# 2019 Serve 360 Report

Sustainability and Social Impact at Marriott International



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# A Message from Our President and CEO

### Making a Lasting, Positive Difference in the World

Since 1927, Marriott International has been unwavering in its commitment to do what responsible companies should do: make a lasting, positive difference in the world. We started off almost a century ago as a nine-stool root beer stand in Washington, D.C., and evolved into a world leader in hospitality. From day one, we have empowered people and helped to build stable communities, starting with our own associates and guests.

Today, our sustainability and social impact platform, Serve 360: Doing Good in Every Direction, is uplifting people around the world. We successfully completed the first full year of the program in 2018, guided by four priority areas, or what we call "coordinates":

- Nurture Our World Advancing the resiliency and development of our communities
- Sustain Responsible Operations –
  Reducing the company's environmental
  impacts, sourcing responsibly, and
  building and operating sustainable hotels,
  while mitigating climate-related risk
- Empower Through Opportunity –
  Helping people and businesses explore
  opportunity in the hospitality industry
- Welcome All and Advance Human Rights —
   Creating a safe and welcoming environment
   for associates and travelers

Under Serve 360, we continue to address significant global issues by collaborating with non-governmental organizations (NGOs), industry peers, associates, guests, owners, corporate customers, suppliers, and other business stakeholders to implement actionable solutions and enhance valuable programs, allowing us to have a positive impact on our business, our communities, and the environment.

Driven by our people-first culture, we engage associates through the support of their overall health and wellbeing.

This includes growing our network of on-property activators, or "Champions," for our signature TakeCare wellbeing program, to nearly 15,000 associates. We launched our internal "Respect for All" initiative to reiterate our commitment to inclusion and we are redefining the priorities of TakeCare to demonstrate how we provide opportunity, purpose, and a sense of community for all associates.

We expanded our inclusive growth strategy and youth engagement programs last year, including advancing women across every part of our business and rolling out large-scale youth initiatives in several of our regions. We have deepened our partnerships with organizations helping people from underserved communities find their path to meaningful careers in the hospitality industry.

Our responsible operations efforts continue to grow, as we aim to reduce waste through single-use plastic initiatives. This includes our work to remove plastic straws and stirrers globally, eliminating an estimated 1 billion plastic straws and at least 250 million plastic stirrers per year. In 2018, we began replacing tiny single-use toiletry bottles with larger, pump-topped bottles across select-service hotels in North America. In 2019, we are expanding this initiative across most of our other hotels, switching single-use shower toiletry bottles of shampoo, conditioner, and bath gel to larger bottles with pump dispensers. When fully implemented across the globe, the expanded toiletry program is expected to prevent 500 million tiny bottles annually from going to landfill.

We continue to support local communities and environments through reforestation activities and other natural capital investments. In 2018, we celebrated the 10-year anniversary of our partnership with the Amazonas Sustainable Foundation (FAS) and the State of Amazonas in Brazil, in which ninety-nine percent of the Juma Sustainable Development Reserve remains preserved.

We made huge strides last year in our efforts to advance human trafficking awareness and prevention. At year-end 2018, more than 500,000 associates had been trained on human trafficking awareness. We also reaffirmed our commitment to prevent human trafficking by becoming a signatory of the ECPAT Code of Conduct, and the first corporate partner of the Global Fund to End Modern Slavery to create hospitality training to aid survivors on their path to self-sufficiency.

As J.W. Marriott, Sr. always said, "success is never final." We remain committed to working to address the world's most pressing issues. Today, I invite you to read this report, where we share our progress and journey with you, as we continue to serve our world.

Ane Bren



Arne Sorenson
President and CEO of
Marriott International, Inc.

# Our Company and Stakeholders

### **OUR GLOBAL REACH**

Marriott International, Inc. ("Marriott) operates, franchises, and licenses hotel, residential, and timeshare properties. At year-end 2018, Marriott's portfolio included more than 6,900 properties in 130 countries and territories.



2018 Top Markets\*

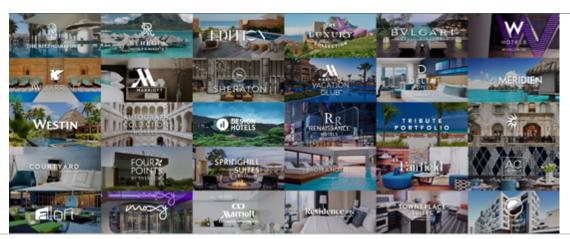


2018 Regional Presence

	TOTAL ROOMS	TOTAL PROPERTIES
United States	830,263	4,871
China	109,126	322
Canada	51,227	233
India	23,154	111
United Kingdom	18,554	93
Germany	18,200	75
United Arab Emirates	16,889	57
Mexico	16,767	85
Spain	13,911	93
Japan	12,718	45

	TOTAL PROPERTIES	COMPANY- OPERATED PROPERTIES**	FRANCHISED HOTELS	UNCONSOLIDATED JV HOTELS	TIMESHARE	TOTAL ROOMS
Americas	5,355	968	4,249	59	79	935,276
Asia Pacific	717	614	98	0	5	207,382
Europe	582	240	246	91	5	116,626
Middle East & Africa	252	198	53	1	0	58,084
TOTAL	6,906	2,020	4,646	151	89	1,317,368

<sup>\*</sup> Top markets are determined using total room counts. \*\* Company-operated properties include managed, owned, and leased hotels.



Twenty-nine out of our 30 leading brands participate in our company's award-winning loyalty program, Marriott Bonvoy<sup>™</sup>.

# At year-end 2018, our loyalty program had nearly 125 million members.

About This Report: In this Report, we have incorporated data and information from our full portfolio of owned, leased, managed, and franchised hotels, unless otherwise indicated. Financial metrics are reported in U.S. dollars. Please note that information contained herein does not constitute any guarantees or promises with regard to business activities, performance, or future results.

# Our Company and Stakeholders

### **ASSOCIATES AND GUESTS**

Our "people first" culture drives our efforts to care for both associates and guests. At our headquarters, corporate offices, and managed properties, we employed approximately 176,000 associates at year-end 2018. In addition, Marriott managed approximately 260,000 associates at non-U.S. hotels, who are employees of the hotel owner. Approximately 730,000 people at managed and franchised properties wear the Marriott name badge globally.

### Caring for Associates, Developing Our Human Capital

We continually strive to build our internal pipeline of talent, helping associates develop the knowledge and skills they need to progress within our company. In addition to maintaining fair employment principles, we also support associate wellbeing through our signature TakeCare program.

Learn more by visiting the Management Approach Disclosures in this Report's GRI Index.



In 2018, Marriott was once again recognized as an Aon Global Best Employer. This is the fifth year in a row that Marriott has received this recognition, the only company to do so since the certification program began in 2014.



# 2018 Global Workforce\* 176,000 ASSOCIATES\*\*

82% Non-Management 18% Management 20%\*\*\*
Voluntary Turnover (includes retirements)



# 2018 U.S. Workforce\* 136,000 ASSOCIATES

83%	86%	<b>46%</b>	17%
Non-Management	Full-Time	Men	Voluntary
17%	14% Part-Time	54% Women	Turnover (includes retirement



2018 U.S. Workforce (By Gender)\*

Women









**NON-MANAGEMENT** 







<sup>\*</sup> Includes associates employed at headquarters, corporate offices, and managed hotels.

Left: J. Willard Marriott Award of Excellence Winner Sharon Gidden embraces a coworker at the Toronto Airport Marriott Hotel.

<sup>\*\*</sup> Does not include associates at Marriott managed hotels outside the U.S. who are hotel owner employees.

<sup>\*\*\*</sup> Voluntary turnover calculation for Marriott managed hotels outside the U.S. includes hotel owner employees.

# Our Company and Stakeholders

#### **Guest Satisfaction**

Day in and day out, we work to deliver unique experiences — leveraging design, new technologies, exceptional customer service, and modern amenities that speak to today's traveler.

#### Marriott 2018 Verified Guest Reviews\*



84% of reviews are 4-stars and higher\*\*



83% of reviewers would recommend Marriott properties to a friend

### 2018 Guest Satisfaction Survey Results\*\*\*



63%

of respondents rate their overall experience at least 9 out of 10

- \* Excludes legacy Starwood hotels.
- \*\* Marriott Verified Guest Reviews are based on a 5-star scale.
- \*\*\* Approximately 1 in 6 queried guests have responded. All brands are represented.



Above: Moxy® Frankfurt City Center, Frankfurt, Germany.

### **Our Approach to Stakeholder Engagement**

Understanding the needs, key issues, and priorities of our stakeholders helps inform the development of our business strategy, products, and services, as well as our sustainability and social impact programming and reporting.

As a global travel company with managed and franchised lodging operations, Marriott has a range of stakeholder groups, including associates, customers, guests, investors, hotel owners and franchisees, suppliers, business partners, community organizations, industry associations, and governmental and nongovernmental entities.

Marriott collaborates with stakeholders and ascertains their priorities through global forums and industry associations in order to develop policies and programming that address some of their most critical social and environmental concerns. To develop our Serve 360: Doing Good in Every Direction platform and 2025 Sustainability and Social Impact Goals, we interviewed executives and hosted workshops with global associates to brainstorm specific goals. We then presented our goals to key stakeholders for review. We also conducted a materiality assessment, which has informed our Global Reporting Initiative (GRI) disclosures and execution plan for our 2025 Sustainability and Social Impact Goals.

#### Travel and Tourism Industry's 2018 Contribution to Global GDP and Employment\*



**10.4%** of GDP



\$8.8 TRILLION in economic value



319 MILLION jobs supported



Travel and tourism supported

1 IN 5

OF ALL NEW JOBS CREATED
GLOBALLY OVER THE LAST 5 YEARS



<sup>\*</sup> World Travel and Tourism Council's 2019 Travel and Tourism Economic Impact Report

# Serve 360: Doing Good in Every Direction



### Serve 360: Doing Good in Every Direction guides how we make a sustainable and positive impact wherever we do business.

Putting People First, one of our core values, also means putting our communities and the environment first. To deepen our long-standing commitment to our communities and environment, in late 2017, we launched Serve 360: Doing Good in Every Direction, our new sustainability and social impact platform, with next-generation goals to guide our efforts through 2025.

