



2011-2012 Sustainability Report



Revised September 19, 2012
to correct tables on page 32

On the cover:
Nature and its resources are critical to our business.
Lake Tahoe, one of the world’s most pristine crystal blue alpine lakes, is just 15 minutes from The Ritz-Carlton®, Lake Tahoe (California), a LEED® Silver certified hotel (shown here).



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To Our Stakeholders



As Marriott International expands our global portfolio, we are creating a world of opportunity for our associates, customers, owners and franchisees, business alliances and communities. At the same time, our business model remains grounded in a set of core values: put people first, pursue excellence, embrace change, act with integrity and serve our world.

We've seen some big changes at Marriott® recently, including our new appointments – with Arne being named president and CEO and Bill becoming executive chairman; the reorganization of our lodging group into a continental structure that drives better operating results and growth; and the spin-off of our timeshare business resulting in two strong companies with solid core businesses. Throughout these changes, we have remained steadfast in our focus on sustainability innovation and action that fuel the way we conduct business and how we approach our responsibility to the planet and society.

This report discloses the progress we've made toward our sustainability goals over the past two years. And it highlights how we are teaming up with diverse stakeholders – suppliers, governments, nongovernmental organizations, universities and even our competitors – to find long-term solutions to some of society's most critical challenges.

We are investing in sustainable development and innovative conservation initiatives, such as the following, that will provide long-term solutions to critical social and environmental issues.

- In 2011, we announced our plan to open our first hotel in Port-au-Prince, Haiti, an area devastated by the 2010 earthquake. The tireless fundraising and volunteerism of our associates, hundreds with family connections in Haiti, inspired us personally to consider ways to help tourism return to the country. The hotel is scheduled to open in 2014, creating jobs and much-needed hotel and meeting space as Haiti recovers.
- 2011 marked the three-year anniversary of our \$2 million commitment to the Juma Sustainable Development Reserve in the state of Amazonas, Brazil, to protect 1.4 million acres of rainforest. Today, nearly 95 percent of the Juma rainforest remains intact.
- In southwestern China's Sichuan Province, we're helping protect the source of fresh water for more than 2 billion people by investing \$500,000 over two years in our Nobility of Nature program in partnership with Conservation International. The initiative promotes sustainable jobs – such as beekeeping and honey production – to lessen the impact on the water supply. Nobility of Nature honey is currently being sold in nearly all Marriott hotels throughout China, with a portion of the proceeds going back to support the program.

We believe our long-time commitment to a sustainable business sets us apart and our global reach gives us a unique opportunity to make a real difference in communities around the world. In this report, you'll also find updates on the many ways our associates are supporting our "Spirit To Serve Our Communities®" philosophy.

For decades we have been committed to being responsible in our business practices and global citizenship efforts. It's a long journey and we have much work ahead, but we believe we're on the right path toward helping create a more sustainable business and global society.

J.W. Marriott, Jr.
Executive Chairman

Arne M. Sorenson
President and
Chief Executive Officer

About This Report

As a publicly traded, global lodging company with managed and franchised operations, we recognize a range of stakeholder groups with interest in our company. These organizations are diverse – some operating globally and others operating at the regional and/or local levels – and include government and nongovernmental organizations. Marriott business leaders engage with a broad group of stakeholders as part of their management responsibilities.

Determining Materiality

To best demonstrate our impact, influence and approach within the context of sustainability, this report is organized into three main sections, which together encompass the key environmental, social and governance topics that Marriott prioritizes. In response to our stakeholders' increasing desire for transparency and disclosure, we have sought to include information that meets their needs. Each section describes the issues material (in the context of determining materiality for the Global Reporting Initiative) to our business, along with our resulting initiatives, targets and performance.

Stakeholders

Our stakeholders play an important role in driving Marriott's business success and helping to shape our sustainability strategy. Engaging with our internal and external stakeholders is an ongoing process. Our executive leadership team takes an active role in board membership and executive committee involvement with organizations including the World Economic Forum, World Travel and Tourism Council, International Tourism Partnership, U.S. Travel Association, U.S. Travel and Tourism Advisory Board, and American Hotel and Lodging Association. We work to inform stakeholders about our priorities and actions, understand their evolving expectations and viewpoints, and create opportunities to address substantive issues through partnerships and collaboration.



The following chart identifies our key stakeholders and the various ways we engage and collaborate with them.

Stakeholders	Forms of Engagement	Areas of Collaboration
Associates	Global Engagement Survey, Marriott Global Source (intranet), executive town hall meetings, social media, newsletters, Business Councils, community projects, wellness programs, Legal and Ethical Conduct Survey	Associate Appreciation Week, Cultural Appreciation Day, Global Compass (Arne Sorenson's Blog), Living Our Core Values/Living The Gold Standards, Marriott Jobs & Careers and My Marriott Hotel™ (Facebook), Ritz-Carlton Environmental Action Conservation Team, Spirit To Serve Our Communities Day, TakeCare wellness program
Customers	Guest Satisfaction Surveys, charitable donations of loyalty program rewards points, cause marketing, industry working groups, sustainable guest room products, customer forums, research, social media	Global Business Travel Association (GBTA) standard Request for Proposal (RFP) template, Juma Offset It Program, Marriott on the Move (J.W. Marriott, Jr.'s blog), Marriott Rewards® Insiders, Ritz-Carlton VolunTeaming® and Give Back Getaways
Communities	Community engagement programs, volunteering, fundraising and cash contributions, in-kind donations, disaster relief	American Red Cross, International Federation of Red Cross and Red Crescent Societies, Back on My Feet, Children's Miracle Network Hospitals, Feeding America, Habitat for Humanity® International, Marriott Foundation for People with Disabilities, Marriott Scholars Program, National Academy Foundation, SOS Children's Villages, The Prince's Trust Fairbridge, United Way, Youth Career Initiative
Shareholders	Annual Report, sustainability reporting, carbon disclosure, quarterly earnings releases and conference calls, annual shareholder meetings, analyst meetings	Carbon Disclosure Project (CDP) Investor, Supply Chain and Water Disclosure responses, Global Reporting Initiative (GRI)
Associations	Board memberships, executive committees, working groups, advisors, research, partnerships, workshops, lobbying	American Hotel & Lodging Association (AH&LA), Catalyst, Center for Work & Family at Boston College, Corporate Voices for Working Families, Cornell Center for Hospitality Research, Families and Work Institute, Global Business Travel Association Sustainability Committee, International Tourism Partnership (ITP), U.S. Chamber of Commerce Business Civic Leadership Center, U.S. Green Building Council Greenbuild Working Group, U.S. Travel Association, World Travel & Tourism Council (WTTC) Environmental Working Group, WorldatWork's Alliance for Work-Life Progress
Supply Chain	Local supplier capacity building, supply chain screening, supplier diversity program, sustainable procurement surveys, engagement workshops, strategic partnerships	FutureFish, Hospitality Sustainable Purchasing Index (HSPI), National Minority Supplier Development Council's (NMSDC) Global-Link initiative, WEConnect International, World Environment Center
Owners and Franchisees	Economic development, sustainable hotel development	Fairfield by Marriott SM hotel projects in India and Brazil, Hotel development project in Haiti, LEED® Hotel Prototype
Nongovernmental Organizations (NGOs)	Board memberships, executive committees, working groups, advocacy for Reduced Emissions from Deforestation and Degradation (REDD) projects, strategic partnerships on global issues	Audubon International, Brand USA, International Tourism Partnership (ITP) and World Travel & Tourism Council (WTTC) Hotel Carbon Measurement Initiative, ITP Human Trafficking Working Group, Juma Sustainable Development Reserve (Amazonas Sustainable Foundation), Nobility of Nature (Conservation International), U.S. Green Building Council (USGBC), World Economic Forum
Government	Lobbying, advocacy, briefings, meetings, pilot projects and research, regulatory filings	Immigration Reform, Labor and Human Resource Regulation, State and Federal Tax Reform, Travel Promotion and Facilitation through the President's U.S. Travel and Tourism Advisory Board (TTAB), U.S. Department of Energy, U.S. Environmental Protection Agency

Areas of Stakeholder Collaboration

Improving associate health with *TakeCare*

At Marriott we know that our associates are vital to our success. We remain committed to the philosophy of our founders to “put people first” and “take care of our associates and they will take care of our guests.” Aligned with this philosophy is Marriott's TakeCare – Choose Health Every Day wellness program launched in 2010 to help associates improve health and wellness and minimize stress. TakeCare engages associate wellness champions at all locations who help promote the program, launch healthy activities and encourage participation in wellness challenges.

Engaging associates by *Living Our Core Values*

In 2011, we launched the global expansion of *Living Our Core Values/LivingThe Gold Standards*, piloting the program at more than 30 hotels in eight countries in our Asia Pacific region. This 90-minute annual program features small group informative dialogues led by hotel general managers on topics that enhance associate engagement and strengthen retention. At the conclusion of the pilot, 97 percent of general managers surveyed believed their associates were energized by participating and 100 percent agreed the program strengthened relationships with associates while increasing engagement.

Areas of Stakeholder Collaboration (continued)

Addressing global recruitment through social media gaming - *My Marriott Hotel™*

As we grow our portfolio around the world, we must find new ways to interest young people in hospitality careers. In 2011, we launched Marriott Jobs & Careers on Facebook and Twitter, enabling a two-way dialogue that engages visitors and associates worldwide in discussions and sharing photos and videos about the Marriott employment experience. Marriott also became the first in our industry to tap into social media gaming, with My Marriott Hotel on Facebook, showcasing the world of opportunity and the growth potential attainable in hospitality careers (see page 15). As of July 2012, Marriott Jobs & Careers on Facebook had more than 60,000 fans and an estimated reach of just over 26 million through friends of fans.

Responding to customers with industry standard for carbon measurement

The hotel industry has experienced a significant increase in customer requests for the carbon footprint of their hotel stay, as many corporations are tracking their Scope 3 carbon emissions from travel and considering sustainability performance when selecting hotels. In the past, the metrics have been difficult to obtain and varied widely because of the lack of an industrywide standard.

In late 2010, along with fellow lodging companies InterContinental Hotels Group and Wyndham Worldwide, we commissioned and collaborated on a study from the Cornell University Center for Hospitality Research to review the methodology involved with carbon calculation. In May 2011, Marriott joined a number of other global hotel companies to launch the Hotel Carbon Measurement

Initiative (HCMI), a project coordinated by the International Tourism Partnership (ITP) and the World Travel & Tourism Council (WTTC). The goal was to collaboratively develop, test and refine an industrywide methodology for calculating the carbon footprint of room nights, meetings and events for customers.

Throughout 2011, the HCMI drafted a calculation methodology and guidelines, facilitated through the environmental/sustainability consultancy of Greenview and reviewed by the World Resources Institute. Working with KPMG, an audit, tax and advisory services firm, the group piloted the methodology and sought input from stakeholders. Guidelines were finalized and published in June 2012 with the backing of 21 hospitality companies.

Collaborating with the industry to address human trafficking

The International Labour Organization estimates that the total annual illicit profits from human trafficking are about \$32 billion.¹ Although it is difficult to know the global number of child victims, the latest estimates indicate that 1.2 million children are trafficked worldwide every year, exposing them to violence and sexual exploitation.²

As Marriott develops its business around the world, we have a responsibility to help protect vulnerable children from exploitation in the communities where we operate. Tourism does not cause the exploitation of children; however, traveling perpetrators sometimes use the tourism infrastructure, such as hotels, in their pursuits. Marriott has taken a leadership role in increasing awareness and prevention, both directly and through our supply chain. In 2011, Marriott joined with other industry leaders to address this issue through ITP, a nongovernmental organization that provides a voice for environmental and social

responsibility in the industry. As a result of this year-long collaboration, the ITP Working Group published an Industry Position Statement on Human Trafficking (see page 22).

Greening the furniture, fixtures and equipment global supply chain

A survey conducted in January 2012 by MindClick SGM™, a leading sustainability research and consulting firm, found that two out of three consumers believe hotels need to be more mindful of their impact on people, their communities and the planet. Over 90 percent of respondents identified one or more products they believe help hotels provide rooms that are healthier (i.e., reduce allergies, minimize toxins, improve indoor air quality) and better for the planet (i.e., lower energy use, conserve water, reduce waste).³

In 2011, Marriott became a founding member, and the first lodging brand member, of the Hospitality Sustainable Purchasing Consortium, an industry leadership group comprised of brands, suppliers, architecture firms, sustainability experts and purchasing firms (see page 37). Under the guidance of MindClick, and in partnership with the U.S. Green Building Council, this working group has created an industrywide supplier sustainability performance scorecard, the HSP Index. The Index measures and reports on suppliers of global furniture, fixtures and equipment (FF&E). Designed to align with the sustainability needs of the hospitality industry, the HSP Index is currently being piloted and launched with additional suppliers, hotel brands and franchisees and owners. By 2013, Marriott expects that this new scorecard will have been used to assess the sustainability scores for 75 percent of our direct spend with FF&E suppliers.

¹International Labour Organization, ILO Action against Trafficking in Human Beings, ILO, Geneva, 2008, p. 1.

²International Labour Organization, ILO Action against Trafficking in Human Beings, ILO, Geneva, 2008, p. 3.

³MindClick Expedia Consumer Sustainability Engagement Report for Hospitality, 2012 (based on January 2012 online survey of 5,000 U.S. travelers who traveled within the past six months for business and/or leisure).

Sourcing sustainable seafood through *FutureFish*

In 2010, working with vendors, global and local fisheries, and organizations such as Cleanfish, Marine Stewardship Council and FishWatch, Marriott became the first large global hotel company to launch a sustainable seafood initiative that we call FutureFish. Designed by our corporate culinary team, this program helps associates in our hotels around the world source, prepare and serve sustainable fish wherever seafood is offered (see page 38). The program was rolled out enterprisewide in 2010, with a goal of offering 50 percent sustainably resourced seafood by 2011. Today, approximately 65 percent of seafood sourced at Marriott hotels is caught in a sustainable manner. We have also engaged seafood vendors, such as Santa Monica Seafood (California) and M&J Seafood (U.K.), in tracking and reporting on their invoices the percentage of products purchased under the sustainable seafood program.

Advocating for the New Golden Age of Travel

Over the past decade, according to the U.S. Travel Association, the number of individuals traveling internationally increased by 60 million, while the number of international visitors to the U.S. remained essentially flat. Marriott has remained steadfast in advocating for policy measures that will help us capture a greater share of the growing global travel market. The growth of middle classes in countries such as Brazil, India and China has the potential to spur a "New Golden Age of Travel," boosting U.S. job growth and prosperity.

In 2010, the Travel Promotion Act was signed into law, resulting in the creation of "Brand USA," the first-ever public-private partnership charged with marketing the United States as an international travel

destination. In 2011, Marriott committed \$3 million to this campaign in cash and in-kind contributions. We also continue to work with the U.S. Department of State, U.S. Department of Commerce and U.S. Department of Homeland Security to reform visa and entry systems, reducing wait times for visa interviews at consular offices worldwide to welcome more visitors.



The Way We Do Business



"Our success depends on being true to this purpose: to provide the opportunity for rewarding travel experiences for our guests, the opportunity for personal and professional growth for our associates, and the opportunity for a better and more sustainable future in the communities where we live and work."

~ J.W. Marriott, Jr., Executive Chairman,
in "Marriott on the Move" blog,
February 2, 2011

After 138 years and an impressive £150 million (approximately \$230 million) restoration, a masterpiece reemerged as the St. Pancras Renaissance Hotel London. Celebrated as one of the city's greatest landmarks, the building exemplifies the style and design of the old train station during the 1800s and serves as the ultimate location for travelers who are looking for the architectural romance and history of London.

Our Company

Marriott International was founded on the principle that quality service is at the core of how we do business. Our “spirit to serve®” our customers, associates, environment and communities makes our culture more vibrant, our business stronger and the world a better place.

