They possess an enduring commitment to, and pride in, our Global Citizenship efforts. Through their individual pursuit of a better way to experience the world, they offer not just inspiration but ideas and input on how we can collectively make a positive difference in the communities where we live, work, and play. By ensuring our associates around the world are encouraged and supported in their efforts, we can nurture an even stronger Starwood culture of responsibility and giving for years to come.

This inaugural Global Citizenship report outlines our efforts to date in what is a multiyear transformation of how we do business. We're on a journey, and we want our stakeholders to come with us, to challenge us, and to help us go further. Please send us an email at global.citizenship@starwoodhotels.com and tell us what you think. I look forward to your feedback.

Frits

Frits

President & Chief Executive Officer

Q & A with Kenneth Siegel

Chief Administrative Officer and General Counsel



What prompted Starwood to release its first Global Citizenship Report this year?

We have thought hard over the past few years about how to tackle the challenges and pursue the opportunities that Global Citizenship brings. This thinking has led to transformative new programs, and we believe the time is right to share our performance and ambitions in this area through Starwood's first Global Citizenship report.

Many of our stakeholders – including investors, owners, guests, customers, and associates – have also asked for this publication, and we look forward to their feedback.

What is different about Starwood's approach to citizenship?

Through Global Citizenship, we work to address global issues such as climate change, conservation, human rights, and community development. But our approach is to develop hotel-level solutions to meet our goals – solutions that address local environmental and social circumstances.

Like our hotels, our citizenship programs are distinctive. In particular, we were the first hospitality company to apply Global Citizenship goals and policies across all our owned, managed, and franchised properties. Having this model means we work closely with our property owners and franchisees, who are critical partners in our citizenship efforts.

What key citizenship challenges does Starwood face?

We are still in the early stages of our Global Citizenship efforts and know there are challenges ahead. Our first priority is to create superior experiences for our guests. Yet meeting diverse guest preferences can make it difficult to craft appropriate citizenship goals, which is both an opportunity and a challenge, as we need to keep coming up with creative ways to interest and engage them.

In addition, because our hotels source most supplies locally, it is also very challenging to embed sustainability into our supply chain across the nearly 100 countries where we do business.

Which of Starwood's Global Citizenship accomplishments from 2012 stand out for you?

We've made a great deal of progress in 2012, which we describe throughout this report.

One success I am extremely proud of is the global rollout of our guest programs Make a Green Choice and Sustainable Meeting Practices. By engaging our guests to "Make a Green Choice" in their hotel rooms, Starwood saved 153 million gallons of water and 662,000 kilowatts of energy through 2012.

We also made strong progress toward our global environmental goals of reducing energy by 30 percent and water use by 20 percent across our owned, managed, and franchised hotels by 2020. Energy use was down 8.1 percent and water use by 14.4 percent in 2012, compared to 2008 levels.

Starwood's associates are critical to our citizenship efforts, so the global launch of our Sustainability Champion training program in 2012 was definitely another key accomplishment that stands out in my mind.

What are some key next steps for Global Citizenship at Starwood?

We plan to announce a new global environmental goal, covering greenhouse gas emissions reductions, and to increase our focus on waste management, water scarcity, and supply chain initiatives.

We will also launch several key programs to magnify our social impact. For example, the Starwood Cares for the Community program will expand global associate volunteerism, and we will roll out training on human trafficking awareness globally. The Starwood Foundation's new Workplace Readiness program will help people access education and employment initiatives in our communities around the world.

And, of course, we'll continue to innovate. For example, our Hotel of the Future team is hard at work on a blueprint for the next generation of sustainable, best-in-class Starwood properties.

OUR COMPANY

Through trendsetting innovation in luxury hospitality and loyalty programs, Starwood creates unforgettable experiences for our guests, instills passion in our associates, and brings value to our stockholders around the world.

ABOUT STARWOOD

In an age of global change, Starwood is resilient, bringing fresh ideas and innovation to the hotel industry. Our global network of high-end hotels, world-renowned brands, and dedicated associates delivers unique experiences for everyone we touch. We connect closely with our guests, associates, property owners, shareholders, and communities to maximize our positive impact on all our stakeholders and the wider world.

The Starwood Journey: Reinventing the Hotel Industry

Reinvention is in our DNA. Starwood began as a U.S. real estate firm in 1991. Nearly a decade later, we entered the hospitality space and swiftly acquired some of the world’s leading hotel brands, including Westin and Sheraton. In 2010, we celebrated the milestone of opening our 1,000th hotel.

The secret to our success? An innovative, agile approach to our business and sector. We develop our brands and properties based on forward-looking research and analysis of changing customer needs and tastes. For example, two of our most recent brands, both launched in 2008, epitomize this approach. Aloft® provides a stylish, more affordable take on the W® brand, while Element® appeals to a growing segment of eco-conscious customers with sustainable offerings right down to the buildings themselves, which are all either U.S. Green Building Council Leadership in Energy and Environmental Design (LEED)-certified or pursuing LEED certification. Our innovations extend to our relationships with guests. Through our loyalty program

Starwood Preferred Guest (SPG®), described further on page 6, we reinvented the conventional rewards program, building a loyal, hyperengaged, and growing customer base worldwide.

We have planned our path ahead and defined it with the Starwood Journey - our corporate strategy and roadmap. Creating outstanding guest experiences is a given. Our goal is to innovate beyond that, to build a culture where all stakeholders - guests, associates, owners, shareholders, and the communities we operate in - can thrive.

To reach this goal and encourage an inclusive approach, we call upon each Starwood associate to be personally responsible for our guests, one another, the environment, and the local community. We are guided by our core values that we call “Promises” and our strategic pillars we call “Essentials.”

The Starwood Journey

Our Promises

- Do the Right Thing
- Go the Extra Step
- Play as a Team

Our Essentials

- Win with Talent
- Execute Brilliantly
- Build Great Brands
- Deliver Global Growth
- Drive Outstanding Results

The Starwood Business Model

With a global footprint of almost 1,200 hotels and iconic brands in most major markets around the world, Starwood is recognized as one of the world's largest hotel and leisure companies. Our business encompasses the global operation of hotels and resorts primarily in the luxury, upper upscale, and upscale segments of the lodging industry. Starwood owns a small number of its more than 1,130 hotels, with the majority - nearly 95 percent - being managed or franchised properties.

Additionally, we operate Starwood Vacation Ownership (SVO), one of the top five Vacation Ownership companies in the United States. Since its inception in Florida, SVO has expanded throughout the United States and the Caribbean and serves more than 220,000 owners in the SVO family of resorts.

Starwood's revenue and earnings are derived primarily from hotel operations, which include fees earned from hotels we manage, the receipt of franchise and other fees, and the operation of our owned hotels.

Key Financial Data

Year ending December 31, 2012

Revenue in millions of U.S. dollars, except per share data	
Revenues	6,321
Operating income	912
Income (from continuing operations)*	470
Diluted earnings per share from continuing operations	2.39
Cash from operating activities	1,184
Cash from investing activities	126
Cash used for financing activities	(1,456)
Aggregate cash distributions paid	242
Cash distributions and dividends declared per share	1.25

* Amounts represent income from continuing operations attributable to Corporation Shares (i.e., excluding noncontrolling interests)

OUR GLOBAL IMPACT

The travel and tourism industry is responsible, directly and indirectly, for about 9 percent of the global economy. Starwood's influence goes beyond our impact on the economy, affecting a wide range of stakeholders.

Our innovation and investment in Global Citizenship shapes the communities in which we operate around the world. We work hard to ensure that our presence helps boost local economies while preserving the local culture. These efforts are especially impactful in developing markets, and are a win-win situation everywhere. We offer our local associates useful professional development tools and provide them with opportunities to hone international business skills and languages. In return we get highly-trained, motivated, loyal associates. We respect and nurture the local culture and environment, which offers our guests a range of locations to suit every occasion.

Starwood Preferred Guest

Starwood's membership program, Starwood Preferred Guest (SPG), revolutionized rewards and points systems in our industry by eliminating blackout dates. Through SPG we aim to "create loyalty beyond reason." Our goal is to go beyond transactional relationships with

our most loyal guests, building personal connections through unique and exclusive redemption options such as Moments by SPG, which allows members to use Starpoints to bid for one-of-a-kind-experiences such as intimate acoustic performances with today's top talent through our "Hear the Music, See the World" global in-hotel concert series powered by Live Nation, or a luxury suite at the U.S. Open Tennis Championships.

One way we build relationships with SPG members is through regular communication. Through Facebook, Twitter, and the SPG mobile app, we connect with these guests wherever they are, whenever they want. With 70 percent of our mobile bookings made within one day of the stay, this level and speed of communication allows us to respond to SPG member needs, comments, and concerns in real-time.

At many of our hotels, SPG members can earn points through our resource-saving **Make a Green Choice** program and in some areas can donate their points to worthy charitable causes supported by Starwood. In our hotels and beyond, this feedback can help us decide where to focus our efforts, what needs improvement, and who deserves recognition.

Starwood Hotels and Resorts' brands are some of the most recognized in the world.



ST REGIS

BEYOND EXPECTATIONS.

The St. Regis legacy informs the brand's core values, providing the framework for everything that we do. With the ultimate locations within the world's most desired destinations, and the highest expression of personalization, the St. Regis brand is uncompromising in its pursuit to create the best experiences.

THE LUXURY COLLECTION

LIFE IS A COLLECTION OF EXPERIENCES. LET US BE YOUR GUIDE.

The Luxury Collection Hotels & Resorts is the key that unlocks the world's most treasured destinations. Our core values define how we create the rare memories each hotel curates. Each property in The Luxury Collection is an iconic landmark that offers the promise of the authentic, with the assurances of a global brand.



HOTELS

WHAT'S NEW/NEXT.

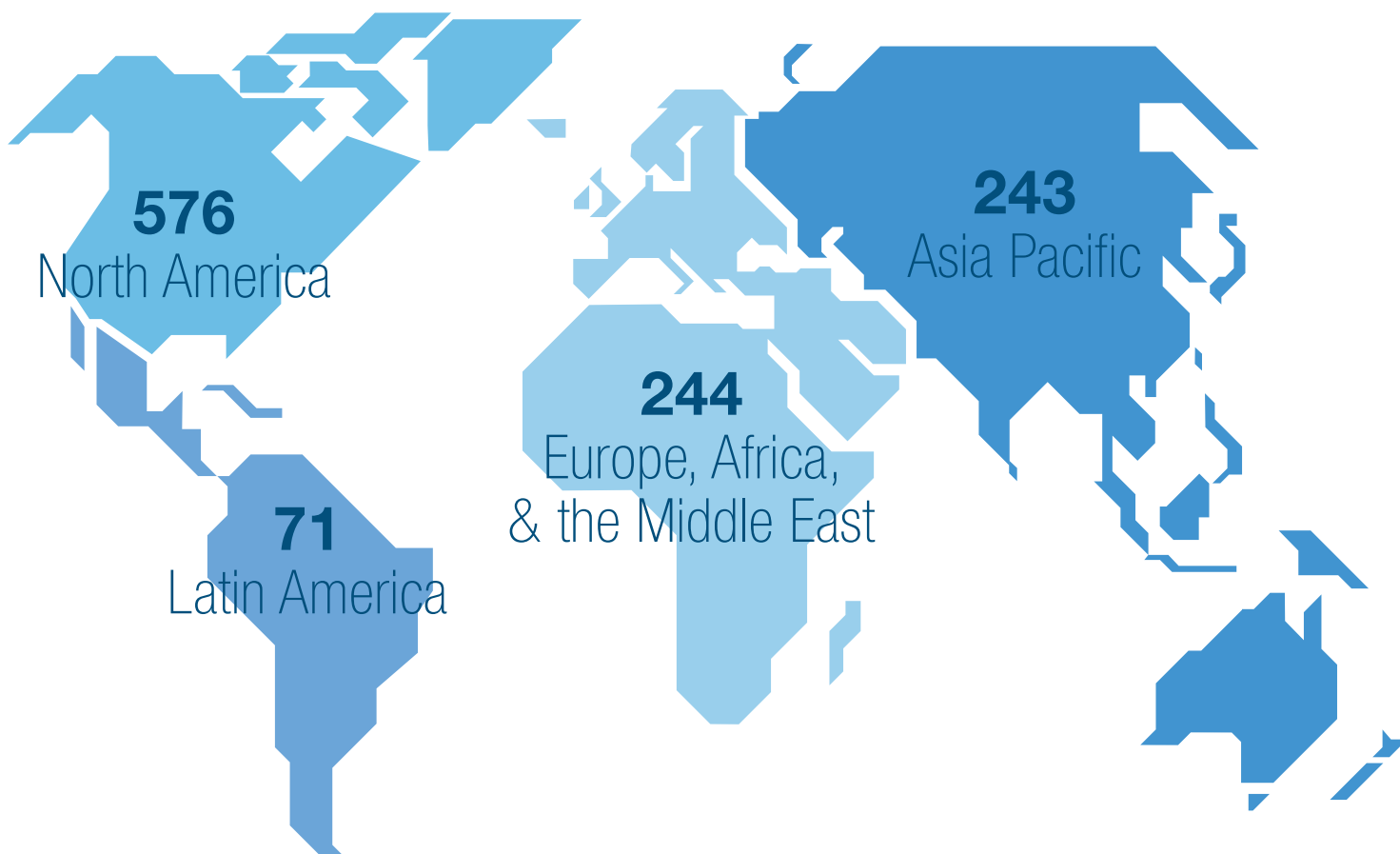
This mind-set, more than just a city, follows W throughout the world and lives in everything we do. It's present in our whatever/whenever mentality; it exists in the latest hours of the night, when the party is just getting started; it's alive in our guests, who share our passions and look for what's new/next.

WESTIN

FOR A BETTER YOU.™

Our mission is to be a partner in our guests' well-being before, during and after their stay, ensuring that guests leave feeling better than when they arrived. Westin Hotels & Resorts has been a champion of well-being and a leader in innovation since its founding in 1930. From our revitalizing programs and services to our refreshing, aspirational design, every aspect of the Westin experience is driven by our commitment to inspire and foster a sense of wellness.

Number of Properties by Division in 2012 (EOY)



Le MERIDIEN

DESTINATION UNLOCKED.

Our mission is to expose the creative-minded traveller to the most unexpected and engaging experiences their destination has to offer, inside and outside the hotel, so they leave feeling fulfilled, having made a unique discovery they can share at their next stop.



Sheraton

THE WORLD'S GATHERING PLACE.

At its heart, Sheraton is about people, and about bringing people together around the world – a 75-year tradition. We focus on things that are shared across cultures: a warm welcome, a generosity of spirit, a desire to achieve, and a belief that life is better when shared.

FOUR POINTS

GREAT HOTELS. GREAT RATES

At Four Points we cater to the well-traveled guest. We give them what they come to expect – with unexpected perks. Stylish comfort suits work and play, and each hotel stay is designed to keep guests one step ahead of the game. EXPERIENCE SMART TRAVEL.



DIFFERENT. BY DESIGN.

Designed for global travelers who love open spaces, open thinking and open expression, this is where travel creates possibilities. Where style is necessary. Social scenes are vibrant. And the only direction is forward. This is Aloft Hotels. Different. By design.



element

SPACE TO LIVE YOUR LIFE.

Energy, vibrancy and design define our core values. Inspirational yet grounded, these values are reflected in all of our programs, services and communications. We instill them in everything we do so our guests can stay whole and remain productive while on the road.

GLOBAL CITIZENSHIP AT STARWOOD

A better way to experience the world. That's the Starwood Journey's main tenet. Global Citizenship at Starwood builds on this approach, using our global reach and the power of our 181,400* associates to create a better world to experience – for our guests, customers, communities, owners, and associates.

GLOBAL CITIZENSHIP STRATEGY

With more than 1,130 hotels in nearly 100 countries and 181,400* associates, we are perfectly positioned to make a powerful impact in our world. We enlist our global network of hotels, our world-renowned brands, and our dedicated associates in implementing our Global Citizenship strategy.

What started in 2009 with a focus on mitigating risks related to a discrete set of environmental and community issues has evolved into something much greater. Global Citizenship at Starwood has become a cornerstone of our business philosophy and approach, strengthening our resilience as a business in an age of continuous global change.

Today, Global Citizenship has expanded to encompass a broader sustainability and social responsibility agenda while remaining closely aligned with our corporate strategy. Through this lens, we address critical global issues such as human rights, water risk, climate change, conservation, and community development. In some areas, such as energy and water, we have set bold goals and made great progress. In other areas, including our supply chain, we are just beginning to lay the foundation.

Our Approach

We believe that by acting responsibly in our hotels and in the communities in which we operate, our business will prosper. It's that simple. But sometimes the simplest ideas are also the most radical.

The global hospitality industry is a major consumer of natural resources and is often among the first sectors to enter new markets. Our business has a significant environmental and social footprint, which is both a challenge and a huge opportunity to add value – an opportunity that we won't pass up.

We've created a multifaceted approach that holds our properties to the same environmental and social standards, whether owned, managed, or franchised, across all brands. We provide our property owners and franchisees with resources and support to implement Global Citizenship at their sites, and we demonstrate firsthand how to create value through responsibility. We were the first in our industry to adopt this inclusive approach, increasing our positive impact as a company, shaking up the way the industry thinks about the boundaries of effective Global Citizenship, and setting a strong example for competitors.

*As of December 31, 2013.