Inspired by our core value to Serve Our World and the meaningful role that we believe we can play to support the UN Sustainable Development Goals, Marriott's Serve 360 platform is guided by four coordinates — each with dedicated focus areas and ambitious targets:



#### **Nurture Our World**

To support the resiliency and sustainable development of the communities where we do business, we invest in the vitality of their children and natural resources, as well as deliver aid and support, especially in times of need.























### **Sustain Responsible Operations**

While integrating sustainability across our value chain and mitigating climate-related risk, we are working to reduce our environmental impacts, build and operate sustainable hotels, and source responsibly.



















### **Empower Through Opportunity**

We partner with leading nonprofits to ensure workplace readiness and access to opportunity to our business, including our supply chain, focusing on youth, diverse populations, women, people with disabilities, veterans, and refugees.















### **Welcome All and Advance Human Rights**

With the goal of creating a safe, welcoming world for all, we rally for pro-travel policies and support programs that allow people to experience and understand other cultures. We work with leading nonprofit organizations to educate, advocate for, and respect human rights throughout and beyond our business.















# Management and Governance

Cascading from our Board of Directors, CEO, and Executive Team to Marriott associates working at hotels across our 30 brands operating in 130 countries and territories, a series of complementary councils, committees, teams, and Serve 360 Regional Leaders provide structure and oversight to support our 2025 Sustainability and Social Impact Goals.

### SERVE 360: DOING GOOD IN EVERY DIRECTION

Serve 360 Executive Leadership Council: Consists of continent presidents and C-level executives representing each discipline and global division. This council meets twice per year to discuss Serve 360-related investment decisions and analyze recommendations from the Serve 360 Advisory Council. The council also provides updates to the Board of Directors, along with reviewing the Serve 360 scorecards, quarterly.

Serve 360 Advisory Council: Consists of direct reports of C-level executive leaders and one leader down, representing each discipline and global division. This council meets four times per year to ensure the company is on track with its Serve 360 Goals, provides updates and learnings on major initiatives in each continent and discipline, assesses strategies and recommendations for improvement, and develops recommendations for the Serve 360 Executive Leadership Council. This council helps to develop the regional and global Serve 360 scorecards each quarter.

Serve 360 Champions: Passionate individuals or teams of individuals volunteering to be the face and energy of Serve 360 on and above property — rallying their fellow associates, organizing events, educating and communicating within the property, reporting and sharing best practices, and collaborating with various departments to achieve our Serve 360 Goals. At our managed hotels, the Serve 360 Champion responsibilities are included as part of the TakeCare Champion role forming a powerful network where best practices and lessons learned can be shared.

Owner Advisory Council: Continent-specific formats are developed to represent the voice of the ownership/franchise/management company community and provide input, feedback and advice. Meeting frequency is determined throughout the year based on conferences/committees to discuss owner-relevant initiatives, collaboration opportunities, and overall progress and learnings around sustainability and social impact.

In 2018, the TakeCare Champions network grew to **nearly 15,000** global TakeCare Champions, where best practices and lessons learned can be shared.

#### **Nurture Our World**

Business Councils: Comprised of General Managers and other hotel leaders representing managed and franchised properties in a given city, state, country, or region, the Business Councils support business strategies and add value to their markets by perpetuating our core values and culture, participating in government advocacy, and implementing Marriott's community partnerships and Serve 360 initiatives.

Sub Councils: To better manage expanded geographical areas of Business Councils, many councils have created Sub Councils. Some Business Councils have multiple Sub Councils representing cities, counties, jurisdictions, or neighborhoods. For example, China's four Business Councils are comprised of 13 Sub Councils including Beijing, Shanghai, and Hong Kong, among others, while Washington, D.C.'s Business Council is comprised of D.C. proper, Northern Virginia, and Suburban Maryland.

Junior Business Councils: Business Councils are supported by Junior Business Councils, comprised of millennial talent across properties.

#### **Sustain Responsible Operations**

**Engineering Business Leadership Councils:** Marriott's Engineering Business Leadership Councils and teams, composed of Directors of Engineering and Cluster Engineering Managers for specific geographic markets, are global and typically meet on a quarterly basis.

Property-Level Committees: Engineering Business Leadership Councils are supported by property-level committees.

#### **Empower Through Opportunity**

Board-Level Committee for Excellence: This committee drives global diversity and inclusion excellence efforts and monitors progress with a Diversity Excellence Scorecard. Encourages and evaluates efforts by the company to promote associate engagement and wellbeing, inclusive of the advancement of women and people from underrepresented groups, suppliers, owners, as well as actions to promote positive social impact in the communities it serves.

Global Diversity and Inclusion Council: This council is led by our CEO and is comprised of all continent presidents and C-suite Marriott global officers who may also sit on the Committee for Excellence. This council's purpose is to advance Marriott's commitment to diversity and inclusion around the world and drive ownership and accountability to achieve business results. It is also responsible to ensure the integration of a diverse and inclusive lens throughout all aspects of our global business operations and strategy.

#### **Welcome All and Advance Human Rights**

Human Rights Council: This executive-level council advances Marriott's human rights policies and programs, including driving accountability and leading successful execution of the company's broad human rights strategy.

**Multicultural Affairs Team:** A dedicated group to advance our cultural competency program. The team works in close collaboration with individual properties. It also manages our relationships and engagements with our external diversity partners.

# 2025 Sustainability and Social Impact Goals

We have embarked on a multiyear journey to deliver upon a targeted set of 2025 Sustainability and Social Impact Goals. We have made progress across each of our four Serve 360 coordinates, and will continue to identify priorities to reach our Goals:

A full list of Marriott's Sustainability and Social Impact Goals can be found on our <u>Serve 360 microsite</u>. In this Report, we provide further detail on each goal, our progress to date, and future plans to meet Marriott's 2025 Sustainability and Social Impact Goals.

Serve 360 Coordinates	2025 Sustainability and Social Impact Goals	Status	2018 Progress
Â	15 million volunteer hours	ON TRACK	<b>3.6 million</b> associate volunteer hours contributed since 2016
Nurture Our World	50% of volunteer hours will serve children and youth	ON TRACK	<b>27.1%</b> of volunteer hours have served children and youth since 2016
	50% of volunteer activities will be skills-based	ON TRACK	<b>28.1</b> % of volunteer activities have been skills-based since 2017
S	15% water intensity reduction	+ BEGINNING OF JOURNEY	<b>0.32</b> % reduction from 2016 baseline
Sustain Responsible Operations	30% carbon intensity reduction	→ ON TRACK	<b>4.67</b> % reduction from 2016 baseline
	45% waste-to-landfill (and 50% food waste) reduction	+ BEGINNING OF JOURNEY	<b>3.7 million</b> small plastic amenity bottles were avoided, and <b>98,000 pounds</b> (44,452 kg) of electronic waste was diverted from landfill in 2018
	30% renewable electricity	+ BEGINNING OF JOURNEY	Began evaluation of large-scale investments

# 2025 Sustainability and Social Impact Goals

Serve 360 Coordinates	2025 Sustainability and Social Impact Goals	Status	2018 Progress
S	100% of hotels will be certified to a recognized sustainability standard	ON TRACK	<b>36%</b> of properties certified to a recognized sustainability standard in 2018
Sustain Responsible Operations	650 hotels pursuing LEED* certification or equivalent	ON TRACK	225 hotels pursuing or having achieved LEED* certification or equivalent
	250 adaptive reuse projects	AHEAD OF SCHEDULE	<b>155</b> open adaptive reuse hotels
	95% responsible sourcing in our top 10 priority categories	+ BEGINNING OF JOURNEY	Finalized top 10 priority categories  Continue to track responsible seafood and paper products in select markets  17.2% Marine Stewardship Council- or Aquaculture Stewardship Council-certified seafood and 77% Forest Stewardship Council-certified paper products
E	\$5 million invested to develop hospitality skills and opportunity among diverse, at-risk, and underserved communities	AHEAD OF SCHEDULE	<b>\$4.6+ million</b> invested since 2016
Empower Through Opportunity	Gender representation parity for global leadership	→ ON TRACK	In 2018, <b>50</b> % of our CEO's direct reports were women
√w)	100% of associates completing human rights training	→ ON TRACK	Over 500,000 associates trained on human trafficking awareness since 2017
Welcome All and Advance Human Rights	\$500,000 toward partnerships that drive, evaluate, and elevate travel and tourism's role in cultural understanding	## BEGINNING OF JOURNEY	Identified potential partners and aligned internally on investment approach



### **Community Engagement**

### **Associate Volunteer Service Hours**

		2018	<b>2025</b> Serve 360 Goa
W.	VOLUNTEER HOURS (SINCE 2016)	3.6M	15M
İ	VOLUNTEER HOURS SERVING CHILDREN AND YOUTH (SINCE 2016)	27.1%	50%
0	SKILLS-BASED VOLUNTEER ACTIVITIES	28.1%	50%

### Community Investments (in 2018)\*





IN-KIND CONTRIBUTIONS

\$23.1M



<sup>\*</sup> Reported figures include Marriott International Corporate Headquarters giving, as well as contributions reported through our properties, offices, and Business Councils. Figures have been adjusted to include Marriott Vacations Worldwide records and associate and guest fundraising for some of our most significant partners, including Children's Miracle Network Hospitals and UNICEF.

### 2018 Loyalty Points Donations\*

(SINCE 2017)

### 43+ MILLION LOYALTY POINTS

donated to support featured Marriott International philanthropic causes











<sup>\*</sup> Donations supported numerous organizations including the American Red Cross, Clean the World, and the Youth Career Initiative; and included more than 13 million points for disaster relief for Hurricanes Florence and Michael and the California wildfires.