We have come a long way from the day in 1927 when J. Willard and Alice S. Marriott established their A&W root beer stand in Washington, D.C. Little did they know their small business would develop into a leading global lodging company, expanding rapidly across North America into Asia Pacific, Europe, Latin America and Africa and the Middle East.

Our vision is to be the number one lodging company in the world. As we drive our global growth, we are focused on responsibly investing in our brands, people and the systems that support them. We open doors to a world of opportunity for personal and professional growth for our associates while remaining true to our core values: put people first, pursue excellence, embrace change, act with integrity and serve our world.

At year-end 2011, Marriott had more than 3,700 hotel properties in 73 countries and territories, with approximately 300,000 associates at managed and franchised properties, Marriott Corporate Headquarters and office locations. Reported revenues were more than \$12 billion in fiscal year 2011.

We included more information on our business model, performance and outlook in the following pages and in our Marriott International, Inc. 2011 [Annual Report](#).

Our Business Model

We believe that Marriott's proven business model of managing and franchising hotels, rather than owning them, positions us for continued long-term success. Our emphasis on management contracts and franchising helps facilitate substantial growth, reduces financial leverage and risk, and provides more stable earnings during economic downturns.

We believe this business model, along with 85 years of experience, strong brands, customer loyalty, engaged stakeholders and enduring culture, gives us a competitive advantage. At year-end 2011, 44 percent of our hotels operated under management agreements, 53 percent operated under franchise agreements, two percent were owned or leased, and one percent were operated or

franchised through unconsolidated joint ventures.

In our franchised hotels, we do not manage associates, building operations and maintenance. Our role in these hotels is to collaborate with owners and franchisees to ensure that our brand standards are met and that franchised hotels benefit from our platforms. We extend this collaboration to areas of social responsibility and sustainability. We work with owners to implement capital expenditures for improving building efficiency and with franchisees to encourage sustainable operational practices everywhere the Marriott International brands are found.





Residence Inn Munich City East

In 2011, Marriott's third largest lodging brand, Residence Inn by Marriott®, celebrated the opening of its first property in Europe, the 125-room Residence Inn Munich City East. As part of an ambitious five-year growth plan, Residence Inn is the fourth new Marriott brand to open in Europe in 2011. Marriott also introduced AC Hotels by MarriottSM, Autograph Collection® and EDITION® hotels to Europe for the first time.

Global Growth

Despite the challenges of global travel in 2011 – political upheaval, economic uncertainty and natural disasters – the industry's direct contribution to world Gross Domestic Product (GDP) grew by nearly three percent to \$2 trillion and directly generated 1.2 million new jobs. Growth is expected to remain stable in 2012.⁴ As Marriott continues to grow over the next couple of years, we anticipate that our system of managed and franchised hotels will generate approximately 100,000 new jobs including replacements for turnover and new unit growth.

In 2011, we opened 210 hotels with nearly 32,000 rooms; more than half of the rooms were outside of the United States. As of March 2012, our development pipeline of hotels under construction, awaiting conversion or approved for development includes nearly 115,000 rooms, nearly half of which are outside of North America. We expect to add between 90,000 and 105,000 rooms to our system during the three-year period from 2012 to 2014.

Governments recognize the impact that travel and tourism have on job creation and economic development. From 2010 to 2011, Marriott recognized income of \$9.6 million from U.S. federal and state government incentives to further our economic presence in the communities in which we operate. To better support global growth, we completed the reorganization of Marriott International's operating structure into four continental divisions, each with its own

leadership team reporting to Corporate Headquarters in suburban Washington, D.C. (Bethesda, Maryland). This shift puts us closer to our local customers and their insights and innovations and better aligns us with our hotel owners, franchisees and other stakeholders, driving even better operating results and growth.

The New Golden Age of Travel

According to the World Travel & Tourism Council (WTTC), 2012 is set to be a milestone year as the industry's direct contribution to the global economy is expected to pass \$2 trillion in GDP and 100 million jobs.⁵

We are partnering with U.S. federal officials to implement the National Travel and Tourism Strategy released in May 2012. The Strategy lays out a blueprint for increasing travel to and within the U.S. and supports job growth. It also expresses a commitment to increase the number of international visitors to the U.S. to 100 million annually by 2021 – an increase of approximately 40 million arrivals over 2011 levels.

New appointments have also been made to the U.S. Travel and Tourism Advisory Board, charged with advising the Department of Commerce on issues related to our industry, including Marriott's Executive Vice President & Chief Global Communications & Public Affairs Officer, Kathleen Matthews.

"I believe we are entering a 'New Golden Age of Travel,' where opportunities to do business and travel abroad are opening up like never before. Bringing down barriers to travel creates jobs and prosperity, and we applaud the U.S. federal administration's plans to reform visa and entry systems to welcome more international visitors."

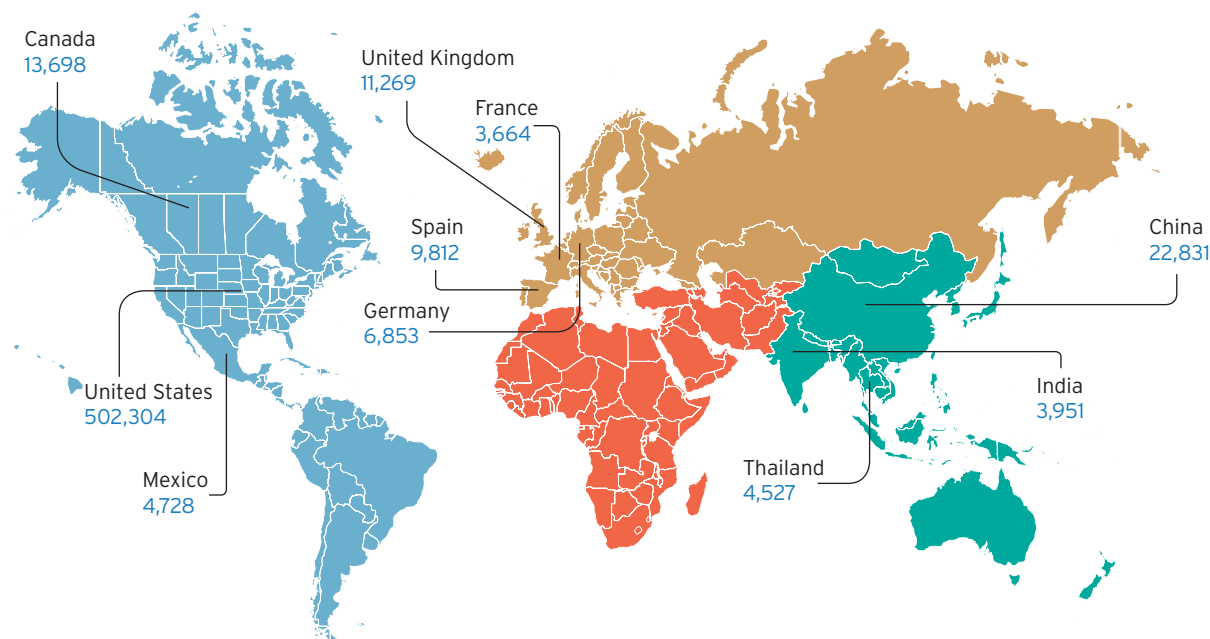
~ Arne Sorenson, President and CEO, at the World Economic Forum 2012 Annual Meeting

^{4,5} World Travel & Tourism Council (2012). The Economic Impact of Travel & Tourism 2012. Retrieved from http://www.wttc.org/site_media/uploads/downloads/world2012.pdf

Global Growth (continued)

Top Markets 2011 Year-End (by total rooms)

Country	Total Properties	Managed Hotels	Franchised Hotels	Unconsolidated JV Hotels*	Timeshare**	Total Rooms
United States	3,122	750	2,322	-	50	502,304
China	57	57	-	-	-	22,831
Canada	67	12	55	-	-	13,698
United Kingdom	58	55	2	-	1	11,269
Spain	82	4	2	73	3	9,812
Germany	30	20	10	-	-	6,853
Mexico	19	5	14	-	-	4,728
Thailand	20	15	2	-	3	4,527
India	15	15	-	-	-	3,951
France	16	15	-	-	1	3,664



Regional Presence 2010 & 2011

Region	Total Properties		Managed Hotels		Franchised Hotels		Unconsolidated JV Hotels*		Timeshare**		Total Rooms	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Americas	3,204	3,263	802	801	2,339	2,406	-	-	63	56	524,202	534,471
Europe	180	282	137	144	38	48	-	85	5	5	41,079	52,653
Asia Pacific	131	136	116	122	12	11	-	-	3	3	43,919	45,441
Middle East and Africa	30	37	28	35	2	2	-	-	-	-	8,904	10,631
Total	3,545	3,718	1,083	1,102	2,391	2,467	-	85	71	64	618,104	643,196

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

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

Governance

Marriott has a long-standing commitment to transparency and integrity in our corporate governance practices. Our board of directors oversees management and enhances the long-term value of the company for our shareholders. A formal infrastructure of various councils of external experts, executives and associates guides us in making everyday decisions that affect our work environment, our sustainability practices and our direction as a company in key business areas.

Committee for Excellence

Global diversity and inclusion efforts at Marriott are driven by a CEO-led council of senior executives and are overseen by a board-level committee, the Committee for Excellence. The Committee is responsible for monitoring the progress of our global diversity and inclusion strategy and evaluating the company's efforts to promote an increasingly diverse workforce, and owner, customer and supplier communities. Chairman and CEO of BET Networks, Debra Lee, chairs the Committee, which also includes other board members and Marriott senior executives.

In 2010, we launched a Global Diversity and Inclusion Council led by President and CEO Arne Sorenson. The Council complements the Committee for Excellence and defines our overarching vision for diversity and inclusion, ensures integration across all dimensions and establishes metrics that will enhance our progress around the world. In 2011, as a result of this focus, we continued to cascade our strategy across the globe and achieved strong performance in all aspects of diversity and inclusion.

Global Green Council

Since 2007, our Global Green Council has guided our environmental strategy by evaluating our practices, setting long-term goals, developing an environmental strategic plan and catalyzing our progress. At quarterly meetings, this cross-functional team of senior executives applies a sustainability lens to how we think about, design and deliver programs and services enterprisewide. The Council co-chairs report on strategy development and relay progress toward goals to Arne Sorenson who provides annual updates to Marriott's board of directors.

Human Rights Task Force

In 2006, we formed an executive-level Human Rights Task Force to advance Marriott's human rights policies and programs. In late 2010, the Task Force approved "Human Rights and the Protection of Children" training for our security officers and all property-based associates in our global operations. We completed training for all associates in March 2012 (see page 21).

Business Councils

Marriott has 71 Business Councils worldwide comprised of general managers representing all brands and businesses in a given city or, in some cases, country or region where we have a significant presence. The Councils support business strategies and add value to their markets by helping to perpetuate our core values and culture, participating in government affairs efforts, and localizing Marriott's social responsibility and community engagement priorities, including in times of disaster. We believe the work of our Business Councils gives Marriott a competitive advantage, helping us reinforce our operational excellence.

Ethics

Upholding high ethical standards is critical to our competitive advantage, maintaining strong relationships with our shareholders, owners and guests, and attracting and retaining talented associates. Our ethics and compliance program, reflecting the full commitment of our senior leadership, is guided by our pledge – *"How we do business is as important as the business we do."*

Our commitment to integrity begins with clearly communicating expectations, so that our associates can identify what constitutes ethical behavior and what does not. For example:

- We issued a revised Business Conduct Guide in 2011 that supports our company's official policies pertaining to ethical practices.

In 2012, *Ethisphere* magazine recognized Marriott as one of the World's Most Ethical Companies for the fifth consecutive year.

- In 2011, we introduced 30 Business Ethics videos – quick clips created by the Second City Comedy Troupe that address ethical behaviors ranging from acceptance of gifts to conducting business honestly and ethically.
- In 2010, we launched another new ethics communication, Business Ethics Bulletin, to educate associates about acting with integrity.
- On an ongoing basis, we deliver online and in-person training to all associates commensurate with their job duties, which may include anti-corruption subjects such as the Foreign Corrupt Practices Act and the UK Bribery Act.

To determine awareness of, and compliance with, the company's policies and relevant laws, our Internal Audit Department conducts an annual Legal and Ethical Conduct Survey of a broad cross section of associates, including all officers and senior managers. We provide associates with a number of avenues, some anonymous, to report unethical behavior, including a toll-free international Business Integrity Line, providing 24/7 access to trained ethics operators.

MARPAC Disbursements

Marriott maintains a Political Action Committee (MARPAC) that supports candidates for U.S. Congressional offices who advance policies that promote the travel and tourism industry. MARPAC is funded through voluntary associate contributions in accordance with federal regulations, and commits to contributors that it will split disbursements equally between candidates from the two major political parties during each two-year election cycle. The current election cycle is from January 1, 2011 through December 31, 2012.

The figures below reflect MARPAC collections and disbursements from January 1, 2011 through June 30, 2012; additional disbursements will be made in the November election cycle.

2012 Election Cycle Receipts (through 06/30/2012)	\$435,761	
Contributions to Democratic Candidates	\$90,000	(36%)
Contributions to Republican Candidates	\$120,900	(49%)
Contributions to Other PACs	\$38,185	(15%)
Total Disbursements, 2012 Election Cycle (through 06/30/2012)	\$249,085	





Marriott Business Values



Marriott's Western Southwest Sales team celebrates receiving the prestigious 2012 J.W. Marriott, Jr. Diversity Excellence Award for excellence in promoting diversity and building an environment of inclusion for all.

Workforce

Marriott founder J. Willard Marriott coached managers to “take care of your associates and they’ll take care of your customers.” This philosophy is the cornerstone of our culture and the foundation of our success. We are committed to providing an environment where our associates have the opportunity to achieve their potential, are highly engaged and are empowered to deliver great guest service.

In 2011, Marriott was honored to be named to the inaugural list of “World’s Best Multinational Workplaces” by Great Place to Work® Institute. The ranking is based on the world’s largest annual study of workplace excellence and identifies the top 25 best companies to work for in the world. Marriott ranked seventh and was the only lodging company on the list. Companies are ranked predominantly (2/3 of the score) on the basis of survey responses from associates.

We have a variety of vehicles in place to encourage open dialogue with associates such as Living Our Core Values/Living The Gold Standards meetings, walk-around management, daily stand-ups and World Tour Town Hall meetings. Additionally, each year we conduct a confidential Engagement Survey with all associates. In 2011, 94 percent of associates at our corporate offices and managed properties worldwide responded to the survey. We hold managers accountable to share survey results and conduct feedback sessions to create action plans to deliver continued improvements.

“Our business was greatly affected by the recession, as were our associates and their families. During this period, we worked extra hard to take care of them ... reducing costs whenever possible to protect jobs ... adjusting work schedules to give them as many hours as we could ... and taking steps to maintain their health benefits. Our associates made a heroic effort to take care of our customers and help keep our company strong during the downturn. We are tremendously proud of all of them. And now that the economy is slowly but surely improving, we’re looking forward to making sure they have great opportunities for advancement.”

~ J.W. Marriott, Jr., Executive Chairman in 2010 Company of the Year Remarks, LATINA Style Awards Ceremony & Diversity Leaders Conference, February 3, 2011



Total Global Workforce (YE 2011)

	Total
Total Global Associates*	144,260
Hourly-paid	82%
Salaried	18%
Full-time	91%
Part-time	9%
Male	47%
Female	53%
Voluntary Turnover (includes retirements)	16%
New Hires	35,847

*Includes associates at headquarters, corporate offices and managed properties.

Employment

A sustainable future requires creating more jobs and strengthening communities. According to the WTTC, the travel and tourism industry accounted for 255 million jobs worldwide in 2011, including direct employment and a vast array of suppliers. In 2011, Marriott hired nearly 36,000 associates. Over the next two years, we plan to hire approximately 100,000 people; two-thirds outside of the United States.