Focus Areas

In 2008, we gathered input through discussion groups and meetings with senior leaders and associates in each of our divisions on our Global Citizenship efforts. We also performed a robust internal assessment that benchmarked Starwood against companies within and outside our industry. Through this assessment of our company’s strengths and opportunities, we identified areas to focus our Global Citizenship efforts. See graphic below.

Building on our long legacy of caring for the communities in which we operate, Global Citizenship has become

woven into the fabric of our organization. Over the past five years, we have made steady progress: tightening our processes, expanding our initiatives, strengthening our commitments, and building resiliency into our business model. To further inform our evolving citizenship agenda, in 2013 we also launched a comprehensive stakeholder-engagement process, and a materiality assessment. **See pages 12–13.**

We know that there is much more to be done. We are building on our solid foundation and continually improving.

Global Citizenship
Focus Areas



Building on our long legacy of caring for the communities in which we operate, Global Citizenship has become woven into the fabric of our organization.

Global Citizenship Milestones Since 2007	
2014	Published first Global Citizenship report Banned shark fin across all global properties
2013	Launched Starwood Cares for the Community Formalized global brand standards for Make a Green Choice and Sustainable Meeting Practices Set GHG emissions-reduction goal of 30 percent by 2020 Developed Starwood Workplace Readiness program
2012	Updated global sustainability reporting protocols Established global Sustainability Champion training program Integrated Global Citizenship into business strategy of a Triple Bottom Line Integrated Hotel Carbon Measurement Initiative (HCMI) Published first Sustainable Food and Beverage policy Launched Hotel of the Future program
2011	Published Human Trafficking position statement Relaunched Starwood Foundation Established partnership with Clean the World
2010	Set 30/20 by 20 energy- and water-reduction goals Launched foundational sustainability brand standards Began reporting in the Carbon Disclosure Project – Water Disclosure and Supply Chain reports
2009	Established Global Citizenship as a corporate function Created Global Citizenship Advisory Council and Steering Committee Launched Make a Green Choice Launched Sustainable Meeting Practices for hotel events Launched internal Global Citizenship intranet portal (Sustainability Resource Center) Established partnership with Conservation International
2007	Established a Human Rights policy Reported carbon footprint to the Carbon Disclosure Project (CDP)

STARWOOD SPOTLIGHT

Sonal Pandya Dalal

Director, Business and Sustainability Council, Conservation International

Conservation International is an international nonprofit organization that employs science, partnership, and field demonstration to protect nature, biodiversity, and humanity.

"I'm impressed by how Starwood has managed to ingrain both sustainability and luxury into iconic global hospitality brands. Starwood's commitment to ensuring all its hotels – owned, managed, and franchised – meet the **30/20 by 2020 target** cannot be understated. And the transparent reporting of GHG emissions through the CDP and Starwood's sustainable food and beverage policy showcases their commitment to the environment and communities that they serve.

"Ensuring such an ambitious global reach is incredibly difficult. Yet, by working with hotel owners, associates, and guests, Starwood is making the critical changes necessary to achieve these goals and monitor their progress. I have seen firsthand through my work with Starwood's passionate CEO, Frits van Paasschen, and as a judge for their Challenge for a Better World associate contest that Starwood's vision for sustainability is fueled by an internal drive to innovate and the personal desire to create unique experiences.

"With such a comprehensive set of initial goals, I look forward to seeing what effects Starwood can have beyond its hotels by encouraging positive impacts throughout its supply chain and becoming a sustainability leader in its industry and its communities."



GLOBAL CITIZENSHIP GOVERNANCE

Starwood’s commitment to Global Citizenship permeates the company and is championed from the top by CEO Frits van Paasschen. Our Global Citizenship team is responsible for establishing and implementing Starwood’s sustainability and social responsibility strategies worldwide and is led by Chief Administrative Officer and General Counsel Kenneth Siegel. The Global Citizenship team regularly monitors and reports on progress to the senior leadership team and stakeholders more broadly.

The high-level Global Citizenship Steering Committee represents our three geographic operating divisions as well as several functions centralized at our corporate headquarters. The steering committee convenes monthly with the Global Citizenship team to discuss ongoing efforts, goals, challenges, and best practices. It ensures the regional relevance and feasibility of all Global Citizenship initiatives and facilitates the development, execution, and communication of these programs. The Global Citizenship team also works closely with our Global Initiatives team, which builds effective cross-brand processes that enable implementation of global projects across the entire hotel portfolio.

Global Citizenship Support across Starwood



STAKEHOLDER ENGAGEMENT

Starwood's Global Citizenship journey is a shared experience with our stakeholders. We work hard to nurture relationships with all of our stakeholders, making a concerted effort to understand and address their interests and concerns. Below is a chart that outlines our key stakeholders and the main ways we engage and collaborate with them.

Stakeholders and Global Citizenship

In 2013, we conducted a Global Citizenship stakeholder mapping exercise to shape our communication and engagement strategy. We also launched a formal stakeholder-engagement process to understand how external stakeholders view our Global Citizenship performance. The results were informative, revealing stakeholders' need for additional metrics and communication about our Global Citizenship efforts. We plan to address this need through additional reporting and communications, including this first Global Citizenship report.

Stakeholder Group	Engagement Tactics	Example of Results
Investors	Corporate website; meetings and presentations; financial reports; investor surveys	In response to investor inquiries on topics ranging from sustainable food and beverage to human rights and trafficking, we developed an overview document on our Global Citizenship efforts and incorporated information about our Global Citizenship strategy in Investor Day materials.
Governments	Advocacy meetings; briefings; hotel and facility tours; conferences and events	Starwood Hotels and Resorts took part in the second phase launch of the Caribbean Challenge Initiative (CCI), a program started by Caribbean island governments and the Nature Conservancy to protect and manage marine and coastal environments in the Caribbean. At the CCI summit in March 2013, attended by 12 heads of state, we announced our global partnership with NRG Energy to install solar energy in locations around the world.
Guests and Customers	Starwood Preferred Guest (SPG) Forum; ad campaigns; special events; social media; meetings and presentations; digital marketing; conferences and events; hotel and facility tours; Guest Experience Index	Nearly 150 Starwood Preferred Guest members were engaged in 2013 to determine their level of interest in our Global Citizenship efforts and to measure their familiarity and satisfaction with our work in this area. Findings demonstrated a clear interest in environmental issues such as energy, recycling, water, and waste, but overall awareness of Global Citizenship was low. We will consider ways to address this need for additional communications moving forward. Nearly 90 percent of all customers' RFPs require information on our sustainability and human rights strategy, policies, and programs.
NGOs/ Advocacy Groups	Corporate website; meetings; briefings; hotel and facility tours; conferences; social media	We launched a partnership with Conservation International in 2009. The organization has assisted us in developing an environmental strategy and establishing performance targets.
Owners	Corporate website; meetings and presentations; financial reports; development website; ownership communications	We developed an Owner's Playbook that highlighted case studies of project best practices and hotel developments in key categories including energy reduction, water conservation, waste minimization, and sustainable development.
Associates	StarVoice; intranet; newsletters; presentations; Sustainability Champions network	Associates engaged in the Challenge for a Better World contest, through which examples of sustainability from across our properties were shared throughout the corporation.
Industry Associations	Corporate website; meetings; briefings; conferences and events	Starwood is a founding partner in the International Tourism Partnership and has been an active member since 1992. Through this group, Starwood worked with industry colleagues to launch both the Hotel Carbon Measurement Initiative, which established a standard carbon-reporting methodology for the industry, and an industry Human Trafficking Position Statement, which outlines our commitment to addressing human trafficking.

Materiality

In 2013, we sought feedback from a select group of internal and external stakeholders, asking them to rank 35 Global Citizenship issues in terms of their importance to society and to Starwood's business.

The results of our assessment:

- Highlight the role of strong governance in Global Citizenship - ethics, human rights, risk management, and transparency are foundational elements of Starwood's Global Citizenship strategy. Find out more about our approach to these issues **in Governance**.
- Underscore the importance of our associates and programs to support them. Read more **in Associates** about health and safety and diversity and inclusion - issues that ranked high in the assessment.
- Demonstrate the need to support local communities where we operate. **See Social Responsibility** for more on how we care for our communities through grant contributions, employee volunteerism, guest engagement, and in-kind support.
- Confirm our focus on sustainability issues such as water, waste, energy, and climate change, especially in light of our brand new **greenhouse gas-reduction goal**.
- Support our plans to progress our **supply chain program**, particularly in relation to sustainable sourcing. Learn more about what we are doing now in areas such as sustainable seafood and bottled water.

STARWOOD SPOTLIGHT

Stephen Farrant

Director, International Tourism
Partnership

The International Tourism Partnership is a consortium of global hotel companies that seeks solutions to social and environmental issues affecting the hospitality industry.

"Starwood has been an active and valued member of the International Tourism Partnership (ITP) for many years, investing significant time and effort into industry-wide working groups such as the Youth Career Initiative and the Hotel Carbon Measurement Initiative (HCMI). I've worked with Starwood associates on a wide range of programs and have witnessed a real commitment to environmental and social responsibility throughout the organization.

"The integration of ITP initiatives across Starwood's global brands demonstrates that Global Citizenship is part of Starwood's core business strategy – not just an afterthought. I would like to see Starwood continue to implement HCMI across all of its properties and strengthen its commitment to water and energy conservation through further reduction goals."





SOCIAL RESPONSIBILITY

Opening doors to opportunity. Taking pride in our places. Helping neighbors in need.

Social responsibility drives our business – strong, vibrant communities help us deliver unique experiences to our guests, and associate engagement supports retention and productivity.



Maximizing the benefit and minimizing the harm. That's the framework on which Starwood's social responsibility strategy is built. We work hard to ensure that the communities where we operate are enriched by our presence.

With our size and geographic reach, we touch communities all around the globe. We recognize that the vitality of our business is directly linked to the vitality of the places where we operate. By working cooperatively with community partners and focusing on a few critical issues, we can have a tremendous impact.

OUR APPROACH TO SOCIAL RESPONSIBILITY

We seek to be a positive force in every community we touch, and we pursue community involvement through multiple channels. We use strategic giving and associate volunteering to address global priorities while simultaneously meeting unique local needs. Our associates take tremendous pride in helping others, and we also provide guests with opportunities to contribute. Social responsibility is an important part of the Starwood culture.

Starwood's social responsibility framework combines community involvement with ethical business practices (for more on our approach to ethical business practices, including our human rights efforts, [see Governance](#)). Our goal is to create transformative experiences that empower individuals and communities around the world through grant contributions, employee volunteerism, guest engagement, and in-kind support. Our community involvement framework is centered on three focus areas:

Education and Workforce Development Opening Doors to Opportunity

Our presence in a market creates jobs and long-term economic benefits, and we use a number of initiatives to further this positive influence. Through mentoring, general education, and specialized training in job and life skills, we help people access opportunities to improve their circumstances. These efforts have positive impacts on our business. As individuals flourish, our potential talent pool expands, and as communities grow stronger, they become more attractive destinations for our guests.

Conservation and Cultural Preservation Taking Pride in Our Places

Our hotels are located in many unique, historic, and ecologically sensitive settings. We place tremendous value in our indigenous surroundings and recognize our responsibility to help conserve them. We do so through active engagement in, and support for, local area conservation, restoration, preservation, and beautification projects.

Disaster Relief and Human Rights Responding to Neighbors in Need

Starwood seeks to care for people when it matters most, addressing basic survival needs when disaster strikes. We help our own associates around the world through the Starwood Associate Relief Fund, as well as supporting global emergency relief efforts and human rights initiatives.

STRATEGIC PHILANTHROPY

Starwood’s philanthropic efforts are designed to maximize impact in each of our focus areas. Our philanthropic giving is handled through multiple channels: corporate giving, the Starwood Hotels & Resorts Worldwide Foundation, Inc. (Starwood Foundation), the Starwood Associate Relief Fund (SARF), and property-level giving. The Starwood Foundation and SARF are both registered independent nonprofit entities with U.S. 501(c)(3) status.

In 2012, over US\$4.8 million in philanthropic donations were contributed across the Starwood portfolio. Our properties and locations around the world engage in philanthropic projects in their local communities on a regular basis. Some highlights of divisional and global efforts from 2012 include:

Opening Doors to Opportunity

- A \$50,000 grant to the Youth Career Initiative (YCI) helped support their efforts to provide disadvantaged young people in multiple countries with life and work skills, enabling participants to improve their employability and enhance their long-term social and economic opportunities. Since 2008, Starwood has participated in the YCI program, helping provide extensive classroom and on-the-job training for disadvantaged young people.

- Through associate donations and Starwood Foundation giving, more than \$900,000 was donated to UNICEF youth education initiatives. Additionally, we raised more than \$1.7 million for these initiatives through our Check Out for Children program (see case study on page 19).

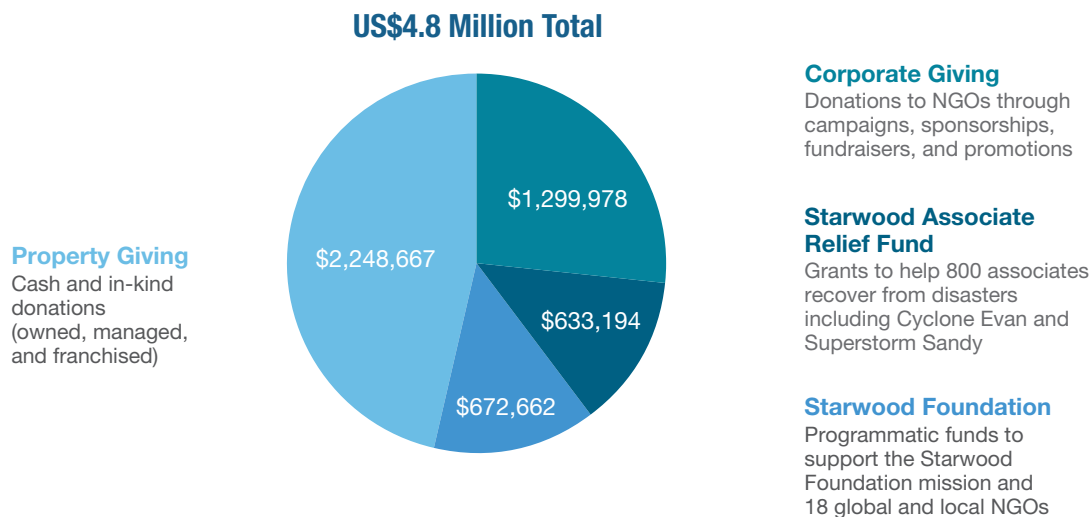
Taking Pride in Our Places

- We donated more than \$47,000 to Conservation International’s Save a Mile of Ocean initiative through our Challenge for a Better World contest, an associate awareness campaign on environmental sustainability (see case study on page 31).
- Through a commitment to the Clinton Global Initiative, we pledged \$300,000 over three years to support several nonprofit organizations serving the Stamford, Connecticut, community, where Starwood is headquartered.

Responding to Neighbors in Need

- To support Hurricane Sandy recovery efforts, we donated approximately \$195,000 to the American Red Cross through a Starwood Foundation grant, guest Starpoint donations, and corporate (SPG) matching funds.
- Through corporate matching of associate donations, we contributed \$200,000 to SARF.

Starwood Giving 2012



Starwood Hotels & Resorts Worldwide Foundation, Inc.

The Starwood Foundation acts as a catalyst for global societal growth and development, ensuring associates, residents, visitors, and local businesses can experience vibrant and thriving communities. By developing strategic partnerships that leverage our resources and expertise to address critical local needs, the Starwood Foundation empowers communities to build and sustain the economic, social, and cultural vitality of regions where Starwood operates.

The Starwood Foundation accompanied Starwood's acquisition of ITT Sheraton in 1998. This private foundation was originally established in 1948. In 2011, the name and mission were revised to more accurately reflect the community outreach priorities of Starwood Hotels & Resorts Worldwide, Inc. In 2012, Starwood Corporate approved an annual contribution of 0.25 percent of pretax profit to the Starwood Foundation. We track each Starwood Foundation grant to ensure our resources are implemented in line with our objectives and to measure impact.

In rethinking the Starwood Foundation's strategic focus, our Social Responsibility team worked with an outside consultancy to gain insights from both internal and external stakeholders. As a result, the Starwood Foundation is now structured to drive social impact above and beyond what Starwood Corporate can do to support the community while aligning more closely with Starwood's business objectives. Its efforts will focus primarily on workforce development, community vitality, and human rights, in line with the existing focus areas of our social responsibility strategy.

In 2012, Starwood Foundation efforts in these focus areas included:

Opening Doors to Opportunity Focus Area: Workforce Development

The Starwood Foundation's workforce-development strategy was developed in partnership with Human Resources and focuses on job readiness for underserved and underemployed individuals who lack the access or skills to obtain employment in high-growth industries. Many Starwood Foundation grants support specialist charitable organizations that provide skills training for such individuals in communities where we operate. The goal is to develop a skilled and diverse local workforce that drives business growth and economic success.

CASE STUDY



Training the Workforce of the Future

Investment in education and job training are critical to the economic stability of communities around the world. Targeted programs in these areas can also create a pipeline of talented associates for Starwood and other local businesses.

Our global headquarters has a growing demand for associates with advanced digital skills. Through an innovative program in the summer of 2013, we sought to address this need while contributing to the vitality of the Stamford, Connecticut, community.