### Vitality of Children

2018 Milestones to Support Children



### \$5+ MILLION

raised by associates and guests for Children's Miracle Network Hospitals in 2018

### \$125+ MILLION

raised since 1983 through Marriott's partnership with Children's Miracle Network Hospitals

### **NEARLY \$1.7 MILLION**

raised by associates, guests, and loyalty members for UNICEF in 2018

### \$45+ MILLION

raised since 1995 in support of UNICEF, helping to improve the lives of more than **4.5 million** children

### **Natural Capital**

2018 Milestones to Protect Natural Capital



### **10-YEAR ANNIVERSARY**

of Marriott's partnership with the Amazonas Sustainable Foundation (FAS) to help protect a 2,770-square-mile (7,174 square-kilometer) area of Amazon rainforest and its communities



### 29,000+ TREES PLANTED

in partnership with the Arbor Day Foundation across the United States in 2018

### 26,000+ TREES PLANTED

in partnership with WEARTH across Canada in 2018

### 4,000 MANGROVE TREES PLANTED

in Thailand by Marriott associates and community members in 2018

### Disaster Relief

2018 Disaster Relief Contributions

### \$6.1 MILLION CONTRIBUTED

by Marriott, the Marriott Disaster Relief Fund, and the TakeCare Relief Fund to support associates and communities affected by natural disasters and hardships in 2018

### 13+ MILLION LOYALTY POINTS DONATED

to support disaster relief in 2018







# **Sustain** Responsible Operations

### Reduce Environmental Impacts

### 2018 Environmental Performance

2018 Intensity

**2018 Reductions** 

**2025** Serve 360 Goals



WATER INTENSITY 0.70

cubic meters per occupied room

**↓**0.32%

from 2016 base year

**↓** 15%

**reduction** from 2016 base year



CARBON INTENSITY 115.57

kilograms of CO2e per square meter

**↓**4.67%

from 2016 base year

**4 30% reduction** from 2016 base year

### Build and Operate Sustainable Hotels

### **Sustainability Certifications**

2018 Progress 2025 Serve 360 Goals

36%

PROPERTIES CERTIFIED TO A RECOGNIZED SUSTAINABILITY STANDARD

LEED® (OR EQUIVALENT)
CERTIFIED OR

REGISTERED HOTELS

225

650

100%

















### Source Responsibly

**2025** Serve 360 Goals



95%

responsible sourcing across our Top 10 priority categories, including animal proteins (inclusive of beef, eggs, lamb, pork, and poultry), bottled

water, cleaning supplies, cocoa, coffee, guest room amenities, paper products, seafood, sugar, and textiles



50% locally sourced

**produce**, in aggregate

# THE TOP 10 FF&E PRODUCT CATEGORIES sourced are in the top tier of the Marriott Sustainability Assessment Program (MSAP)

### **2018 Responsible Sourcing Milestones**



77%

Forest Stewardship
Council-certified personal
paper products\*



17.2%

Marine Stewardship
Council- or Aquaculture
Stewardship
Council-certified seafood\*



95%

of furniture, fixtures, and equipment purchased from suppliers that reduce, reuse, or recycle packaging\*\*

- \* Based on managed property data from our Americas procurement partner, Avendra.
- \*\* Based on North American suppliers.



### Global Diversity and Inclusion

### 2018 Programs and Partnerships



### \$4.6+ MILLION

invested in programs and partnerships that develop hospitality skills and opportunity among youth, diverse populations, women, people with disabilities, veterans, and refugees (since 2016)

2018

1.346\*

\$771M

\$431M

Serve 360 Goal

\$5 million by 2025

### 2018 Women's Empowerment Milestones



50%

of our CEO's direct reports were women (achieving gender parity at the executive level)

56%

of managers and executives in the **United States** were women

50%

of our company's top 20% of earners in the United States were women

WOMEN EXECUTIVES ON THE RISE TAKE PART IN:

**Leadership Development Networking/Mentoring** Work/Life Effectiveness

#### Serve 360 Goal

Achieve gender representation parity for global company leadership by 2025

### 2018 Value Chain Diversity Milestones



**DIVERSE- AND** WOMEN-OWNED HOTELS



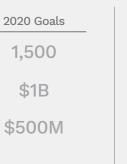
**INCLUSIVE PURCHASING** 



WOMEN-OWNED BUSINESSES

PURCHASED WITH

\* 2018 Milestone represents cumulative metrics.



1.500

\$1B



### \$5.5 BILLION

spent with diverse suppliers over the past 10 years

100%

Human Rights Campaign® Corporate Equality\* score for the past six years



<sup>\*</sup> Human Rights Campaign Foundation's Corporate Equality Index rates U.S. workplaces on LGBTQ equality and inclusive practices across operations and the value chain.





### Youth

### Commitment to Youth in the United States



In the United States, our largest market, Marriott is engaged in hundreds of local efforts connecting with schools and youth-based organizations to provide career mentoring, career exploration, job shadowing, and work-study opportunities.

**39 YEARS** of partnership with DECA\*



### 7,000+ STUDENTS

reached through our partnership with DECA in 2018

### 7,800+ STUDENTS

reached through The Ritz-Carlton's signature <u>Succeed Through Service</u> program in 2018

### 700+ STUDENTS

reached through our partnership with NAF\*\* in 2018

\* DECA prepares emerging leaders and entrepreneurs in marketing, finance, hospitality, and management in high schools and colleges around the globe.

\*\* NAF is a national network of education, business, and community leaders who work together to ensure high school students are college, career, and future ready.

### Commitment to Youth in China

In China, our second largest market, we support programs that prepare youth for jobs in our industry.



The China Hospitality Education Initiative (CHEI)\* impacted nearly **360,000 STUDENTS** from 2013 through 2018

Various China-specific youth programs and initiatives also engaged 33,500+ YOUTH in 2018

### Other Commitments to Youth Across the Globe



Marriott supports a number of programs around the world that strive to prepare youth for jobs in the hospitality industry, including:

PROGRAMS	LOCATION	NUMBER OF YOUTH ENGAGED IN 2018
Accelerate	South Africa	158
Akilah Institute for Women	Rwanda	9
Mahindra Pride	India	22
Spark	Puerto Rico	22
Tahseen	Middle East and Africa	137
The Prince's Trust	Canada	12
Voyage	Global	739
World of Opportunity Youth (supports individuals, and establishments such as local schools, SOS Children's Villages, UNICEF, Prince's Trust, and similar charities)	Europe	7,814
Yaowawit School Project	Thailand	140
Youth Career Initiative (YCI)	Global	256

<sup>\*</sup> CHEI is a project of The J. Willard and Alice S. Marriott Foundation.



### People with Disabilities

2018 Milestones to Support People with Disabilities



21

Bridges from School to Work® students hired by Marriott

Bridges from School to Work was established by the Marriott Foundation for People with Disabilities in 1989. Bridges helps more than 1,000 young people with disabilities each year prepare for the workplace, and find a job that matches their interests and abilities. Since the inception of Bridges from School to Work, over 500 students have been hired by Marriott.

### **Veterans**

2018 Milestones to Support Veterans



1,343

U.S. veterans hired in 2018



\$5 MILLION

purchased with veteran-owned businesses in 2018

### Refugees

2018 Milestones to Support Refugees



### 152 REFUGEE CLIENTS SERVED

in 2018 in partnership with the International Rescue Committee's Hospitality Link training programs conducted in San Diego, California; Dallas, Texas; and Elizabeth, New Jersey (with 55% women participants from nearly 20 countries)



### 104 REFUGEES HIRED

through the International Rescue Committee in 2018 in the U.S. through Hospitality Link and beyond





## Welcome All and Advance Human Rights

### **Human Rights**

2018 Human Rights Training and Awareness Milestones



At year-end 2018,
approximately 280,000
additional associates globally
had completed human
trafficking awareness training;
bringing the total to over
500,000 since the training
launched in 2017







### **Cultural Competence**

2018 Cultural Competency Milestones



Guests now have access to more than 200,000 local experiences in 1,000 destinations worldwide through Marriott Bonvoy™ Tours and Activities



Approximately 15,000 associates and guests reached through Marriott's Cultural Competence Program



Nearly 90 sessions, forums, and webinars conducted, with a focus on serving key markets, including LGBTQ, Latino, Jewish, Asian, and Muslim travelers



**30** 'Culture Days' sessions conducted in more than 20 cities

Marriott International has a deep commitment to taking care of associates, the communities where we do business, and the environment. We continue to support the resiliency and sustainable development of local communities and environments through natural capital investments, disaster relief support, charitable giving, and volunteer activations. Our partnerships with WEARTH, the Amazonas Sustainable Foundation (FAS), the Arbor Day Foundation and others allow us to collectively implement actionable solutions to challenges facing communities around the world, including deforestation and climate change. The Marriott Disaster Relief Fund and the TakeCare Relief Fund are associate-facing tools to support associates impacted by disaster. Through long-standing partnerships with the American Red Cross, International Federation of Red Cross and Red Crescent Societies and others, we broaden that impact to aid the communities in which we operate post-disaster.



# Community Engagement

Serve Our World is one of our core values and guides how we do business. Through collaboration with key stakeholders and our charitable and volunteerism efforts, hotels and associates worldwide are impassioned to do good and make a meaningful impact in the communities where we do business.

UN Sustainable Development Goals relevant to our Community Engagement efforts include:



























### **Employee Volunteerism**

Year-round, associates actively volunteer in local communities around the world. Annually, associates, hotels, and Business Councils also participate in a global day of service. Spirit To Serve Our Communities Day provides associates with the opportunity to share their time and skills-based talents with their local communities. In 2018, Marriott celebrated its 20th annual Spirit To Serve Our Communities Day. At Marriott Headquarters alone, associates contributed over 8,000 hours to the local community (an almost 15% increase from 2017). To recognize associate volunteer efforts on Spirit to Serve Our Communities Day and throughout the year, we post their stories and photos on a public online forum, Heart of the House.

In 2018, associates at The Ritz-Carlton® hotels also engaged in over 142,000 hours of volunteer service in support of their Community Footprints® program. In 2018, more than 10,000 Ladies and Gentlemen from 25 The Ritz-Carlton hotels across Asia-Pacific participated in Smile Asia Week. Through a partnership with Smile Asia, they raised funds to deploy medical volunteers that offer corrective and reconstructive surgical care to children living in remote or medically inaccessible areas in the region.

Right: Abu Dhabi and UAE South Business Council.

#### **Marriott's Business Councils**

Across the globe, we have established a network of Marriott Business Councils comprised of General Managers and other hotel leaders working together in a given city, state, country, or region to perpetuate corporate culture and drive macro business initiatives, including sustainability, industry advocacy, and social impact efforts.