We are dedicated to hiring, engaging and retaining a diverse workforce around the world that mirrors the communities in which we live and work. We embrace the talents, perspectives and backgrounds of our associates and offer an inclusive work environment. Marriott's Global Employment Principles align with our Human Rights Policy. We support and uphold the elimination of workforce discrimination through our employment practices, particularly as demonstrated by our Guarantee of Fair Treatment policies.

Marriott's workforce includes more than 144,000 associates working at corporate offices and managed properties in 73 countries and territories. We aggressively recruit a diverse group of associates. Many of our recruitment programs are rooted in strategic partnerships with organizations that sponsor diverse groups and college and youth programs. Through Marriott's University and College Recruitment Program, we actively recruited at 60 campuses across the U.S. in 2011.

We offer paid internships at our lodging properties and Corporate Headquarters that provide hands-on work experience to prepare participants for leadership in the professional world, and possible jobs at Marriott. Interns focus on one professional area, with possibilities to explore other areas in our business operations.

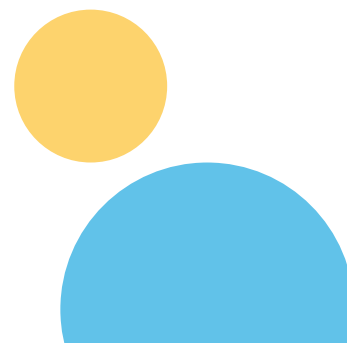
Additionally, our hotels worldwide partner with local universities and participate in programs such as Youth Career Initiative, World of Opportunity Europe and The Ritz-Carlton's Succeed Through

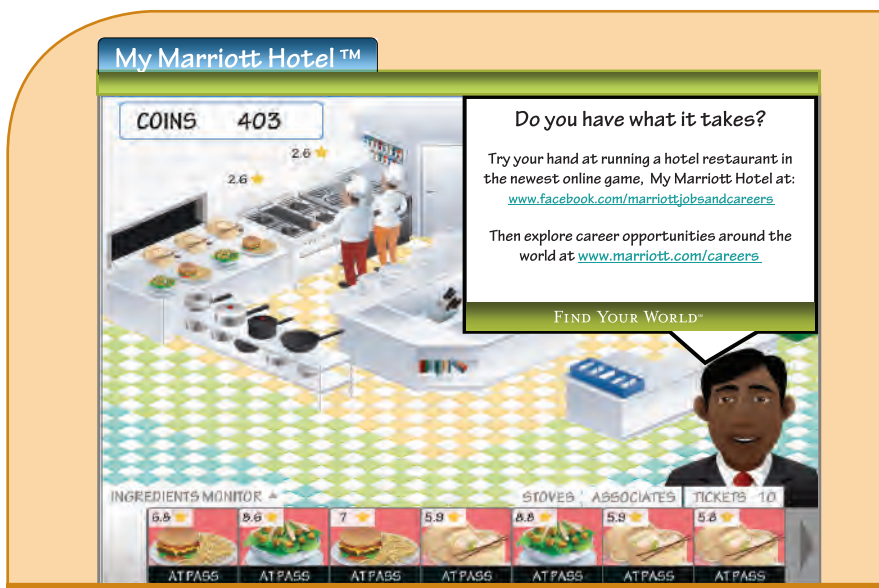
Total U.S. Workforce (YE 2011)

	Total
Total U.S. Associates*	100,261
Hourly-paid	84%
Salaried	16%
Full-time	88%
Part-time	12%
Male	45%
Female	55%
Voluntary Turnover (includes retirements)	12%
New Hires	20,205

*Includes associates at headquarters, corporate offices and managed properties.

Service to recruit young people (see page 29). To help further generate interest in hospitality careers among young people, Marriott launched Marriott Jobs & Careers and My Marriott Hotel on Facebook.





My Marriott Hotel

Through conversations with Marriott associates around the world, we learned that in some areas young people have little exposure, if any, to the hospitality industry. And many have never stayed in a hotel. Through research, we also know that 200 million people, primarily ages 18 to 34, interact with social games on Facebook each month, a global trend with 70 percent of users being outside of the United States.

To help generate interest in hospitality careers among young people in growth markets around the world, Marriott became the first in our industry to tap into the exploding popularity of social media gaming. Our innovative [My Marriott Hotel](#), launched on Facebook in 2011, offers gamers a chance to manage a “virtual” hotel restaurant kitchen and later on move to other areas of hotel operations.

The game can be played in English, Spanish, French, Arabic and Mandarin. The game is also being prepared to launch on Renren, a channel comparable to Facebook in China, by the end of 2012. Gamers create their own restaurant, where they buy equipment and ingredients on a budget, hire and train staff and serve guests. They earn points for happy customers...and lose points for poor service. Ultimately, they are rewarded when their operation turns a profit.

The response to My Marriott Hotel has been phenomenal. At any given time, we have players from 120 different countries – more countries than the 73 where we have hotels – running their own kitchens. One-third of My Marriott Hotel game players eventually click on the “try it for real” button, which directs them to the careers section of our website.

Communication skills are critical to integration and success within any organization. In 2011, the Migration Policy Institute recognized Marriott with its first-ever Corporate Leadership Award for helping associates expand their language skills. Marriott’s Global Language Initiative includes the following programs:

- Sed de Saber™ (Thirst for Knowledge), an innovative electronic learning program that enables Spanish-speaking associates and their families to learn English at their own pace and place.
- Rosetta Stone®, a learning program that offers courses in 25 languages, was further expanded in 2011 through Marriott’s intranet. Currently, more than 10,000 associates are active in the program. In a recent internal survey, 97 percent said they would recommend Rosetta Stone to others.

Immigration and Integration

Marriott continues to advocate for changes to the U.S. immigration system that would improve our ability to hire seasonal immigrant labor for periods and locations where U.S. citizens or permanent residents are not filling vacant positions. The U.S. issues a variety of

temporary work visas for both high and low skill occupations that allow noncitizens to enter the country for a period of time to perform certain types of work. We remain committed to advocating for a uniform federal approach to immigration enforcement that will supersede a growing patchwork of state laws.



Awards of Excellence Spotlight

In 2011, Marriott celebrated the 25th anniversary of our Awards of Excellence. The highest award presented annually to honor associates for outstanding service is the J. Willard Marriott Award of Excellence.

One of the award recipients was Hassan Ibrahim, a Prep Cook at the Dallas Marriott Suites (Texas), who began as a dishwasher in 2005.

Hassan emigrated from Sudan to the U.S. after experiencing unrest in his home city of Darfur. He views challenges as opportunities rather than obstacles. When Hassan realized the need to learn English, he signed up for courses at a local school. With Hassan's help, the hotel's Guest Services Satisfaction scores have ranked as high as number one and the kitchen's Engagement Survey scores have increased 20 percent since 2009.

"Hassan really is the American dream," says Suzy Hart, general manager of the Dallas Marriott Suites. "The love he has for our company is like nothing I have seen before. Hassan probably believes that Marriott is a great company as much as Mr. Marriott does."

Learning and Development

To meet the demands of Marriott's global growth strategy, it is important to develop a strong leadership pipeline to ensure associates are ready to assume advanced leadership roles. Through skills training programs, professional development opportunities and other learning experiences, we provide associates with a multitude of choices for career and personal growth, including over 4,500 formal learning programs. Of these, more than three-fourths are eLearning, with the balance being instructor-

led or blended programs. Marriott associates also participate in informal learning activities throughout the year.

One example of a formal learning program is our Breakthrough Leadership Training based on FranklinCovey's The 4 Disciplines of Execution. The program helps managers create, execute and measure critical work goals aligned with Marriott's business priorities. In 2011, Marriott completed the roll-out of this program to U.S. hotel and sales managers and launched the program's global expansion to specifically drive

overall guest satisfaction. To ensure ongoing success of the program, managers have access to best practices sharing and coaching, including weekly coach calls and quarterly web-based program update sessions. Since introducing Breakthrough Leadership Training, Marriott's Guest Satisfaction Scores (see page 22) for "staff service" and "arrival experience" in North America and the Caribbean/Latin America have increased in the range of 1.2 to 3.3 percentage points in just two years.

Under Marriott's philosophy of promoting from within, many of our leaders have moved up from entry-level hourly or management positions. In addition to participating in internal learning programs, these leaders have taken advantage of tuition reimbursement and flexible schedules to attend school; cross-training to gain experience and skills in various departments; and work-at-home options. In addition to associates who were promoted into supervisory or management jobs in 2011, thousands more moved laterally, gaining new career experiences.

In 2011, we launched a new Hourly Performance Process (HPP), developed with input from managers, to support the evaluation of hourly associates on activities that are most important to their jobs, with an added focus on their professional development. Reviews are conducted with all associates on an annual basis. Performance development is organized using the HPP tool and is accomplished through ongoing conversation between associates and their managers.



Work/Life Effectiveness

In 2011, we participated in research projects with Boston College resulting in published case studies featuring Marriott's approaches to workplace flexibility, managing a multi-generational workforce and building the next generation of leaders. We also participated on a panel for the U.S. Department of Labor, Women's Bureau National Dialogue on Workplace Flexibility for hourly workers; joined First Lady Michelle Obama's Let's Move campaign to help fight childhood obesity in the U.S.; and presented at a Capitol Hill Briefing on "How Inflexible Workplaces Fuel Poverty and Hurt American Competitiveness."

Marriott continues to be actively involved with external groups advocating for global work/life effectiveness and women's leadership initiatives such as Catalyst, Corporate Voices for Working Families, Center for Work and Family at Boston College, Sloan Center for Aging and Work at Boston College, Families and Work Institute, and WorldatWork's Alliance for Work-Life Progress.

The essence of our culture at Marriott is the deep belief developed by our founders that first and foremost in business, we must remain committed to "putting people first" and "taking care of our associates." A portfolio of work-life initiatives exists around the globe and includes flexible work arrangements, paid and unpaid time off, dependent care discounts and flexible staffing for professional career breaks.

Marriott's myARL (my Assistance and Resources for Life) program offers associates and their family members 24/7 access to experts for counseling, education, resources and referrals on a wide range of topics including child care, elder care, legal, financial, relationships, addiction and recovery, health and wellness, and midlife and retirement.



Remembering 9/11

On the 10th anniversary of 9/11, we remembered two of our colleagues, Joseph Keller and Abdu Malahi, who died assisting guests and firefighters. On this day we also moved our tattered flag that flew atop the former Marriott World Trade Center hotel from our global headquarters to the New York Marriott Downtown hotel located a block from the 9/11 Memorial. There it awaits the opening of the 9/11 Memorial Museum where the flag will find a permanent home.



“Our core strength lies in our ability to embrace differences and offer opportunity to everyone so that they feel valued, can contribute their unique gifts and experience personal growth. This is one of the most important pillars to our spirit to serve culture. Similarly, our ability to attract the most diverse customers and reflect local cultures in our hotels will propel our future success and global growth.”

~ Arne M. Sorenson, President and CEO

Health and Wellness

In 2011, we marked the one-year anniversary of Marriott's TakeCare wellness – Choose Health Every Day! wellness program. Marriott's commitment to helping associates



safeguard their health dates back to the company's early years when our founder hired a full-time physician and created the first health care program in our industry.

In addition to TakeCare, throughout the year all locations sponsor and promote numerous initiatives to help associates live healthy lifestyles, manage ongoing health issues and adopt good preventive health practices. We support on-site fitness centers and classes, health fairs, Weight Watchers at Work, flu shots, health screenings and blood drives.

In 2011, Marriott senior executives hosted a rally to kick off the “Choose Health Every Day National Wellness Challenge.” Arne Sorenson, President and CEO, and David Rodriguez, Executive Vice President and Chief Human Resources Officer, helped generate excitement among associates for the 30-day program. Associates were given a checklist of healthy activities and asked to complete at least 25 of them and track their progress online.

Global Diversity and Inclusion

Marriott's strategy is to embed global diversity and inclusion into our organization so that it is integral to how we do business. Our board-level Committee for Excellence and Global Diversity and Inclusion Council led by Arne Sorenson (see page 10) are in place to ensure the integration of our diversity and inclusion focus on all segments of our company's business: workforce, customers, suppliers, owners, franchisees and communities. This focus resulted in many accomplishments in 2011 including the following:

- The introduction of My Marriott Hotel, an innovative social media game designed to break through cultural barriers and introduce Marriott and hospitality to the younger generation of future associates and customers (see page 15)
- A multicultural marketing strategy to enhance brand preference and loyalty with diverse customer segments
- Successful advocacy for visa reform to expand the ability of diverse customers to more easily visit the United States
- Continued expansion of our level of supplier diversity influence worldwide
- Continued development of relationships with entrepreneurs and business owners to increase diverse ownership opportunities



Cultural Appreciation Day at Marriott Corporate Headquarters celebrating the unique talents, contributions and backgrounds of our diverse global workforce.

- A redesigned diversity and inclusion website resulting in a significant increase in visits

Customers

As a global hospitality company operating in 73 countries and territories, we recognize the importance of understanding the cultural differences of our customers. To help Marriott managers increase their cross-cultural competence, we introduced a portfolio of tools and resources to build leadership effectiveness.

Workforce

Marriott realized long ago that a diverse and inclusive work environment strengthens our company's culture, enables us to open doors to a world of opportunity and provides a competitive advantage. Today in the U.S., our associates hail from

Associates at The Residence Inn Chicago Deerfield (Illinois) introduced small touches of "home" to the large number of hotel guests on business travel from India.

These included amenities such as: a special welcome kit, calling cards, an Indian breakfast and private dinners at local Indian restaurants. They also introduced "India Night" featuring associates dressed in traditional Indian garb along with special services and food and beverage offerings.

dozens of nations and speak more than 50 languages; 63 percent are ethnic minorities and women represent 55 percent of associates and 57 percent of managers.

Marriott has built a Diversity and Inclusion Council infrastructure comprised of associates representing the broad scope of diversity at Marriott. These groups help us create an inclusive environment and drive initiatives such as our annual Cultural Appreciation Day, which celebrates our associates' diversity of ideas, backgrounds and experiences and builds cultural competence.

In 2011, our regional Diversity and Inclusion Councils hosted two day-long Women's Leadership Conferences in Los Angeles, California and Kansas City, Kansas. The events facilitated networking between Marriott women leaders and senior executives and provided learning in key areas of leadership, mentoring and work/life integration.

Our professional development programs are supported by strategic partnerships with various diverse organizations that help expand our ability to attract, develop and retain minority and women leadership talent. In addition to partnering with these organizations to recruit leadership talent, Marriott actively participates in their respective leadership development programs.

The Goa Marriott Resort & Spa (India) celebrated International Women's Day with its associates and managers on March 8, 2011. The gathering provided female managers and associates with an opportunity to discuss ideas for how to promote women-friendly practices in the workplace.



For 21 years, the Marriott Foundation for People with Disabilities has provided job and life-skills training for young people with disabilities through the "Bridges...from school to work®" program. To date more than 13,500 youth have been placed in mainstream employment with 3,500 employers, including Marriott, across nine cities in the U.S. Marriott, our business partners and other donors contributed \$1.3 million to Bridges in 2011.



Supplier Diversity

Marriott’s commitment to working with diverse-owned businesses in the communities in which we operate not only provides a competitive advantage but also enhances sustainable business growth and economic and social vitality. Our relationships with thousands of minority-, woman-, service veteran-, disabled-, and lesbian, gay, bisexual, and/or transgender (LGBT)-owned businesses around the globe continue to grow and strengthen.

Marriott is an active corporate member of multi-national organizations that support the development of diverse and historically excluded suppliers. For example, we are a global sponsor of WEConnect International, a corporate-led nonprofit that facilitates economic growth by empowering and connecting women business owners with global markets. Marriott executives serve in leadership roles on WEConnect’s boards and offer their procurement expertise, helping the organization expand across the globe. In 2011, we hosted the Global Women Vendors Exhibition and Forum, organized by WEConnect International and the International Trade Center, at the JW Marriott Hotel Chongqing (China).