Starwood partnered with Sacred Heart University (SHU) and the City of Stamford through the Mayor's Youth Employment Program to develop a pioneering program offering education and training in digital marketing to 20 promising Stamford high school students. Participants received real-world, on-the-job training and mentorship from Starwood associates and SHU professors in the IT/digital marketing field. They gained exposure to a corporate environment, learned general business skills, and absorbed an understanding of digital marketing and the types of careers available at a global company like Starwood. The program prepared students for careers in an expanding field and provided Starwood with a group of potential future associates.

One student said of the program: "The experiences that I have had over these past five weeks and the information I have learned have taught me so much about not only digital marketing – but life in general. I know that I will take these experiences with me as I move on in the world."

We are exploring plans to make the program available year-round through collaboration with the local school system and to potentially replicate it in other communities around the world.

In 2012, the Foundation provided \$181,000 in funding for workforce-development programs, benefiting both our business and local communities.

Our newly launched Workplace Readiness Program, which supports efforts around the world to advance workforce development, began in late 2013. The program provides grants to NGOs that focus on one or more of our funding priority areas: fostering employment, career development, and employer readiness.

Taking Pride in Our Places
Focus Area: Community Vitality

Supporting the social, economic, and cultural foundations of communities benefits our business and our guests as well as society at large. Community vitality programs are targeted for integration into Starwood Foundation grant making in 2015. The Starwood Foundation will also run our Starwood Cares for the Community program for associate community involvement, launching in 2014.

Responding to Neighbors in Need
Focus Area: Human Rights

Addressing human rights issues and concerns in the hotel industry is a growing priority for Starwood. The Starwood Foundation supports human rights advocacy and awareness through grants to organizations such as Polaris Project and ECPAT-USA (formerly known as End Child Prostitution, Child Pornography, and Trafficking of Children for Sexual Purposes). Both of these organizations provided subject matter expertise in the development of Starwood’s associate human trafficking-awareness training. For more on our corporate human rights and human trafficking policies and efforts, please see **Governance**.

Starwood Associate Relief Fund, Inc.

Extending ourselves to associates most in need, Starwood established SARF in 2006 to provide need-based financial grants to associates who have suffered significantly as a result of natural disasters or other emergencies. We are committed to matching associate donations to this charitable corporation, up to a preestablished annual maximum. In 2012 the matching amount was \$200,000.

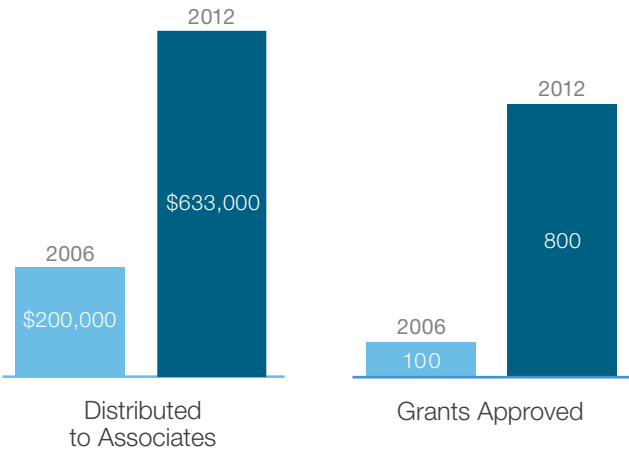
Since its inception, SARF has raised more than \$3,860,000 from associate donations, friends and family donations, and Starwood matching funds. More than 2,700 associates have benefited from SARF grants, totaling more than \$2,354,000 in aggregate. (A portion of funds raised are held in reserve so that SARF can assist whenever emergencies arise. All excess revenues are used to further the organization’s mission.)

In 2012, SARF received its highest annual donation amount to date. In total, during the year:

- \$949,000 was donated
- \$633,194 was dispersed in grants
- 800 associates received assistance to recover from large-scale or personal disasters
- 93 percent of grant applications were approved.

The largest disaster to impact Starwood associates in 2012 was the severe flooding in Fiji caused by Cyclone Evan. This event affected hundreds of Starwood associates, who lost belongings and in many cases could not return to their homes immediately. SARF grants supported more than 500 of these associates, helping them cope with damages.

Starwood Associate Relief Fund, Inc.
(US dollars)



CASE STUDY

Check Out for Children

For nearly 20 years, Starwood has partnered with generous guests to make a multimillion dollar difference in the lives of vulnerable children around the world.

Check Out for Children (COFC) is an alliance between Starwood and UNICEF, running in the EAME (Europe, Africa, and the Middle East) and Asia Pacific regions. The COFC mechanism is simple – when guests arrive at a participating Starwood hotel, they are advised about the partnership. Upon checkout, they are invited to add \$1 (or a local currency equivalent) to their bill as a donation to UNICEF.

Launched in 1995 in Europe, COFC initially supported immunization programs, helping protect more than 1 million children from major childhood mortal diseases. In 2008, the program was widened to support other areas of UNICEF's work. Since 2012, our hotels have supported UNICEF education programs – which build and improve schools, train teachers, provide essential school supplies, and help children return to school after emergencies.

In 2012, COFC raised \$1.7 million for vulnerable children. Each division's funds supported UNICEF projects in their own region, including:

Schools for Africa: This project provides quality education in 13 African countries, with a special focus on support for girls, orphans, and children with disabilities. The project has already benefited about 21 million children through the construction of classrooms, teacher training, improved government education policies, and other measures.

Education in Emergencies (Middle East and North Africa): Keeping schools accessible is critical during times of emergency as it provides children with stability and safety while aiding a country's recovery. Starwood has helped support efforts such



as the clearing of explosive remnants from schools, education access initiatives for refugee children, and training in emergency preparedness and disaster risk reduction for teachers. Some 2012 initiatives included: training programs for 1,200 teachers and school personnel in 200 schools; the enrollment of 37,000 refugee children in public schools in Lebanon; and improved access to quality education for more than 10,000 children in Iraq.

Education for All (Central and Eastern Europe): Starwood supports two specific education projects in Albania and Tajikistan, countries that suffer from a severe shortage of learning facilities, materials, teacher training, and preschool education. In 2012, the Albanian program worked to reduce school dropout rates for an estimated 1,170 “at risk” children. In Tajikistan, funding helped benefit an estimated 600 children and 30 teachers at early childhood education centers.

In partnership with



SARF Governance

The SARF Board of Directors is made up of five Starwood associates, including representatives from the Senior Leadership team, Human Resources, Operations, Legal, and Global Citizenship. The Board meets in person twice annually, with additional communication and meetings as necessary.

The SARF Grant Making Committee approves applications through a two-level process. A team of associates representing several departments at our corporate headquarters first reviews requests for assistance. Applications receiving initial approval are then sent to the applicant's division, where senior representatives from Human Resources and Operations are responsible for final grant approval.

ASSOCIATE COMMUNITY INVOLVEMENT

Our efforts to give back go beyond philanthropy. Starwood associates devote their time and passion to a variety of community projects, and the company leverages its resources to benefit those in surrounding areas. Our goal is a strategic volunteering program that creates enriching new experiences for associates while bringing value to the business and society.

In 2012, 43,575 associates reported volunteering in their local communities, collectively donating roughly 129,000 hours of time. Starwood offices and properties also reported \$2,248,667 in cash and in-kind donations to nonprofit organizations around the world.

STARWOOD SPOTLIGHT

Vicky Edmonds

Head of Corporate Partnership Development & CSR Specialist, UNICEF United Kingdom

The United Nations Children's Fund, known as UNICEF, works for children's rights, survival, development, and protection in 191 countries around the world.

Check Out for Children is one of UNICEF's longest running programs. Since 1995, this partnership with Starwood has raised more than \$30 million to benefit children around the world. Vicky Edmonds, UNICEF UK's Head of Corporate Partnership Development & CSR Specialist, credits the program's success to "collaboration, dedication, and a family spirit when working with Starwood teams across the globe."

Vicky has worked on the UNICEF/Starwood partnership since 2010. In 2012, she began overseeing the relationship in the United Kingdom with Starwood's EAME division. In addition to the Check Out for Children partnership, Vicky and her team have worked with Starwood on initiatives such as Make a Green Choice and Road to Awareness™.

For Vicky, Check Out for Children represents an incredible success story. The lasting commitment of Starwood has helped UNICEF support children and their rights both at the local and global level, helping contribute to a sustainable future in many high-need communities.

"My experience of Global Citizenship at Starwood is one of steadfast commitment to the cause," she says. "From the CEO down to each and every associate involved with our partnership, Starwood is committed to doing the right thing for the world's children."



Starwood Cares for the Community

For our associates, hospitality isn't confined to the hotel. We extend our hospitality to our communities. So we plan to launch the Starwood Cares for the Community program in 2014, to formalize volunteer engagement for Starwood associates globally. Under the program, associates will be encouraged to drive sustainable and meaningful impacts in their local communities by engaging in volunteer activities that meet their interests and enhance Starwood's three community outreach focus areas. The program will be executed through local volunteer committees in Starwood offices and properties around the world.

An online platform (the Starwood Cares for the Community portal) will allow associates to register for volunteer activities and track data. Starwood grant funding is also available to eligible organizations supported by associate efforts. In the first phase of rollout, more than 8,000 full- and part-time associates in Starwood's 38 nonhotel offices will be eligible for up to 16 hours of paid time off per year to volunteer.

Starwood's Social Responsibility team and the Starwood Foundation provide centralized global support for the community portal and oversee data collection, grant funding, and an associate recognition program. Local teams decide on community partnerships and coordinate volunteer opportunities.

We listened closely to our associates in designing Starwood Cares for the Community, conducting a survey and a pilot at our headquarters and revising the program based on focus groups and postpilot surveys. Even with associate feedback, properly executing a new program of this type has its challenges. Our Social Responsibility team is working to maintain a strategic focus while expanding the volunteering program globally. Community involvement can be very personal, and most associates have their own priorities for causes to support.

An additional challenge is ensuring associates feel comfortable taking time off work to engage in a community activity. To encourage participation, Starwood senior leaders plan to lead by example, taking time out to volunteer. Our annual associate engagement survey, StarVoice (see below), will also measure associates' perceptions of whether their direct supervisors support their community involvement efforts.

In addition to strengthening our communities, we believe associate volunteering benefits Starwood as a company. Research has shown that volunteerism leads to increased employee engagement and company loyalty, and that volunteering opportunities have an especially strong effect on how millennials rate their work culture.

Measuring Engagement

Starwood's annual associate engagement survey, StarVoice, helps us gauge associates' views of our community involvement programs. The survey has shown a consistent increase in perceptions of "opportunities to engage with the local community," with positive responses rising by 20 percent since 2004. Our survey also reveals a statistically significant relationship between opportunities for community involvement and overall associate engagement. These results further fuel our desire to make community involvement a part of every Starwood associate's work experience.

Community Involvement Database

The Community Involvement Database (CID) is Starwood's resource and repository for reporting and sharing community involvement efforts, including volunteer opportunities, in-kind donations, and cash giving. CID data is self-reported and is not required, so not all properties are represented. By recording the efforts of hotels and offices, we can recognize the work already being done, share best practices, and use Starwood's network to implement ideas and effect change on a larger scale. We believe the CID will be a critical tool to help measure data so that we can refine our community involvement efforts and magnify our associates' impact in the future.

THE STARWOOD EXPERIENCE

Making a Difference Around the World

Starwood Cares for the Community will standardize our volunteering efforts, but many locations have already been making a difference through active community engagement, including our nonhotel offices.

Associates in our Orlando, Florida-based Starwood Vacation Ownership office conducted a yearlong “Go Green” initiative, organizing activities to help reduce water and energy use and conducting personalized carbon footprint assessments. The office also has a volunteer committee closely connected with local charitable organizations.

At our Stamford, Connecticut, corporate headquarters, associates engaged in a wide range of community activities, cleaning up local parks, mentoring students, and providing support to Hurricane Sandy victims. Associates also organized a mock interview session to help transitioning women improve their job interview skills, in partnership with Literacy Volunteers of Stamford/Greenwich, Inc.

Starwood’s EAME Divisional Office in Brussels, Belgium, ran its first day of service in 2012, achieving an impressive 80 percent participation rate. In total, associates there logged approximately 750 hours of local volunteer work as part of the event.

As one Starwood associate said after a volunteer activity for the Starwood Core Services Legal team, “In addition to the obvious benefit of this volunteer effort for the local community, the team-building benefit was tremendous.”







SUSTAINABILITY

Making the world a better place to experience includes finding innovative ways to do more with less.

We have set ambitious global goals to reduce our use of natural resources and are working with associates, owners, customers, and guests to achieve them through local and global solutions.

MAKE A
GREEN CHOICE
FAITES UN CHOIX
ÉCOLOGIQUE

With a portfolio that circles the world, we have diverse environmental challenges and ample opportunities. Economic growth and community well-being are closely tied to the health of the local environment, so it is in our best interest to embrace environmental stewardship everywhere we operate by integrating a financially viable sustainability strategy into our global business model.

SUSTAINABILITY AT STARWOOD

Starwood is the first major hospitality company to require sustainability compliance and reporting for its entire portfolio: owned, managed, and franchised (OMF) properties. This commitment means that irrespective of brand or location, Starwood associates, owners, customers, and guests play important roles in our sustainability strategy. We have set aggressive global goals to reduce energy and water consumption company-wide and provided best practices and support for achieving these goals to owners and associates everywhere.

Environmental Sustainability Policy

Established in 2009, our environmental sustainability policy is the foundation of our sustainability efforts. This policy is based on five objectives and six focus areas listed in the column to the right. To achieve these objectives, we work with our associates, owners, suppliers, NGO partners, and the communities in which we operate to develop sustainable services, products, and programs that meet our customers' needs and enrich the guest experience.

Sustainability Goals: 30/20 by 20

To advance our environmental policy, in 2009 we developed ambitious energy- and water-reduction goals across all Starwood properties - owned, managed, and franchised. To meet these global goals we must achieve the following across all properties, against a 2008 baseline:

- Reduce energy consumption by 30 percent per built hotel room by 2020
- Reduce water consumption by 20 percent per built hotel room by 2020.

Starwood's Environmental Sustainability Policy

Together we aim to:

- Conserve natural resources
- Minimize waste and pollution
- Enhance indoor environmental quality
- Establish key environmental performance indicators and report on them regularly
- Raise environmental awareness among our associates, guests, and communities.

Our efforts center on six sustainability focus areas:

- Energy
- Water
- Emissions
- Waste
- Indoor Environmental Quality
- Supply Chain.

Since the number of rooms in Starwood’s portfolio grows every year, maintaining our business growth while achieving our 30/20 by 20 goals means we must continue to achieve greater efficiencies in energy and water use.

Encouraged by our progress with 30/20 by 20, in late 2013 we expanded these goals with another reduction: by 2020 we will reduce our greenhouse gas emissions by 30 percent.

Sustainability Strategy

To meet our goals, Starwood is implementing a three-part approach: foundational initiatives, capital expenditures, and innovation.

For the past few years, we have focused on our foundational initiatives. This approach focuses on low- or no-cost operational and equipment improvements and changing behavior. The main approach has been to make efficiency investments, such as replacing incandescent bulbs or installing low-flow toilets that often pay for themselves within a year. By early 2013, more than 80 percent of our properties globally were in compliance with these investments, resulting in significant drops in energy and water use.

As we complete our foundational initiatives, we shift to the second phase of our energy- and water-reduction plan, which involves more capital-intensive measures, such as replacing old equipment, hotel renovations, and new construction. These initiatives have a longer return on investment (ROI), which presents a challenge. Some owners of Starwood hotels prefer to focus on improvements with ROI of two to four years. Improvements that reduce energy use by 30 percent or greater generally have longer ROI.

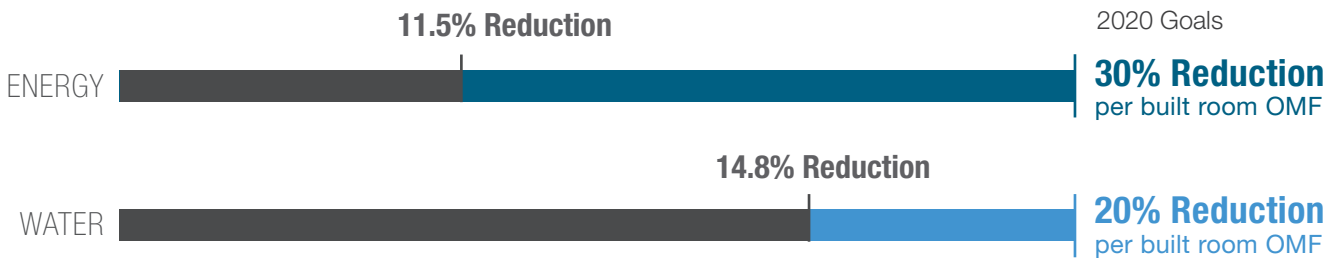
To encourage and support these efforts, as of 2012 we require third-party energy and water audits at all owned and managed properties globally and all franchised properties in North America, and we highly recommend audits at franchised properties in other regions. These audits allow each owner to establish resource-use baselines and develop a realistic property-level sustainability action plan. These plans then assist Starwood’s property, regional, divisional, and global leadership to determine investment priorities. To help owners identify affordable and effective initiatives for their properties, we’ve compiled the Owner’s Playbook, a directory of best-practice sustainability projects from around Starwood. Our Element brand hotels also serve as sustainability laboratories, piloting initiatives that support many of our 30/20 by 20 objectives.