In 2018, the number of Sub Councils and Junior Business Councils collectively grew to more than 80 across the globe. Adding those to our main Business Councils, the network is more than 180 strong.



#### **2018 BUSINESS COUNCIL METRICS**

101 Business Councils across all continents and brands

1+ MILLION rooms represented

4,600+ total hotels represented

80+ countries represented



In 2018, Marriott's Vietnam-Cambodia, Central Germany, and Mexico Business Councils won awards for their Serve 360 achievements.

# Community Engagement



#### **Serve 360 Goal: Associate Volunteer Hours**

Using 2016 as our baseline, we aim to reach our goal of 15 million associate volunteer hours by 2025. Among our targeted 2016-2025 volunteer hours, we aim to have 50% of these hours serve children and youth, 50% be skills-based activities, as well as have 80% of managed properties and 50% of franchised properties participate in community service activities annually.

In 2018, we progressed 24% toward our 15 million associate volunteer hours goal, 56% toward our skills-based volunteer activities goal, and 54% toward our serving children and youth volunteer hours goal.

### 2018 Progress



28.1%

of volunteer activities are skills-based (since 2017) 27.1%

of volunteer hours serving children and youth (since 2016)

In 2018, The Ritz-Carlton Community Footprints program received global recognition and was awarded the International Association of Volunteer Efforts (IAVE) Inspiring Practice Award.

### **Fundraising, Cash, and In-Kind Donations**

In 2018, more than 43 million loyalty points were donated to support <u>featured Marriott philanthropic partners</u>, each linked to our Serve 360 Coordinates and 2025 Goals.

In 2018, Marriott contributed approximately \$48 million in cash and in-kind contributions to communities. Our in-kind donations included room nights, gift certificates, event space, food and beverage, and audiovisual services for nonprofit organizations.

Guests and associates also raised more than \$5 million to support the Children's Miracle Network Hospitals. Guests, loyalty members, and associates also raised nearly \$1.7 million to support UNICEF.

### **Vitality of Children**

Essential to every community's long-term stability and success is the vitality of its children. We mobilize guests and associates to provide support to a select group of nonprofit organizations leading the way in supporting children around the world.

Below: The W Bali – Seminyak hosted *Wake Up Call – A W Hotels Music Festival* to raise funds for the Indonesian Red Cross. Above (right): Road to Awareness cycle event.





For more than 36 years, Marriott has partnered with Children's Miracle Network Hospitals — raising more than \$125 million in funds to support more than 170 children's hospitals across the United States and Canada. Children's Miracle Network Hospitals provide comfort, treatment, and hope to millions of sick children and their families. Children's Miracle Network Hospitals treat one in 10 children in North America each year.

Marriott continues to partner with UNICEF, an organization that works in 190 countries and territories to save children's lives, defend their rights, and help them fulfill their potential from birth through adolescence. The Check Out for Children program in Marriott hotels benefits UNICEF's Water, Sanitation, and Hygiene (WASH) programs to provide life-saving access to safe water and sanitation for children and their families throughout Africa, Asia and the Middle East. In 2018, Marriott fundraised more than \$1 million to support UNICEF's WASH projects, contributing to UNICEF helping approximately 18 million people globally gain access to safe drinking water, and almost 11 million to basic sanitation. Since 1995, our partnership with UNICEF has raised more than \$45 million, and has helped to improve the lives of more than 4.5 million children to date in 50 countries.

Since 2008, associates from Europe, Middle East, and Africa participated in the Road to Awareness (R2A) fundraising campaign to make a positive difference for children. In 2018, properties across Europe raised approximately \$128,000 through R2A in support of UNICEF by conducting local fundraising events. In the Middle East and Africa, Marriott celebrated its 11th edition of R2A with properties raising \$739,000 by participating in fundraising activations for local charities to support children in need in the region. In addition, a 600km-cycle event around the Western Cape, South Africa was conducted.

### Disaster Relief

When disaster strikes, we work with local hotels and associates, Business Councils, business partners, governments, and relief organizations to evaluate, respond, and provide immediate and long-term aid to communities and impacted associates.

UN Sustainable Development Goals relevant to our Disaster Relief efforts include:









#### TakeCare Relief Fund

The TakeCare Relief Fund (TCRF) was launched in late 2017 and makes need-based financial grants (of up to \$3,000 each) to eligible associates at managed Marriott locations\* who are facing financial hardship caused by a natural disaster or certain other qualifying personal hardship events. TCRF receives support primarily from voluntary donations from Marriott associates and hotel guests as part of the Explore discounted rate stays at participating properties, and can also receive support from other sources, including Marriott International, the Marriott Disaster Relief Fund and The J. Willard and Alice S. Marriott Foundation, and through direct donations from the public. TCRF grants are administered by an independent 501(c)(3) nonprofit organization.

\* TCRF grants are available to associates at Marriott U.S. managed locations and a growing number of managed locations outside of the U.S.

Since 2017, **2,855** associates were approved to receive grants from our TakeCare Relief Fund.

#### **Disaster Relief Fund**

The Marriott Disaster Relief Fund was established by Marriott to support the company's efforts to assist associates and communities during and after a disaster. The Fund has the flexibility to provide grants to individual Marriott associates and to international, national, and local organizations working in support of relief and recovery efforts in an impacted area. In most cases, the Marriott Disaster Relief Fund, when activated, will seek to provide immediate disaster relief to affected groups of associates and communities. However, based on the disaster and associate needs, the Fund also may be used for longer-term recovery efforts. The Marriott Disaster Relief Fund can be funded by contributions from associates, Marriott International, The J. Willard and Alice S. Marriott Foundation, the TakeCare Relief Fund, and outside partners, including vendors, owners, franchisees, and customers through direct donations to the Marriott Disaster Relief Fund or through our loyalty points donation program. In 2018, the Marriott Disaster Relief Fund provided more than \$150,000 to support associates and communities affected by natural disasters. These funds were used to provide food, rebuilding materials, temporary shelters, toilets, and wells, among other supplies.

Above: The Sheraton Redding Hotel at the Sundial Bridge prepared meals for the communities affected by the wildfires in California



### **Response to Natural Disasters**

Nearly \$150,000 in corporate contributions were distributed to relief organizations including the Red Cross and World Central Kitchen to assist communities and individuals impacted by natural disasters, including Hurricanes Florence and Michael in the U.S. and Typhoon Mangkhut in the Philippines.

Hotels in California played a critical role to support and serve associates and communities affected by the Woolsey Fire. Associates at the Courtyard by Marriott® Roseville hosted displaced families, and collected more than \$15,000 in donations for those affected by the wildfires. Hotel associates and the Sacramento Business Council also collected donations, including clothing, blankets, and food and welcomed displaced families for the Thanksgiving holiday. The Sheraton® Redding Hotel at the Sundial Bridge and its executive chef partnered with local businesses to donate more than 2,000 free meals to those affected by the disaster.

Following the flooding and landslides in Japan, associates from hotels including The Ritz-Carlton, Kyoto, The Ritz-Carlton, Tokyo, and the Renaissance® Naruto Resort, raised funds for relief efforts, supporting the Red Cross Japan, Save the Children, and the Marriott Disaster Relief Fund. The Ritz-Carlton, Kyoto also organized a charity "fun run," raising money to support relief efforts.

### Disaster Relief

### Hotels and Business Councils: Supporting Other Global Communities in Need

Marriott's Business Councils also coordinate on-the-ground efforts to respond to requests for support from hotels and communities around the world.

In India, hotels and Business Councils mobilized efforts to support both associates and communities impacted by the severe monsoon season in Kerala. Over \$138,000 was raised from fundraising and donations to support the Kerala Chief Minister's Distress Relief Fund.

In response to the 2018 Pacific Hurricane season, hotels and the local Business Councils in Asia Pacific raised funds for several nonprofits, including the Yayasan Emmanuel Foundation's food rescue program in Indonesia, which supports local children and communities in need, as well as the Marriott Disaster Relief Fund. These funds were used to provide temporary shelters, toilets, wells, and other supplies to associates in Lombok impacted by the 2018 earthquakes. The Australia, New Zealand, and Pacific Islands Business Council and hotels also hosted fundraising events to help support associates and communities affected by Cyclone Josie, and the subsequent flooding in Fiji.

In 2018, more than

13 million loyalty points
were donated to support
disaster relief efforts.

Above: Marriott associates support World Central Kitchen in Puerto Rico.





### **Immediate and Long-term Aid**

Our disaster relief efforts provide immediate and long-term aid to help communities rebuild and contribute to economic development in local economies. For example, we support communities in Haiti affected by the disastrous earthquake of 2010 through ongoing investments in skills training initiatives for hospitality talent. In 2015, we opened our first hotel in Haiti, helping to support tourism, jobs, and overall recovery within the region. Today, the Marriott Port-au-Prince Hotel employs 180 local staff, sources 100% of its food locally, and is estimated to provide \$4.7 million in annual economic impact to Haiti.

More recently, following Hurricane Maria in Puerto Rico, Marriott supported World Central Kitchen's (WCK) mission to feed Puerto Ricans in need. Through early 2018, The Dorado Beach, a Ritz-Carlton Reserve, served as one of WCK's primary centers for food preparation in the San Juan metropolitan area. We continue to support communities in Puerto Rico through long-term economic recovery programs, including local sourcing initiatives, and an apprenticeship program. Our Puerto Rico Business Council collaborated with the Puerto Rico Department of Education and Department of Labor to establish the "Spark" program for young students from vocational schools and low-income families. In addition to developing hospitality skills among young students, the program aims to raise awareness among youth about the opportunities and economic importance of the industry in Puerto Rico. In addition, in 2019 we plan to join the Clinton Giustra Enterprise Partnership (CGEP), in partnership with Walmart, Avendra, and WCK to research the potential for increased procurement from local farmers in Puerto Rico.

# Natural Capital

To support the sustainability and increase the resiliency of the communities where we do business, we invest in and promote natural capital initiatives, including reforestation activities through partnerships with global organizations.