We also sponsor and provide expertise to the National Minority Supplier Development Council (NMSDC) and its Global-Link initiative consisting of counterpart organizations in Australia, Canada, China, South Africa and the U.K. To help foster relationships between potential suppliers and Marriott, we recently participated in the organization’s trade missions to Australia and China.

Recognized as a procurement leader inclusive of LGBT-owned businesses around the world, Marriott partners with organizations such as the National Gay & Lesbian Chamber of Commerce to connect with certified LGBT suppliers, offer business leadership expertise and sponsor networking events.

In addition to working directly with diverse suppliers, we also collaborate with companies, such as Avendra (see page 37), to help us reach our supplier diversity goals. Avendra helps identify opportunities to increase spend with diverse suppliers, tracks Tier 2 (indirect) diverse



Thullii Dreaming – Small, Aboriginal Business

As part of a three-year pilot program, Marriott worked with Thullii Dreaming, one of the first indigenous-owned businesses certified by the Australian Indigenous Minority Supplier Council (AIMSC), to source Aboriginal products for our Australia hotels. As an initial result, the Sydney Marriott is sourcing approximately 26 percent of its bottled water from Thullii Dreaming. Indigiearth Natural Spring Water, from the New South Wales Central Coast Mountain Region, is bottled at source using recyclable packaging and is Australian Certified Organic. Plans to extend the water supply to other Marriott properties in Australia are under development as well as the supply of additional products such as jams, herbs and spices.

We also helped Thullii Dreaming’s owner Sharon Winsor develop a plan for future business. Sharon has made a significant impact on the local community by providing work to indigenous Australians and educating others about the First Australians. As her business continues to grow, Sharon is employing more Aboriginal people, mostly women, who are typically unemployed or underemployed.

In 2011, the Australian Indigenous Minority Supplier Council (AIMSC) recognized Marriott and Thullii Dreaming as Supplier Diversity Partner of the Year.

spend, participates in industry events and includes diverse suppliers in the Request for Proposal process whenever possible.

Over the last decade, Marriott has spent nearly \$4 billion with diverse suppliers. We are committed to increasing this number by providing opportunities within an ever-increasingly diverse and inclusive supply chain. In 2011, nearly 17 percent of Marriott’s total procurement was with diverse suppliers and in the U.S., 9.2 percent of total payments to consultants, suppliers and vendors were awarded to women-owned companies.

Our progress is attributable, in part, to our continuous efforts to make it easy for diverse companies interested in doing business with Marriott to learn how to do so. Our website houses a [special section](#) where suppliers from around the globe can complete an online form to register with us and easily link to information about supplier qualifications, the types of products and services we purchase and contact information.

Diversity

	2008	2009	2010	2011	Target
Minority- and Women-Owned Hotels	400	525	578	600	700 by 2015
Inclusive Purchasing	14.0%	14.8%	15.5%	16.8%	20% by 2015



Diverse Hotel Ownership

Rajni Marwah is president of Elite Experience, Inc., a successful franchise company based in Whittier, California. Rajni and her husband, Gurbax "Rai" Marwah, own and manage the Fairfield Inn & Suites® Selma Kingsburg (California). Originally from India, the Marwahs have owned and operated several restaurants, convenience stores and two hotels. Their first Marriott-branded hotel opened in June 2010 and is achieving higher guest satisfaction scores than the system average. They have recently received approval to develop a second hotel – Fairfield Inn & Suites Fresno North / Shaw Avenue (California); construction is scheduled to begin in late 2013.

Diversity Ownership

Marriott launched the Diversity Ownership Initiative in 2005 to bridge the gap between successful women and minority business owners and professionals and the hospitality industry. The Initiative focuses on outreach and education for diverse hotel owners and franchisees and offers an array of financial incentives. We surpassed our early goals and by year-end 2011 had 600 open hotels with diverse ownership.

This success stems from the following key components of Marriott's Diversity Ownership Initiative:

- **Preparation.** We hold education summits for prospective hotel owners and franchisees. Individuals learn about hotel ownership, from concept to execution, from experienced industry professionals. Workshops range from partnership development and site location to financing and management.
- **Experience.** We seek individuals who have a demonstrated track record of business experience and success. A background in the lodging industry is not required, but drive is. Individuals must be capable of taking an equity position in Marriott hotels under development or acquiring or re-branding hotels.
- **Empowerment.** We equip our owners with information and tools they need to be successful. During the workshops participants meet existing owners,

professionals from the lending industry and members of Marriott's operations team and various departments. We have a network to help guide and support new owners.

Human Rights

Marriott continues to advance our programs and policies that both respect human rights and protect vulnerable children. In 2011, we completed the following:

- Delivered "Human Rights and the Protection of Children" training to all associates enterprisewide. The training was mandatory for all Marriott managed properties covering more than 144,000 associates and was provided to all Marriott franchised properties worldwide. Beginning in 2012, we integrated this training into the onboarding process for all new associates.



Eder was offered a position in the housekeeping department at the Renaissance São Paulo Hotel, Brazil, after completing the YCI program in 2011. Since then, Eder has been promoted to chef and continues to receive support from his mentors at the hotel to help him reach his goals.

Youth Career Initiative

Youth Career Initiative (YCI) is a 24-week education program created and managed by the International Tourism Partnership, which enables hotels to deliver life and employment skills training to young people from challenging backgrounds. By serving as mentors, teachers and on-the-job trainers, our managers share expertise that helps these young people prepare for the job market.

In 2010, Marriott was instrumental in securing a \$200,000 grant for YCI from the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons to include rehabilitated survivors of human trafficking in the YCI program in Mexico, Vietnam and Brazil. In 2012, this program's first graduating class in Mexico City included 11 survivors of trafficking from local shelters.



- Delivered “Human Rights and the Protection of Children” training developed specifically for our Loss Prevention Directors and Officers at all managed properties worldwide. The training is part of the required security officer certification program. In the Americas, through the American Hotel & Lodging Association, 2,312 new and incumbent officers received the training. An additional 3,198 officers received the training in the Asia Pacific, Middle East & Africa and Europe regions.
- Participated in the International Tourism Partnership’s Human Trafficking Working Group and were instrumental in the creation of an Industry Position Statement on Human Trafficking that includes a commitment to corporate policies, awareness training and sharing best practices.

In an effort to advance our industry’s impact on protecting children from exploitation, we shared our training programs with the American Hotel & Lodging Association, the International Tourism Partnership membership and the U.S. Department of Homeland Security.

We continue to support programs that address the root cause of exploitation. We also help vulnerable young people prepare for and find meaningful employment through programs including the Youth Career Initiative (YCI) in nine countries, SOS Children’s Villages in 19 European countries and The Ritz-Carlton’s “Succeed Through Service” in 26 countries.

Guest Satisfaction

Marriott brands remain strong as a result of superior customer service with an emphasis on guest and associate satisfaction, the worldwide presence and quality of our brands, Marriott Rewards® and The Ritz-Carlton Rewards® loyalty programs, a multichannel central reservations system and desirable property amenities.

Our guest loyalty programs have grown to more than 38 million members; 50 percent of all room nights booked worldwide come from our Rewards members. In 2011, Marriott.com accounted for nearly \$7 billion of our annual property-level gross revenues.

Customer feedback is critical to our success. On an ongoing basis we gather customer feedback from a variety of sources. Our Global Reservation Sales and Customer Care team is available 24/7 to respond to calls, letters, emails and other online feedback. In 2011, this team of associates earned Marriott the highest customer phone experience score in a survey conducted

by Forrester Research. Through Marriott Rewards Insiders, an online community for our guests, we gather ratings, reviews and ideas for improvement in addition to posting updates, blogs and travel tips.

Marriott conducts several global customer satisfaction surveys throughout the year. Our Guest Satisfaction Survey (GSS) program was designed and implemented in the early 1990s in the U.S. to identify the key drivers of customer satisfaction and loyalty, which provide information to help associates optimize a guest’s experience. Today, the program includes all regions worldwide and in 2011, 10 million survey invitations were distributed. Similar programs include the Meeting Planner/Catering Customer Engagement Survey and The Ritz-Carlton Customer Engagement Survey. Survey scores are coupled with results from formal operations inspections conducted every six months that result in recognition or improvement plans.

In 2011, The Ritz-Carlton received two honors from J.D. Power and Associates: Customer Service Champion, one of only 40 companies to receive this distinction, and highest ranked luxury brand on the North America Guest Satisfaction Index Study for the second consecutive year.

Guest Satisfaction

	2008	2009	2010	2011
Reward Members*	30 Million	32 Million	35 Million	38 Million
Guest Satisfaction Score Response Rate	27%	26%	24%	22%
Overall Guest Satisfaction Score**	81.6	82.5	81.9	81.6

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

*As of 2010, “Rewards Members” includes members of the Marriott Rewards and The Ritz-Carlton Rewards programs, the latter of which launched in 2010.

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

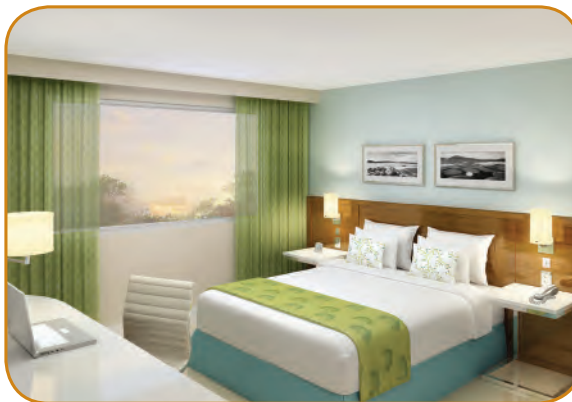


Marriott Economic Hotel Development

In the coming years, more than 50 percent of our hotel growth will be outside of the United States, in markets such as Brazil, China, India, Africa, the Middle East and Europe. Examples of this growth include the following projects.

In 2011, Marriott entered an agreement with PDG Realty to develop Fairfield by Marriott hotels throughout Brazil. Each Fairfield hotel developed with PDG will be built with a focus on saving energy and minimizing its impact on the environment. Additionally, when each of the first 10 hotels open, a contribution will be made to support the Amazon rainforest preservation in the Juma Reserve through the Amazonas Sustainable Foundation (see page 44 for more information on Juma).

Marriott also formed a joint venture with SAMHI Hotels Pvt Ltd., a hotel and investment company based in New Delhi, India, to launch Fairfield by Marriott, a new hotel prototype designed specifically for the growing Indian business traveler segment. The venture is expected to bring 2,500 guest rooms and approximately 15 moderate-tier hotels to India by 2015 in markets such as Bengaluru, Chennai and Hyderabad. In the first three years, 8,000 jobs are expected to be created. The venture will help firmly establish Marriott's leadership position in the moderate-tier category in India, and support our goals of expanding in India from 12 to 100 hotels across seven brands by 2015.



A sustainable design for greater energy efficiency will mark the entrance of Fairfield Inn & Suites, Marriott's leading brand in the moderately priced lodging segment, into the Brazil market.



Haiti Development Project

On November 28, 2011, Marriott President and CEO Arne Sorenson traveled to Haiti to announce that the company will manage a \$45 million, 173-room Marriott hotel in Port-au-Prince, bringing much needed jobs and business investment to the country.

Earlier that day, Mr. Marriott placed a phone call to the associates of the Harbor Beach Marriott Resort & Spa in Ft. Lauderdale, Florida. More than 200 members of the hotel team are Haitian, and many of them have family and friends still working to recover from the 2010 earthquake. "I wanted you to be the first to hear the good news because all your fundraising and volunteer work in Haiti inspired this development deal," he told them. "I'm really proud that this hotel will create 200 new jobs and open doors to a world of opportunity for the people of Haiti."



Marriott and Society



The Courtyard Marriott Chennai (India) was honored with the 2011 Alice S. Marriott Award for Community Service for its comprehensive community engagement strategy which, includes support for Rising Star Outreach, Down Syndrome India and Joy of Giving Week. Each month, associates volunteer with children from Rising Star. On this day, associates engaged the children in a game of cricket.

Marriott's "spirit to serve" makes our culture more vibrant, our business stronger and the world a better place. Investing in the

Our locations worldwide are focused on five strategic areas:

- **Shelter and Food**
- **Environment (page 30)**
- **Readiness for Hotel Careers**
- **Vitality of Children**
- **Embracing Global Diversity and Inclusion (page 18)**

communities where we do business is at the core of Marriott's "Spirit To Serve Our Communities" social responsibility and community engagement strategy.

- In 2011, our charitable contributions totaled \$23 million in cash and in-kind donations to organizations worldwide. Associates raised an additional \$4.9 million for their communities during company-sponsored events and volunteered nearly 430,000 hours valued at \$9.4 million.

We help put roofs over people's heads and food on their plates, provide education so people can secure jobs, and help youth who are vulnerable to poverty,

exploitation and simple lack of opportunity. We are working toward a healthier planet through our investments to protect the Amazon rainforest and support freshwater conservation in Southwest China.

Our commitment to society blends financial contributions with in-kind giving of products and services, and the volunteer service of our associates around the world. In addition, many of our owners, franchisees, suppliers and guests are actively engaged in their communities, often working alongside us on projects such as building homes with Habitat for Humanity International or raising funds for Children's Miracle Network Hospitals.

- In 2011, Marriott Business Councils received corporate grants up to \$5,000 through our *SERVE Our Communities Fund*, a global grant-making program supporting local nonprofit organizations in our major markets. These grants enabled financial support to the local chapters of our key multinational community

partners such as Habitat for Humanity International, Feeding America and SOS Children's Villages.

In the U.S., our Workplace Giving Campaign enables associates to contribute financially to up to three nonprofit organizations that strengthen our communities, including Feeding America, Habitat for Humanity International, Children's Miracle Network Hospitals, Marriott Foundation for People with Disabilities, Marriott Spirit To Preserve® The Rainforest Fund, American Red Cross, and the United Way and its funded agencies. Marriott International is a recognized partner of the United Way.

Contributions* (\$M)

	2008	2009	2010	2011
Cash Contributions	\$6.3	\$5.9	\$6.9	\$7.5
In-Kind Contributions	\$18.5	\$15.5	\$16.9	\$15.6
Total Cash/In-Kind Contributions	\$24.8	\$21.4	\$23.8	\$23.1
Associate Fundraising	\$8.0	\$4.4	\$4.2	\$4.9
Associate Volunteerism**	\$8.8	\$6.5	\$6.6	\$9.4
Total Corporate and Associate Contributions	\$41.6	\$32.3	\$34.6	\$37.4

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

**Based on Independent Sector's estimated value of volunteer time for 2011: \$21.79 per hour. Independent Sector is a leading forum for charities, foundations and corporate giving programs in America and around the world.



In 2011, we celebrated our 12th annual Spirit To Serve Our Communities Day, engaging managed and franchised associates from properties around the world to participate in this day of service in their communities. More than 1,800 associates at Marriott corporate offices fanned out across the greater Washington, D.C. area to spend time at 28 project sites building homes, preparing meals, visiting children in local hospitals and clearing and landscaping parks.

Community Footprints is The Ritz-Carlton's social and environmental responsibility initiative created to encourage volunteerism, fundraising, product donations and mentoring programs at all Ritz-Carlton locations worldwide. In 2011, the Community Footprints program generated nearly \$4.8 million in cash and in-kind donations and over 70,000 volunteer hours.



[Give Back Getaways](#) offer leisure guests an opportunity to combine volunteer work with travel. Participating in a half-day local community experience, guests work alongside our Ritz-Carlton employees in a Community Footprints social or environmental project.