For the most capital-intensive projects, we are also developing innovative financial mechanisms and programs to assist properties and owners and address financial payback concerns. Some of these programs include power purchase agreements - in which owners negotiate affordable and guaranteed electricity rates over a period of years - and lease/payback programs, which allow owners to pay for projects over a long period of time, optimally through the savings generated by greater efficiency.

The third stage of our energy- and water-reduction plan focuses on product innovation and technology. Through creative vendor partnerships with companies such as Apple, Honeywell, and NRG, we are piloting new technologies. As product innovation accelerates, we can take advantage of new efficient products coming to market to leapfrog older technologies. For example, many of our properties have been able to upgrade directly from incandescent bulbs to LED lighting, bypassing CFL bulbs.

Progress on 30/20 by 20

Reduction as of December 31, 2012



GOALS AND PROGRESS KEY HIGHLIGHTS

Objectives

Progress

Challenges

Conserve natural resources

Our foundational initiatives target cross-brand opportunities to reduce our water and energy resources, including efficiency lighting, low-flow faucets and fixtures. In addition our guest-facing program, **Make a Green Choice**, has saved approximately 153 million gallons of water through 2012.

Conserving resources while maintaining Starwood's standard of luxury and diverse brands requires flexibility and creativity. We are looking into local and property-level solutions to minimize the use of natural resources while continuing to exceed the demands of our guests.

Minimize waste and pollution

Our hotels saved 160,000 reams of paper and more than 9,000 trees through our E-Folio checkout program in the first 16 months. Additionally, our external partner, **Clean the World**, helps us reduce waste; together we've recycled 360,000 pounds of soap and 350,000 pounds of other personal care products since 2011.

Waste management is fundamentally a local issue, making a global waste program challenging to implement. Our response is to create a global framework for waste reduction within which properties are encouraged to develop innovative and effective solutions that meet local needs.

Enhance indoor environmental quality

All Element hotels are LEED certified or pursuing LEED certification per brand standard and use only paints, sealants, and carpets with low or no volatile organic compounds (VOCs). In addition, sustainable and LEED roadmaps were created for the Aloft prototype and have been incorporated into our other brand specifications. Our U.S. corporate headquarters is also pursuing LEED Existing Buildings Operations and Maintenance (EBOM).

As part of the hotel renovation process, we encourage our owners across all brands to use the most sustainable products, including low or no VOC paints. However, renovation cycles vary, and it may take some hotels years to upgrade to sustainable alternatives for paints, carpets, or other aspects of a hotel's infrastructure.

Establish key environmental performance indicators and report on them regularly

We established our first environmental policy in 2009 and have been reporting to the CDP on emissions since 2007 and water since 2010.

This, our first Global Citizenship report, describes our performance in detail.

Our commitment to energy- and water-reduction goals for all our properties means collecting and validating property data, which we collect through numerous channels. Additionally, while these goals are company-wide, the day-to-day implementation is local, placing a responsibility on Sustainability Champions and divisional Global Citizenship leaders to collaborate closely with our properties, guests, and other stakeholders to ensure we all work toward reaching our targets.

Raise environmental awareness among our associates, guests, and communities

In 2012, we launched **A Better World**, a biannual awareness-raising campaign for associates worldwide designed to highlight sustainability best practices in our hotels. More than 280 properties and more than 4,700 employees participated.

With the diverse roles, skills, and cultures of our associates, instilling sustainability values can be a challenge. Additionally, our industry's global turnover rate is almost 49 percent, so we must train new associates on sustainability frequently.

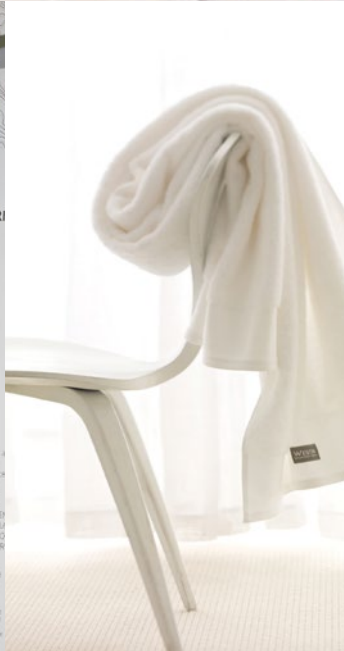
THE STARWOOD EXPERIENCE

Make a Green Choice

It's incredible what one little choice can do, especially when by the end of 2012 it was replicated 3.4 million times.

Any guest at a participating Starwood property can Make a Green Choice by declining housekeeping for up to three days in a row, excluding their checkout day. For each night a guest decides to tidy up on his or her own, we save precious natural resources: up to 49.2 gallons (0.19 m³) of water, 0.19 kWh of electricity, 25,000 BTU of natural gas, and 7 oz. of chemicals from cleaning products. To thank them for this effort, we offer guests a bonus of \$5 a night to use at our restaurants or 500 Starwood Preferred Guest points (250 at select-service hotels).

With a few exceptions, Make a Green Choice is now the standard at our properties in the Americas and EAME and available in other regions at our guests' discretion. Since its 2009 launch, 3.4 million guests have made a green choice. As a result, we have conserved an estimated 153 million gallons (580,000 m³) of water, 662,000 kilowatts of electricity, 871,000 therms of natural gas, and 190,000 gallons (507 m³) of cleaning supplies through 2012.



Measuring Progress

We measure progress against our 30/20 by 20 goals at all properties – owned, managed, and franchised – through our annual Environmental Impact Assessment Survey (EIAS). We ask each Starwood hotel to report on its total energy and water consumption and provide data on recycled, composted, and landfilled waste by weight and/or volume. Each year, the energy and water data is audited and validated through a third-party agency.

The EIAS also gathers information about each property's energy- and water-related risks and opportunities, as well as on broader issues such as the likelihood of natural disasters affecting a property's operations and the prospects for sustainability best practices.

Since measuring progress toward our goals depends on all our hotels' participation, we set targets for our annual survey response rate. We aim for 100 percent participation from owned and managed hotels and 75 percent from franchise hotels. In 2012, we received responses from 100 percent of owned properties, 99 percent of our managed hotels, and 86 percent of franchised hotels.

CREATING A SUSTAINABLE WORLD TOGETHER

We could not achieve our 30/20 by 20 reduction goals without engaging four very important stakeholder groups: guests, customers, owners, and associates. They carry out the strategies and programs we develop at the corporate level. Incentivizing more sustainable behavior in our industry is a challenge. Not only is no one property like another, but guests come and go daily, turnover rate in our industry is high, and many of our owners prefer short-term returns on their investments. An important part of achieving our goals is therefore to align a global team of roughly 181,400* people with our efforts. To learn more about how we collaborate with our suppliers on sustainability, see page 38.

Our Guests and Customers

We engage guests in our sustainability efforts at multiple points of contact, from in-room efforts like our **Make a Green Choice** program, to dining menus featuring sustainable ingredients and the Sustainable Meeting Practices offerings featured prominently on the Starwood website.

Sustainability does not need to feel like sacrifice. Our programs demonstrate that a luxury experience can be a sustainable one that enhances overall guest satisfaction. Sustainable choices also align with the personal preferences of many of our guests. In fact, Starwood Preferred Guests were a critical impetus for our membership in the Hotel Carbon Measurement Initiative, created by the International Tourism Partnership and World Travel and Tourism Council.

E-Folios

Conventionally, hotels provide guests with a printed copy of their bill. Through our E-Folio checkout program, now standard at all Starwood properties in North America, we e-mail bills to guests, saving both their time and paper. Since the launch of E-Folios in 2011 through the end of 2012, our guests have helped us avoid generating 27 million printed bills – the equivalent of saving more than 9,000 trees.

Sustainable Meeting Practices

Starwood hotels are more than just a place to stay. We host events and conferences where ideas and people come together. These events can produce a lot of one-time-use items like placards, note paper, and bottled water. Since 2009 we have offered customers options to reduce waste and make meetings more sustainable, including:

- Water bottle-filling stations in place of bottled water
- Recycling bins in and outside meeting places
- China and silverware in place of disposable plates and utensils
- Linenless tables, saving on water and cleaning detergent
- Sustainable and socially conscious menu options
- Digital signage and electronic sales tools used throughout the meeting planning process.

*As of December 31, 2013.

Our Owners

Buy-in and expertise of the owners of all our managed and franchised properties has been an invaluable asset in reaching our goals. Our hotel owners know the important role sustainability plays at Starwood, but deciding where and how to make sustainability investments can be daunting. To guide owners in creating a more sustainable hotel experience, we provide a secure document center of comprehensive, actionable resources. Examples include, “Practical Strategies in Building Green Hotels,” “The Database of State Incentive for Renewables and Efficiency,” and “New Build and Renovation Owner/Developer Green Guidelines.”

We also provide all owners with proprietary information about our industry-leading, sustainably focused brand Element. This includes access to the Element LEED Developer Road Map comprising specifications, design drawings, and branding elements. In 2012, we also launched a LEED road map for Aloft hotels, which includes return-on-investment breakdowns for sustainability investments.

Our Associates

Our hotel-based associates implement our sustainability initiatives day-to-day. We provide training on sustainability soon after hiring. Throughout their time with us, associates can find more information on our intranet in a comprehensive Sustainability Resource Center (see following page). Our most enthusiastic associates enrich their experience at Starwood by volunteering to be sustainability champions.

In addition to general training for all associates, we provide job-related information to empower specific groups to make sustainability part of their job. For example, to our housekeeping staff, we give guidance on efficiency measures to save water and energy during the work day. We also ask our landscaping staff to plant native species that require less water and to use smart irrigation techniques and technologies.

CASE STUDY



Pilot Project: Asia Pacific Rooms Go Green

Imagine turning on the TV in your hotel room and discovering how much energy you’ve consumed within the last 24 hours. This scenario sounds futuristic, but at the Westin Singapore hotel, it became a reality in November 2013. In addition to energy- and waste-saving technologies, the 28 designated Green Rooms being piloted in the hotel feature an interactive television dashboard displaying guest energy consumption compared to that of an average room and incentivize guests to use less energy by rewarding them with SPG points.

This Westin Singapore represents the second phase of the Green Room pilot, following on the success of the Green Room program in the Westin Beijing. There, we installed energy monitoring systems in 47 Green Rooms to measure the average energy use of our guests, challenging them to keep their consumption below 8 kWh during their stay. Nearly 40 percent of guests beat the challenge and total electricity savings averaged more than 5,000 kWh per month.

Beyond energy monitoring, Green Rooms are outfitted with efficient lighting and bathroom fixtures, and low-temperature laundry is used for bedding and towels. The rooms also make use of a gray-water recycling system, and dual recycling bins are provided to encourage guests to recycle.

These pilots will inform us of the possibility of adopting energy monitoring and visualization in all Starwood hotels, and aid us in our ongoing effort to achieve a 30 percent reduction in our energy usage by 2020.

Sustainability Resource Center

The Sustainability Resource Center (SRC) is our custom-designed, internal website that serves as a centralized repository of all our sustainability and social responsibility program tools, reporting, training support, and communication documents. The SRC is available to all associates and is meant to:

- Provide training, communication, information, and tools to implement our sustainability programs
- Provide guidance on sustainable building and design as well as internal links to specifications
- Inform properties of their progress against environmental initiative implementation and track performance against environmental goals, including 30/20 by 20
- Educate and facilitate hotels' pursuit of third-party certifications
- Track donation and volunteerism data and community-based best-practice sharing through our Community Involvement Database (CID).

ENERGY AND GREENHOUSE GASES

Creating a better world to experience requires action. Starwood recognizes the destructive impact rising global temperatures and climate change will have on the environment, global economy, and our business, and we are committed to doing our part to mitigate our greenhouse gas emissions.

In terms of direct impacts on our business, changes in average temperatures (and the risks associated with these changes) may increase operational costs or lead to a fall in guest demand in areas where many of our properties are located. As climate change models predict, rising sea levels and more frequent extreme weather events may cause damage to Starwood hotels in vulnerable locations. We owe it to our guests, associates, and the communities we serve to account for climate change in our business strategy.

CASE STUDY



A STARWOOD CHALLENGE FOR A BETTER WORLD

Starwood Challenge for a Better World

One of the things we are most proud of at Starwood is the diversity of our associates, owners, and properties. Tapping into this diversity is helping us achieve our sustainability goals through an internal sustainability ideas contest: the Starwood Challenge for a Better World.

Launched in 2012, the Challenge for a Better World engages associates and owners in our hotels' sustainability efforts by providing a conduit for them to pass on experiences that support Starwood's objectives. We received an impressive 452 submissions of hotel-level sustainability initiatives from more than 280 locations worldwide. Each submission included great ideas to help protect the local environment and conserve natural resources. Depending on their location and circumstances, some properties had focused on solar panels, while others found innovative ways to minimize paper use or improve the efficiency of water heaters.

More than 4,700 associates worldwide voted online for the best submission from each Starwood division. To encourage voting, we donated \$10 per vote to the Conservation International's (CI), Save a Mile program, which helps conserve ocean health one square mile at a time. We donated our maximum commitment of \$37,500 to CI. The winning entries highlight a wealth of best practices that Starwood hotels everywhere can now access through our Owner's Playbook and associate best-practices database.

Climate change is caused by greenhouse gases (GHGs), including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), among others, which trap heat in our atmosphere and raise global temperatures. Because most GHGs are released through fossil fuels, the world's leading source of energy, Starwood is especially committed to reducing its consumption of energy and, where feasible, moving to alternative and renewable energy sources.

Reducing Energy Use and GHG Emissions

The reduction of energy use and GHGs has been the cornerstone of our environmental policy since 2009. We are the first global hospitality company to establish goals to reduce energy use per built hotel room throughout all of our properties: owned, managed, and franchised. In 2013, all of our Element hotels offset 100 percent of their carbon emissions through purchased offset programs.

In late 2013, Starwood launched a new goal to complement our 30/20 by 20 energy-reduction strategy. By 2020, we aim to reduce our GHG emissions by 30 percent at all our owned, managed, and franchised properties. Our emissions reduction goals include a strategy to increase renewable energy installations at our sites. We are also exploring possible longer-term carbon offsets.

We've made a lot of progress through foundational initiatives, the quick ROI efficiency projects that launched 30/20 by 20. As we progress to larger projects, we are piloting innovative efforts to integrate energy management and real-time energy use monitoring. For example, the St. Regis in Shenzhen, China, is piloting remote energy management (REM) – a cloud-based service that provides real-time energy use data. We can potentially use the REM data to improve our day-to-day

2012 ENERGY SAVINGS PERFORMANCE

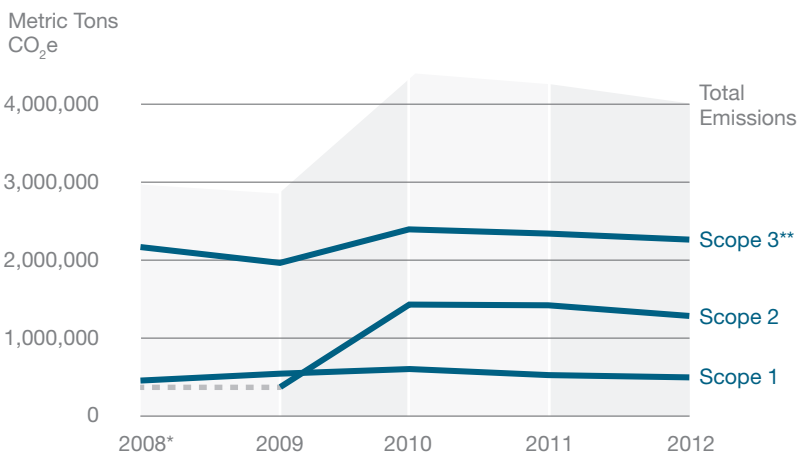
Energy Consumption* by Energy Unit Intensity (EUI)

Region	Hotels in validated group	Rooms in validated group	EUI (KBTU per built room)	Change in EUI since 2008†
Asia Pacific	168	53,811	162,468	-6%
Europe, Africa, and the Middle East	174	46,528	119,041	-12%
Latin America	53	11,956	99,404	-13%
North America	337	115,818	93,209	-16%
Total	732	228,113	474,122	-11.52% average

*Includes only the 732 properties for which 2012 data have been validated. There were a total of 1,039 eligible hotels in 2012.

†There were only 471 validated hotels in our base year.

GHG Emissions and Base Year

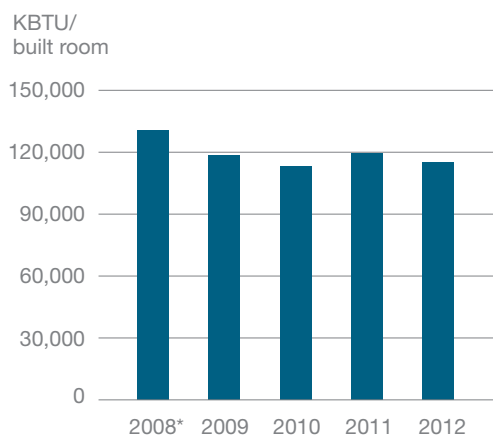


*Base Year

** This relatively small figure was a result of a low response rate in the first year tracking Scope 3 emissions in 2010.

