



China "Nobility of Nature"  
Water Conservation Project



# OPENING DOORS TO A WORLD OF OPPORTUNITY

Investors, customers and employees today are looking for companies that offer more than just a product or service. They're looking for purpose and value – both for themselves and their communities. Marriott International's purpose as a hospitality company is to open doors to a world of opportunity – wherever one's journey may take them. It is our reason for being, our unifying mission, and the unique value we deliver to people and communities around the world. For our hotel guests, we offer an opportunity for rewarding travel experiences; for our people, personal and professional growth; for our owners and franchisees, profitable investments; and for our investors, financial achievement. For our communities, we offer an opportunity for a better and more sustainable future in the places where we live and work.

Despite a challenging business environment over the last several years, Marriott continues to make ambitious strides to benefit our long-term sustainability and the communities in which we operate. In 2010, we released our first sustainability report prepared according to the Global Reporting Initiative (GRI) standards to reflect our growth in sustainability both generally and during the years 2008 and 2009. Since then, we've made important progress in our three pillars of sustainability – economic, environment and social. In particular, we announced the launch of a new global careers site to attract world-class talent, an executive-level Global Diversity and Inclusion Council, an investment in a water conservation program in Southwest China, and a sustainable seafood program for our hotels globally.



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

This Sustainability Report Update is based on data from Marriott's 2010 financial year, except where stated otherwise. The information contained in this report provides an update to Marriott's Sustainability Report 2008-2009, focusing on impactful progress made during 2010 in areas of most interest to stakeholders. We plan to publish Marriott's next comprehensive sustainability report in 2012.

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**BVLGARI**  
HOTELS & RESORTS



**JW MARRIOTT.**

**EDITION**<sup>SM</sup>

**AUTOGRAPH**  
COLLECTION<sup>SM</sup>

**RENAISSANCE**<sup>SM</sup>  
HOTELS

**Marriott**  
HOTELS & RESORTS

**COURTYARD**  
Marriott

**AC**  
HOTELS  
MARRIOTT

**FAIRFIELD**  
INN & SUITES<sup>SM</sup>  
Marriott

**SPRINGHILL SUITES**<sup>SM</sup>  
Marriott

**Residence**  
Inn<sup>SM</sup>  
Marriott

**TownePlace**  
SUITES<sup>SM</sup>  
Marriott

**EXECUTESTAY**<sup>SM</sup>  
Marriott

**Marriott**  
EXECUTIVE APARTMENTS

**THE RITZ-CARLTON DESTINATION CLUB**<sup>SM</sup>

**Marriott**  
VACATION CLUB

**THE RITZ-CARLTON RESIDENCES**<sup>SM</sup>

**GRAND RESIDENCES**  
by Marriott

# THE WAY WE DO BUSINESS

## Our Company

Marriott's "spirit to serve®" our customers, associates, the environment and communities is an important part of our company culture and is integrated into how we do business. Our portfolio now encompasses over 3,600 managed and franchised properties across 20 brands in 71 countries and territories spanning six continents. At 2010 year-end, we employed approximately 129,000 associates and reported sales of nearly \$12 billion.

In February 2011, Marriott announced plans to divide the company into two separate, publicly traded companies, one focused on lodging and the other on timeshare. As a new company, Marriott Vacations Worldwide Corporation will focus on the timeshare business as the exclusive developer and operator of vacation ownership and related products under the Marriott brand and the exclusive developer of fractional and related products under The Ritz-Carlton® brand. Marriott will concentrate on its global hotel management and franchise business. This transaction, expected to conclude in late 2011, should significantly benefit both businesses.



In November 2010, Marriott Hotels & Resorts celebrated the opening of the brand's 500th milestone hotel -- the 416-room Pune Marriott Hotel & Convention Centre in Pune, India. In June 2011, the hotel was awarded LEED® (Leadership in Energy and Environmental Design) Gold certification from the Indian Green Building Council.

## Global Growth – 2010 Year-End

Top Markets:					
COUNTRY	TOTAL PROPERTIES	MANAGED HOTELS	FRANCHISED HOTELS	TIMESHARE	TOTAL ROOMS
US	3,074	754	2,264	56	494,022
Canada	60	11	49	0	12,349
UK	57	54	2	1	11,272
China	55	55	0	0	21,364
Germany	29	22	7	0	6,822
Thailand	21	15	3	3	4,947
Mexico	18	5	13	0	4,600
France	13	12	0	1	3,012
India	12	12	0	0	3,246

Regional Presence:					
REGION	TOTAL PROPERTIES	MANAGED HOTELS	FRANCHISED HOTELS	TIMESHARE	TOTAL ROOMS
Americas	3,204	804	2,337	63	524,202
Europe	180	137	38	5	41,079
Asia/Pacific	131	114	14	3	43,919
Middle East and Africa	30	28	2	0	8,904

## Our Place In the Global Market

The travel and tourism industry has demonstrated resilience throughout the global economic downturn, and is playing an important role in spurring recovery. Data from the World Travel and Tourism Council indicates that, despite its unique exposure to an unfavorable economic climate, the industry is expected to account for 9.1 percent of global GDP in 2011 and grow its share of jobs to 258 million worldwide, or 8.8 percent of global employment.