[VolunTeaming](#) provides groups holding meetings at Ritz-Carlton properties with the opportunity to combine team building and volunteerism. Half- and full-day projects include harvesting organic crops for donation to a local food bank, painting murals at a local Boys & Girls Club, and helping protect and preserve a historic park.

Community Service Awards recognize best practices and encourage community engagement. We also select one business unit each year for our highest community achievement recognition, the Alice S. Marriott Award for Community Service. In addition, Marriott presents "Spirit To Serve Our Communities" and "Spirit To Preserve" awards at owner and franchisee conferences, and our global Quarterly Awards for Community Service program provides recognition to business units and Marriott Business Councils for outstanding community service.

Shelter and Food/Poverty Alleviation

...addressing housing and hunger needs, including in times of disaster

Marriott hotels have served as a "home away from home" for many guests. Creating places of refuge, providing housing and feeding the hungry, particularly during times of disaster, is a natural extension of this

role. Marriott has a long-standing relationship with the American Red Cross and International Federation of Red Cross and Red Crescent Societies (IFRC). When the devastating earthquake and tsunami hit Japan in March 2011, our nine hotels were not directly impacted and all remained open and operational. Within a week, Marriott's Asia Pacific hotels and The Ritz-Carlton hotels globally began fundraising. These efforts, in addition to Marriott and The Ritz-Carlton corporate giving, resulted in a \$115,000 donation to the Japan relief efforts. Marriott Rewards members donated 5 million points, resulting in an additional \$12,500 donation.

From 2010 to 2011, we contributed \$385,000 in cash and in-kind donations to the American Red Cross and IFRC, and associates volunteered more than 5,700 hours. Additionally, Marriott Rewards members donated nearly 18 million points, which were converted to hotel stays or cash contributions to benefit disaster victims around the world.

In 2011, Marriott associates volunteered more than 60,000 hours to help Habitat for Humanity International build homes and Marriott contributed \$1.3 million in cash and \$777,000 in in-kind donations to local Habitat affiliates in nine countries.

For the second year, as part of their month-long "Rally to Serve" event, over 1,500 Fairfield Inn & Suites associates from 150 hotels across the U.S. and Canada volunteered 9,000 hours helping Habitat build more than 100 homes.

Twenty-five associates from our London hotels raised £5,000 (nearly \$8,000) for Japan disaster relief with a "Three Peaks Challenge." Participants climbed the three highest points in England, Scotland and Wales within 24 hours - a distance of 25 miles, 10,000 feet climbed and 450 miles between mountains.



Feeding America is the leading hunger relief charity in the U.S., providing food to more than 37 million Americans each year, including more than 14 million children and nearly 3 million seniors. To date, Marriott has contributed more than \$2 million in cash and in-kind support, along with nearly 20,000 associate volunteer hours to food banks across the United States.

Marriott is the leading national employer partner for Back on My Feet – a nonprofit organization that helps members of the homeless community literally get “back on their feet” and prepare themselves for employment through the discipline of running.

Associates at the Marriott's Custom House (Boston, Massachusetts) during Sneaker Week to benefit Back on My Feet.



In 2011, Marriott contributed nearly \$325,000, primarily through in-kind donations to Back on My Feet. Additionally, hotel general managers serve in leadership capacities on the organization's national board of directors and advisory boards in some of the nine cities served by Back on My Feet.

Vitality of Children

...aiding sick and impoverished children

As we continue to expand globally, we broaden our reach and responsibility to address the reality of poverty, the greatest threat to children's well-being. Children in many of the communities where Marriott does business are vulnerable to crime, neglect and exploitation.

We are also committed to helping children and their families who are facing medical challenges. One of our longest-standing partnerships has been with the Children's Miracle Network Hospitals. In 2011, our associates raised more than \$5 million for Children's Miracle Network Hospitals. Over the past 29 years, we have contributed \$82 million in cash and in-kind donations

and nearly 60,000 volunteer hours to help children in more than 170 affiliated hospitals in the U.S. and Canada.

SOS Children's Villages is an international nongovernmental organization that supports disadvantaged and at-risk children and their families in 133 countries and territories worldwide. In 2011, Marriott hotels in 18 countries across Europe partnered with SOS Children's Villages to help young people from disadvantaged backgrounds develop vocational and job readiness skills. Since 2004, Marriott has contributed more than \$1 million in cash and in-kind donations and associates around the world have volunteered more than 100,000 hours to SOS Children's Villages.

Fairfield Inn & Suites associates volunteer during “Rally to Serve” at a Habitat for Humanity house-building project.





After completing an apprenticeship at the SOS Children's Villages' vocational centre in Berlin, Germany, Viktoria was hired as a waitress at the Midtown Grill at the Berlin Marriott.

World of Opportunity

Marriott's "World of Opportunity" aligns our brands and properties with a highly relevant social cause and business risk - youth unemployment. We are helping young people from disadvantaged backgrounds reach their full potential by providing life skills and vocational opportunities.

In Europe, our hotels in 24 countries are helping young people by providing employment skills training and vocational opportunities through two charitable partners: SOS Children's Villages in Continental Europe and The Prince's Trust Fairbridge in the United Kingdom.

In February 2012, participating Marriott-branded hotels in 18 countries donated £1 or €1 for every lunch and dinner served as part of the Europe region's "You Eat, We Give" promotion, generating a total of €200,000 (approximately \$250,000) during the month for both organizations. Since the launch of the program, more than 600 youth in 14 European countries have participated in vocational training or employment courses with SOS Children's Villages Youth Programs. Forty-five young people have participated in The Prince's Trust Fairbridge program's "Employ Me" course.

In the Americas and other parts of the world, we support training for disadvantaged youth through National Academy Foundation, "Bridges...from school to work," Youth Career Initiative and Succeed Through Service.

Marriott hotels in China are long-time supporters of Operation Smile, an international children's medical charity that funds surgeries for children born with facial deformities. In 2011, the Marriott Beijing/Tianjin Business Council volunteered during the China 20th Anniversary medical missions. With additional support from our Business Councils in Shanghai, South China and Hong Kong, Marriott was the largest donor in Mainland China considering in-kind donations, fundraising efforts and associate contributions, and received the Corporate Partner of the Year award.

Readiness for Hotel Careers

...educating and training the next generation

Marriott has aggressive hiring plans in 2012, with two-thirds of the jobs to be filled in countries outside of the U.S. To further support global hiring and create opportunities for disadvantaged young people, Marriott supports a number of programs offering educational experiences and life skills training for youth, including those who are interested in careers in hospitality. Global programs include World of Opportunity Europe, World of Opportunity Americas, Youth Career Initiative and The Ritz-Carlton Succeed Through Service. The following are career-focused programs offered in the United States.

Through the Marriott Scholars Program, The J. Willard and Alice S. Marriott Foundation provides annual funding to the Hispanic College Fund (HCF) and United Negro College Fund (UNCF) that grant scholarships of up to \$9,000 per year to students interested in careers in hospitality.

In 2011, the Marriott Scholars Program awarded scholarships to 56 students. Marriott leaders provide career guidance, mentoring and internships to the students. In total, associates have volunteered nearly 1,200 hours since the program launched in 2007.

In addition to the Marriott Scholars Program, Marriott has contributed cash, in-kind donations, mentoring and other career development support to HCF since 1995 and UNCF since 1979.

For more than 30 years, Marriott has maintained an alliance with Distributive Education Clubs of America (DECA), a high school association focused on business, marketing and hospitality career skills. About 400 DECA students are hired each year by Marriott for summer, seasonal, part-time and pool status positions. More than 100 Marriott managers participate in local advisory boards across the country. As of year-end 2011, Marriott had contributed more than \$400,000 in cash and over 234,000 associate volunteer hours to DECA.

Marriott's long-standing partnership with the National Academy Foundation (NAF), an organization focused on providing an educational experience for urban and inner-city youth, enables us to introduce students to the possibilities of careers in the hospitality industry. Since 2000, Marriott has contributed over \$750,000 in cash and in-kind donations, and associates have volunteered 1,600 hours.



The Ritz-Carlton Succeed Through Service

2011 marks the second anniversary of The Ritz-Carlton's partnership with the child advocacy organization America's Promise Alliance to develop the [Succeed Through Service](#) youth engagement program. The curriculum is designed to support middle and high school students in low-income communities where many students are statistically at risk of dropping out of school.

Succeed Through Service pairs Ritz-Carlton employees with students to teach them critical life and career skills while introducing them to the importance of giving back to their communities.

The program is deployed in 38 middle and high schools in low-income communities across the U.S. and has been culturally adapted and introduced at an additional 39 schools and children's organizations around the world. To date, Succeed Through Service has benefited more than 9,000 children.



Marriott and the Environment



Climate Counts, a nonprofit organization that rates corporations on their sustainability and climate strategies, creates an annual "Climate Counts Company Scorecard." Marriott received the highest ranking within the hotel sector from 2008-2012.

The Courtyard Scottsdale Salt River in Arizona became the first Marriott-branded property to open as part of our LEED (Leadership in Energy and Environmental Design) Volume Program (see page 40). The hotel is also the first to be built on U.S. tribal land in cooperation with the Salt River Pima-Maricopa Indian Community.

Both in our hotels and beyond, Marriott seeks to understand and act on the direct and indirect environmental impacts of our business operations. We aspire to be the global hospitality leader that demonstrates how responsible hotel management can create economic opportunities and be a positive force for the environment.

Our strategy is not static. We continually review our business goals through the lens of sustainability and work with a variety of partners to move the "environmental needle" in our industry. Marriott's sustainability goals support business growth and reach beyond the doors of our hotels to preserve and protect our planet's natural resources. Originally established in 2007, we revised the goals in early 2012 to align more closely with the recently established industrywide protocol for reporting energy and water consumption and also to reflect changes in our company structure and new global data tracking systems. Our goals include:

- Further reduce energy and water consumption 20 percent by 2020⁶
- Empower our hotel development partners to build green hotels⁷
- Green our multibillion dollar supply chain
- Educate and inspire associates, business partners and guests to conserve and preserve
- Address environmental challenges through innovative

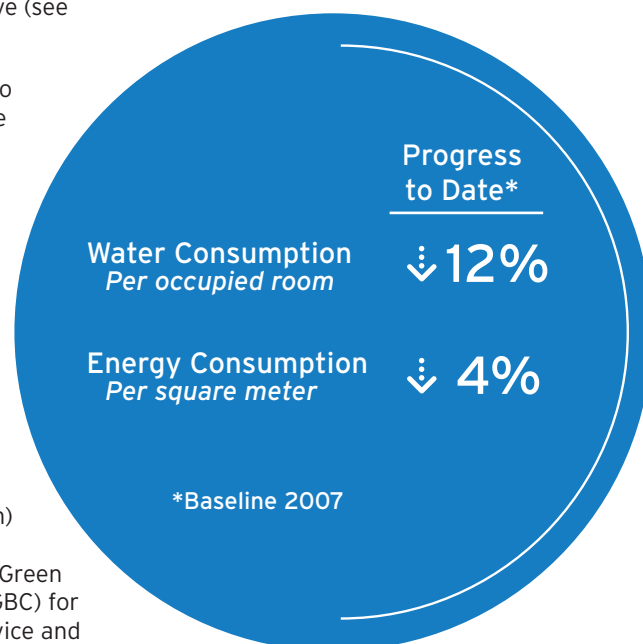
conservation initiatives including rainforest protection and water conservation

Our decades-long commitment to the environment starts at the top with our senior executives and our Global Green Council (see page 10) and extends enterprisewide to our global family of associates and an array of external partners who help catalyze collaborative efforts such as the following:

- Developing industry standards for carbon measurement through the Hotel Carbon Measurement Initiative (see page 4)
- Establishing criteria to facilitate greening the furniture, fixture and equipment (FF&E) supply chain for hotels through the Hospitality Sustainable Purchasing Consortium (see page 37)
- Creating the first LEED® (Leadership in Energy and Environmental Design) hotel prototype pre-approved by the U.S. Green Building Council (USGBC) for five of our select-service and extended-stay brands
- Partnering with local governments, communities and nongovernmental organizations for our signature conservation initiatives - the Juma Sustainable Development Reserve in Brazil and the Nobility of Nature water initiative in China

- Working with seafood suppliers and fisheries through our FutureFish program that is designed to help the company's hotels around the world source, prepare and serve sustainable seafood

Marriott has been recognized for our environmental leadership role and commitment to conservation, innovation, active associate and stakeholder engagement, significant reduction of energy and water use and avoidance of carbon emissions.



⁶Reduction in energy by 20 percent per kWh/conditioned m² and water by 20 percent per occupied room (Baseline: 2007). In 2012, Marriott revised its original reduction goal, set in 2007, to align with an industrywide protocol for more closely reporting energy and water consumption that was adopted in 2011. Marriott also restated the goal to reflect significant organizational changes that had occurred within Marriott, including the spinning off of Marriott Vacation Club International as a separate entity, the joint venture with AC Hotels in Spain, global reorganization of business units and consequently environmental performance accounting by continent, and implementation of a global data tracking system with more precise metrics.

⁷In 2012, Marriott revised its original development goal, set in 2007, to broaden the scope beyond the development of LEED hotels and enable Marriott Global Development and Architecture & Construction to promote green development, design and construction in the most appropriate manner for each project.

Energy/Water/Waste/ Carbon

Marriott has an integrated global environmental strategy that improves energy efficiency, conserves water, builds more sustainable hotels and supports high-level projects that reduce greenhouse gas emissions. We have established a variety of programs and tools to help us meet our sustainability goals.

We continue to pursue initiatives and collaborative efforts with property owners and industry peers and groups, and have already recorded progress toward our 2020 targets. For example, since 2007 we have reduced our water consumption by 11.6 percent per occupied room and energy consumption by 4.1 percent per square meter of conditioned space. In this section we highlight some of our recent initiatives to meet our goal of reducing energy and water consumption by 20 percent by 2020.

Energy

To help engineering and other property leaders accomplish energy and water reduction goals, Marriott developed Energy and Environmental Action Plans (EEAP), a comprehensive, best practice audit tool. The EEAP covers a range of items from corporate re-use policies to simple best practice behaviors for lighting; appliance; heating, ventilation and air conditioning (HVAC); and central plant conservation and efficiency. EEAP links the calculations to each audit point to assist the properties with assigning an energy unit and dollar value to each behavior change or project.

In our most recent 2011 EEAP submission, our property teams loaded over 3,200 energy and environmental action items worth 505 million kWh, 4 million therms and 281 million gallons of water reductions into the database. While we do not expect every one of these property plans will be achieved, we believe that this focus on efficiency and conservation reduces our environmental impact and costs. Following the successful rollout to full-service hotels in the Americas in 2011, we have scheduled EEAPs for deployment to the remaining three continental divisions in 2012.

Environmental Performance Indicators*

revised 9/19/12

	2007	2010	2011	Change from 2010
Total Water Consumption (million cubic meters)	58.6	51.7	53.2	2.9%
Intensity ^a	0.86	0.77	0.76	-1.3%
Total Energy in megawatt hours (million MWh)	5.36	6.54	6.45	-1.4%
Intensity ^b	345.2	335.4	331.2	-1.3%
Direct Energy (million MWh)	2.34	2.57	2.56 ^e	-0.4%
Indirect (Purchased) Energy (million MWh)	3.02	3.97	3.89 ^e	-2.0%
GHG Emissions (million tons CO ₂ e) ^c	2.16	2.81	2.80	-0.4%
Intensity ^d	310.3	322.9	321.6	-0.4%

a - cubic meter per occupied room b - kWh per square meter of conditioned space c - Scope 1 and 2
d - lbs. per square meter conditioned space e - 2011 Direct and Indirect energy totals were 9.22 million gigajoules (GJ) and 14.00 million GJ, respectively

*This table includes results for all managed properties. Therefore, these results are not comparable to Marriott's previous sustainability reports which reflected data from a smaller set of managed hotels. In addition, the intensity metrics were changed to align with the Hotel Carbon Measurement Initiative (HCMI) protocol from International Tourism Partnership (ITP) published in August 2011.