Energy Use* at Starwood

Since 2008



*Includes only the 732 properties for which 2012 data have been validated. There were a total of 1,039 eligible hotels in 2012.

energy management across relevant facilities, lowering our energy costs and use of electricity, heat, and air conditioning. The data could also feed into a green dashboard, which individual hotels can use to help manage property-level sustainability efforts. Other hotels in China and Taiwan are exploring REM, and we hope to expand the program in 2014.

Measuring Our Carbon Footprint

Measuring our global energy use and carbon footprint is integral to meeting our goals. We measure our GHG emissions each year, broken down by Scope 1, Scope 2, and Scope 3 sources (see box).

We set our targets by energy intensity: energy (measured in KBTU) used per built hotel room. We have submitted our global GHG emissions data to the CDP annually since 2008. In 2012, we also began using the Hotel Carbon Measurement Initiative to measure aspects of our carbon footprint.

In late 2013,
Starwood announced a
new sustainability goal:
a 30 percent reduction of
GHGs by 2020.

Since 2008, our global
energy consumption has
decreased by more than
11.5 percent — enough
energy to power more than
22,000 homes for one year.

CASE STUDY

Hotel Carbon Measurement Initiative

Our corporate customers are increasingly aware of their sustainability footprint, with more than 90 percent asking us about the environmental impacts of meetings held at Starwood hotels. In response, Starwood joined the World Travel and Tourism Council and the International Tourism Partnership in developing the groundbreaking Hotel Carbon Measurement Initiative (HCMI). This free and voluntary tool is robust enough to meet global carbon reporting standards, but simple enough for any hotel to use.

As a member of the founding HCMI working group, Starwood took a leading role in providing transparent information on GHG emissions from all our owned, managed, and franchised properties. Hotels can use the resulting methodology to determine the carbon footprint associated with a range of activities.

Launched in June 2012, HCMI is now used by 15,000 hotels worldwide. Starwood integrates the methodology fully into our impact reporting as part of our Sustainable Meeting Practices initiative.

Measuring our carbon footprint is important to our corporate customers and guests. With HCMI, stakeholders now have a common method to compare emissions across the hospitality industry and engage in a less carbon-intensive experience.

Breakdown of GHG Emissions

- Scope 1 emissions are all direct GHG emissions produced by Starwood
- Scope 2 emissions are indirect GHG emissions from using electricity, heat, or steam that Starwood purchases
- Scope 3 emissions are other indirect emissions like business travel, outsourced activities, or emissions from our franchised properties.

WATER

Like energy reduction, water conservation is a fundamental element of our environmental strategy. However, unlike energy, water is something that guests can see and taste. Water – including pools and spa baths – is as much a part of the hotel experience as a bed in some of our destinations. Our challenge is to find innovative ways to reduce water use that do not affect the guest experience.

Our 30/20 by 20 goal mandates lowering water use per built hotel room by 20 percent by 2020, and hotel audits mark our progress. As with energy, we are proud to be the first global hospitality company to include franchised properties in water reduction goals.

Reducing Our Water Use

Our diverse efforts to conserve water include guest-driven programs, investments in efficiency measures, and employee engagement. Our foundational initiatives have increased efficiencies through water aerator

replacements and other efficiency projects. Our guests continue to help us conserve water through our **Make a Green Choice** rewards program. Starwood hotels offering complimentary **bottled water** are now doing so more prudently, and three of our brands, Aloft, Four Points, and Element, have installed waterless urinals in public restrooms in several locations.

Sourcing Our Water

Our properties use water from both metered sources (municipal water supply) and a variety of nonmetered sources including surface water, wells, and water delivered from other locations or collected from rainwater harvesting. We ask hotels to share data about all sources via the annual Environmental Impact Assessment Survey. Metered water consumption data is based on utility or purchase records. Unmetered water data is estimated.

2012 WATER SAVINGS PERFORMANCE

2012 Water Consumption* by Water Unit Intensity (WUI)**

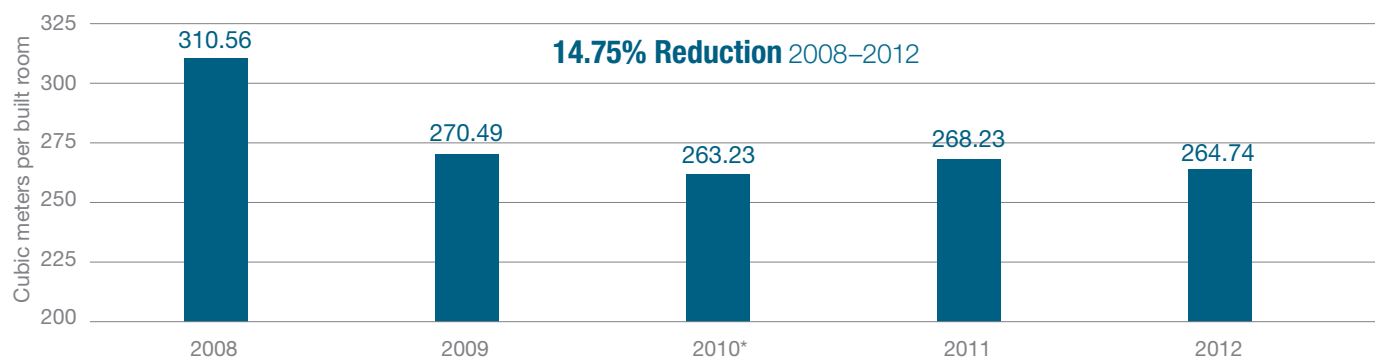
Region	Hotels in validated group	Rooms in validated group	WUI	Change in WUI since 2008†
Asia Pacific	149	48,895	440.12	-10%
Europe, Africa, and the Middle East	154	41,990	241.22	-15%
Latin America	44	9,579	293.58	-8%
North America	300	104,403	189.43	-22%
Total	647	204,867		-14.8% average

*Includes only the 647 properties for which 2012 data have been validated. There were a total of 1,039 eligible hotels in 2012.

**Water Unit Intensity is measured by cubic meters per built hotel room.

Global Water Intensity at Starwood

Since 2008



*30/20 by 20 goal published

Recycled Water

Starwood does not have a formal policy requiring water recycling. However, some of our hotels introduce recycled water initiatives, and we track the use of recycled water globally in our Environmental Impact Assessment Surveys.

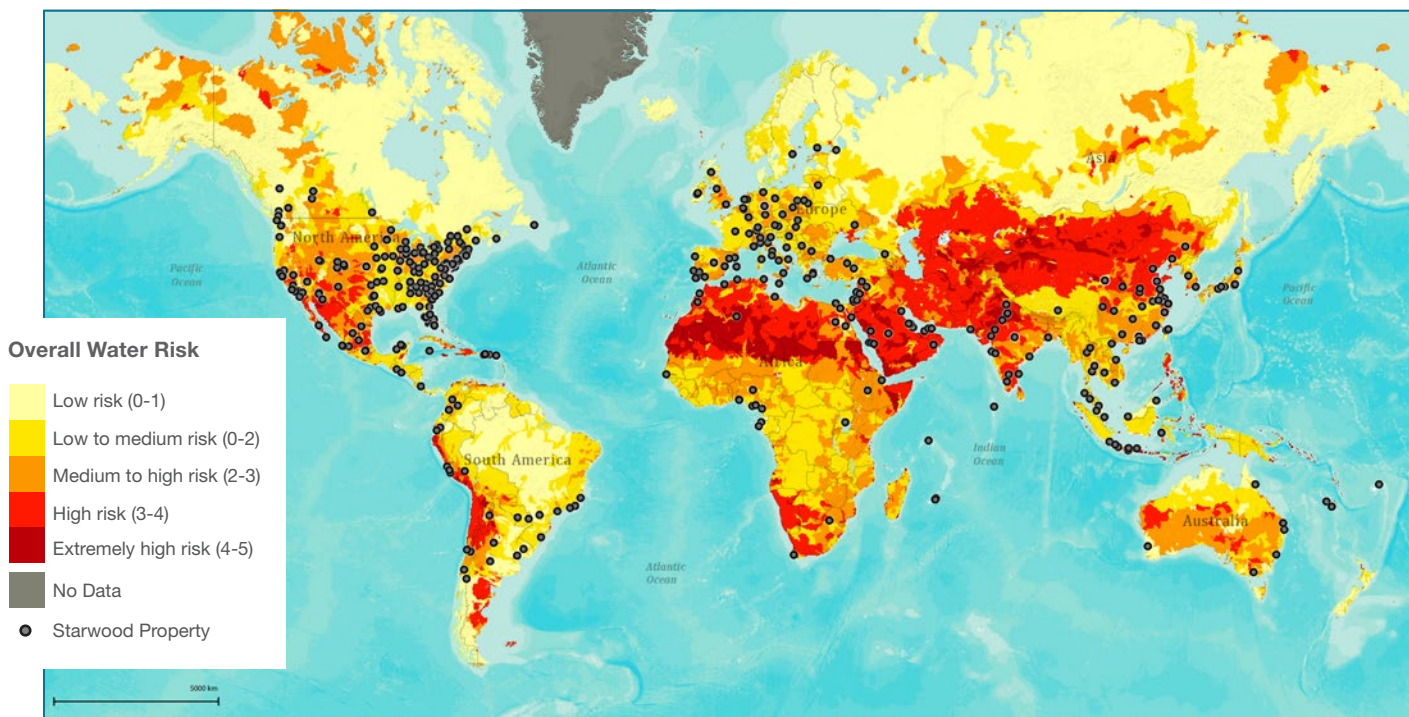
Mitigating Water Risk and Scarcity

Water risk, availability, and quality will be an increasingly serious issue beyond 2020 in many parts of the world. To assess locations of water risk for Starwood, we use the World Resources Institute's Aqueduct global mapping tool. The results showed that about 48 percent of our properties are located in areas of high or extremely high water risk, particularly within our high-growth areas such as Asia Pacific. Looking forward, we have begun to expand our strategy beyond water efficiency, integrating water risk and scarcity into our operational and development standards.

Potential water risks are diverse. Many of our properties face the risk of physical damage from flooding, particularly those situated in river basins. In addition, water quality and water scarcity may affect almost half of our properties in the future. We will closely monitor both issues, given that the accessibility of clean, safe water at Starwood hotels is an operational necessity. While some of our programs like 30/20 by 20 address conservation, we have not yet developed a global corporate response to help properties manage water scarcity and risk issues. At this time, individual properties are authorized to address water issues as needed.

By the end of 2012, we reduced water use intensity by 14.8 percent from 2008 levels. That's enough water to fill 49 million bathtubs and almost 75 percent toward our goal.

Starwood's Water Risks



THE STARWOOD EXPERIENCE

The Westin Singapore Goes Further

Efficient. Enlightened. Effective. The two towers of Asia Square, Singapore, 15 floors of which are occupied by the Westin Singapore, are on the cutting edge of sustainability. The facade material and building design conserve energy, reduce cooling costs, and increase daylight. Restaurant and catering services provide their waste cooking oil to help make 240,000 liters of biodiesel annually in Asia Square's biodiesel generation plant. The biodiesel is then used to power the hotel's guest transportation vehicles.

Taking this innovation further, the Westin Singapore is piloting an energy efficiency project – the Green Room – in 28 rooms. In addition to LED lights, occupancy sensors, low-flow faucets, and low-energy refrigerators, these rooms include television information for guests on how much energy they use compared to the hotel average. Those who consume less energy than average will be rewarded with SPG points.



WASTE

The efficient and sustainable removal and management of waste will help us maintain the pristine environments that make many of our properties unique places to experience firsthand. Minimizing waste is another key pillar of our environmental policy at Starwood, which we manage at both global and local levels. We have yet to set a firm goal on waste management and landfill reduction but have made recycling mandatory across our nine brands. Beyond recycling, our hotels have implemented local, innovative solutions to reduce waste.

Globally, we collect and track hotel data on landfilled, composted, and recycled waste through our annual Environmental Impact Assessment Survey. At present, we do not track and aggregate data on hazardous materials or incineration rates. As of 2012, we required bathroom amenities across all our properties to be 100 percent biodegradable and bottled in 100 percent recyclable plastic. Our Aloft, Element, and Four Points brands further reduce waste by providing shampoo, conditioner, and shower gel in dispensers in guest bathrooms and replacing paper towels with hand dryers in public restrooms.

Locally, we implement waste-reduction initiatives to match the needs and unique characteristics of each property. For example, many hotels compost food waste, while others recycle cooking oil to use for biodiesel. Where possible, we donate prepared but unserved food to local nonprofits to provide meals to those in need. Where recycling is not the norm, we provide training to teach our associates why it is necessary.

We are working on a long-term strategy for waste management, recycling, and composting that will build on these local initiatives. Our approach will include engaging guests and communities and helping to build local waste management capacity and infrastructure in more remote and undeveloped areas where we operate.

Reducing One-Time-Use Products

To help our guests relax in their hotel rooms, we offer complimentary personal care and in-room dining products, historically provided in one-time-use containers or single-service packets. Since these generate a large amount of waste in our hotels, we have introduced more sustainable alternatives, such as delivering condiments in ramekins and returning laundry in branded reusable garment bags. Instead of cut flowers, we encourage hotel managers to decorate with long-life plants. When one-time-use products must be used, we encourage eco-friendly options.

CASE STUDY



Clean the World, Improve Children's Health

In the hospitality industry, millions of guests leave behind partially used soap and shampoo products. Meanwhile, impoverished people all over the world die of diseases that simple hygiene could prevent. Through an innovative partnership, Starwood is now able to bridge that gap. We work with Clean the World, a social enterprise that collects, sanitizes, recycles, and distributes soap and shampoo products around the world. The goal is to prevent deaths from acute respiratory infection and diarrheal disease, the top two killers of children under five years old in the developing world.

Founded in Florida in 2009, Clean the World has not only saved lives, it also has eliminated more than 1.4 million pounds – 700 tons – of hotel waste from landfill. One day's worth of recycled soap from an average size hotel can supply 122 families with enough soap for a week. Approximately 200 Starwood hotels participate in the program. Since our partnership began in 2011, we have recycled 360,000 pounds of soap and 350,000 pounds of bottled bathroom products, helping 100,000 children live healthier lives.

SUSTAINABLE FOOD AND BEVERAGE

Creating memorable experiences for our guests requires a sustainable, reliable supply of goods to our hotels. All of our properties provide food and beverages, and some house restaurants are considered among the finest in the world. By providing a more sustainable menu, we help shrink our own environmental footprint, support the local economy, and provide the freshest food and beverage items for our guests and associates.

Published in 2012, Starwood's Sustainable Food and Beverage (F&B) policy provides the framework and strategy regarding food and beverage offerings in rooms, restaurants, venues, grab-n-go cases, banquets, and catering. In addition to encouraging transparency of procurement practices, our Food & Beverage teams provide guidelines to hotels and chefs promoting the use of:

- Locally produced foodstuffs, including fruits and vegetables
- Organic foods
- Food products such as meat, eggs, dairy, and seafood from certified sustainable sources
- Shade grown, organic, and fair trade coffee, tea, cocoa, and sugar
- Vegetarian meal selections
- Local, organic, and fair trade items in guestroom refreshment centers/minibars
- Substitutions for overharvested or endangered species of plants and animals.

Our sustainability and F&B teams worked closely with our chefs and supply chain to evaluate and implement sustainable seafood sourcing guidelines, which exclude threatened seafood species from the menus of Starwood restaurants and other dining facilities. Each division initially determined its own list of species to avoid, and globally we have chosen to ban whale, sea turtle, and shark fin from all Starwood menus. We plan to expand this list and are currently evaluating potential partner organizations to assist in this process.

We seek to provide guests with products that create desirable experiences while benefiting the environment and society. For example, Starwood purchased more than 56,000 pounds of coffee from Rainforest Alliance Certified farms in 2012.

CASE STUDY

Drinking Water around the World

We all need water, but we don't all want the same things when it comes to drinking water. Starwood recently launched a global project to offer eco-friendly drinking water that suits guest preferences. Solutions vary by location, based on cultural and ecological factors.

Limiting bottled water plays a large role in reducing both water use and waste. However, our first responsibility is to our guests, some of whom request bottled water. To guide managers, all Starwood properties follow our sustainable beverage policy, which recommends that hotels:

- Offer guests potable drinking water, where safe and reliable, or filtered water
- Serve guests through bulk dispensing and filtration where available
- Provide locally or regionally sourced bottled water or filtered water when available
- Reduce or eliminate the use of nonlocal bottled water if a brand-supported or locally bottled water alternative is available
- Utilize recyclable glass bottles or other environmentally friendly alternatives to PET, including reduced-plastic-content bottles

To minimize the use of bottled water, some Starwood properties have also started using filtration systems. Each division has forged relationships with water companies to develop the best choices and experiences for guests.

Filtered water has been prioritized when available and feasible. Other alternatives, in order of ecological preference, include glass bottled water from local sources, plant-based bottled water, and plastic bottled water in lightweight bottles that minimize material use. One of our business partners, **Coca-Cola**, recently completed an in-depth analysis of packaging and recycling options to assist our decision making.

While drinking water preferences vary around the world, our commitment to making informed sourcing decisions is consistent at all our properties.



THE STARWOOD EXPERIENCE

Staying Fresh

The freshest foods tend to come from nearby, so Starwood's food sourcing is nearly always handled by local hotels rather than our supply chain team. Some of our hotels have gone far beyond standard procurement practices to create unique experiences for guests.