The United States Travel Association (USTA) reports that from the time the U.S. labor market bottomed out in February 2010 through June 2011, employment in the travel industry increased by 162,000 jobs. According to the USTA, this represents 9 percent of all U.S. jobs created during that period and a growth rate that is 1.7 times higher than the rest of the private sector. The President's Council on Jobs and Competitiveness has recognized the vital role the travel and tourism industry – which currently employs over 7.5 million people in the U.S. – has and will continue to play in the ongoing economic recovery.

To further the industry's momentum, Marriott has been an outspoken advocate for policy initiatives aimed at promoting travel and tourism. We worked closely with allies in the U.S. Congress to ensure passage of the Travel Promotion Act in 2010. This legislation established a public-private partnership charged with developing a coordinated marketing campaign to promote international travel to the United States. We also continue to advocate for improvements to U.S. visa processing and entry systems, as well as expansion of the Visa Waiver Program, with the goal of increasing foreign visitation. Reducing barriers to travel not only facilitates our own growth, but is also a direct and effective means to fuel global economic expansion.

## Workforce

Like most companies, our people have the greatest impact on both customer satisfaction and on our operating costs, so building and retaining a skilled workforce to serve our travelers is essential to our success. We purposefully invest in our associates, providing them with opportunities for personal and professional growth.

### *Recruitment and Retention*

Personal service is the hallmark of the travel and tourism industry and is a component of our success that cannot be automated or outsourced. As a result, hiring and retaining a skilled workforce to serve our customers will remain one of Marriott's major challenges for the foreseeable future. We are striving to meet this challenge in new and innovative ways.

In 2010, we made significant strides in our efforts to attract and retain world-class talent.

- In August, we designed "Destination Marriott," a new global careers site on Marriott.com. The site enables interested candidates to "Find Your World<sup>SM</sup>" within our company's vast array of career opportunities. We also rolled out a new global management and hourly candidate selection process that can be adapted across all continents, with assessment and interview tools available in 22 languages.

- In late 2009, we launched a study to better understand how our associates experience our company culture and how this impacts business results. The study helped us to identify the dimensions of our shared values and "spirit to serve" culture, and determine the positive impact it has on performance as measured by a "balanced scorecard" that includes associate, guest and financial data. As a result of the survey findings, we published a series of best practices for our hotels to share how the proper focus on cultural dimensions helps the highest-performing properties achieve greater operational results.

## Immigration and Integration

Marriott has also remained steadfast in its support of changes to the U.S. immigration system that would ensure our unmet labor needs can be rapidly addressed. Despite high national unemployment, our U.S. hotels still frequently have difficulty filling service positions. In the face of rapidly changing political dynamics in 2010 and 2011, our advocacy efforts have stressed the need for comprehensive federal immigration reform that balances economic and humanitarian concerns with security needs.

Since the 2010 U.S. elections, we have been active participants in industry efforts to ensure that legislation mandating the use of the E-Verify system will prove workable for our in-market human resource managers, and we are calling for market-based approaches to visa and green card issuance that will consistently meet demand for seasonal and permanent, skilled and unskilled labor. Our Chairman and CEO, J.W. Marriott, Jr., continues to serve on the board of Immigration Works, a respected national organization that advances immigration policies that meet the needs of employers, workers and citizens alike.

We have approved our immigrant workforce through integration programs, developing a program to assist employees navigating the naturalization process and continuing to promote our Sed de Saber (Thirst for Knowledge) initiative, while expanding associate access to Rosetta Stone materials. These company-sponsored language training programs offer a new generation of self-paced innovative language development resources that are helping immigrants and minorities advance.

- Sed de Saber is an innovative electronic learning program that enables Spanish-speaking associates and their families to learn English at their own pace and place. With monitoring support from managers, associates make rapid progress in advancing their English language skills, thus increasing their opportunities for career development. In 2010, 800 associates participated, 82 percent completed the course and the average gain in language proficiency was 62 percent.
- In 2010, we continued expanding our Rosetta Stone language courses through the company's myLearning website. With 25 languages to choose from, Rosetta Stone can enhance language proficiency by improving communication among our associates and our customers. More than 13,000 associates are currently active in the program. In a workplace survey, 97 percent said they would recommend Rosetta Stone to others.

In recognition of these efforts, in May 2011, the Migration Policy Institute honored us with its Corporate Leadership Award for helping associates expand their language skills. We are also proud that, in October 2011, the National Immigration Forum will present J.W. Marriott, Jr. with its "Keepers of the American Dream" award in recognition of his advancement of the longstanding American tradition of welcoming immigrants to our society.

## Global Diversity and Inclusion

With more than 60 percent of Marriott's full-service hotel pipeline located outside of North America, our continued growth will be enhanced by increased awareness and openness to cultures and markets driving global growth. Further, in the United States, Marriott's largest market, one in every nine people is foreign-born. Our vision is to embed global diversity and inclusion into our organization so it is integral to how we do business. Here are a few results from 2010 that demonstrate our progress in achieving this objective.