2011 Environmental Performance Indicators*

revised 9/19/12

	Americas	Europe	Asia Pacific	Middle East/ Africa
Total Water Consumption (million cubic meters)	34.2	4.4	10.8	3.8
Intensity ^a	0.67	0.56	1.31	2.66
Total Energy in megawatt hours (million MWh)	4.4	0.55	1.22	0.28
Intensity ^b	320.7	382.4	393.6	284.1
Direct Energy (million MWh)	1.82	0.22	0.46	0.06
Indirect Energy (million MWh)	2.58	0.33	0.76	0.22
GHG Emissions (million tons CO ₂ e) ^c	1.82	0.18	0.64	0.16
Intensity ^d	280.8	271.9	437.4	358.5

a - cubic meter per occupied room b - kWh per square meter of conditioned space c - Scope 1 and 2
d - lbs. per square meter conditioned space

*This table includes results for all managed properties. Therefore, these results are not comparable to Marriott's previous sustainability reports which reflected data from a smaller set of managed hotels. In addition, the intensity metrics were changed to align with the Hotel Carbon Measurement Initiative (HCMI) protocol from International Tourism Partnership (ITP) published in August 2011.

During peak periods, such as heat waves, utilities struggle to meet demand. To address this issue, Marriott became the first lodging company to join Constellation Energy's Project Vulcan, a five-year initiative that integrates energy load curtailment during peak demand periods with automated energy management systems enabling hotels to track electricity usage. For example, hotels may choose to lower lighting in common areas, use less air conditioning in hallways or unoccupied rooms, or rearrange cooling cycles. The project first launched with U.S. hotels in demand response markets offering compelling utility incentives; other U.S. regions are being phased in.

2011 results from Project Vulcan include the following:

- 264 of 362 eligible Marriott managed hotels are under contract (up from 141 in 2010)
- \$141,000 or 1.3 million kWh saved annually
- \$292,000 or 268,231 therms saved annually
- \$1.2 million in demand response revenues annually⁸

In 2011, LED lighting retrofit projects in dozens of hotels across Europe and Asia also reduced electricity demand and costs. This initiative helps Marriott make progress toward our energy reduction targets, in addition to reducing our Scope 2 emissions. Lighting retrofits have been part of our environmental efforts for years and we upgrade systems as newer technology makes lighting more energy efficient.

Additionally, all of Marriott's technology standards, including those for desktop and notebook computers, are both ENERGY STAR® rated and EPEAT® certified. EPEAT, Electronic Product Environmental Assessment Tool, is a definitive global registry for greener electronics. Marriott works closely with our suppliers on the purchase of new equipment to ensure we are buying the most energy-efficient products available, many of which carry the ENERGY STAR label.

Water

Marriott launched a partnership with Nalco, a water treatment and process improvement company, to deliver 450 million gallons in water savings over a three-year period from 2010 to 2012. Nalco's monitoring equipment and innovative water treatment chemistry, deployed to 168 of our full-service hotels worldwide, help optimize the water treatment in the hotels' chillers and cooling towers. We continue to expand the program into additional properties. Based on current program participation, we expect that savings will include at least 125 million gallons of water per year.

Working together, Nalco and Marriott saved 16 million gallons of fresh water annually at Marriott's Renaissance Mumbai Convention Centre Hotel by using recycled water in the hotel's cooling system. That represents 256 million glasses of cool, fresh drinking water – or the equivalent of 18 glasses for each man, woman and child in Mumbai, the second largest city in the world.

In 2011, Marriott implemented improved dishwashing systems and supplies at properties in the U.S., bringing the total number of full-service properties using these systems to 153. Ecolab's APEX monitoring systems and concentrated detergent formulations help reduce energy and water use and waste by improving operational efficiency. We estimate that participating properties have realized 4,200 fewer pounds of plastic waste, 4.25 million gallons of water conserved, 2.2 million kWh of energy saved, and 135,000 therms of natural gas reduced.

Marriott reports annually to
the Carbon Disclosure Project
www.cdproject.net

	2010	2011
Carbon performance band	B	B
Carbon disclosure score	64	70

Note: Performance rated from A to E with A being highest.

Disclosure rated 100-point normalized scale.

⁸ Utility companies like Constellation Energy pay participants who reduce their energy demand during periods of peak load.



Aquanomics/Ensure

Marriott has worked with our guests for many years to help reduce energy, water and resource consumption throughout our properties. We know that this is good for our environment as well as our communities, by reducing the demand for resources. Our linen and towel reuse program is one foundational initiative of this commitment to sustainability.

In 2010, we partnered with Ecolab to take the next step in this journey with programs known as Aquanomic in the U.S. and Ensure in Asia. These programs are designed to reduce the environmental impact and cost of our laundry wash operations. We accomplish this by reducing the amount of water required to wash linens and washing at lower temperatures. Our hotel properties realize water and energy savings with every load washed with the Aquanomic and Ensure programs, while continuing to deliver clean, white and soft linens and towels for our guests.

Following a successful pilot, the project expanded in 2011 to involve 37 hotels in the U.S. and 30 in China and India with the following year-end results:

Average water savings	35%
Average energy savings	20%
Water savings*	100 million gallons
Energy savings*	383,000 therms

*Water and energy reductions compared to location-specific baseline laundry program installed prior to Aquanomic or Ensure. Costs based on average state utility charges for water and energy.

Announced in 2011, the GreenCast® EcoMeasures™ tool is part of a joint effort between Syngenta and [Marriott Golf](#). The tool estimates a golf course's gross and net carbon dioxide emissions, provides tips on potential practices and technologies to lower course emissions and generates an easy-to-read carbon footprint assessment. Marriott Golf piloted the program at all managed golf courses within the U.S. in 2011.

As of year-end 2011, 47 Marriott managed golf courses have earned the designation of "Certified Audubon Cooperative Sanctuary," with one course earning "Certified Audubon Signature Cooperative Sanctuary." The program helps protect natural wildlife habitats, improves water quality, minimizes potentially harmful effects of golf course operations and enhances community outreach and education.

Waste

From 2009 to 2011, Marriott decreased pounds of landfill waste per occupied room by 10 percent in the Americas, with a 4.7 percent reduction from 2010 to 2011.

We are working collaboratively with our waste and recycling partners to reduce the tonnage that must be transported to landfills. In 2011, Marriott initiated 38 third-party waste audits and waste characterization analyses to better understand our waste streams. As a result, Marriott-managed properties in the Americas diverted over 12,000 tons of waste from the landfill through recycling and food waste composting.

In 2011, Marriott presented its annual Waste & Recycling Award to the San Francisco Marriott Marquis, where a robust recycling program culminated in a 76 percent landfill diversion rate – 37 percent was recycled and 39 percent was sent to a local food composting facility.

Additionally, since 2006 Marriott has partnered with asset disposal companies worldwide to divert nearly 500,000 kilograms of eWaste – more than 60,000 computers, servers, printers, network equipment and associated components – from landfills.

Marriott's Retro-Commissioning (MRCx) program, a comprehensive evaluation and planning process that helps properties become as energy efficient as possible, continues to be a focus in markets with utility study incentives. This program drives third-party studies of our more complex facilities in order to identify efficiency opportunities and utility incentives. The energy savings expected through MRCx can be substantial. We anticipate saving 12 million kilowatts of power through projects completed over the last few years and those currently underway. In general, properties find that after they implement the most compelling recommendations that evolved from an MRCx assessment, their energy costs decrease 5 to 25 percent and they achieve an average payback on their investment in less than two years.

Marriott hotels are recycling soaps and bottled amenities through organizations like Clean the World, which donate the products to local homeless shelters and communities around the world. These efforts help improve personal hygiene practices while engaging hotel associates and sometimes guests in recycling a valuable resource.

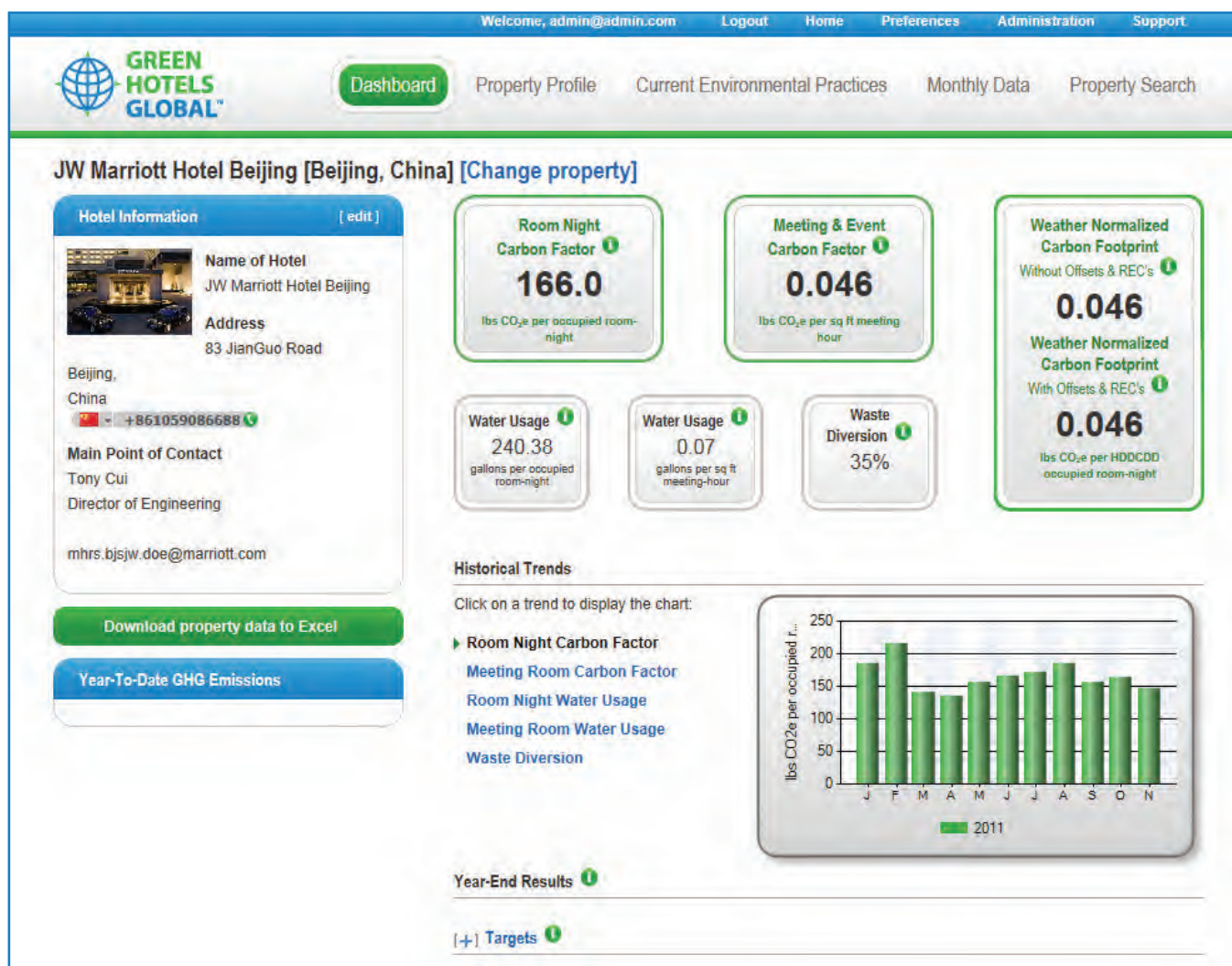


Clean the World®

Marriott continues to be the number one hotel chain in the Clean the World portfolio in terms of the number of hotel rooms with the program implemented. Each day we recycle soaps and bottled amenities in 39,351 Marriott rooms within North America, and as of year-end 2011 we had donated nearly 36 tons of these products to those in need through Clean the World.

Carbon

In May 2012, Marriott rolled out the Green Hotels Global tool, an online environmental sustainability dashboard (developed and managed by The Carbon Accounting Company). The system collects data and calculates each hotel's carbon footprint according to new industry guidelines. It also calculates each hotel's water footprint and waste diversion rate and maintains a comprehensive list of each hotel's environmental practices. Green Hotels Global is being phased in globally across Marriott's brands and will be available on Marriott.com by year-end 2012.



Marriott continues to proactively address the challenges presented by climate change through our business strategy, internal policies and practices. We demonstrate our environmental leadership by focusing on innovation, collaboration and constructive engagement with key stakeholders, delivering results and reporting our progress. We recognize the importance of disclosure to our investors and other key stakeholders. Marriott was the first U.S. lodging company to disclose to the Carbon Disclosure Project (CDP) in 2006; in 2011, we submitted our first CDP Supply Chain response. We were also the first in our industry to prepare a sustainability report using the GRI framework.

By year-end 2011, Marriott was halfway to our goal of 40 sites that incorporate renewable energy by 2017. Twenty sites are currently installed or being deployed, harnessing solar or wind energy for elements of hotel operations.

Marriott has 50 electric vehicle charging stations at 25 properties. In 2011, three electric vehicles were added to our Corporate Headquarters' maintenance and security fleet.

Supply Chain

Marriott's focus in supply chain engagement helps develop innovative products and programs to deliver superior performance and meet our sustainability goals. We have established a supply chain sustainability committee and continually collaborate with our suppliers to advance the sustainability of their products to conserve energy, reduce water use, increase waste diversion and include more sustainable materials. Our hotels purchase products and services that enable us to meet our stated goals. Some of the achievements to date include recycled content key cards, Eco-Smart™ pillows, "room-ready" towels, recycled material pens, low VOC paint, biodegradable laundry bags, low-energy light bulbs and coreless toilet paper.

Marriott works closely with Avendra, the largest professional procurement company serving the hospitality industry in North America, to source most of our U.S.-based food and beverage, engineering, rooms, office and spa supplies. Avendra is working on a variety of efforts that demonstrate sustainability as a priority with suppliers and customers, such as the following:

- Marriott's key Avendra contract owners discuss sustainability with about 25 of Marriott's suppliers each month, or approximately 300 suppliers per year
- Standard contract templates for suppliers highlight the importance of sustainability
- Avendra encourages each contract supplier to share their sustainability progress via Avendra's online portal
- Materials help educate customers about product and services, ranging from waste, water and energy reduction to fair trade and well-being

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

The opportunities for our suppliers to create more sustainable products are growing. To consistently evaluate the wide range of criteria among a vast supply chain, in May 2011 Marriott became a founding partner of the Hospitality Sustainable Purchasing Consortium (HSPC).



Forest Stewardship Council (FSC) facial and bath tissue are examples of sustainable products provided at Marriott properties.

Sustainability in Our Supply Chain

In alignment with Marriott's forest preservation efforts (see page 44), we have conferred with environmental organizations to further strengthen our policies and practices to reduce our forest footprint and promote responsible forestry with our purchasing decisions. While we have vast adherence to purchasing standards that align with this shared objective, in late 2011, we received information that some of our tissue in a handful of hotels contained fiber linked to unsustainable rainforest timber. We took corrective action to ensure that those hotels are now purchasing according to our Forest Stewardship Council (FSC) specifications. In addition, we are revising our standard to reference more robust recycled content for facial and bath tissue. Once finalized, we will communicate our revised standard to all our managed and franchised operations, specifically calling attention to the importance of avoiding facial and bath tissue products made from unsustainable timber.

Marriott works closely with suppliers like Kimberly-Clark Professional to ensure products such as bath and facial tissue are sustainably sourced for our hotels worldwide. In 2010, Kimberly-Clark Professional launched a year-long award program to encourage its customers to purchase Forest Stewardship Council (FSC)-certified products produced with wood fiber that comes from well-managed FSC-certified forests or from post-consumer recycled fiber. Marriott was the end-using customer who purchased the most FSC products during a one year cycle spanning 2010 - 2011 and as a result, Kimberly-Clark Professional made a \$10,000 donation in honor of Marriott to The Nature Conservancy to support sustainable forest management in Canada's Boreal Forest.