The farm-to-table restaurant concept is nothing new for the U.S. West Coast, but Trace Restaurant at the W Seattle has taken it a step further. Trace uses an extensive list of local purveyors – including farmers, granaries, cheese makers, and distillers – to highlight the unique tastes of the region. Chef de Cuisine Steven Ariel uses these carefully sourced ingredients to bring a sense of what's now and what's next to the menu.

Kai Restaurant at the Sheraton Wild Horse Pass in Arizona likewise offers a truly local, sustainable experience. Farmed ingredients from the nearby Gila River Indian Community are used to create a menu rich in creativity, history, and Native American culture. The Sheraton and Kai (which means "seed" in the Pima language) offer guests an authentic taste of the region's culture while supporting local suppliers.

To reduce food and beverage waste, we are also improving our inventory-management systems so that we can review past and current recipes and consumption data and order and prepare food and beverages more efficiently.

GREEN BUILDINGS

Greening our hotel portfolio presents opportunities to create enriching new experiences for guests and associates alike. Guests can see firsthand that sustainability efforts do not compromise luxury, and innovations such as certified timber and green roofs can enhance a hotel's individuality. And many aspects of green buildings allow associates to be more efficient by automating mundane tasks like turning off lights or watering shrubbery.

We actively suggest areas for sustainability improvement at existing hotels through Property Improvement Plans (PIPs) and are well equipped to provide extensive support to owners who want to do more. In 2013, we overhauled our Architecture and Construction Standards to promote sustainable buildings more systematically, starting with the Sheraton brand and extending to all brands in 2014. We're developing these standards in close collaboration with third-party sustainability experts and internal stakeholders.

Certifying Sustainable Properties

External validation and verification of our properties offers visible ways for our guests to experience our commitment to environmental sustainability in action. We achieve third-party verification through a variety of external certifications. We recommend all relevant properties pursue the third-party sustainability certification that best fits their needs, including: LEED, the Building Research Establishment's Environmental Assessment Method (BREAM), Green Globe, Green Key, and Green Seal.

For sustainable building and construction, LEED is the most widely recognized program, particularly in North America. All professional associates in the North America Architecture and Construction Division have, or are in the process of earning, LEED accreditation. Within our portfolio, all Element brand hotels are LEED certified (or pursuing LEED certification), and Aloft brand owners can follow an Aloft-specific LEED roadmap. By the end of 2012, 22 of our properties in North America were either certified or registered LEED. Several Starwood properties around the world continue to be designed and planned with green building certification in mind.

Recent Starwood Environmental Sustainability Awards

CNTraveler.com

Travel Companies Saving the Environment, World Savers Finalists

Element Hotels, 2012 and 2013

Global Business Travel Association

Project Icarus, Gold Medal in Sustainability, 2013

Professional Convention Management Association (PCMA)

Environmental Leadership Award, 2012

THE STARWOOD EXPERIENCE

W San Francisco – LEEDing the Way

W San Francisco reflects the ethos of its location and brand through LEED Existing Building Silver Certification. The property is only the seventh existing hotel in North America, and the first Starwood property, to secure this distinction. LEED for existing buildings must upgrade inefficient infrastructure such as plumbing and ventilation systems. In addition, the W San Francisco offers:

- Carbon-neutral events
- Local and organic beverages and food
- Motion sensors in all guestrooms
- Water-efficient showers, faucets, and toilets
- Recycled clothes hangers
- Hybrid transportation to the airport
- Complimentary use of sports bikes to encourage carbon-free sightseeing
- Use of eco-friendly and chemical-free cleaning products and paints.

Beyond its own walls, the W San Francisco is a major sponsor of Save the Bay, a conservation-focused charity, and supports other local organizations by providing free meeting spaces and donating unused food, used linens, and other amenities. In recognition of its efforts, the W San Francisco has won awards from the American Hotel and Lodging Association and the San Francisco Department of the Environment.



This exciting program, overseen by Global Citizenship at Starwood, will provide us with a framework and strategy to reinvent our relationships with our owners, vendors, associates, and other partners. The goal is to create an enhanced guest experience while supporting what's important to all our stakeholders, continually reducing Starwood's environmental footprint while providing flexible and adaptable hotel facilities.

Starwood hotels create inspiring experiences in part because they are located in some of the world's most beautiful and species-rich places. Our hotels bring

Protecting species and maintaining biodiversity in the communities where our properties are located is increasingly important, as economic development and the advent of climate change threaten more species each year. For example, St. Regis Saadiyat Island and St. Regis Bal Harbor use special lighting at night on the beach to avoid disrupting the sea turtles as they lay eggs. By reducing our environmental footprint through 30/20 by 20, we aim to play a small part in conserving natural habitats in our backyard.

At present, Starwood does not have an explicit biodiversity policy at the corporate level, but we will include biodiversity when we next update our environmental sustainability policy in 2015. Many of our properties, however, work to promote and protect biodiversity in their communities. In addition, Starwood's CEO is on the board of Center for Environmental Leadership in Business of Conservation International (CI), and we support CI's ocean conservation program.

Hotel of the Future



THE STARWOOD EXPERIENCE

Recovering Langkawi at the Andaman: Coral Reef Conservation

The Andaman, a Luxury Collection Resort in Malaysia, offers guests the opportunity to participate firsthand in our Global Citizenship actions while enjoying the beautiful marine landscapes of the Langkawi archipelago.

Threatened by development, fishing, and climate change, coral reefs are centers for marine life and landmarks of ocean tourism. Starwood is taking a leadership role in working with local marine conservation experts and organizations to help regenerate and replenish the reef around our Andaman Resort.

Since 2010, a local Starwood team has led efforts to remove dead coral in a reef devastated by the 2004 tsunami. Almost 3,000 guests at the Andaman have also taken part in the reef's rejuvenation. At our coral nursery, guests attach live corals onto artificial substrates that will eventually be transplanted to the seabed as homes for fish and other marine life. Guests can also feed the marine species in the nursery that helps the reef rejuvenate and grow.





SUPPLY CHAIN

Local spices at St. Regis, Heavenly Beds at Westin, artisanal soaps at Le Meridien...

To create superior experiences for our guests, Starwood procures goods and services from a vast network of business partners in more than 100 countries. Our efforts to embed sustainability and social responsibility in our supply chain are in the early stages, but essential to our evolving Global Citizenship strategy.



Just as with our hotels, our network of suppliers spans the globe, enabling any improvements we make in our supply chain to have far-reaching social and environmental benefits. We view supply chain as one of the six pillars of focus in the Starwood sustainability policy and emphasize the role of human rights and community in our supply chain within the Starwood social responsibility agenda. Through an expanding range of initiatives, we are working to integrate social and environmental considerations into supplier choices at both the local and global level.

STARWOOD'S SUPPLY CHAIN

Starwood's hotels and resorts use goods and services from more than 100,000 vendors. While the vast majority of sourcing and procurement occurs at the individual hotel level, our divisions also use centralized sourcing to varying degrees. In North America, roughly 30 percent of supplier spending is coordinated through a central supply chain team, compared with 10 percent in the Europe, Middle East, and Africa division, and less than 5 percent in both Asia Pacific and Latin America.

Our supply chain includes four major categories:

- Operating Supplies and Equipment (OS&E)
- Food and Beverage (F&B)
- Information Technology (IT)
- Furniture, Fixtures, and Equipment (FF&E).

Within each category, we are working to include vendor selections that take into account Starwood's social and environmental goals.

Guests directly interact with many of the goods and materials we procure - sourcing is an essential way we create desirable experiences. We believe the goods and materials we choose should reflect our citizenship values whenever possible.

For information on our sustainable Food and Beverage efforts, please [see page 39](#).

Our Management Approach

Starwood's corporate Supply Chain Group brings professional insight, tools, and metrics to bear on our procurement efforts. Part of our Global Initiatives team, this group is led by our Chief Supply Chain Officer.

Distinct teams in our headquarters office focus on each of our four supply chain categories. (The FF&E team reports through Global Brand Design, while teams focused on the other three categories report into the Supply Chain Group.) Additionally, up to three associates support coordinated supply chain efforts in each division.

Starwood enlists the support of our suppliers in creating superior experiences for guests while being mindful of environmental and social impacts. In 2011, we began a process to evaluate FF&E vendors on environmental and social performance. We ask these vendors for a range of information, including a company profile, factory evaluations, and CDP data. Using this information, we can more actively integrate sustainability and social responsibility into our vendor choices and supplier-engagement activities. So far, this data has been used to educate our associates and vendors on environmental and social best practices.

Reporting and monitoring efforts, such as our CDP Supply Chain responses and factory checklists on environmental and social practices used by our FF&E team, also help us gather information that can aid our supply chain improvement process.

In 2013, we began including a corporate social responsibility clause in vendor contracts. This clause requires vendors to integrate ethical, human rights, and social responsibility practices throughout their organizations and to provide supporting documentation upon request.

Procurement Practices

Starwood does not have standard global procurement practices as the vast majority of purchases are made locally, by individual hotels. Our FF&E Group has a goal to begin aggregating our spending whenever possible so that we can source the best possible products in terms of sustainability, durability, and supplier traits without compromising design.

The FF&E Group also compiles industry and vendor best practices for use in our supplier and product specifications. For example, our Westin next generation room design specifies the use of fabrics made from postconsumer and postindustrial recycled material, energy-efficient LED lighting and materials that reduce indoor air contaminants. Through our annual FF&E budget updates, we are beginning to track buy-in to such specifications.

We make an effort to source some products from artisan organizations in order to provide guests with unique experiences and support diverse suppliers. Examples include handmade throw pillows from Calyz Textiles, a social enterprise in India that seeks to empower women through craft making, and wooden tables from a group of youth artisan workshops in the Egyptian delta.

Risks and Challenges in Our Supply Chain

Starwood recently worked with an outside consulting firm to identify potential threats and risks in our supply chain. Given the global nature of our extensive supplier network, social and environmental risks are difficult to avoid. We are exploring process improvements based on these research findings.

We face a number of challenges in our efforts to track supply chain data. Due to our history of local rather than centralized procurement, we lack common information systems across our hotels, making it difficult to collect supply chain spending data. Our supply chain team is working to build better, more centralized supplier information systems.

STARWOOD SPOTLIGHT

Jeffrey Foote

Director of Customer Sustainability,
The Coca-Cola Company

Sustainability from the Supplier Perspective

Both The Coca-Cola Company and Starwood conduct business around the globe, and each company has the ability to make a widespread positive impact by operating sustainably. Starwood's commitment to a sustainable supply chain has been clear since our business partnership began in 2011, and Coca-Cola has supported this commitment as both a supplier and a collaborator.

The Starwood team is seeking to reduce the environmental impact of their supply chain and encourages suppliers to participate in Carbon Disclosure Project reporting. They want to know that business partners like Coca-Cola will contribute to their success. Coca-Cola is working toward a 2020 goal of returning as much water to communities and nature as we use to produce our beverages, and thanks to a \$260 million investment in hundreds of community water projects, we are making strong progress. Environmental initiatives like this one helped cement Starwood's decision to bring us on as a beverage supplier.

Recently, we have worked with Starwood to develop a sustainable strategy for bottled water. This work has included an assessment of all of our local and regional water brands for bottle weight, use of recycled content, and plant-based bottle material.

Our team at Coca-Cola has also collaborated with Starwood to assess their environmental performance. In 2012, Coca-Cola conducted detailed assessments of energy, water efficiency, and recycling efforts at four Starwood properties in the United States to help identify opportunities to reduce operational impacts.



SUPPLIER STANDARDS

Through language in our vendor contracts and on our website, Starwood outlines supplier performance expectations. We use a variety of policies and procedures to verify that our suppliers uphold our company's ethics.

Supplier Audits

Starwood occasionally conducts supplier audits to ensure that our quality standards and ethical guidelines are met. We sometimes commission third-party organizations to assist with audits.

Our FF&E Group, which works with roughly 300 furniture, fixtures, and equipment vendors, began requiring suppliers to complete a factory checklist in 2012. This checklist uses a scoring system to assess environmental disclosures, energy and water consumption, waste management, material use, indoor environmental quality, labor practices, and other topics. Over the course of the year, 120 factories were assessed through this system. Vendor factories contracted to manufacture by FF&E are subject to Starwood audits at any time. We are currently exploring similar checklist and auditing systems in other categories of our supply chain.

Supplier Environmental Assessments

For three years, Starwood has partnered with the CDP to gather information on our top 50 suppliers' emissions and environmental/climate change strategies, using a standardized disclosure process. Our voluntary participation in CDP Supply Chain reporting has helped us better understand our overall environmental footprint as we pursue improvements.

SUPPLIER DIVERSITY

Starwood's commitment to supporting diversity extends into our supply chain. In the United States, our Supply Chain Group measures spending with diverse suppliers and suggests opportunities for hotels to consider diverse vendors. We work with a wide range of suppliers globally, including artisan vendors, providing sustainable income for thousands of businesses. We believe this helps us source a better range of goods to create unique experiences for guests.

Expanding Diversity in Our Supply Chain

Starwood strives to provide diverse suppliers access to our business, though we ultimately select vendors based on the merits of their business offerings. While we do not have specific policies on supplier diversity, we use tracking and targets to grow our base of diverse business partners.

In the United States, we track Tier 1 (direct contractor) spending with diverse suppliers and suggest opportunities for hotels to expand their use of diverse vendors. We recently transformed our process for assessing supplier diversity qualifications, shifting from qualitative assessments to a data-driven system. In 2012, 8.9 percent of our spending in the United States went to diverse vendors (including veterans, women, and minorities - Asian/Pacific, African American, Hispanic, Indian subcontinent, and Native Americans).

We have implemented specific diversity spending goals in 10 of our top markets with diverse populations. At this time, however, we lack the resources to track diversity beyond our Tier 1 suppliers.

While our supplier diversity efforts currently focus only on the United States, our long-term ambition is to support diverse suppliers in every region where we operate.

CASE STUDY

Green and Clean

While working to open the LEED Gold-certified Element Hotel in Lexington, Massachusetts, in 2008, Starwood partnered with a LEED consultant to develop a list of environmentally friendly cleaning products. This list now serves as a resource to help all Starwood hotels around the world source cleaning products that contribute to the health of our guests and the planet.

We source many of these products from Ecolab, a vendor of green cleaning products. When possible, we use Green Seal-certified products, which have been approved for their sustainable attributes. The disinfectants we use are from the U.S. Environmental Protection Agency (EPA) registered list and Canada's Drug Identification Number (DIN) list. These lists identify disinfectants that have been shown to safely control germs and bacteria.

By carefully sourcing our cleaning products, we ensure that our hotels can be both clean and green, giving guests the experiences they desire.



ASSOCIATES

A great dinner recommendation when you're on work travel, staying at the Sheraton. A complimentary glass of sauvignon blanc at Element. A local food delicacy delivered to your door at the Luxury Collection.

All this and much more are provided by Starwood's 181,400* associates – the public face of our properties in nearly 100 countries.



Starwood's rapid growth and global success have a simple explanation: our associates. They are the key to our personalized hospitality approach – and they deliver. The overwhelming majority of compliments from our guests are about our associates.

OUR GLOBAL WORKFORCE

We place a premium on hiring talented people and retaining them by providing the experiences they need to grow personally and professionally. Our incentives include competitive salaries and benefits, opportunities for learning and development, and a stimulating, diverse workplace. In return, our associates go the extra step to help our guests experience the world in new ways.

With properties around the world, Starwood has a large workforce. At the end of 2012, approximately 181,400* full- and part-time associates were employed at Starwood's corporate offices, owned and managed hotels, and vacation ownership resorts.

Associate Benefits

Starwood is committed to offering compensation and benefits programs designed to attract, retain, motivate, and reward associates worldwide. We regularly assess our benefits to stay competitive in the marketplace.

We offer competitive wages and incentive plans linked to strong performance. Associates in eligible positions also have access to health and life insurance, retirement savings, continuing education, and tuition reimbursement. Offerings vary from country to country, with associates receiving locally competitive packages. In the United States, programs include Health Savings and Flexible Spending Accounts, disability benefits, and basic life insurance. U.S. associates can also join a retirement program and/or an employee stock purchase plan.

ENGAGING OUR ASSOCIATES

Starwood's associates take pride in what they do and want to succeed. This high level of engagement is the foundation of our culture and the associate experience,

and maintaining it is an important priority for our company. Our approach is to create a positive work environment, which we achieve by focusing our efforts on encouraging job commitment and pride, and ensuring our associates are enabled and agile. Enabled means we provide associates with the right information, resources, and support to do their jobs well. Agile means associates understand Starwood's vision, are empowered to handle adversity and respond to feedback from guests and clients, and can adapt to new circumstances.

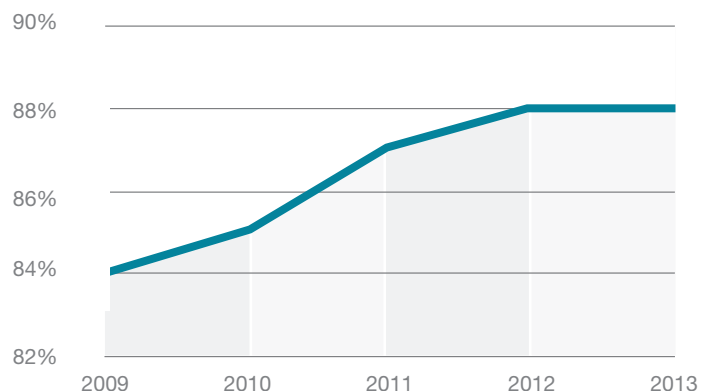
StarVoice Survey

We take tremendous pride in our global workforce and have invested time and resources in measuring associate engagement for the past decade. Managers are held accountable for results relating to key areas such as engagement and leadership.