- Our relationships with thousands of minority, women, service veteran, disabled and LGBT (lesbian, gay, bisexual and transgender) - owned businesses around the globe continue to grow and strengthen. In 2010 alone, we spent nearly \$480 million with diverse suppliers, far exceeding our goal set in 2005.
- Marriott's Global Diversity and Inclusion Council, launched in late 2010, works in partnership with the Marriott Board of Directors' Committee for Excellence to monitor, develop and measure the progress of our diversity and inclusion strategy to promote an increasingly diverse workforce as well as ownership, customer and supplier community.
- Since the start of 2010, Marriott has opened 20 new hotels as part of the company's Diverse Ownership Initiative, a program launched in 2005 to introduce successful minority and women business owners to the hotel industry. The program provides access, education and guidance throughout the hotel development process, from selecting the appropriate brand to opening the hotel. In 2010, we had 578 hotels as a part of our Diverse Ownership Initiative portfolio.
- In May 2010, we held our first annual companywide Cultural Appreciation Day to honor our global workforce during Marriott's Associate Appreciation Week. Hotels held multicultural fairs featuring associates dressed in traditional ethnic dress, presentation of ethnic foods and exposure to cultural learnings and languages. By celebrating the many cultures of our people, we reinforce our commitment to providing an inclusive environment where all associates have the opportunity to achieve their potential, are highly engaged, and are empowered to deliver great customer service. The celebration of our diversity of ideas, backgrounds and experiences increases our ability to innovate and succeed.

- Marriott announced in February 2010 a partnership with Salt River Devco to build the first Marriott-branded hotel on U.S. tribal land. The Courtyard by Marriott® will be located just outside of Scottsdale, Arizona, in the Salt River Pima-Maricopa Indian Community and plans to open in 2012.



Brazil's Renaissance® São Paulo Hotel was presented the 2010 J.W. Marriott, Jr. Diversity Excellence Award, created to recognize excellence in promoting diversity and building an inclusive environment.

DIVERSITY	2008	2009	2010	TARGET
Minority and Women Owned Hotels	400	525	578	500 by 2010
Supplier Diversity Purchases	14.0%	14.8%	15.5%	15% by 2010



Ethics and Human Rights

Marriott is committed to the highest ethical and uncompromising legal standards. Our Business Conduct Guide provides associates with detailed guidance on conducting business in compliance with ethical and legal standards, including laws and policies relating to antitrust issues, unfair competition, political contributions, abuse of purchasing power, commercial and political bribery, conflicts of interest, equal employment opportunity and human rights.

- In the first quarter of 2010, we launched our newly enhanced Business Ethics awareness program, “How We Do Business Is As Important As the Business We Do,” designed to provide associates with the information and tools they need to identify potential ethical and compliance issues and raise them with the appropriate leaders within the organization. The program now includes a new training video to be incorporated into all new hire orientations, as well as quarterly bulletins with updates on topics and tools for prevention.
- Continually advancing “Marriott’s Human Rights and the Protection of Children” policy and programs is a priority for the company. Marriott developed “Human Rights and The Protection of Children” training for our security officers and all property-based employees in our global operations in 2010. This program will launch enterprisewide in 2011.
- The U.S. State Department’s Office to Monitor and Combat Human Trafficking in Persons has been a valuable resource and advisor to us on the issue of human trafficking. Marriott was instrumental in securing a \$200,000 grant from the U.S. State Department for the Youth Career Initiative (YCI), a program that helps empower young people with life and vocational skills they need to stave off the effects of poverty, crime and exploitation. Marriott invests in and has long championed the expansion of YCI within the hospitality industry. This grant will enable YCI to include victims of sexual exploitation in the program.

Guest Satisfaction

We are committed to offering our guests rewarding travel experiences wherever their journey takes them. With our guest loyalty program Marriott Rewards, an established customer feedback program and customer care centers, we provide exceptional service that brings guests back time and again as they travel globally. The table below shows satisfaction scores from our guests and the growth in the number of Marriott Rewards members.

GUESTS	2008	2009	2010	% Change from 2009
Marriott Reward Members	30M	32M	34.7M	8.4%
GSS Response Rate*	27%	26%	24%	-7.7%
Overall Guest Satisfaction Score	81.6	82.5	81.9	-0.7%

*\* The 2008 and 2009 response rates were updated to reflect the appropriate calculation. Response rates are calculated by dividing the total number of completed surveys by the total number of survey invitations sent to guests.*

*Note: Results include both Marriott-managed and franchised U.S. and Canadian hotels branded as JW Marriott®, Renaissance Hotels®, Marriott Hotel & Resorts, Courtyard®, Fairfield Inn & Suites®, SpringHill 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.*

# MARRIOTT AND SOCIETY

Giving back to the places where we do business is the core of Marriott's "Spirit to Serve Our Communities®" social responsibility and community engagement strategy. This strategy focuses our operations on five global issues branded "SERVE": Shelter and Food, Environment, Readiness for Hotel Careers, Vitality of Children, and Embracing Global Diversity and Inclusion. Here are 2010 results that build on a broader array of programs described in the previous sustainability report.