Facilitated by MindClick SGM, the group consists of industry leaders responsible for supplying and furnishing hotels. Working in collaboration with the U.S. Green Building Council, HSPC will facilitate greening the furniture, fixture and equipment (FF&E) supply chains for hotels by:

- Implementing an industrywide Hospitality Sustainability Performance Index to comprehensively measure the sustainability of suppliers and the products they sell
- Collaborating to establish consistent measures of sustainable purchasing performance for brands, owners and manufacturers
- Establishing key performance indicators that enhance the environmental and social impact of the hotel industry while continuing to provide the highest levels of quality and service for hotel guests
- Providing feedback to suppliers once they have submitted their information via a scoring system
- Publishing an online repository of supplier sustainability performance information for purchasing decision makers to use in the procurement process

Sustainability in Our Kitchens

Working with vendors, global and local fisheries, and organizations such as Cleanfish, Marine Stewardship Council and FishWatch, about 65 percent of seafood purchased by Marriott is caught in a sustainable manner.

For more than a decade, Marriott has provided guidance to our hotels to encourage sustainability in our kitchens through actions such as purchasing organic and responsibly sourced food, planting herb and vegetable gardens, establishing relationships with local farmers and recycling cooking oil.

In 2010, we initiated our sustainable seafood initiative, FutureFish, developed by Marriott's corporate culinary team. The program focuses on three seafood varieties of concern - Chilean Sea Bass, Bluefin Tuna, and Shark and Shark Fin - and helps our hotels around the world source, cook and serve sustainable fish wherever seafood is offered.

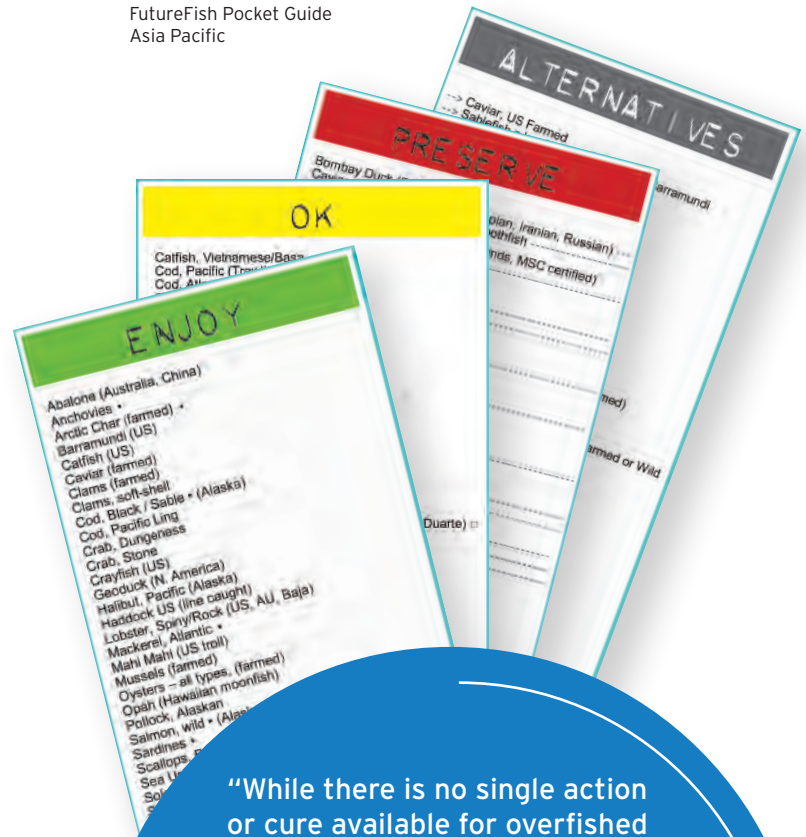
Our portfolio-wide goals include the following:

- Positively impact the sustainability of the seafood we purchase, using informed buying decisions and menus with built-in sustainability

- Provide seafood sustainability guidance on a global scale that considers cultural and market uniqueness
- Identify and support local sustainable fishing industries and practices

All hotels received a seafood sustainability guide to assist in seafood selection and to help educate associates. Regionally-relevant pocket guides are also provided to appropriate associates. The program was rolled out enterprisewide in 2010 with a goal of offering 50 percent sustainably resourced seafood by 2011, which we exceeded by achieving 65 percent sustainable sourcing.

FutureFish Pocket Guide
Asia Pacific



"While there is no single action or cure available for overfished conditions or species at risk, we believe that our focus on conservation should drive how our hotels procure, prepare and market seafood. We can have a huge impact on how the industry's suppliers select products to sell us, how our chefs select seafood for menus and how our guests respond to these efforts."

~ Brad Nelson, Vice President of
Culinary and Corporate Chef

The cooking oil waste from our restaurants in several regions of the U.S. and U.K. can be recycled into high quality biofuel, helping reduce carbon emissions. For example, in 2011 we launched a partnership in the U.K. with Convert2Green, a company that collects our waste oil and refines it into biodiesel at its plant in Cheshire. The fuel is then used to power trucks owned by 3663, a Marriott supply chain partner, to deliver goods back to Marriott properties. From August through December, 2011 Marriott U.K. and Ireland achieved a validated CO2 savings of 20.4 metric tons within its supply chain via this recycling program. During the first quarter of 2012, the CO2 savings were already 21 metric tons.

Costa Rica Suppliers Project Update

In 2011, Marriott and the World Environment Center (WEC), with the support of a grant from the U.S. Department of State, successfully completed a two-year collaboration with six small- to medium-

sized Marriott suppliers in Costa Rica, ranging from a bakery to a wooden furniture maker. The project helped these businesses become more effective environmental stewards and more competitive by reducing energy and water consumption, minimizing waste and raw material usage and lowering operating costs.

As a result, participating suppliers collectively saved the following:

- 1.5 million gallons of drinking water
- 5,801 kWh of electricity
- 1,461 liters of fuel
- 521 tons of solid waste (now being used to produce new sub-products)



Turning our used cooking oil into biodiesel fuel is just one more thing we can do for the environment. Testing and monitoring the processes ensures a high grade biodiesel.

Over the duration of the project, the suppliers invested nearly \$200,000 in more energy-efficient equipment, realized more than \$75,000 in immediate operational cost savings and have forecasted an accumulated annual savings of nearly \$300,000 from implementing the action plans. Additionally, the suppliers created and hired environmental management staff and created employee work teams to help drive cleaner production programs.

Our chefs are increasingly sourcing local and organic foods. Some of our hotels grow their own herbs and vegetables or maintain beehives. One example is AMP (America's Modern Palate) 150, a restaurant in our Cleveland Airport Marriott (Ohio) that serves a garden-focused menu. Chef Jeff Jarrett is a big supporter of using local products in his dishes to ensure freshness and support his community and the environment. Many of his ingredients come from a quarter-acre garden that he planted in a courtyard behind the hotel.





Green Buildings

In 2005, Marriott became the first major hotel company in the U.S. to design and construct a LEED-certified hotel. Developed by USGBC, LEED is an internationally recognized green building certification system providing third-party verification that a building or community was designed and built using strategies aimed at improving performance.

By the end of 2011, Marriott had [96 LEED-certified](#) buildings, including Marriott Corporate Headquarters in Bethesda, Maryland, which received LEED existing building gold certification in 2010. Most LEED-certified hotels are new construction projects; 12 are existing hotels. All LEED-certified hotels are in the U.S., with the exception of the Pune Marriott Hotel & Conference Centre in India. As of year-end 2011, Marriott had seven LEED-registered hotels outside of the United States.

To help us increase our number of LEED-certified hotels, Marriott worked with the U.S. Green Building Council to pilot the world's first LEED Volume Program (LVP), a pre-certified green hotel prototype (see page 40) for the hospitality industry. All LVP projects use 25 percent less energy and water than other comparable hotels that are constructed to meet U.S. states' building code standards.⁹ They also use renewable energy for 35 percent of their total energy consumption.

Marriott owners are reporting the results of their LEED Hotels:

Courtyard Portland City Center (LEED Gold) - opened in 2009

- Energy savings of \$58,035 annually
- Water savings of \$5,880 annually
- Anticipating \$675,000 in operating savings over 10 years¹⁰
- Payback achieved in 12 months

⁹ Energy baseline derived from ASHRAE 90.1-2004 per the New Buildings Institute Core Performance Guide. Water baseline derived from the Energy Policy Act of 1992.

¹⁰ Analysis calculations provided by SERA Architects/Sage Hospitality

¹¹ Analysis calculations provided by OPX Architects/Grosvenor Americas and are based on simulations

Courtyard Chevy Chase (LEED GOLD) - opened in 2009

- Energy savings of \$44,000 annually
- Water savings of \$16,000 annually
- Anticipating \$813,333 in operating savings over 10 years¹¹
- Payback achieved in 22 months



Green Hotel Prototypes

Marriott's LEED (Leadership in Energy and Environmental Design) Volume Program provides a streamlined path to the U.S. Green Building Council's LEED certification for a large group of properties based on a pre-approved prototype and process. With the program, owners save approximately \$100,000 in upfront costs and six months of design time on new hotel development. Additionally, owners can expect to save 25 percent in energy and water consumption for the life of their buildings and should recover their initial investment in two-to-six years, possibly sooner depending on the level of federal and local government incentives.

In 2011, Marriott became the first in our industry to offer a green hotel prototype for five brands: Courtyard, SpringHill Suites, Fairfield Inn & Suites, Residence Inn, and TownePlace Suites. Our first LEED Volume hotel, the Courtyard Scottsdale Salt River in Arizona, opened in April 2012; a second hotel, the TownePlace Suites Denver Airport/Fitzsimons in Colorado opened in May 2012. An additional 12 LEED Volume hotel projects are in development or under construction.

LEED Buildings

	2007 YE	2008 YE	2009 YE	2010 YE	2011 YE
LEED-Registered (includes Certified)*	18	44	67	77	88**
LEED Volume Program*** (hotels in the pipeline)	NA	NA	NA	4	8
Total LEED-Registered + LEED Volume Program	18	44	67	81	96
LEED-Certified	1	1	4	10	16
Renewable Energy Source Hotels (Portion of energy directly generated onsite)	2	4	7	10	20

*Data Provided by the USGBC on 5/15/12

**Includes 7 international registered hotels

***Program launched in 2010

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

Marriott Data Centers

Marriott has two data centers and both participate in recycling computer and related equipment. Our technology standards are both ENERGY STAR and EPEAT certified.

At Marriott's above-ground data center, the Central Processing Unit (CPU) capacity has increased by 87 percent since 2007 and direct access storage data (DASD) volume has increased by 94 percent. Despite these increases, we have kept power consumption flat by reducing our server farm by 58 percent through server virtualization, hot/cold aisle isolation, high-efficiency computer room air conditioner technology upgrades, insulation work and regular updates to server hardware technology.

The improvements to our above-ground data center, including a new closed loop chiller system using glycol, and a five-to-seven degree increase in data center temperature, have saved 793,200 gallons of water, a 58 percent reduction in water usage since 2009.

Educating and Inspiring Associates and Guests

Marriott has an important role to play in conserving natural resources, protecting biodiversity wildlife and reducing and recycling waste wherever possible. Our efforts are most successful when we create awareness among our associates and guests and inspire them to partner with us on sustainability initiatives.

Associates

We recognize that our global associates form the foundation of our environmental strategy. We provide standards and training on practices such as green meetings, recycling, and linen and terry reuse to associates worldwide. At the end of 2011, more than 1,000 associates were certified in our green meetings program standard. We distribute our sustainability reports each year and communicate regularly on environmental and conservation topics through resources such as social media, our internal newsletter, *Marriott World Express* and our intranet. Property managers share information on Marriott environmental policies, best practices and initiatives with their associates through bulletin boards, daily briefings and departmental meetings.

"Be a Global Citizen" is a pillar of The Ritz-Carlton brand business strategy. Our Ritz-Carlton Environmental Action Conservation Teams (REACT) at each property implement best practices designed to minimize our environmental imprint.

Close to **9 out of 10**
Marriott associates* express pride
in the steps their hotel or office
takes to protect the environment,
such as recycling and
saving energy.

*Managed hotels and corporate associates

When Marriott associates at the Sharm El Sheik Marriott Resort in Egypt took part in a beach cleanup, they didn't stop at the water's edge. They strapped on scuba tanks, dove in and removed trash from the sea floor as part of Marriott's Environmental Awareness Month.





Additionally, Ritz-Carlton employees work to better their community's environment through participation in native plant restoration projects, protection of endangered species, creation of community gardens and beach and roadside cleanups.

Each April, Marriott celebrates Environmental Awareness Month to communicate the company's commitment to environmentally responsible operations, raise awareness of environmental issues and invite associates to participate in "green" volunteer activities. For the past two years, many Marriott-branded properties around the world have kicked off Environmental Awareness Month by turning off exterior or interior lights in public spaces for one hour in celebration of Earth Hour. The global movement unites businesses, organizations and individuals in raising awareness of the need to create a more sustainable future for our planet.

Guests

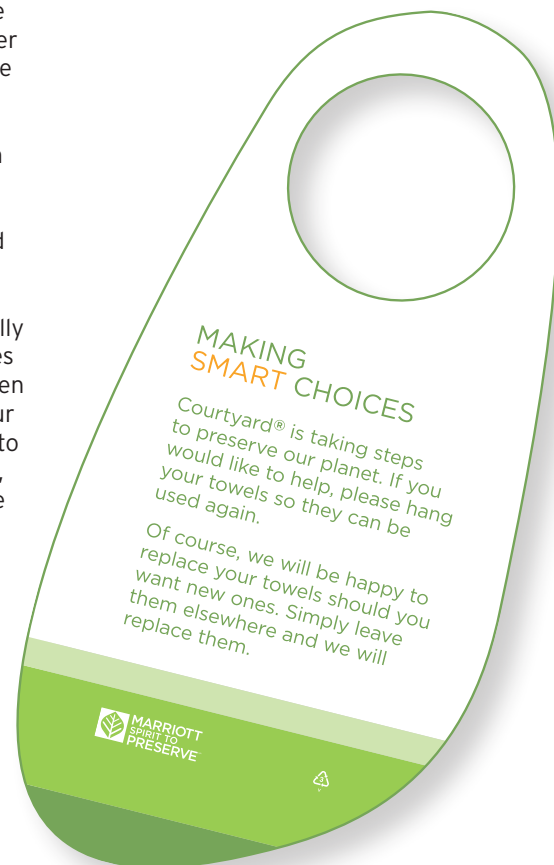
Marriott is an active participant on the Global Business Travel Association (GBTA) Sustainability Committee, which provides leadership and resources to help member organizations integrate sustainability into their corporate travel management programs. One of the resources developed by GBTA, through assistance from Marriott and other members, is an addendum to the standard Request for Proposal (RFP) template that many of our corporate customers use during their annual bid process for preferred business travel hotels. The addendum includes specific questions to elicit information about a hotel's environmental policies and certifications, carbon and water footprint per occupied room, energy intensity and waste diversion.

Marriott helped develop and was

an active participant in the Hotel Carbon Measurement Initiative, which created a unified methodology and set of metrics for calculating and reporting emissions at hotels. Marriott continues to fund research to inform and refine the methodology. This collaborative effort was in direct response to customers' requests for a common carbon calculator for hotel stays and meetings. Marriott recently tested and is currently rolling out the Green Hotels Global tool, an online dashboard to collect and report information from its hotels based upon the new set of metrics.

In 2011, Marriott's Linen and Terry Reuse program was enhanced to deliver a global standard, along with brand-specific guest communications and associate training at all managed and franchised properties. In addition to messages to guests in hotel rooms about reusing bed linens and towels, the communications include information on recycling, dishwasher use in hotels with suites, smoke-free policy and additional conservation initiatives. The new standard and communications will be deployed in 2012 across all brands globally.