UN Sustainable Development Goals relevant to our Natural Capital efforts include:















### **Our Point-of-View and Execution Approach**

Biodiversity is critical to ensuring healthy ecosystems and a viable planet. We rely on these ecosystems, or natural capital, for basic necessities, security, and health. The benefits for valuing and protecting natural capital are so critical, yet often difficult to measure.

After formalizing natural capital investments as part of our sustainability and social impact strategy to protect and enhance the ecosystems that make our properties vibrant destinations, we have taken the beginning steps in our natural capital efforts to better quantify the return on investment from natural capital projects. We aim to focus on environmental challenges from deforestation to bycatch to reef degradation and more, investing in projects that can be scaled and replicated in the long term to help protect and enhance the world's natural capital resources.

We engage stakeholders across our portfolio such as associates, customers, guests, and business partners, local governments, communities, and Nongovernmental Organizations (NGOs) in these efforts. We have a long-standing commitment to support and enhance natural capital with projects and initiatives such as the Juma REDD+ (reduced emissions from deforestation and forest degradation) project in Brazil's Amazon rainforest, mangrove and coral restoration as well as reforestation efforts, and most recently, participating in fishery improvement projects in South America and Asia Pacific.

#### **Rainforest Protection**

Through our collaboration with the Amazonas Sustainable Foundation (FAS) and the Government of Amazonas, our Juma REDD+ project aims to curb deforestation and associated greenhouse gas emissions in a 2,770-square-mile (7,174-square-kilometer) area with significant land-use pressure in Brazil's northwestern Amazon rainforest. As of year-end 2018, 99 percent of the Reserve remains preserved.

The Juma project also provides education, medical care, employment, social empowerment, capacity building, and a monthly stipend for local residents who voluntarily commit to protect the rainforest. Residents receive training and infrastructure to pursue sustainable livelihoods, such as Brazil nut and fruit tree harvesting, chicken farming, and sustainable fishing. Amazon nut cultivation is traditional to Juma and both a sustainable source of income and incentive to help protect the surrounding forests. Annual grants to FAS from Marriott are primarily directed toward ongoing sustainable livelihood projects and workstreams designed to increase local procurement of Juma products to nearby hotels in support of the Serve 360 responsible sourcing goals.

Above: The Renaissance São Paulo Hotel celebrated Earth Day by featuring Amazon rainforest Brazil nuts responsibly sourced by the FAS.

In 2018, we also supported the ongoing operations of the two schools at the Juma Sustainable Development Reserve that offer education to over 100 local youth that otherwise would not have access to a middle or high school education. In addition to supporting formal education programs, Marriott donations also supported classes for permaculture and agroforestry techniques. These classes provided students with training on how to grow fruits and vegetables that can either complement their diet or become a source of income.

In 2018, we celebrated the 10-year anniversary of our partnership with FAS and the State of Amazonas in Brazil. During the anniversary celebration, Marriott was represented by longtime FAS supporter and Board member Gil Zanchi, Area General Manager for Brazil.

# Natural Capital

### **Mangrove Reforestation**

Mangroves play a critical role in protecting coastlines from severe storms and providing livelihoods to coastal communities. In addition, mangrove forests are important for conserving biodiversity, storing carbon, and serving as nurseries of the sea.

Marriott's partnerships with the International Union for Conservation of Nature (IUCN) and Mangroves for the Future (MFF) continue to support coastal communities and mangrove restoration efforts in Thailand. Mangrove trees have been planted across Thailand and each participating hotel property in Thailand has been raising funds from their guests to support mangrove replanting at degraded coastal sites around the country.

In 2018, associate and community members worked to restore the country's coastal and marine ecosystem by planting 4,000 mangrove seedlings in areas that had been illegally encroached upon by shrimp farms. Since 2013, more than 64,000 mangrove trees have been planted throughout Thailand through this partnership.



#### **Coral Restoration**

Considered the "rainforests of the ocean," coral reef ecosystems protect shorelines from damage and erosion. They also act as breeding grounds and shelter for many marine organisms, which communities depend on for food and thriving local tourism economies.

Over the past five-plus decades, environmental concerns from climate change to pollution have put enormous pressure on coral reef environments. Across the world, Marriott properties are working to protect coral reef habitats. In 2018, Marriott's Thailand Business Council celebrated the International Year of the Reef (IYOR) at an event hosted in conjunction with the IUCN and MFF. The event brought businesses, government agencies, and NGOs together to discuss coastal ecosystem degradation, and led to the development of an on-site Reef Education Centre. In 2018, the IUCN Thailand and Phuket Marriott Resort & Spa, Merlin Beach hosted a brownbanded bamboo shark release and reef cleanup. Over 100 students, guests, and associates took part in releasing 35 sharks at the resort's house reef. Following the releases, local Phuket divers volunteered in a reef cleanup, gathering 66 lbs. (30 kg) of marine debris.

In Hawaii, many of our properties work to protect their local coral reef ecosystem. In response to the state's ban of certain sunscreens that contribute to coral reef damage, the <u>Sheraton Maui Resort & Spa partnered with Raw Elements USA</u> to offer reef-safe sunscreen dispensers throughout the hotel, building on its long-standing commitment to protecting Hawaii's marine environment through a partnership with the Maui Ocean Center.

Left: Volunteers at a reef cleanup at the Phuket Marriott Resort & Spa, Merlin Beach. Above: Marriott partners with the Arbor Day Foundation to increase reforestation across the United States.



#### Reforestation

Properties across the Marriott portfolio participate in reforestation efforts throughout the year. In 2018, we formalized our partnership with the Arbor Day Foundation to increase reforestation and enhance the resiliency of forests across the United States. Through this partnership and our Make a Green Choice program, guests helped us plant over 29,000 trees in Pike National Forest (Colorado), State Forest Lands (Michigan), Seminole State Forest (Florida), and Stanislaus National Forest (California).

Guests at participating properties in Canada can also choose to join our sustainability efforts and reforestation activities through a partnership with WEARTH, which allows guests to choose to plant a tree in lieu of housekeeping services. In 2018, over 26,000 trees were planted across Canada, with Marriott and WEARTH celebrating their 134,794th tree planted together.

Since 2014, hotels in Europe have also partnered with WeForest to support tree-planting projects, resulting in more than 40,000 trees planted in support of reforestation projects in Burkina Faso and tree conservation projects in India.

In 2018, hotels and Business Councils across the Middle East and Africa also supported natural capital initiatives and projects. The Nile Ritz-Carlton, Cairo participated in reforestation efforts by planting trees along the Corniche façade of the hotel, in an effort to inspire city dwellers to garden in or around their residing areas, and make urban areas green again. In 2018, over 200 associates from Marriott's properties in the United Arab Emirates also gathered at The Ritz-Carlton Ras Al Khaimah, Al Wadi Desert on World Planting Day to plant Ghaf trees — UAE's national tree. More than 200 Ghaf trees were planted in the Heritage Forest on this occasion, adding to the 250 trees planted last year. Associates also took part in a vast desert cleanup in the Al Wadi Nature Reserve in the UAE.

# Natural Capital

### **Fishery Improvement Project Support**

In 2018, we committed to providing fishery improvement project support through the World Wildlife Fund (WWF) based on our strategic procurement priorities, and the needs of existing fishery improvement projects (FIPs). This support contributes to ongoing efforts to address bycatch and traceability issues and develop responsible seafood markets around the world. We also launched a refreshed responsible seafood program, which includes "ban" and "avoid" species lists to address issues including bycatch, habitat loss, and overfishing.

### **Other Global Programs**

From hosting beach clean-up days to supporting turtle nest relocation programs, hotels and associates are actively involved in impactful natural capital initiatives in every region where we do business.

In partnership with government authorities, several of our coastal properties in Mexico run turtle nest relocation programs to protect the eggs from natural disasters, including hurricanes. In Cancun alone, Marriott properties relocate over 25,000 turtle eggs each year, and hold controlled releases of the newly hatched turtles.

Hotels globally also participated in cleanups of beaches and waterways, resulting in a reduction of plastic waste in the ecosystem. For example, the Moxy Amsterdam Houthavens joined the Plastic Whale fishing expedition through the Amsterdam Canals to clean the waterways of plastic debris. The JW Marriott® Mumbai Juhu kick-started the #SAVETHEBEACH initiative, a multistakeholder partnership between Corona, Earth Day Network, Juhu – soul of Mumbai city, Forward 69, Mission Green Mumbai, Municipal Corporation of Greater Mumbai (MCGM) and JW Marriott Mumbai Juhu, with the theme of #BeatPlasticPollution to spread awareness about marine plastic pollution.

Right (from top): Turtle nursey in Cancun, Mexico; Turtle relocation program in Mexico. Middle: South China Business Council volunteers at a local beach cleanup; Volunteers from W<sup>a</sup> Amsterdam, Netherlands, joined the Plastic Whale fishing expedition to clean the canals in the city. Bottom: Volunteers from the Sheraton Bursa Hotel, Bursa, Turkey, at a local beach cleanup.







While integrating sustainability across our value chain and mitigating climate-related risk, we continue to reduce our environmental impact through our company-wide responsible operations initiatives, including actions related to waste reduction. Guided by our Serve 360 Goals of reducing waste, we implemented several programs and initiatives to address the global environmental challenges of single-use plastics and food waste in the communities where we do business.

### Sustainable Hotels

From design to the guest experience, sustainability is embedded into our business strategy. We collaborate with associates, hotel owners, franchisees, brands, suppliers, business partners, customers, and guests to actively reduce our environmental impact and potential business risks by constructing and operating sustainable hotels.

UN Sustainable Development Goals relevant to our Sustainable Hotels efforts include:















### **Serve 360 Goals: Sustainability Certifications**

By 2025, we aim to have all of our properties certified to a recognized sustainability certification. With over one-third of our properties certified to leading standards, including Leadership in Energy and Environmental Design (LEED®) and The Green Key, we are currently on track to meet this target.

By 2025, 650 open or pipeline hotels will pursue LEED certification or equivalent. Additionally, by 2020, LEED certification or equivalent will be incorporated into building design and renovation standards (including select service prototype solutions for high-growth markets) and 100% of all prototypes will be designed for LEED certification.