The main channel for collecting feedback from employees worldwide is our annual StarVoice survey. The results are cascaded to managers (with teams of five or more) around the world and show what we're doing right and areas where we can improve. Response rates reached 96 percent in 2012 and 97 percent in 2013.

Percentage of Associates Who Agree That Starwood Is a Favorable Place to Work

StarVoice Survey 2013



*As of December 31, 2013.

In recent years, the results have revealed a highly motivated global workforce. From 2009-2013, associate engagement has increased every year (see graph on page 49). StarVoice 2013's key findings included a record 88 percent company-wide engagement score. In addition, 91 percent of associates say they are proud to work at Starwood.

StarVoice was redesigned in 2013 to make it more actionable and aligned with other key measures, such as the Guest Experience Index (GEI) (see below) and Win With Talent (WWT) leadership competencies (see page 51). The new survey will provide leaders with sharper insights and clear follow-up courses of action.

Guest Feedback

Measuring feedback from our guests is a critical component of our business. The Guest Experience Index (GEI) is how we gauge guest satisfaction at all of our hotel properties globally. In 2012, we integrated GEI with StarVoice to help us better understand how associate engagement correlates to the experiences and expectations of our guests. For example, we know when front desk associates have the information they need to do their job effectively, GEI scores tend to be higher. Passing such information to our associates lets them know what is working (or not) and empowers them to create better guest experiences.

LEARNING AND DEVELOPMENT

Skills Development

Successful talent management enables Starwood to sustain the performance-based, high-achieving culture that has driven our rapid global growth. We help our associates develop dynamic careers that are challenging and provide new experiences and opportunities. Ongoing training provided to all associates varies based on position and location. We use a variety of methods to conduct training, including informal/on-the-job, classroom, online, and external conferences. In Asia Pacific we also offer Starwood Careers, a personalized career-development roadmap for associates.

In 2012, we began an extensive review of our global offerings to ensure we deliver the right training to our associates at the right time in their careers. As a first step, in 2013 we rolled out Next Gen Service Culture, a global program that builds on associates' basic training and will help us keep ahead of customer expectations.

STARWOOD SPOTLIGHT

Claudia Al-bala'a

Senior Vice President, Human Resources,
Starwood Asia Pacific Division

Claudia Al-bala'a has been a committed member of Starwood's team for more than 25 years, working across Europe, the Middle East, and Asia. Today, she leads the human resources function in Asia Pacific, our fastest growing division with around 75,000 associates.

What contributions have you made to furthering efforts in associate development and engagement?

"There are two key initiatives that guide efforts in Asia Pacific that I am extremely honored to be a part of – Starwood Cares and Starwood Careers. Starwood Cares focuses on how caring for our associates leads to better care for guests, a stronger business, and a stronger community. It has become an integral part of Starwood's culture in Asia Pacific, resonating well with the division's strong sense of community. The other initiative is Starwood Careers, which is an important talent-development program for our division as it provides opportunities for our associates to build long-lasting careers at Starwood. It also serves as a structured program to develop a strong internal talent pipeline for our growth in Asia Pacific."

What work are you most proud of and why?

"I am most proud of Starwood Careers. It began in 2003 as a mentoring program for associates doing well in their careers when the division had fewer than 100 hotels. Starwood Careers now serves as a roadmap for all associates' long-term career development and is one of the key programs designed to build an internal bench for our expansion."



Our global training programs by type include:

New hire company orientation

Onboarding for new associates

Brand awareness

Knowledge and recognition of Starwood branding

Compliance training

Curriculum on compliance-related topics such as health and safety, antidiscrimination and antiharassment, and ethical standards of conduct

Functional skills training

New hire or ongoing skills development on standard operating procedures and topics such as computer technology, housekeeping, sales, and finance

Leadership skills

Activities targeted at supervisors, managers, and above

Service training

Enhancing customer service skills, such as cultural awareness.

We will also increase training delivered via e-learning to allow greater accessibility among associates.

Talent Development

When our associates perform well, we have highly satisfied guests, which in turn creates customer loyalty and stronger business performance.

Win with Talent (WWT) is Starwood's global talent management model established in 2010, which guides associates through 10 core competencies we have identified as critical to our business success. These include critical thinking, embracing innovation, maintaining a global perspective, customer focus, collaboration, and effective communication.

Associates and their managers work closely to develop professional development plans based on the WWT competencies. Associate performance reviews of these plans, conducted annually, vary based on position.

To help associates build careers they're invested in, we provide associate developmental feedback through the 360-degree feedback process. The 360 process helps individuals learn how their supervisors, direct reports, peers, and in some cases customers view their strengths and weaknesses. It is administered twice a year, with associates participating on a need basis, either proactively or encouraged by their supervisor.

Together, our managers and associates develop a clear path that connects individual performance to Starwood's business objectives, with associates accountable for delivering these results.

Leadership Learning

Maintaining our market position and innovative approach to doing business relies on great leadership. Leading Starwood, our global flagship training program, helps tomorrow's leaders master skills that improve individual and organizational effectiveness. The program is designed for general managers, executive committee members, department heads, and divisional and corporate leaders. For example, in 2012 we provided approximately 500 top performers with a multiday learning experience to further develop their skills. Other development programs, such as Next Gen Service Culture, have specific leadership learning pathways that help leaders enhance key skills, such as feedback and coaching.

SECURITY AND SAFETY

Part of creating a home-away-from-home experience for our guests is to make them feel safe wherever they are in the world. Providing a healthy, safe, and secure environment for both associates and guests is a top priority at Starwood. We work to make this happen at all our properties and offices through robust policies, standard operating procedures, and training. Starwood's safety, security, and risk-management teams are responsible for overseeing our health, safety, and security efforts.

Management Approach

Our standard operating procedures facilitate uniform adoption and application of policies on safety, security, the environment, and health. These policies cover topics such as workplace violence protection, crisis management, and fire protection and create fundamental standards across our global properties. Starwood policies, resources, and training materials are easily accessible on Starwood One, our global intranet site.

Accident Reporting

Starwood tracks and reports on workplace incidents, including annual injury and lost day rates. In the United States and Canada, accidents are reported according to applicable laws and insurance carriers' requirements. In Europe, Africa, and the Middle East (EAME), we use a central accident database called Diligence. Properties in Asia Pacific (AP) and Latin America (LA) implement a system aligned with Starwood's crisis and communications corporate procedures. We review every reported incident and escalate our response to the regional, divisional, or corporate level for action, depending on its severity.

In 2012, the injury rate* in our U.S. workforce was 2.77, and the lost day rate* was 1.36. There were no work-related fatalities in the United States. Starwood does not currently track this data globally.

Corporate Crisis Response

Starwood has a global, dedicated crisis response team and plan in place to respond to emergencies ranging from natural disasters to local disturbances such as social unrest. They guide management and associates when a crisis or emergency occurs and ensure proper procedures and responses are followed. Our policy has three basic tenets:

- Address the situation in the most expeditious manner
- Communicate effectively and honestly
- Demonstrate professionalism and compassion.

We also provide a detailed crisis manual that guides managers through both precrisis and crisis situations, with information on emergency response, communications, and reporting procedures.

Be Safe Associate Program

Preparing our associates to handle accidents and other emergencies begins with ensuring that they are safe on the job and aware of all safety hazards and procedures.

In North America, we train our full- and part-time associates through our comprehensive Be Safe program. Similar comprehensive Safety Management programs exist in EAME and AP.

Be Safe training ends with a quiz testing associates' knowledge of Starwood's Occupational Safety and Health Administration (OSHA) principles – from hazard awareness communications to back injury prevention to proper use of a fire extinguisher. Department managers must provide this training to all associates within the first five days of starting work or of being exposed to a hazard. We ensure our U.S. associates' safety and health knowledge stays fresh through regular communications, including daily safety tips, annual safety training, and a monthly safety survey by department managers.

Globally, dedicated committees at each hotel monitor and advise on occupational health and safety issues. The committees meet monthly to discuss safety training, hazardous material assessment, and mitigation strategies. In North America, on average, each hotel has 10 associates on the Be Safe Committee, demonstrating their active contribution to workplace safety.

DIVERSITY AND INCLUSION

Attracting Diverse Talent

Diversity is a key component of Starwood's business strategy. We believe a diverse workforce makes us smarter and more innovative and look to recruit and cultivate talented local people whose knowledge enhances our guests' experience. Creating and managing a culture of inclusion is a core part of our business and a shared responsibility among associates, supervisors, and our suppliers.

Our Equal Employment Opportunity policies guide our efforts. Our diversity recruitment and retention initiatives, centered on the United States, aim to increase the number of women, people of color, veterans, individuals with disabilities, and lesbian, gay, bisexual, and transgender (LBGT) individuals in our workforce.

* Per 100 full-time employees

Welcoming Veterans

Starwood is committed to creating equal employment opportunities for those who have served our country and helping veterans find gainful employment upon their return from military service. In 2012, we launched a dedicated veterans recruitment program and **web page**, providing a central location where veterans can learn about Starwood job opportunities.

Diversity Partnerships

Starwood builds and maintains partnerships with organizations and universities globally and in the United States that provide access to diverse talent, suppliers, owners, and developers. We currently have 21 partnerships with organizations whose mission is to advance diverse communities. We look for opportunities to expand and strengthen these partnerships. For example, we have supported the Human Rights Campaign and their efforts to achieve equality for LGBT Americans since 2003. In 2012, we expanded our outreach to the LGBT community by forming a national brand partnership between the Human Rights Campaign and our W brand.

Promoting Diversity and Inclusion

Hiring diverse staff alone is not enough to ensure a vibrant, innovative work culture that creates positive experiences for all. We also work hard to make sure that our diverse associates have opportunities to network and grow, and that all our associates understand our commitment to create an inclusive workplace.

To advance these efforts, each Starwood division has a diversity and inclusion champion and holds quarterly meetings to assess progress and launch or expand initiatives. For example, in 2012 EAME surveyed associates to help improve strategies to recruit female talent.

2012 Highlights

In 2012, we made important strides in advancing our strategic goals for diversity and inclusion. To globalize our approach, we created an optional training course to educate associates, at all levels, on how diversity and inclusion can help drive business results. This training course builds upon 10 years of diversity and inclusion training offerings and will be launched in early 2014. We also developed a global communications strategy to highlight our diversity priorities both within and outside the company. The StarVoice survey collects associate responses to our diversity initiatives, informing our progress.

Partnerships with Diverse Organizations

Asian American Hotel Owners Association	National Business Disability Council
Global Summit of Women	National Coalition of Black Meeting Planners
Hispanic Association for Corporate Responsibility	National Gay and Lesbian Chamber of Commerce
Human Rights Campaign	National Minority Supplier Development Council
International Association of Hispanic Meeting Planners	National Society of Hispanic MBAs
Lambda Legal Management Leadership for Tomorrow	National Society of Minorities in Hospitality
National Association for the Advancement of Colored People	Organization of Chinese Americans
National Association of Black Hotel Owners, Operators, and Developers	Recruit Military
National Black MBA Association	U.S. Hispanic Chamber of Commerce
	U.S. Pan Asian Chamber of Commerce
	Women's Business Enterprise National Council

Awards

All these efforts are reaping recognition for our business. During 2012, in the United States, Starwood was:

Ranked 32nd in the “DiversityInc Top 50 Companies for Diversity” – up two spots from 2011

Recognized by the Human Rights Campaign among “Top Employers for Lesbian, Gay, Bisexual, and Transgender Equality” – for the sixth consecutive year

Included by USA Today among the “50 Top Franchises for Minorities” – for the third consecutive year



GOVERNANCE AND ETHICS

Do the right thing. Go the extra step. Play as a team.

These values inform our company culture, our employees' day-to-day decisions, and our strong commitment to integrity. Through them, Starwood follows a business ethic that strives to create a better world to experience – from the inside out.



Starwood believes good governance is good for business – supporting our corporate strategy and culture and helping us comply with all applicable laws and regulations worldwide.

CORPORATE GOVERNANCE

Starwood has a proud history of full and fair disclosure. We maintain strong ethical checks and balances throughout our global organization. Starwood's Board of Directors (the "Board") has adopted Corporate Governance Guidelines that address issues such as the Board's composition and committee structure, director responsibilities, qualifications and independence, senior executives performance evaluations, and management-succession planning. The Board regularly reviews developments in corporate governance and updates Starwood's Corporate Governance Guidelines and related materials and standards as necessary. These guidelines, along with Starwood's Certificate of Incorporation and Bylaws, Board committee charters, and Code of Business Conduct and Ethics, can be found on [our website](#), along with information on how to report concerns about the company.

Our Board

Starwood's Board sets the tone and standard for ethical conduct across our global properties and employees. Its members are highly engaged with management in overseeing the company's affairs.

The Board has four committees, all of which have written charters and conduct annual self-assessments. They include the Corporate Governance and Nominating Committee, Audit Committee, Capital Committee, and Compensation and Option Committee. The Board's Corporate Governance and Nominating Committee conducts an annual assessment of the full Board's performance and takes action as necessary to enhance our governance.

Executive Compensation

The Compensation and Option Committee evaluates Starwood's President and CEO and other senior executives annually. This evaluation and our CEO's compensation award are discussed transparently each year in our [annual proxy statement](#).

Our CEO and other executive officers are held to the highest ethical standards. In compensating them, we seek to reflect our annual business results and stock performance. We strive to keep our executive compensation program transparent and in-line with competitive market practices and engage a third party to perform competitive salary analyses and benchmarking.

To demonstrate good risk oversight and further our governance procedures in light of best practices after the U.S. Dodd-Frank Act, we have introduced antihedging and antipledging policies that restrict Starwood officers and directors from engaging in short-selling, hedging, or pledging transactions directly linked to company stock. We also operate a "clawback" policy, under which incentive awards to executives must be repaid if a material restatement of our financial statements is required due to reporting failures or intentional misconduct by an executive.

Regulatory Compliance

Adhering to all applicable legal and regulatory requirements is a high priority for Starwood.

Responsibility for compliance lies with the Office of the General Counsel, our legal department, headed by our Chief Administrative Officer. Our Global Compliance team is part of this department, and in 2013 we created the position of Chief Compliance Officer to strengthen global oversight of the regulatory issues that affect our expanding company. The compliance team establishes and administers key policies and provides training programs for associates on legal and financial compliance and on business ethics, including the core values, policies, procedures, and requirements that govern our activities.

Communicating with Property Owners

Creating a better world to experience requires everyone involved with managing Starwood hotels to share our ethical approach.

Starwood is a very globally diverse company, and it is imperative that all our operations comply with our high standards of business conduct. Our associates worldwide are required to follow Starwood's Code of Business Conduct and Ethics as well as comply with all applicable laws.

Our divisional operations team oversees and communicates with our franchise property owners around the world. General managers, regional vice presidents, and owner and franchise support teams engage with owners or asset managers in their regions through various channels such as:

- Meetings and presentations
- Owner-specific newsletters
- Property and office visits
- Annual franchisee meetings
- Email updates
- Owner conferences
- Stewardship reports.

The Owner's Playbook, our guide to sustainability best practices, was created in 2013 to encourage owners to invest in sustainability projects at their properties. Read more about The Owner's Playbook and additional sustainability resources we provide to owners [here](#).

BUSINESS ETHICS

Values

Starwood prides itself on unifying our richly diverse corporate culture. We have done this through three promises that we use to motivate every associate and that serve as Starwood's core values: Do the Right Thing, Go the Extra Step, Play as a Team.

Starwood's integrity and reputation depend on our associates living up to these values as they interact with guests and other stakeholders. However, keeping all associates mindful of ethical behavior can be challenging, given our many locations, the differing cultures we operate in, and the rapid growth of our associate base as new hotels open. We therefore spell out our position and procedures in a wide range of policies covering anticorruption, conflict of interest, gifts, and other ethical issues. Our Code of Business Conduct and Ethics (the "Code"), Finance Code of Ethics, and Policy against Insider Trading are available in 13 languages. We require all corporate and divisional associates and select property associates – about 25 percent of our workforce – to certify their compliance with the Code annually, and all associates can access our ethics policies through our internal website. Ethics training covers the Code's provisions and includes anticorruption programs for all relevant employees. Our Learning Center features vignettes of common everyday ethical dilemmas.

Code of Business Conduct and Ethics

Starwood's Code provides a roadmap to help associates act with integrity. Together with related policies, it describes our behavioral expectations and procedures for reporting concerns in an easy to understand format. Initially rolled out in 2011, our Code was updated in 2012 to incorporate additional information on our anticorruption policies. In 2013, approximately, 92 percent of the required associates completed the online training.

Our Code of Business Conduct and Ethics, Finance Code of Ethics, and Policy against Insider Trading



Our Board of Directors administers the Code. The Global Compliance team oversees related communication and training for associates and helps manage the Code, including administering approvals and queries about its interpretation. Responsibility for investigating alleged fraud and ethics violations lies with a cross-functional team of Human Resources and Internal Audit associates, led by the Chief Compliance Officer. Discipline for breaching our Code can range from a letter of reprimand up to termination of employment.