In response to industry surveys and demand from meeting planners, Marriott also continues to offer Green Meetings at our hotels globally with eco-friendly products, practices and services. In developing our Green Meetings program, we leveraged our relationships with various vendors to develop more sustainable products, including BicEcolutions® pens made from 74 percent recycled content, 100 percent post-consumer fiber writing pads, buffet and meeting room tables made from recycled material, which are suitable for linen-less use, and web-based event menus.



Innovative Conservation Initiatives

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

Conserving Fresh Water: Nobility of Nature

Nobility of Nature is a collaboration between Marriott and Conservation International (CI) to protect the headwaters of Asia's Water Tower, which provides fresh water to more than 2 billion people and feeds several key Asian rivers, including the Yangtze.

Marriott contributed \$500,000 over 2010 and 2011 to support freshwater conservation (particularly the Yangtze River and its tributaries located in Southwest China's Sichuan Province) by assisting rural communities with building sustainable businesses, such as beekeeping, that put less stress on the environment than other practices such as hillside farming and logging.

According to the World Health Organization, water scarcity affects one in three people on every continent. Preserving China's water supply in the mountains and conserving water in our hotels is an important initiative. Key results of this partnership include the following:

- Nearly 6,000 Pingwu and Yingjing County villagers are participating in the project
- Six Nobility of Nature associate ambassadors visited the project and are working with fellow associates to inspire others, including guests, to conserve water and energy
- Energy and Environmental Action Plans initiated by hotels successfully incorporate initiatives that save energy and water, and reduce waste in Engineering, Food and Beverage, Human Resources, and Rooms departments
- Marriott's China hotels reduced water usage by 4.6 percent per occupied room from 2010 to 2011



Nobility of Nature

Two years ago, Marriott International and Conservation International partnered in China's Sichuan Province to launch Nobility of Nature – a project to help conserve fresh water and promote sustainable jobs such as bee farming and honey production.

Marriott's funding has helped provide local residents with over 600 beehives, equipment to monitor the condition of nearby freshwater sources, training in the organic bee farming business and marketing support.

Today, Nobility of Nature honey is available for breakfast, retail and bulk kitchen use in nearly all The Ritz-Carlton, JW Marriott, Renaissance, Marriott and Courtyard hotels in China. Marriott uses proceeds from the in-hotel honey sales to purchase materials and equipment for the project, such as a pickup truck. In 2011, nearly \$14,000 was reinvested into the project from these sales. Guanba Village Bee Farming Cooperative revenue has tripled since the project began and Yingjing County's revenue has doubled.



JW Marriott hotels plan to feature Nobility of Nature organic honey and other organic foods in their properties worldwide.

Rainforest Preservation: Juma Sustainable Development Reserve

The Amazon rainforest contributes to the distribution of rain in the entire southeastern area of South America and also helps moderate temperatures far beyond the Continent.

In 2011, Marriott contributed over \$500,000 to the Amazonas Sustainable Foundation (FAS) to protect 1.4 million acres of rainforest in the Juma Sustainable Development Reserve in Amazonas, Brazil. The contribution was the final portion of the company's \$2 million four-year pledge to support Juma. To date, Marriott has raised an additional \$250,000 for the Juma Reserve through its partners, guests, green meetings promotion and associates.



- We recently presented learnings from our 2011 [case study](#) about the Juma REDD+ (Reducing Emissions from Deforestation and Forest Degradation) Project at the 2012 Rio+ 20 conference

Juma is the first REDD initiative validated to the Climate, Community and Biodiversity Standards (CCB Standards) that has secured Gold Status, the highest level of certification. FAS anticipates that the Juma REDD Project will be able to pursue the Verified Carbon Standard certification in 2013. In 2010 and 2011, as part of our efforts to preserve the Juma Sustainable Development Reserve, Marriott provided voluntary carbon offset opportunities to our customers (meeting planners) and guests.

Key results of this project include the following:

- 95 percent of the forests in the Juma Reserve are preserved

- Education, medical care, employment and a monthly "Bolsa Floresta" stipend are provided to the nearly 2,000 Juma residents who are trained and compensated to protect the rainforest
- Most Juma residents now have an income at or above Brazil's average minimum wage (more than half had incomes below minimum wage when the project launched)
- Residents receive training and resources to pursue sustainable livelihoods, such as Brazil nut and fruit tree harvesting and chicken farming; nearly 50 sustainability training workshops have been provided

- Two schools (seven classrooms) were constructed to welcome 200 students, ranging from 11 years old to adult age

- Over 350 houses have access to drinkable water and more than 710 residents have access to light through individual or community power generators; four solar panels were installed and are used by the schools to supplement electricity provided by donated generators

- Juma's Brazil nuts are featured and sold at our Renaissance São Paulo Hotel and will be available soon at the JW Marriott Hotel Rio de Janeiro

- In 2010, the Juma REDD Project received the Rainforest Alliance's Eco-Index® award for "Best Monitoring and Evaluation Methodology"

- In 2011, the Juma REDD Project received the Rainforest Alliance's Eco-Index award for "Best Lessons Learned"



Marriott is working to advocate continually for rainforest preservation as an effective means of protecting our planet and its resources.



Awards and Recognition

Sustainability & Social Responsibility

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

Workplace

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

Great Place to Work Institute® recognition:

- Inaugural World's Best Multinational Workplaces – 2011
- 100 Best Companies to Work For in America
(*FORTUNE* magazine) – 1998-2012
- Best Companies to Work For in Brazil – 2002, 2010, 2011
- Best Companies to Work For in India – 2005, 2007-2012
- Best Companies to Work For in Mexico – 2006, 2008-2012
- Best Companies to Work For in Latin America – 2004-2012
- Best Companies to Work For in Peru – 2003-2006, 2008-2011
- Best Companies to Work For in United Arab Emirates – 2011

Aon Hewitt recognition:

- Best Employers in Canada – 2011, 2012
- Best Employers in Hong Kong – 2008-2011
- Best Employers in India – 2009, 2011
- Best Employers in Singapore – 2009, 2011
- 25 Best Big Companies
The Sunday Times – 2008-2012
- Best Places to Work in IT
Computerworld magazine – 2010, 2011
- Top 100 Ideal Employer
Universum – 2011, 2012

- Workplace Excellence Seal of Approval
Alliance for Workplace Excellence – 1999-2012
- Inaugural Seal of Distinction
WorldatWork's, Alliance for Work-Life Progress – 2012
- Health & Wellness Trailblazer Award
Alliance for Workplace Excellence – 2008-2012
- The Hottest Employers
Bloomberg BusinessWeek – 2010
- 50 Top Employers for College Grads
Bloomberg BusinessWeek – 2011

Diversity and Inclusion

- Top 50 Companies for Diversity
DiversityInc magazine – 2001, 2003-2010
- #1 for Supplier Diversity
DiversityInc magazine – 2010-2012
- Company of the Year
LATINA Style magazine – 2010
- 50 Best Companies for Latinas to Work For
LATINA Style magazine – 1998-2011
- 40 Best Companies for Diversity
Black Enterprise magazine – 2005-2012
- Corporation of the Year
FraserNet – 2010
- Top 60 Diversity Elite
Hispanic Business magazine – 2005-2011
- Corporate Equality Index Report – 90% Score
Human Rights Campaign – 2012
- Working Mother 100 Best Companies
Working Mother magazine – 1991-2005; 2007-2011
- Top Companies for Executive Women
National Association of Female Executives (NAFE) – 2006-2012
- Corporate Leadership Award (Global Language Program)
Migration Policy Institute – 2011
- Top 25 Company for Supplier Diversity
Hispanic Business magazine – 2010-2012
- Corporate Leadership Award
Women President's Educational Organization – 2011
- Supplier Diversity Partner of the Year
Australian Indigenous Minority Supplier Council (AIMSC) – 2011
- Corporation of the Year
Maryland/District of Columbia Minority Supplier Development Council – 2010
- Best Corporation Member of the Year
MSD China, an affiliate organization of the U.S.-based National Minority Supplier Development Council – 2011

GRI Report Parameters

This is our second report that follows the sustainability reporting guidelines as set forth by the Global Reporting Initiative (GRI). Information in this report takes the GRI G3.1 Application Level C Guidelines as a base structure and adds to information from previous reports. It represents our company's operations, performance and insight in the aspects of our business as indicated per GRI's guidance on defining report content and the GRI has verified the report's content meeting Application Level C. Key topics in the report are aligned with our company's focus areas on page 6, which are categorized by stakeholder group and engagement on pages 17 and 18. This report is produced for our stakeholders, and we look forward to including it in our stakeholder engagement process for receiving feedback. We plan to continue reporting biennially using the GRI guidelines, with an interim update report on key metrics and programs in the off years. We are working to migrate the report to web-based content on Marriott.com. which has 23 million unique visitors per month.

This report's disclosures and performance indicators reflect our performance for the 2011 calendar year, except where stated otherwise. Where applicable, this report also demonstrates our progress in environmental and social responsibility since our 2009 report. Unless otherwise noted, the report data reflect the operational performance of our 1,102 managed properties, and other properties where we have operational control. Managed room amounts include owned, leased and managed property types, and exclude rooms from franchised, unconsolidated joint ventures, The Ritz-Carlton Residences® and timeshare property types.

We have restated figures relating to our organizational scale and environmental performance to reflect the changes our organization made in 2011. The adjustments reflect the timeshare spin-off and our entering into an unconsolidated joint venture with AC Hotels of Spain, which at 2011 year-end was still in the process of consolidation. Furthermore we restructured our organization by global region and continents. You can find further information on recent changes in our organization's structure in our Annual Report.

As a result, we have restated data to align with these organizational changes, as well as modifying the performance metrics of energy intensity. This enables us to evaluate our performance more effectively given our increase of 4,438 and 5,168 managed hotel rooms¹² (net of closings) in 2011 and 2010, respectively. We present several performance indicators in standardized metrics used in our industry such as per occupied room and per square meter. We use intensity figures to track our progress against companywide targets and encompass a data set that only includes hotels with at least 12 months available data and stabilized occupancy that did not undergo major renovations during the year.



¹² Includes owned, leased and managed property types, and excludes rooms from franchised, Unconsolidated Joint Ventures, The Ritz-Carlton Residences and timeshare properties.

GRI Content Index

GRI Reference		Location	Reported
PROFILE DISCLOSURES			
1.1	Statement from most senior member of the organization.	p.1	Fully
2.1	Name of the organization.	Back Cover	Fully
2.2	Primary events, brands, products, and/or services.	pp.7-9, 2011 Annual Report	Fully
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	pp.7-9, 2011 Annual Report	Fully
2.4	Location of organization's headquarters.	Back Cover	Fully
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	p.9, 2011 Annual Report	Fully
2.6	Nature of ownership and legal form.	2011 Annual Report	Fully
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	pp.7-9, 2011 Annual Report	Fully
2.8	Scale of the reporting organization.	pp.7-9, 14, 2011 Annual Report	Fully
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	pp.1, 46, 2011 Annual Report	Fully
2.10	Awards received in the reporting period.	p.45	Fully
3.1	Reporting period for information provided.	p.45	Fully
3.2	Date of most recent previous report.	p.45	Fully
3.3	Reporting cycle.	p.45	Fully
3.4	Contact point for questions regarding the report or its contents.	Back Cover	Fully
3.5	Process for defining report content.	pp.2-5, 7, 45	Fully
3.6	Boundary of the report, and whether it covers planning and delivery, and the activities of partners, participants who are content providers, attendees and sponsors.	pp.2, 45	Fully
3.7	State any specific limitations on the scope or boundary of the report.	pp.2, 45	Fully
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	pp.2, 45, 2011 Annual Report	Fully
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	pp.25, 31-32, 2011 Annual Report	Partially
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	pp.9, 22, 25, 31-32	Fully
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	pp.9, 22, 25, 31-32	Fully
3.12	Table identifying the location of the Standard Disclosures in the report.	pp.47-49	Fully
4.1	Governance structure of the organization including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	p.10, Corporate Governance Principles, 2011 Annual Report, 2012 Proxy Statement	Fully
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	2012 Proxy Statement	Fully
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	2012 Proxy Statement	Fully
4.4	Mechanisms for shareholders and associates to provide recommendations or direction to the highest governance body.	p.10, Corporate Governance Principles, 2012 Proxy Statement	Fully

GRI Content Index

GRI Reference		Location	Reported
PROFILE DISCLOSURES			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	2012 Proxy Statement	Fully
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	pp.10-11, Business Conduct Guide, 2012 Proxy Statement	Fully
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Corporate Governance Principles, 2012 Proxy Statement	Fully
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	pp. 7, 10-11, 25, 31, Corporate Governance Principles, Business Conduct Guide	Fully
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	p.10, Corporate Governance Principles	Partially
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Corporate Governance Principles, 2012 Proxy Statement	Fully
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	pp.3-5, 26-29, 38	Fully*
4.13	Any industry associations and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues; or views membership as strategic.	pp.2-3	Fully*
4.14	List of stakeholder groups engaged by the organization.	pp.2-3	Fully
4.15	Basis for identification and selection of stakeholders with whom to engage.	pp.2-3, 10	Fully
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	pp.2-5, 13	Partially
4.17	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.	pp.2-5	Partially
PERFORMANCE INDICATORS			
EN3	Direct energy consumption by primary energy source.	p.32	Fully
EN4	Indirect energy consumption by primary source.	p.32	Fully
EN5	Energy saved due to conservation and efficiency improvements.	pp.31-44	Partially
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	pp.31-44	Partially
EN8	Total water withdrawal by source.	p.32	Fully
EN16	Total direct and indirect greenhouse gas emissions by weight.	p.32	Fully
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	pp.31-44	Partially
EN22	Total weight of waste by type and disposal method.	pp.34, 42	Partially
EN23	Total number and volume of significant spills.	There were no spills within the reporting period	Fully
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	pp.31-44	Fully
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.7-9,11, 14, 20, 25-28, 2011 Annual Report	Partially
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	2011 Investor CDP	Fully
EC4	Significant financial assistance received from government.	p.8	Fully

*We disclose fully at the corporate level, acknowledging that there are numerous individual activities at the local, national and regional level.

GRI Reference		Location	Reported
PERFORMANCE INDICATORS			
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	pp.20-21, 38-39, 43-44	Partially
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	p.14	Partially
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	pp.25-29	Fully
LA1	Total workforce by employment type, employment contract, and region.	p.14	Fully
LA2	Total number and rate of employee turnover by age group, gender, and region.	p.14	Partially
LA4	Percentage of employees covered by collective bargaining agreements.	2011 10-K p.15	Fully
LA11	Programs for skills management and lifelong learning that support the continued employability of associates and assist them in managing career endings.	pp.15-19	Partially
LA12	Percentage of employees receiving regular performance and career development reviews.	p.16	Fully
LA13	Composition of governance bodies and breakdown of associates per category according to gender, age group, minority group membership, and other indicators of diversity.	pp.14-22, 2012 Proxy Statement	Partially
HR3	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.	pp.21-22	Partially
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	pp.10, 21-22, Human Rights Policy Statement	Fully
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	pp.10, 21-22, Human Rights Policy Statement	Fully
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	pp.21-22	Fully
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	pp.10-11	Fully
SO5	Public policy positions and participation in public policy development and lobbying.	pp.3,8,15	Partially
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	p.11	Fully
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	p.22	Fully
DISCLOSURES ON MANAGEMENT APPROACH			
Economic		Our Company, Business Values, Annual Report	Partially
Environmental		Marriott and the Environment	Partially
Labor Practices		Business Values, Marriott and Society	Partially
Human Rights		Business Values, Marriott and Society	Partially
Society		Business Values, Marriott and Society	Partially

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Your feedback on Marriott's progress is appreciated.
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