In 2018, we progressed nearly 35% toward our goal to have 650 open or pipeline hotels pursue LEED certification or equivalent.

We also set a target to achieve a minimum of LEED Gold certification for Core & Shell and Interiors at our new global corporate headquarters.

### 2018 Progress



of hotels certified to a recognized sustainability standard

LEED® (or equivalent) certified or registered hotels





"We must adopt sustainable business practices with urgency. We want to ensure our hotels remain vibrant tourist destinations while protecting our communities as well. For the hospitality industry, there is no greater responsibility."

Arne Sorenson, President and CEO of Marriott International, Inc.

Above (left): The Westin® Nanea Ocean Villas, Ka'anapali in Lahaina, Hawaii earned LEED Gold certification. Right: AC Hotel Spartanburg, South Carolina earned LEED certification.

### Sustainable Hotels



### **Serve 360 Goal: Adaptive Reuse Projects**

By 2025, we aim to partner with owners to develop 250 adaptive reuse projects. In 2018, we opened 22 new adaptive reuse hotels, totaling 155 adaptive reuse hotels globally since 2016 (62% toward our Serve 360 Goal).

What is an adaptive reuse project? In simple terms, it's a project where we're able to reuse and breathe new life into existing land or buildings — rather than destroying old sites and rebuilding using new materials. We are often able to restore historical buildings as well. In general, we see adaptive reuse projects as a compelling opportunity to reduce our environmental impact, help prevent urban sprawl, and maintain the character of the communities where we operate.

#### 2018 Progress



155

open adaptive reuse hotels. Current pipeline of 22 new adaptive reuse hotels scheduled for opening in 2019.

In 2018, Marriott partnered with the Arbor Day Foundation and WEARTH to plant **over 55,000** trees as part of the Make a Green Choice program in North America.



### **Partnership with Guests and Customers**

We strive to identify unique and compelling opportunities for our guests and customers to partner with us on sustainability efforts:

- Housekeeping Choice Programs: In 2018, we continued the integration and refresh of various housekeeping choice programs, including Your Choice™, Luxury of Choice™, and Delta GreenSTAY™, under the umbrella of Make a Green Choice. A successful pilot of the refreshed Make a Green Choice was also launched in 2018. This program provides guests in the United States with the opportunity to receive loyalty points or plant a tree through the Arbor Day Foundation for each night they opt into the program at participating hotels. As the pilot expanded, guests helped us plant more than 29,000 trees across the United States, and an additional 26,000 trees at participating hotels in Canada in partnership with WEARTH. Following the success of these programs, research is being conducted to determine the most impactful guest sustainability option benefits across other continents.
- Environmental Performance Reporting: We share property-level environmental data with our guests, meeting planners, and customers on our brand channels, via RFPs, and in our centralized database, which feeds over 40 booking systems. We offer environmental metrics with customized carbon and water footprint data to business travel buyers and meeting planners. Many of these buyers and planners have included Marriott hotels in their preferred programs because of the detailed data provided. Additionally, we provide corporate customers access to dozens of sustainability practices gathered from properties.
- Training and Engagement: We continue to partner with our sales teams to better understand and meet the needs of our business travel and group customers. From in-person trainings to educational modules, we work with sales associates to enable them to effectively communicate sustainability and social impact efforts and progress at the individual hotel and macro levels to their customers. Additionally, we offer direct customer engagement opportunities, including sharing updates and progress toward our sustainability goals, and identifying potential areas in which to collaborate from responsible sourcing to volunteerism activities and food waste reduction initiatives. In 2018, we conducted an internal Talent Network Team (TNT), a cross-disciplinary working group where associates collaborate on a company priority, as part of our refreshed approach to sustainability in meetings and events. The TNT engaged with over 100 global meeting planners to learn which sustainable business practices are most important to planners and their clients.

Above: The Westin Denver International Airport in Denver, Colorado is LEED Platinum certified — the highest LEED-rated hotel at any major U.S. airport.

# Energy and Emissions

To help mitigate climate-related risk, we aim to minimize our environmental footprint by implementing technologies to track our energy consumption and increase the use of renewable energy.

UN Sustainable Development Goals relevant to our Energy and Emissions efforts include:







# Serve 360 Goal: Renewable Energy and Science-Based Targets

By 2025, we aim to achieve a minimum of 30% renewable electricity use. We are also committed to analyzing the opportunity to set a science-based target.

In 2018, we partnered with third-party consultants to support our analysis of a science-based target. In 2019, we plan to review our progress and evaluate the latest data to determine feasibility of applying to the Science-Based Targets initiative (SBTi).

In 2018, the JW Marriott Hotel Cairo installed a photovoltaic roof-top solar powered station with technical and financial assistance from the United Nations Development Program – Global Environmental Finance (UNDP-GEF). The project supports the implementation of the national Sustainable Development Strategy and UN SDG 7, affordable and clean energy. The station is expected to save over 270,000 kWh of electricity annually.

#### **How We Execute**

To further reduce our operational footprint, we execute globally with targeted strategies across hotels:

- Energy and Environmental Action Plans: Our Energy and Environmental Action Plans evaluate return on investment projects and help prioritize owner investments.
- Signature Projects: Using Energy and Environmental
  Action Plans as a roadmap, full-service, managed
  properties in the Americas, Europe, Asia Pacific, and
  Middle East and Africa select signature projects focusing
  on energy efficiency such as lighting upgrades, installation
  of variable frequency drive pumps, fans and air handling
  units, and chiller upgrades, water efficiency, and waste
  management.
- Retro-Commissioning: Marriott retro-commissioning (MRCx) efforts take advantage of utility incentives to fund third-party studies of our more complex facilities in order to identify the efficiency opportunities, including those related to heating, ventilation and air conditioning (HVAC), chiller, and boiler systems.
- Lighting Retrofits: Lighting retrofits continue to provide energy efficiency opportunities as newer technology lowers replacement costs, and systems are upgraded at our properties around the world. Large-scale lighting retrofits are often tied to other renovation projects, as well as to advances in lighting technology.



• Building Automation Systems: Marriott continues to incorporate and integrate building automation systems and other automated controls to increase the efficiency of the buildings we manage. We also install smart, integrated occupancy thermostat systems that interlock with entry doors and the property management systems to deliver agile temperature setback efficiency without impacting guest comfort and preference. For example, the W Washington D.C. implemented a Cloud Based Analytics system for energy efficiency, resulting in a savings of over 30,000 kWh.

Above: The JW Marriott Hotel Cairo, Egypt launched the first solar-powered photovoltaic roof-top station for electricity generation in Egypt.

# Energy and Emissions



### Serve 360 Goal: Carbon Intensity

As part of our Serve 360 sustainability and social impact platform, by 2025 we aim to reduce carbon intensity per square meter of conditioned space by 30% from a 2016 baseline.

Our carbon intensity goal builds upon Marriott's first-generation goal to reduce energy consumption per square meter of conditioned space by 20% from 2007–2020, and Starwood's first-generation goal to reduce energy consumption and greenhouse gas emissions by 30% from 2008–2020.

#### 2018 Performance



4.67%

reduction from 2016 baseline

All of our managed properties globally participate in an engineering gamification tool that includes key performance metrics around energy and water reductions and identification of new projects.

Additionally, each Director of Engineering at managed properties globally has annual performance energy and water reduction goals that are tied directly to their compensation.

### 2018 Performance Across Regions

#### **ENERGY INTENSITY**

KWhs per m2 of conditioned space



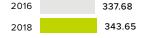
#### **AMERICAS**





#### EUROPE





#### ASIA PACIFIC





#### MIDDLE EAST & AFRICA





### **CARBON INTENSITY**

Kilograms per m2 of conditioned space



#### AMERICAS





### EUROPE





### ASIA PACIFIC





#### MIDDLE EAST & AFRICA





<sup>\*</sup> Confidence level in data reported has less than 90% level due to insufficient data.

### Water

Across our portfolio, we aim to reduce water intensity and manage water risks through collaborations and partnerships with our stakeholders, including the communities where we do business.

UN Sustainable Development Goals relevant to our Water efforts include:







### Serve 360 Goal: Water Intensity

We aim to reduce water intensity per occupied room by 15% from 2016 levels.

Our Serve 360 water intensity goal builds upon Marriott's first-generation goal to reduce water consumption per occupied room by 20% from 2007–2020, and Starwood's first-generation goal to reduce water consumption by 20% from 2008–2020.

#### 2018 Performance



0.32% reduction from 2016 baseline

Right: The Marriott Fallsview Hotel & Spa in Ontario, Canada overlooks Niagara Falls.

### 2018 Performance Across Regions



<sup>\*</sup> Confidence level in data reported has less than 90% level due to insufficient data.



### Water

### Think Globally, Act Locally

Because water is a local issue, we deploy a global strategy that is tailored for each property:

- Targeted Approach: Marriott's water conservation initiatives target specific aspects of hotel operations, including: laundry and linen/terry reuse programs; dishwashing and water service at restaurants and events; central plant operations; landscaping/irrigation; and golf course maintenance/operation. Hotel owners also invest in low-flow fixtures across the global portfolio of properties.
- Anomaly Management: All U.S. and Canada managed properties benefit from an outlier analysis program based
  on billing data. As bills are received, unusual water usage is flagged and properties are notified that they may have
  a leak or another issue that needs to be addressed. If properties are not able to mitigate the high usage pattern, a
  water performance call is conducted to help the property troubleshoot the issue.
- Action Plans: Marriott properties use an audit tool, the Energy and Environmental Action Plan (EEAP), to identify
  opportunities to increase operational efficiency. The EEAP covers a range of water conservation items from corporate
  linen/terry reuse policies to simple best practice behaviors for food service, housekeeping, landscaping, irrigation,
  HVAC, and central plant conservation and efficiency.
- Signature Projects: Using Energy and Environmental Action Plans as a roadmap, full-service, managed properties globally can elect to use a water conservation action item for their annual signature project such as the installation of low-flow toilets and showerheads, smart irrigation controllers, laundry water reuse systems, and high-efficiency irrigation spray nozzles.
- Integration with Energy Efficiency Measures: Many of our projects designed to improve energy efficiency also
  conserve water. For example, cooling tower upgrades reduce both water and energy use by central plants.
   Similarly, water treatment equipment upgrades also improve the energy efficiency and water savings of this activity.
- Water Recycling: Many hotels use recycled water for landscaping, cooling tower makeup water, first wash laundry, and flushing. Systems to capture greywater and rainwater for appropriate uses are also implemented at numerous properties.
- Submetering: Marriott recently established a standard for water submetering for cooling towers and irrigation at its managed, full-service properties in the Americas. Where installed, these meters give a more detailed view of water consumption and aid in the early detection of leaks.
- Collaboration with Owners: In 2018, the Americas Engineering Team continued collaborating with owners through
  a showerhead and low-flow toilet replacement project. This project was implemented across an owner's portfolio,
  and expanded to other owners with the showerheads shipped directly to each property. Building these relationships
  through successful projects opened the door for further opportunities, including an irrigation efficiency project.