## Poverty Alleviation

- As part of the brand's longstanding commitment to Habitat for Humanity® International, Fairfield Inn & Suites' associates across the U.S. and Canada answered the brand's "Rally to Serve," helping to build more than 75 homes in 40 states and Canada. The brand supports the Habitat for Humanity organization through Fairfield's Hospitality at Home® program. Through home sponsorships, volunteer hours at local Habitat ReStores, product donations from renovations, and financial donations, the program engages Fairfield Inn & Suites' associates, owners, franchisees and customers to help Habitat for Humanity provide decent, affordable housing for families in need.
- TownePlace Suites launched the "Make a Bed" program, allowing guests to "click" the brand's Facebook application to generate a \$2 donation from TownePlace Suites to the American Red Cross Disaster Relief Fund. Total donations from the program were \$50,000. "Make a Bed" is part of "real giving," a TownePlace Suites program serving communities across the U.S., through volunteer service and donation opportunities.

## Disaster Relief Efforts

- In the first three months of 2010, devastating earthquakes hit Haiti and Chile. And, in March 2011, Japan was struck by a massive earthquake and a subsequent tsunami. Marriott, its associates and guests are contributing to the American Red Cross (ARC) and International Federation of Red Cross & Red Crescent (IFRC) Societies' disaster relief funds to help provide shelter, food, emotional support and other assistance to victims of these and other disasters. Additionally, Marriott Rewards members can redeem points for donations. Marriott and The Ritz-Carlton Community Footprints program allocated \$50,000 of its 2011 support specifically to the American Red Cross' "Japan Earthquake and Pacific Tsunami" long-term relief and recovery efforts.
- Our hotels are quick to respond to disasters in their communities. For example, when Nashville, Tennessee, experienced serious flooding in May 2010, associates from local Marriott-branded hotels partnered to assist team and community members who had been affected. Within days of the flooding, associates held cash and gift card drives, bake sales and other fundraisers to help gather resources for those who had lost their homes and belongings. In addition, hotel associates sorted and boxed nearly 10,000 pounds of food at Second Harvest Food Bank for flood victims.
- August 2010 marked the fifth anniversary of Hurricane Katrina. After the storm devastated the U.S. Gulf Coast in 2005, Marriott, its associates, owners and franchisees around the world, and The J. Willard and Alice S. Marriott Foundation contributed nearly \$6 million in support of associates and communities in the affected areas. While \$5.5 million had been distributed since the disaster, the remaining \$500,000 was targeted to support long-term recovery projects.

In partnership with Habitat for Humanity and KaBOOM!, nearly 400 Marriott associates, guests and friends built new homes and playgrounds in Louisiana neighborhoods.

Through DonorsChoose.org, funds were also used to support projects in local schools. A full five-year report to the community regarding the Marriott & Ritz-Carlton Disaster Relief Fund's Hurricane Katrina response is available at [Marriott.com/social\\_responsibility](http://Marriott.com/social_responsibility).

## Readiness for Hotel Careers

In 2010, the Marriott Foundation for People with Disabilities' "Bridges...from school to work®" program provided job and life skills training to 777 young people with disabilities and placed them in mainstream employment with 414 employers, including Marriott. Marriott International, its business partners and other donors contributed a total of \$1.16 million to the organization through its annual fundraiser in Washington, D.C.

## Vitality of Children

With the help of its guests, business partners and associates, Marriott contributed more than \$5 million to Children's Miracle Network Hospitals in 2010. This nonprofit organization is dedicated to raising funds and awareness for more than 170 children's hospitals in the United States and Canada. Since 1983, Marriott has raised more than \$76 million to help children needing hospitalization in our communities.

CONTRIBUTIONS* (\$M)	2008	2009	2010
Cash Contributions	\$6.3	\$5.9	\$6.9
In-Kind Contributions	\$18.5	\$15.5	\$16.9
<b>Total Cash/In-Kind Contributions</b>	<b>\$24.8</b>	<b>\$21.4</b>	<b>\$23.8</b>
Associate Fundraising	\$8.0	\$4.4	\$4.2
Associate Volunteerism**	\$8.8	\$6.5	\$6.6
<b>Total Corporate and Associate Contributions</b>	<b>\$41.6</b>	<b>\$32.3</b>	<b>\$34.6</b>

\*includes some franchised hotels.

\*\*based on Independent Sector's value of the volunteer hour for the noted year. The 2010 hour value is \$21.36. Independent Sector is a leading forum for charities, foundations and corporate giving programs in America and around the world.



Between 2007 and 2010, Marriott associates in New Orleans contributed nearly 7,000 volunteer hours to build Habitat for Humanity International homes to help the people and communities devastated by Hurricane Katrina.