Additional Codes of Conduct

Good governance must start at the top. With this in mind, we require our senior finance team to sign a Finance Code of Ethics annually, reinforcing their commitment to uphold our standards in financial oversight and results. In addition, our executive officers and Board members are required to follow our Corporate Opportunity Policy, which addresses potential conflicts of interest. Find more on these policies [here](#).

Reporting Concerns

At Starwood we work hard to promote an open and honest workforce. We are committed to a policy of no retaliation for associates who report an ethical concern in good faith.

Our associates have four avenues to report ethical concerns. They can:

- Meet in person with their manager, Human Resources representative, the Office of the General Counsel, or our Internal Audit office
- Post a message on the 24/7 website www.HOTEthics.com, anonymously if preferred
- Call Starwood's 24/7 toll-free helpline from anywhere in the world, anonymously if preferred
- Write to the Audit Committee of the Board of Directors.

All reports involving accounting, internal accounting controls, or auditing matters, no matter how discovered, are reviewed by the Audit Committee of our Board of Directors.

Countering Corruption

Every day our associates interact with a wide range of stakeholders - including customers, suppliers, guests, consultants, competitors, and government officials. Making sure they comply with anticorruption laws in conducting these relationships is a global priority for Starwood.

Our Code of Business Conduct and Ethics provides detailed guidance on how to avoid either the reality or perception of corrupt behavior. This includes examples of common real-life situations, such as when and how to provide free or discounted hotel rooms or Starwood Preferred Guest points. All associates are required to follow our policies on conflicts of interest, anticorruption compliance, and acceptance or solicitation of gifts. If unsure of a situation, they are encouraged to seek guidance from the Office of the General Counsel or the Chief Compliance Officer.

Training

In 2012, approximately 24,000 of Starwood associates worldwide went through mandatory computerized anticorruption training. In addition, we provided face-to-face anticorruption training for key associates working in Dubai, India, Singapore, and China. In Asia Pacific, Starwood legal teams also held discussions with our hotel owner representatives.

Collective Bargaining

Our associates have rights as well as responsibilities as they seek to create superior experiences for our customers and themselves. We respect and support their rights to freedom of association and collective bargaining. The way we work with unions and establish collective bargaining agreements is decided on a regional basis.

In North America, 30 percent of our hourly workforce is unionized. Starwood supports our employees' right to join a U.S. union through the secret ballot election process of the National Labor Relations Board (NLRB). In many cities, including Los Angeles, Chicago, Boston, Waikiki, San Francisco, Washington, DC, and New York, we have neutrality agreements with the union UNITE HERE, providing union access to employees in new Starwood hotels. Almost all of the collective bargaining agreements we negotiate cover health and safety as well as pay, benefits, and other working conditions. In our nonunion hotels, we include hourly associates in our BeSafe program, offer comprehensive benefits packages, and conduct regular safety inspections. For more on BeSafe, see page 52.

In Europe, 25-30 percent of our associates are in unionized workplaces, and European Union (EU) regulations provide a strict framework on how we work with unions. In Latin America, 42 percent of our workforce is unionized, and in Asia Pacific, where we open about 50 new hotels a year, country-specific regulations regarding unions are the norm. Collective bargaining agreements in these three regions are made at country, city, or hotel levels, and nearly all cover workplace health and safety issues.

Privacy

Privacy is of the utmost importance to our customers and hotel guests, and we follow strict policies and procedures to provide them with peace of mind. These include a publicly available **Privacy Statement**, an incident response policy and procedures, and a taping and eavesdropping policy.

Starwood has a dedicated privacy team within the corporate legal department that oversees our data-privacy programs. We provide annual privacy training to all corporate and divisional associates handling personally identifiable information as part of their regular data-protection training. Managers at our properties will also be required to undergo this training in the near future. More than 10,000 associates completed the training in 2013.

HUMAN RIGHTS

We are conscious that our efforts to create a better world to experience must extend to everyone whose lives our hotels touch, including local communities and individuals.

Starwood's **Human Rights Policy**, issued in 2007, commits us to conduct our business in line with the principles of the United Nations (UN) Universal Declaration of Human Rights. We are proud of our global leadership in responsible workplace practices. We endeavor to conduct our business operations, in owned, managed, and franchised hotels, free from unknowing complicity in human rights abuses that can put our reputation, guests, and employees at risk.

In 2012, in line with UN doctrine, we began adding a clause into our supplier contracts to ensure compliance with our Human Rights Policy.

Child Labor

Starwood condemns all forms of workplace child abuse, including child labor and sexual exploitation. We never recruit children and strongly support the elimination of exploitative child labor. Across our global network, we seek to raise awareness of sexual exploitation of children. We support all national laws that aim to prevent such activity and cooperate closely with law enforcement authorities to address any incidents of which we become aware.

Human Trafficking

Human trafficking is the modern face of slavery and is third only to drug dealing and the illegal arms trade as a global black market activity. According to UNICEF, 1.2 million children are trafficked every year.

While known cases of child exploitation in our hotels are rare, leading tourism companies recognize a responsibility to increase awareness and prevention in our industry. In November 2011, the International Tourism Partnership (ITP) published a **Position Statement on Human Trafficking** supported by 16 member companies, including Starwood. This position statement commits us to partnering with law enforcement agencies at all levels, as well as governments, NGOs, communities, employees, and customers, to eliminate trafficking, forced labor, and child exploitation in our industry.

All ITP member companies, with a combined reach of more than 23,000 properties, have pledged to:

- Develop a corporate strategy for an antitrafficking policy, which will permeate all activities, including supplier codes of conduct, and establish clear procedures for reporting suspected incidents
- Provide awareness training and engagement for our employees and guests, where practical
- Develop and share best practices.

Trafficking Training

To date, our efforts to combat potential trafficking risks have focused on major events that draw large numbers of tourists. Before such events take place, Starwood provides awareness training to employees at our owned, managed, and franchised properties in these locations (see case study at right).

In 2013, we began developing an e-learning module on human trafficking awareness for all our associates worldwide. It will be delivered through Starwood's internal Learning Management System to all property managers in 2014. We work closely with concerned shareholder groups and relevant NGOs to ensure our policies and training materials are accurate and effective.

CASE STUDY

Raising Awareness of Human Trafficking

Major global sports and entertainment events attract millions of short-term visitors. This transient community can provide opportunities for human traffickers to target potential victims. Starwood's proximity to many major sports and entertainment venues provides an opportunity for us to raise awareness of the risks.

In 2012, prior to the Summer Olympics in London, we partnered with local NGOs to create a trafficking-awareness training program for our London area associates. Around 650 people at five hotels took part, learning how to identify and report suspicious behavior and circumstances.

We continue to provide targeted associate training in relevant markets prior to major global events such as the Olympics, Super Bowl, and World Cup.

GOVERNMENT RELATIONS

Starwood engages in lobbying efforts related to legislation or regulations that relate to the hospitality industry.

In the United States, our recent lobbying efforts have focused on:

- Tax proposals affecting the hotel industry and U.S. corporations
- Legislative proposals regarding the online travel industry
- The Marketplace Fairness Act of 2013
- The Jobs Originated through Launching Travel Act (JOLT)
- Extension of the Terrorism Risk Insurance Act (TRIA)
- Proposals relating to government travel, including per diem calculations.

We are also monitoring broader issues, including immigration reform, patent law reforms, and labor law proposals.

Political Contributions

In the United States, Starwood has a specific policy regarding the activities of our federal Political Action Committee (PAC). This governs when political contributions can and can't be made, and describes compliance programs, including the process for obtaining required internal approvals. We also have a contractual agreement with the State of Connecticut, where our headquarters is based, which prohibits contributions to key politicians including the Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State, and State Treasurer.

In 2012, we made varied financial contributions to U.S. political campaigns totaling \$28,000. We did not make any in-kind contributions, such as hotel stays, to political campaigns or organizations during the year.

Outside the United States, Starwood generally prohibits making political contributions. The relevant guidelines are contained in our corporate Code of Business Conduct and Ethics.

ENTERPRISE RISK MANAGEMENT

As a fast-growing global company with a diverse portfolio, we face a variety of risks. Senior management, led by our Chief Administrative Officer and Enterprise Risk Management committee, is responsible for identifying and mitigating these risks through strategic planning.

The Board of Directors receives regular reports on any strategic, operational, financial, legal, regulatory, or reputational risks the company may face and discusses mitigation options with management. The Board's four committees help with this oversight as follows:

- The Audit Committee oversees management's process for identifying and quantifying risks
- The Compensation and Option Committee structures executive compensation to discourage excessive risk-taking
- The Corporate Governance and Nominating Committee oversees corporate governance-related risk and annually reviews legal and regulatory risk with our General Counsel
- The Capital Committee oversees risks related to our hotel portfolio, capital budgets and plans, investments, divestitures, significant asset sales, and mergers and acquisitions.

GLOBAL REPORTING INITIATIVE INDEX

Indicator	Description	Location	Reported
Strategy and Analysis			
G4-1	Statement from most senior decision maker.	p. 1, Message from Frits van Paasschen	Fully
G4-2	Key impacts, risks, and opportunities.	p. 1, Message from Frits van Paasschen pp. 2-3, Q&A with Kenneth Siegel p. 4, Our Company	Fully
Organizational Profile			
G4-3	Name of the organization.	Starwood Hotels & Resorts Worldwide, Inc.	Fully
G4-4	Primary brands, products, and services.	p. 4, About Starwood	Fully
G4-5	Location of the organization's headquarters.	Stamford, Connecticut	Fully
G4-6	Number of countries where the organization operates and names of countries either where the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	See our homepage at www.starwoodhotels.com	Fully
G4-7	Nature of ownership and legal form.	Publicly traded corporation	Fully
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	pp. 6-7, Our Global Impact	Fully
G4-9	Scale of organization.	pp. 4-5, About Starwood	Fully
G4-11	Percentage of total employees covered by collective bargaining agreements.	pp. 57-58, Business Ethics	Fully
G4-12	Describe the organization's supply chain.	pp. 44-47, Starwood's Supply Chain	Fully
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	pp. 2-5, 2012 Annual Report	Fully
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	p. 12, Stakeholder Engagement p. 13, Starwood Spotlight on Stephen Farrant p. 15, Our Approach to Social Responsibility p. 19, Case Study: Check Out for Children p. 20, Starwood Spotlight on Vicky Edmonds of UNICEF p. 37, Case Study: Clean the World, Improve Children's Health p. 40, Green Buildings	Fully
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies • Provides substantive funding beyond routine membership dues • Views membership as strategic. 	p. 12, Stakeholder Engagement	Fully
Identified Material Aspects And Boundaries			
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents and whether any of these entities is not covered by the report.	p. 5, Key Financial Data	Fully
G4-18	Explain the process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content.	p. 9, Global Citizenship Strategy p. 13, Stakeholder Engagement	Partially
G4-19	All the material Aspects identified in the process for defining report content.	p. 13, Materiality	Partially

Indicator	Description	Location	Reported
Stakeholder Engagement			
G4-24	A list of stakeholder groups engaged by the organization.	p. 12, Stakeholder Engagement	Fully
G4-27	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting. The stakeholder groups that raised each of the key topics and concerns.	p. 12, Stakeholder Engagement	Fully
Report Profile			
G4-28	Reporting period for information provided.	Inside Front Cover	Fully
G4-29	Date of most recent previous report (if any).	Inside Front Cover	Fully
G4-30	Reporting cycle.	Inside Front Cover	Fully
G4-31	The contact point for questions regarding the report or its contents.	Inside Front Cover	Fully
G4-32	Report the “in accordance” option the organization has chosen; the GRI Content Index for the chosen option and the reference to the External Assurance Report, if the report has been externally assured.	Inside Front Cover	Fully
Governance			
G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental, and social impacts.	p. 55, Corporate Governance pp. 11-12, 2014 Proxy Statement	Fully
G4-35	The process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	p. 55, Corporate Governance	Fully
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics, and whether post holders report directly to the highest governance body.	p. 11, Global Citizenship Governance	Fully
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	p. 55, Corporate Governance p. 13, 2014 Proxy Statement	Fully
G4-38	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or nonexecutive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of underrepresented social groups • Competences relating to economic, environmental, and social impacts • Stakeholder representation. 	p. 55, Corporate Governance p. 12, 2014 Proxy Statement	Partially
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	pp. 12-13, 2014 Proxy Statement	Fully
G4-40	The nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	p. 55, Corporate Governance p. 21, 2014 Proxy Statement	Fully
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value, or mission statements, strategies, policies, and goals related to economic, environmental, and social impacts.	p. 55, Corporate Governance	Fully

Indicator	Description	Location	Reported
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	p. 11, Global Citizenship Governance	Fully
G4-49	The process for communicating critical concerns to the highest governance body.	p. 11, Global Citizenship Governance	Fully
Ethics And Integrity			
G4-56	The organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics.	pp. 56-57, Code of Business Conduct and Ethics	Fully
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	p. 57, Code of Business Conduct and Ethics	Fully
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms, or hotlines.	p. 57, Code of Business Conduct and Ethics	Fully

Specific Standard Disclosures: Indicators by Aspects

CATEGORY: ECONOMIC

DMA-EC	Disclosure on Management Approach EC (Economic)	pp. 4-7, Our Company	Fully
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Economic Performance

G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations, and other community investments, retained earnings, and payments to capital providers and governments.	pp. F-5-F-50, 2012 Annual Report p. 5, Key Financial Data	Fully
G4-EC2	Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure.	p. 31, Energy and Greenhouse Gases	Partially
G4-EC3	Coverage of the organization's defined benefit plan obligations.	p. 49, Associate Benefits pp. F-33-F-34, 2012 Annual Report	Fully

Indirect Economic Impacts

G4-EC7	Development and impact of infrastructure and services supported.	pp. 15-18, Social Responsibility	Fully
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	pp. 15-18, Social Responsibility p. 49, Associate Benefits	Fully

Procurement Practices

G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	p. 45, Starwood's Supply Chain	Fully
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CATEGORY: ENVIRONMENTAL

DMA-EN	Disclosure on Management Approach EN (Environmental)	pp. 24-43, Environment	Fully
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Energy

G4-EN3	Energy consumption within the organization.	p. 32, Energy Performance	Fully
G4-EN5	Energy intensity.	p. 32, Energy Performance	Fully
G4-EN6	Reduction of energy consumption.	p. 32, Energy Performance	Fully
G4-EN7	Reduction in energy requirements of products and services.	p. 32, Energy Performance	Fully

Water

G4-EN8	Total water withdrawal by source.	p. 34, Reducing Our Water Use	Fully
G4-EN9	Water sources significantly affected by withdrawal of water.	p. 35, Mitigating Water Risk and Scarcity	Fully
G4-EN10	Percentage and total volume of water recycled and reused.	p. 34, 2012 Water Use and Recycling by Region p. 35, Recycled Water	Fully

Indicator	Description	Location	Reported
Biodiversity			
G4-EN11	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas.	p. 42, Biodiversity	Partially
G4-EN12	Significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	p. 42, Biodiversity p. 43, The Starwood Experience: Recovering Langkawi at the Andaman: Coral Reef Conservation	Partially
G4-EN13	Habitats protected or restored.	p. 43, The Starwood Experience: Recovering Langkawi at the Andaman: Coral Reef Conservation	Partially
Emissions			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	p. 32, Energy Performance	Fully
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	p. 32, Energy Performance	Fully
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	p. 32, Energy Performance	Fully
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	p. 32, Energy Performance	Fully
Transport			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce.	p. 32, GHG Emissions and Base Year	Partially
Overall			
G4-EN31	Total environmental protection expenditures and investments by type.	p. 26, Sustainability Strategy p. 27, Goals and Progress Key Highlights	Partially
Supplier Environmental Assessment			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	p. 46, Procurement Practices p. 47, Supplier Standards	Partially
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	p. 31, Energy and Greenhouse Gases p. 38, Case Study: Drinking Water around the World p. 42, Biodiversity	Partially
CATEGORY: SOCIAL			
Labor Practices And Decent Work			
DMA-LA	Disclosure on Management Approach LA (Labor Practices and Decent Work)	pp. 48-53, Associates	Fully
Employment			
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	p. 49, Associate Benefits p. 58, Collective Bargaining	Partially
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	p. 52, Security and Safety	Fully
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	p. 52, Security and Safety	Partially
Training and Education			
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	p. 50, Learning and Development	Fully

Indicator	Description	Location	Reported
Human Rights			
DMA-HR	Disclosure on Management Approach HR (Human Rights)	pp. 54-63, Governance and Ethics	Fully
Investment			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	p. 46, Our Management Approach	Partially
G4-HR2	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	p. 59, Trafficking Training	Partially
Freedom of Association and Collective Bargaining			
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	p. 57, Collective Bargaining	Partially
Child Labor			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	p. 58, "Child Labor"	Partially
Forced or Compulsory Labor			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	p. 59, Human Trafficking	Fully
Society			
DMA-SO	Disclosure on Management Approach SO (Society)	pp. 14-23	Fully
Local Communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	pp. 15-21, Social Responsibility	Partially
Anticorruption			
G4-SO4	Communication and training on anticorruption policies and procedures.	pp. 56-57, Business Ethics	Fully
Public Policy			
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	p. 60, Political Contributions	Fully
Product Responsibility			
Product and Service Labeling			
G4-PR5	Results of surveys measuring customer satisfaction.	p. 50, Engaging Our Associates	Partially



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