 $Right: Guest\ bathrooms\ at\ The\ Grand\ Hotel\ Golf\ Resort\ \&\ Spa,\ Autograph\ Collection", Alabama\ and\ The\ Ritz-Carlton\ New\ York,\ Central\ Park.$ 



### Water

### **Water Risk Management**

Water risks are managed across the lifecycle of properties, from site development to construction and operations:

- Site Development: For some hotels under development,
   Marriott assesses environmental resources, conducting
   feasibility studies during site development and considering
   the choice of construction materials during design. Once
   open, each managed hotel will have a water conservation
   action plan to manage and reduce water usage.
- Water Supply: When municipal water supply is not available or sufficient, our hotel partners install water systems, including bore, desalination, reverse osmosis and filtration. For example, The Westin Cape Town installed an on-site desalination plant, which will supply water for three hotels, decreasing dependency on municipal water.
- Drought Risks: Each full-service, managed property is required to develop a site-specific water conservation plan and also complete irrigation efficiency audits on their landscaped acreage, identifying further opportunities. In response to drought risks, additional water conservation measures have been implemented immediately by our properties, including cutbacks of landscape irrigation. Associates and guests are also notified of the water shortage to promote further conservation. A portfolio-wide water risk assessment is planned for 2019.
- Flooding Risks: To address flooding risks, we have enterprisewide business continuity plans, task forces, an executive-led Crisis Relief Committee, our Marriott Disaster Relief Fund, TakeCare Relief Fund and long-standing relationships with the International Federation of Red Cross and Red Crescent Societies, the American Red Cross and other organizations that offer assistance to communities in times of disaster. These relationships and programs help us to coordinate relief efforts when flooding occurs in regions where we operate hotels.



### **Partnerships and Stakeholder Engagement**

Partnerships and stakeholder engagement are also central to our water strategy:

- Hotel Developers: As a worldwide operator and franchisor of hotels, Marriott works with hotel developers and owners to add hotels to our pipeline of future rooms. Hotels are most often built in locations with adequate water supply. In locations where this might not be the case, such as island destinations or in some developing markets, our hotel partners work to establish the infrastructure and facilities needed for hotel operations, while striving to ensure that the local community and environment are not negatively impacted.
- Local Governments, Communities, and
   Nongovernmental Organizations (NGOs): We have formed partnerships with local governments, communities and NGOs to support our sustainability strategy and efforts.
   One historic initiative, Nobility of Nature, supported China's freshwater conservation (particularly the Yangtze River and its tributaries located in Southwest China's Sichuan province) and assisted rural communities with sustainable

businesses that put less stress on China's environment, most especially its sources of fresh water. This project is now self-sustaining.

• Industry Collaboration: Marriott has been working to address lodging industry water security and conservation by participating in the water working group of the International Tourism Partnership (ITP). In 2017, Marriott worked with ITP to develop 2030 water stewardship goals for the hotel industry. Based upon the successful adoption of the Hotel Carbon Measurement Initiative (HCMI). ITP launched the Hotel Water Measurement Initiative (HWMI) on which Marriott and other industry leaders collaborated to develop a methodology to consistently measure and report on water consumption in hotels. This methodology is now used regularly to provide customers with the water footprint associated with their stays across the portfolio. Marriott also participates in the Cornell Hotel Sustainability Benchmark (CHSB) Index, allowing competitive hotels to benchmark water footprint among like hotels.

Above: The Westin Cape Town, South Africa installed an on-site desalination plant to manage water-related risks.

### Waste

Through collaboration with hotels, guests, and global organizations, we have continued to implement waste reduction programs and initiatives, focusing on single-use plastics and food waste reduction to support our companywide goals.

UN Sustainable Development Goals relevant to our Waste efforts include:





### Serve 360 Goal: Waste Intensity

We aim to reduce waste-to-landfill by 45% from 2016 to 2025.

We've selected 2016 as our baseline year to capture the combined dataset of our full portfolio. As we work toward our waste reduction goal, our first step is to establish a baseline across our global operations.

In 2018, we continued to increase data availability from across the portfolio for input into our environmental reporting platform, MESH (Marriott Environmental Sustainability Hub), in order to establish our 2016 baseline. We're also reviewing volume-to-weight conversion factors to ensure historical data is represented accurately. As we work toward establishing our baseline, we will continue to implement multiple global waste reduction programs, with a focus on the reduction of single-use plastics and other disposables, to assist hotels in reducing their waste footprint.

### **Our Approach**

Our global waste strategy is designed to assist our hotels in disposing of their waste in the most environmentally sound and cost-effective manner. We focus on local, state, and/or national regulations and global waste management trends to guide our hotels in making the most appropriate waste diversion choices. In 2018, as part of our waste strategy, we implemented measures to address, reduce, and eliminate single-use plastics at our hotels, including introducing residential amenity dispensers, evaluating plastic water bottle alternatives, and launching the "Skip the Straw" program. In support of our strategy, we also refreshed, enhanced, and launched global brand standards, including Guest Room Recycling.

#### **Bottled Water Alternatives**

In 2018, we began evaluating bottled water alternatives to reduce single-use plastic consumption. At The Ritz-Carlton, Bal Harbour and The Ritz-Carlton, Lake Tahoe, we piloted Vivreau, an on-site bottled water system that reduces the need for and subsequent waste from plastic water bottles. The JW Marriott Phuket Resort & Spa installed a Generation Water system on-site that draws potable water from the humidity in the air. This system also reduces the need for bottled water on property. In 2019, the system is expected to eliminate more than 2 million plastic bottles, significantly contributing to our waste reduction and responsible sourcing goals.

Below: The Generation Water System at the JW Marriott Phuket Resort & Spareduces the need for bottled water on-property.



### Waste

### Marriott's Partnership with Clean the World®

For over a decade, Marriott has continued its partnership with Clean the World, a certified B corporation that collects partially used soaps and other hygiene amenities, recycles these items, and then manufactures and distributes new bars of soap globally to communities in need. Communities that benefit from Clean the World donations are primarily those with a high death rate due to acute respiratory infection (pneumonia) and diarrheal diseases (cholera) — two of the top killers of children under five years of age. Distributions are also made to homeless shelters, women's shelters, and veteran shelters and to areas that have been affected by natural disasters.

In 2018, hotels across the portfolio continued to use Clean the World's amenity recycling services in support of the Serve 360 Goal to reduce waste-to-landfill by 45% by 2025. Teams across the company also participated in hygiene kit builds, a volunteer activity using recycled amenities that supports the Serve 360 coordinates: Nurture Our World and Sustain Responsible Operations.

### 2018 Performance



283,598 lbs. (over 128,600 kg) of waste collected

920,864

soap bars distributed to those in need

832,202

lbs. (over 377,400 kg) of plastic recycled

Above: The Manila Marriott Hotel's single-use plastics recycling program recycles plastic waste from the hotel into new chairs for the Philippines School for the Deaf and the Philippines Red Cross.



### **Guest Room Recycling**

In 2018, Marriott harmonized existing standards and relaunched a global guest room recycling brand standard for all hotels across the portfolio. The standard requires hotels to collect recyclable materials in guest rooms when commercial recycling collection services are available. We are assisting hotels in setting up appropriate bins and signage in guest rooms to ensure guests have clear direction for disposing of and recycling items during their stay. Through this standard, our hotels have created inspiring art and other products from recyclable materials. For example, the Manila Marriott Hotel created a program to recycle its single-use plastics into new chairs for the Philippines School for the Deaf and the Philippines Red Cross, resulting in over 6,000 lbs. (3,000 kg) of plastic diverted from landfill.



In 2018, Marriott launched the "Skip the Straw" program, a new brand standard aimed at banning plastic straws and stirrers globally. As a result of the ban, we will annually reduce waste by approximately 1 billion plastic straws and 250 million plastic stirrers. Our hotels will utilize the "straw upon request" service strategy, to accommodate guests that still prefer a straw, and offer a paper-based or other alternative straw when needed and where available. In 2019, the initiative will take full effect at all hotels globally, and we will continue to pilot innovative alternatives including edible, marine-degradable, and compostable seaweed straws.

#### **Plastics Outlook**

In 2019, we expanded our initiative to replace tiny, single-use toiletry bottles of shampoo, conditioner, and bath gel in guestroom showers with larger, pump-topped bottles across most of our hotels worldwide. The expanded toiletry program is expected to prevent approximately 500 million tiny bottles annually from landfills (1.7 million pounds of plastic), resulting in a 30 percent annual reduction from current amenity plastic usage — another step on our journey to further reduce the portfolio's reliance on single-use plastics and other disposables.



#### **Residential-sized Amenities**

In 2018, we continued our journey to reduce waste by replacing tiny single-use toiletry bottles with larger, pump-topped bottles across select-service hotels in North America. As of year-end, over 750 hotels switched from small plastic amenity bottles to residential-sized amenities, eliminating approximately 3.7M small plastic bottles, weighing over 42,000 lbs. (19,051 kg).

## Waste



#### Serve 360 Goal: Food Waste

In support of our goal to reduce food waste to landfill by 50% by 2025, we developed a suite of internal resources and training tools enhanced from our previous initiatives and pilot learnings to bring awareness and education to hotels globally. The resources will assist hotels in establishing food waste reduction programs and getting the most value out of their food waste through food donation and other diversion options. Hotels are guided to first and foremost reduce the amount of food waste generated through improved meal planning and purchasing. In the event food waste occurs, hotels will consider various options for diverting food waste from landfill. A back-of-house poster, available in 14 languages, was developed to assist hotels in considering the best diversion option(s) for their operations.