# MARRIOTT AND THE ENVIRONMENT

As global travel increases, Marriott has an obligation to ease our business impact on the natural environment. Because we strive to operate our hotels more efficiently, we are committed to offering our communities an opportunity for a better and more sustainable future. Our environmental goals are to:

- Further reduce energy and water consumption by 25 percent per available room by 2017;
- Create green construction standards for hotel developers;
- Green our multibillion dollar supply chain;
- Educate associates and guests to support the environment;
- Invest in innovative conservation initiatives including rainforest protection and water conservation.

Our Global Green Council, led by 10 global officers and other senior executives, sets our goals and catalyzes our progress. In 2010, we continued to work toward reaching our goals, including launching hotel prototypes that are pre-certified as being sustainable, creating the FutureFish global sustainable seafood program, and announcing the Nobility of Nature water conservation program in China.



Organic honey from the Guanba Bee Farming Cooperative, part of the "Nobility of Nature" program launched by Marriott in 2010, is now being featured in food and beverage offerings and available for retail sale throughout Marriott hotels in China.

## Energy, Water, Waste, Carbon

Energy and water consumption and the generation of waste contribute to greenhouse gas (GHG) emissions and are important factors in evaluating the environmental impact of our hotel operations. Increasing the energy and water efficiency of our hotels decreases our environmental impact and reduces our costs. Below are a few highlights in support of our energy, water, waste and carbon reduction initiatives in 2010:

- We continued our practice of improving efficiency when replacing equipment, such as air conditioning units at our hotels. In 2010, we upgraded approximately 1,400 packaged terminal air conditioning (PTAC) units to a Seasonal Energy Efficiency Ratio (SEER) rating of 11.5. This is an improvement of 22 percent in efficiency over the units that were replaced and brings our five-year total of units upgraded to approximately 35,000.

- In coordination with the PTAC replacements, we upgraded to occupancy-sensing thermostats to further reduce energy consumption when rooms are unoccupied.
- We launched a major program with Nalco, a water treatment and process improvement company, to deliver 450 million gallons in water savings over a three-year period by using monitoring equipment to optimize the water treatment in chillers and cooling towers in our full-service hotels worldwide.
- In 2010, Marriott partnered with Ecolab to develop a new laundry formulation and management system pilot that demonstrated significant savings in energy and water use during the laundry process by eliminating one wash cycle and reducing the temperature of the hot water that is needed. Piloted in 31 hotels, the project saved an annualized, projected total of 18 million gallons of water and reduced energy use from 15-25 percent (amount varies by load and equipment). Marriott is expanding this project which, in 2011, included properties in the Americas and Asia/Pacific regions.
- Our managed full-service hotel kitchens recently installed appliances that are much more energy, water and waste efficient. Our dishwasher systems use less gas, water and reclaim steam energy while also reducing the use of phosphates by 90 percent. As part of a pilot phase at a number of properties, our refrigerators have Tempminder/Powerminder systems for optimal energy usage throughout the day, while ovens, which include steamer and convection units, reduce our energy footprint. Also part of this pilot, the Vito Fryfilters in our deep fryers require less oil; in the U.K. and in some U.S. markets, used cooking oil is recycled for biofuels.
- Marriott's Retro-Commissioning (MRCx) program is a comprehensive evaluation and planning process that makes our larger, more complex properties as energy efficient as possible. These projects have had an average two-year return on investment.
- Looking forward, our Energy and Environmental Action Plans that are used at all properties in the Americas will be implemented worldwide. This tool conveys best practices and guides engineering and other property leaders through an energy audit process to help achieve energy and water reduction goals.
- Marriott is building on our strong relationships with key national waste partners to further expand recycling and food composting capabilities across our portfolio of properties in the U.S. and Canada. Our global recycling task force continually strives to make recycling more convenient and comprehensive for associates and guests.

## Industry Collaboration

- We actively participate in a carbon measurement working group led by the International Tourism Partnership (ITP), a global nonprofit organization promoting responsible and sustainable tourism, and the World Travel and Tourism Council (WTTC). The group is creating a uniform methodology to be used by meeting planners and guests to calculate the hotel industry's carbon emissions.



- Marriott -- along with InterContinental Hotels Group (IHG) and Wyndham Worldwide -- provided guidance, assistance and hotel environmental performance data for a Cornell Hospitality Research Report titled "Developing a Sustainability Measurement Framework for Hotels: Toward an Industrywide Reporting Structure."
- The Global Business Travel Association (GBTA) develops Request for Proposal (RFP) questions that many of our customers utilize. Marriott has been working with this association to review and revise the sustainability/environmental questions so that they meet the needs of our customers and the industry.

## Technology / Data Centers

Marriott contracts with several asset disposal companies worldwide to recycle its eWaste including computers, servers, printers, network equipment and associated components. Since 2006, more than 38,335 assets or 93,097 pounds of eWaste have been diverted from landfills.

Since 2007, the Central Processing Unit (CPU) capacity has increased by 87 percent and direct access storage data (DASD) volume has increased by 94 percent at Marriott's aboveground data center. Despite these increases, power consumption remained flat because of the reduction of 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 the 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. This is a 58 percent reduction in water usage from 2009.

The Marriott Recovery and Development Center, which opened in 2009, is the company's 200-ft. underground data center. The "free cooling" dramatically reduces energy consumption and saves 50 percent in energy costs in comparison to our aboveground facility.

## Green Buildings

In late 2009, Marriott announced an expansion of our green hotel portfolio by introducing a LEED® (Leadership in Energy and Environmental Design) Volume Program pre-certification, an internationally recognized green building certification system designed by the U.S. Green Building Council (USGBC). The green hotel prototype was first made available in April 2010 for the Courtyard brand, and we expect that it will save owners up to \$100,000 and six months in design time, and reduce a hotel's energy and water consumption by up to 25 percent, based on national averages.

- The company now has 89 hotels across all brands that are LEED-certified or registered by the USGBC. Marriott helped design and, by the end of 2011, expects to offer a pre-certification in the LEED Volume Program for all five select-service and extended-stay brands – Courtyard, SpringHill Suites, Fairfield Inn & Suites, Residence Inn and TownePlace Suites. Currently five properties have signed up for the volume build program.
- In November 2010, Marriott announced a preferred partnership with PDG Realty for the development of 50 Fairfield by Marriott<sup>SM</sup> hotels throughout Brazil. The hotels in this partnership will be constructed with design standards that are optimized for environmental performance and, upon opening, will contribute to the endowment of the Juma Reserve in the Amazon Rainforest.



Opened in the fall of 2010, the Courtyard Pittsburgh Airport Settlers Ridge in Pennsylvania was the basis for Marriott's green hotel prototype concept.

ENVIRONMENTAL PERFORMANCE INDICATORS	2007*	2008*	2009*	2010	Change from 2007
Total Water Consumption in million cubic meters (Mm <sup>3</sup> )	49.6	46.7	44.2	38.3	-22.8%
Intensity <sup>a</sup>	0.66	0.61	0.54	0.47	-29.2%
Total Energy in megawatt hours (MWh)	5.95M	6.04M	5.89M	5.19M	-12.7%
Intensity <sup>a</sup>	79.2	78.2	71.7	63.4	-20.0%
Direct Energy	3.62M	3.67M	3.45M	3.17M	-12.6%
Indirect Energy	2.33M	2.37M	2.44M	2.03M	-12.8%
GHG Emissions (Million tCO <sub>2</sub> e) <sup>b</sup>	2.67	2.79	2.70	2.36	-11.6%
Intensity (Lbs.) <sup>a</sup>	78.3	79.7	78.5	63.6	-18.9%

*a - Per Available Room b - Scope 1 and 2*  
*\* Portions of prior data are restated to reflect changes in boundary and data collection method. Data now include managed hotel properties only, and were aggregated from a property-level data retrieval system. We expect an additional restatement of improved accuracy in our next report as the system is being implemented over the course of 2011.*

## Highlights of Marriott's Newest LEED Hotels

- In February 2010, the TownePlace Suites Baltimore BWI Airport received LEED Existing Building Certification from the USGBC. The hotel was the first property at BWI Airport to receive this distinction. Built in 2007, the hotel underwent several changes to achieve LEED status, including replacing plumbing hardware with low-flow devices, purchasing renewable energy wind credits to offset the hotel's carbon footprint, composting all breakfast waste to achieve zero waste and using sustainable and environmentally-sensitive cleaning products.
- The Ritz-Carlton, Charlotte, became the first environmentally built hotel for greater Charlotte and achieved "LEED Gold Certification for New Construction" in April 2010. In 2011, the hotel will seek "LEED Gold Certification for Existing Building." The dual certification is expected to set a new benchmark for the luxury hotel industry.
- In July 2010, the SpringHill Suites Atlanta Airport Gateway became Atlanta's first LEED Gold hotel. Following its opening in August 2010, the Atlanta Airport Marriott Gateway applied for LEED Silver status. Both hotels were created with 10 percent recycled materials and a landscape and irrigation design that reduces water consumption by 50 percent. Twenty percent of the hotels' supplies are sourced locally, within a 500-mile radius, and each has a white roof to reduce heat absorption.
- In November 2010, The Ritz-Carlton, Lake Tahoe became the first LEED-certified Ritz-Carlton resort. This was achieved through a variety of measures including reusing or recycling 88 percent of all construction waste on the project, utilizing 63 percent local materials, planting water efficient landscaping, having a green cleaning program and providing lockers and bike racks for employees.
- In February 2011, the JW Marriott Los Angeles L.A. LIVE and The Ritz-Carlton, Los Angeles were awarded LEED Silver certification based on a number of green design and construction features that positively impact the project and the broader community.
- In June 2011, the Pune Marriott Hotel & Convention Centre in India received LEED Gold Certification from the Indian Green Building Council. The hotel is the only hotel in Pune and the first Marriott hotel in India to receive this honor. Since its opening in November 2010, the Pune Marriott has reduced its energy usage by 42 percent, incorporated low VOC- emitting materials, reduced landscape water usage by using indigenous plants, and increased use of renewable materials.

## Supply Chain

We've asked our top vendors to supply price-neutral products that reduce energy, water and resource consumption, reduce waste, are recyclable, or use greener, nontoxic materials. This helps make our business more sustainable, while offering our guests and associates opportunities for more eco-sensitive experiences.

- In June 2010, The Ritz-Carlton brand began offering environmentally-friendly water bottles at its North American hotels and select properties in the Caribbean through its partnership with Prima™. The co-branded 16 oz. bottle is made 100 percent from plants; the bottle is all natural, can decompose in 30 days in a commercial composting facility, or can be reprocessed and remade into new bottles.
- Our chefs are sourcing an increasing amount of local and organic foods, including beef, wine, beer and produce from local farmers. Some of our hotels grow their own herbs, vegetables or even maintain beehives.
- In mid-2010, Marriott launched the FutureFish global sustainable seafood program, designed to help our chefs around the world select, source and serve more sustainable seafood. Worldwide our hotels have received our FutureFish guide to assist in associate training and seafood selection. Working with vendors, global/local fisheries and small fishing communities, our chefs are sourcing an increasing amount of seafood that is caught in a sustainable manner. Marriott works with organizations like Cleanfish, Monterey Bay Aquarium, FishWatch and others to assist in this effort. The company currently sources 65 percent sustainable seafood and continues to look for new opportunities in our journey toward sustainability.
- Our hotel carpeting and wall coverings suppliers, like Shaw and MDC Wallcoverings, have continually increased the sustainability of their products. Since 2007, Marriott has purchased only Cradle to Cradle-certified products from Shaw and MDC's REcore recycled backing, which includes 30 percent recycled content and a minimum 20 percent post-consumer waste.
- Marriott is a founding member of the Hospitality Sustainable Purchasing Index, (HSPI) established in May 2011. Facilitated by MindClick, the consortium of hospitality management companies, hotel suppliers, architecture firms, sustainability experts and the U.S. Green Building Council works collaboratively to provide the industry with a unified approach and metrics for greening our global furniture, fixtures and equipment (FF&E) supply chain.

LEED Buildings	2007	2008	2009	2010
<b>Registered [Includes Certified]</b>	<b>18</b>	<b>44</b>	<b>67</b>	<b>89</b>
<b>Certified</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>14</b>
<b>Renewable Energy Source Hotels</b> (Portion of energy directly generated on-site)	<b>2*</b>	<b>4*</b>	<b>7*</b>	<b>10</b>
*Prior data restated as cumulative.				
Note: All data cumulative; registered and certified data includes franchised properties and Marriott Headquarters				

## Educating and Inspiring Associates and Guests

We know we have an important role to play in conserving natural resources, protecting indigenous wildlife and reducing and recycling waste wherever possible. But we also know our efforts can only be more successful in partnership with our associates, guests, investors and communities. In 2010, to help educate and inspire these partners, we participated in Earth Hour, furthered our efforts with the Juma Reserve in the Amazonas Protected Areas in Brazil and launched a water conservation program, "Nobility of Nature," in the Sichuan Province of China.

- On March 27, 2010, at 8:30 p.m. local time, Marriott-branded hotels and resorts worldwide turned out the lights, for one hour, in support of Earth Hour, a global movement uniting businesses, organizations and individuals in taking action to raise awareness to the issue of climate change. Marriott designates April as Environmental Awareness Month. Throughout the month, hotels remind guests and associates of eco-friendly home, work and travel practices and encourage associates to participate in activities that beautify surrounding communities and sustain indigenous habitats.
- In 2008, Marriott announced new eco-friendly meeting products and services for our full-service hotels. In 2010, the "green meetings" program was introduced at Courtyard, Fairfield Inn & Suites, Residence Inn and SpringHill Suites brands. "Green meetings" include recycle bins in the meeting room, using green products such as pens and notepads made from recycled material, decorating with organic flowers, linen-less tables, name tag reuse and a required recycling program for hotels whose communities offer recycling.



Aerial photo of Boa Frente, a community within the Juma Sustainable Development Reserve in the state of Amazonas in Brazil.

## "Spirit To Preserve"

### Juma Reserve

Marriott partnered with the Amazonas Sustainable Foundation (FAS) to promote environmental sustainability specifically through forest conservation and an improved quality of life for its indigenous people. Marriott committed \$2 million to help FAS protect the Juma Sustainable Development Reserve, which encompasses 1.4 million acres of pristine rainforest. Substantial progress was made in 2010 as part of this initiative in the Juma Reserve, including:

- In March 2010, electricity was provided in 29 Juma Reserve communities. The Amazonas State Government donated generators, enabling FAS to implement a high-quality system to distribute electricity to every home.

- In September 2010, the Juma Reserve received the Rainforest Alliance's Eco-Index® award for "Monitoring and Evaluation." In 2001, the Rainforest Alliance, one of the most recognized forestry certification organizations in the world, launched the Eco-Index® to provide the conservation community with a vehicle to share project data and reports, lessons learned and best practices.
- The Amazonas State Research Support Foundation provided grants to 25 Juma community members in October 2010 to conduct rainforest research that will ultimately help demonstrate the nutritional, medical and economic benefits of rainforest protection.
- In early 2011, a new water well was installed to provide access to clean, drinkable water for the community. Improvements were also made to the community's solar panel system to more efficiently provide energy for residences.

### Nobility of Nature

In May 2010, Marriott announced an investment of \$500,000 in seed money over two years to support a vital water conservation program that helps protect the largest source of fresh water on the planet, located in the mountains of Southwest China. "Nobility of Nature" is designed to assist rural communities with sustainable businesses, such as honey production, causing less stress on the environment. Reducing erosion and sedimentation will also improve water quality downstream in both rural and urban areas where we have hotels.

- Within our hotels in China, our Nobility of Nature project is helping to drive guest and associate engagement in our water and energy conservation practices. In the guest rooms and through television videos, guests learn of our Nobility of Nature project and practices. Our associate ambassadors, who have visited the project in Pingwu County, help build awareness and support hotel implementation with their fellow associates. In 2010, our hotel practices in China resulted in a 13.5 percent year-over-year water savings per occupied room.
- By December 2010, nearly 40 of Marriott's 55 hotels in China were featuring organic honey harvested by the Guanba Bee Farming Cooperative, the Nobility of Nature program's first community to receive a grant. Honey revenues for the Guanba Co-op have doubled since Marriott began supporting its efforts. Proceeds from honey sales were used to purchase a pickup truck for the Guanba community project. All 128 Guanba Village families have received economic and educational benefits, including fixed assets (hives).



# AWARDS AND RECOGNITION

## WORKFORCE

- "100 Best Companies to Work For" – Most Admired Lodging Company  
*FORTUNE* magazine 1998 – 2011
- "25 Best Big Companies to Work For" – seventh place for Marriott Hotels in the U.K.  
*The Sunday Times* 2010
- "20 Best Big Companies to Work For" – fourth place for Marriott Hotels in the U.K.  
*The Sunday Times* 2010
- Workplace Excellence and Health & Wellness Trailblazer Award  
Alliance for Workplace Excellence 2011
- 50 Top Employers for College Grads  
*Bloomberg/Business Week* 2011
- "Best Places to Work in IT"  
*Computerworld* magazine 2010
- "Hottest Employers of 2010"  
*BusinessWeek* magazine
- "50 Best Employers in Canada"  
Aon Hewitt

## DIVERSITY

- "100 Best Companies" Hall of Fame (2010) and "Best Company for Hourly Workers"  
*Working Mother* magazine 2010 – 2011
- "Top 50 Companies for Diversity" (#1 for supplier diversity; #7 overall)  
Company also named to Top 10 Companies for Recruitment & Retention and Top 10 Companies for Blacks  
*Diversity Inc.* magazine 2003 – 2011
- "40 Best Companies for Diversity"  
*Black Enterprise* magazine 2005 – 2010
- "Top 25 Corporations for Supplier Diversity"  
*Hispanic Business* magazine 2010
- "Top 50 Companies for Women in 2011" (Marriott ranked in top 10)  
National Association of Female Executives
- "2011 Best Places to Work for LGBT Equality"  
The Human Rights Campaign
- "2010 Corporation of the Year"  
Maryland/District of Columbia Minority Supplier Development Council
- "Company of the Year" (2010) and "50 Best Companies for Latinas to Work for in the U.S."  
*Latina Style* magazine 1999 – 2010

## BUSINESS ETHICS

- World's Most Ethical Companies  
Ethisphere Institute 2011

## HUMAN RIGHTS

- FTSE4Good Index  
Member Company 2002 – 2011
- 100 percent score on The Human Rights Campaign Foundation's Corporate Equality Index report 2008 – 2010

## GUEST SATISFACTION / MARRIOTT REWARDS

- "Best Frequent Guest Program" 2010  
*Executive Travel* magazine
- "Program Of The Year for the Americas and Europe and Africa" 2010  
Frequent Travel Educational Association
- "Top Email Newsletter Designed for Marketing" 2011  
MarketingSherpa, LLC

## ENVIRONMENT

- "Corporate Social Responsibility Award" 2010  
Global Business Travel Association (formerly National BTA)
- Climate Counts – Marriott ranked #1 in the industry by consumers 2010 & 2011
- "Supplier Sustainability Excellence Award"  
U.S. Postal Service
- "Top 12 Green IT Companies"  
*Computerworld* 2008-2010
- "Forest Stewardship Council (FSC) Leadership Award"  
Kimberly-Clark
- Southern California Electric (SCE) Environmental Leadership Award
- Association of Energy Engineers (AEE) Corporate Energy Management Award
- "60 Best Green Companies in Britain for 2011" and "Greenest Hotel Company"  
*The Sunday Times*

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## On The Cover:



Marriott associate ambassadors visit the "Nobility of Nature" program in Pingwu County, China, along with representatives of Conservation International and Marriott executives, including Arne Sorenson, President and Chief Operating Officer; Simon Cooper, President and Managing Director Asia/Pacific; Craig Smith, Chief Operating Officer, Asia/Pacific; and Kathleen Matthews, Executive Vice President, Global Communications and Public Affairs. The program conserves water, protects forests and takes locally harvested honey from the hive to the hotel.