Below: Our Marriott Corporate Headquarters Test Kitchen Chefs hosted a "Freezer Burn Out" in late 2018, primarily using leftover sample food items donated by vendors, to create meals for local residents in need.



#### **Innovative Waste Reduction Solutions**

In addition to companywide brand standards, our hotels continue to identify innovative solutions unique to their properties to reduce the amount of waste-to-landfill (with a focus on single-use plastics and other disposables). In some cases, these solutions have the potential to be scaled and installed across other hotels, resulting in significant reductions in energy, water, and waste. We plan to use these innovative waste management solutions to assess the need for new brand standards to support our waste reduction efforts. In 2019, we will continue to work with our hotels and suppliers to identify additional ways to reduce single-use items and packaging in our operations.

### **E-Waste Recycling**

We continue to divert electronic waste through our service provider, Arrow Sustainable Technology Solutions, resulting in less hazardous waste to landfill, reduced emissions, and recovery of valuable materials. The program ensures that hotels have a compliant and responsible option for disposing of technology assets at end-of-life. In 2018, Marriott Headquarters and U.S. hotels diverted 98,000 lbs. (44,452 kg) of electronic waste from landfill.

#### **Food Donation**

Marriott hotels engage with local charitable organizations to provide food donation to those in need. We provide resources to support food donation programs throughout our hotels, including mobile phone application services to make donating food fast and easy for on-property teams.

The JW Marriott Marquis® Dubai has partnered with the Tarahum Charity Foundation since 2016. The hotel donated over 84,000 lbs. (38,220 kg) of food in 2018. The Boston Marriott Copley Place partnered with Rescuing Leftover Cuisine Massachusetts in 2018 and donated quality, nutritious food to the Casa Nueva Vida, Inc. shelter in Dorchester, Massachusetts.

In December 2018, Marriott Headquarters' Culinary Development Team hosted a "Freezer Burn Out" event. Chefs unloaded items from our test kitchen, resulting in the creation and donation of 600 lbs. (272 kg) of meals to shelters throughout Montgomery County, Maryland in one day.

#### **Food Waste Partnerships**

Following the success of the Hotel Kitchen project, we have extended our work with World Wildlife Fund (WWF) to develop additional pilot opportunities for 2019 that will bolster food waste reduction efforts at our hotels. In 2018, we continued to conduct additional food waste tracking technology pilots in Europe and Asia Pacific to identify the best options for hotels to efficiently track food waste and identify solutions for reduction.

To support waste reduction initiatives, the Bangkok Marriott Marquis Queen's Park collaborated with LightBlue Environmental Consulting to implement a food waste reduction program. The program resulted in a reduction of 30.2 US tons (27.4 metric tons) of food waste from September to December 2018.

#### The Future of Food Waste

In 2019, we are eager for our hotels to fully adopt the learnings from the resources and tools that were developed. As more food waste reduction programs are developed, we will share best practices among culinary associates across the globe and begin tracking progress toward our 2025 goal. We will continue to identify strategic partnerships as we learn more about food waste challenges and high-tech and innovative solutions to address food waste.

We are committed to integrating leading environmental and social practices into our supply chain and partnering with like-minded suppliers. In addition, we aim to collaborate with our partners to reduce the negative environmental and social impacts of business activities by focusing on sustainable, responsible, and local sourcing.

UN Sustainable Development Goals relevant to our Responsible Sourcing efforts include:













### Serve 360 Goal: Supplier Requirements and Reviews

In 2018, we finalized our top 10 categories in support of our Serve 360 Goal to source 95% of each category responsibly by 2025. Our top 10 categories include: animal proteins (inclusive of beef, eggs, lamb, pork, and poultry), bottled water, cleaning supplies, cocoa, coffee, guest room amenities, paper products, seafood, sugar, and textiles. We also established responsible sourcing requirements for each category that suppliers will have to adhere to in the future.

In 2019, we will begin surveying our existing suppliers within the top 10 categories to understand the relevant environmental and social aspects of their businesses. Following our assessment, in 2020, we will evaluate the elements of our suppliers' businesses within the top 10 categories that do not meet our new responsible sourcing requirements and assist suppliers in making improvements. We will request the same environmental and social information from our remaining centrally contracted suppliers outside of the top 10 categories by 2025. These efforts will provide us with a better understanding of the capabilities of our suppliers, improve their overall operations, increase demand for responsible products, and grow responsible markets globally.

#### 2018 Responsible Sourcing Progress



17.2%

Marine Stewardship Council- or Aquaculture Stewardship Council-certified seafood\*



77% Forest Stewardship Council-certified

#### **Our Supply Chain**

Marriott maintains a large global supply chain comprised of numerous procurement categories including, furniture, fixtures, and equipment; operating supplies and equipment; food and beverage; hotel amenities; and corporate services. Our top 10 responsible sourcing categories cover many of the products within these global groupings. Our global procurement teams and our Americas procurement partner, Avendra, are committed to transforming our supply chain in order to provide more transparent and responsible products to our guests and positively impact global markets.

#### **Responsible Sourcing Strategy**

We continually seek to identify products with new and existing suppliers that contain responsible environmental and social attributes and offer a high-quality experience for our guests. We will refine our searches to incorporate our new responsible sourcing requirements across our top 10 categories as we engage with existing and new suppliers in the future.

In 2018, we focused on developing animal welfare and responsible seafood statements to communicate our commitment to responsibly source these products.



<sup>\*</sup> Based on managed property data from our Americas procurement partner, Avendra.





#### Serve 360 Goal: Local Sourcing

With the goal of locally sourcing 50% of all produce, in aggregate, by 2025, our hotels continue to help identify opportunities to work with local suppliers. In conjunction with our responsible sourcing goals, we will continue to identify high quality, local products that are environmentally and socially responsible. These efforts will contribute to the development of responsible food and beverage product markets around the globe into the future.

Through participation in the Clinton Global Initiative's Action Network on Post-Disaster Recovery, in collaboration with Avendra and Walmart, we established a partnership with the Clinton Giustra Enterprise Partnership (CGEP) and World Central Kitchen (WCK). We are participating in an assessment in 2019 to identify local sourcing opportunities from smallholder produce farms in Puerto Rico. If the assessment proves favorable, upon the establishment of a social business by CGEP, our hotels in Puerto Rico have committed to purchasing local produce determined feasible. Once achieved, this commitment will provide fresh, local produce to our guests, and transform the livelihoods of participating smallholder farmers throughout the island.

### **Supplier Screening and Risk Assessments**

In 2018, we updated our <u>Supplier Conduct Guidelines</u> (SCGs). The SCGs set enhanced expectations around ethical business practices including global employment, human rights, environmental responsibility, animal welfare, responsible sourcing of materials, and supplier diversity. The SCGs provide the principles, standards, and guidelines that we expect our suppliers to uphold and that are applicable to all Marriott officers, managers, and associates in our global operations. We will continue to communicate these updated guidelines to new and existing suppliers and encourage them to extend these practices across their own supply chains.

We continued our work with MindClick™ to ensure we are procuring sustainable furniture, fixtures, and equipment from responsible suppliers. In addition, our procurement partner, Avendra, is committed to helping us achieve our responsible sourcing goals in the Americas. Avendra requires all suppliers to submit a sustainability policy and requests relevant information on product attributes such as Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications for sustainable seafood and Forest Stewardship Council (FSC) certification for responsible personal paper products.

Left: Recao, a typical Puerto Rican herb, is one of several items Marriott is evaluating for purchasing from local farmers. Above right, top row: Marriott's Brazil hotel Executive Chefs are creating recipes for dishes using sustainably sourced manioc flour from the Amazon rainforest. Right and below: The Renaissance São Paulo Hotel – one of 280 Marriott properties across the Americas hosting the annual Masters of the Craft culinary and beverage competition – included Amazon rainforest-sourced Brazil nuts as a local item contestants could choose to feature and celebrate in their dishes.









In 2018, Marriott's procurement team worked with the Amazonas Sustainable Foundation (FAS) to increase the variety of sustainable Amazon rainforest products available to Marriott's Brazil hotels and guests. In addition to the need for the products to be culturally and environmentally valuable, they must be enticing for Marriott guests. Chefs from across Marriott's Brazil hotels were invited to create tempting dishes using the newly introduced manioc flour sourced from FAS' Amazon communities.

#### **Animal Welfare**

In support of our responsible sourcing goal, we continue to focus on transforming our global supply chain through the procurement of responsible animal products like third-party-certified down and feather goods. Recognizing that animal welfare is an important part of conducting business operations with integrity, we recently published our Marriott International Animal Welfare Position Statement. The statement outlines our commitment to work toward the ethical, humane, and legal treatment of animals across all operations, including entertainment, food and beverage, and furniture and fixtures. The statement also reflects our expectation that our suppliers will operate in the same responsible manner.

We will continue to work with our suppliers and business partners to raise the standard of animal welfare across our operations and supply chain. We remain committed to procuring from suppliers that can verifiably demonstrate that their products mitigate negative environmental and social impacts as well as address animal welfare concerns throughout their operations. In 2018, we also incorporated responsible sourcing best practices into our procurement strategy for other animal products within our top 10 priority categories goal including beef, lamb, pork, poultry, guest room amenities, seafood, and textiles.

We continue to work toward our long-standing public commitment to move our global egg supply chain to 100% cage-free. In 2018, working with our procurement partner, Avendra\*, hotels in the United States procured 54% of eggs cage-free. In Europe, hotels in Austria, Germany, the Netherlands, and Switzerland procured 100% of eggs cage-free, while the entire Europe market procured 58% of eggs cage-free\*\*. Our procurement teams will continue to work with suppliers in all the regions in which we operate to increase the percentage of cage-free eggs sourced globally. Beginning in 2019 we will publicly report our progress on these global efforts.

In 2018, Avendra collaborated with several pork suppliers to increase the number of responsible pork products available to hotels. Six new responsible pork products were sourced, bringing the total number of available responsible products to 14. We will continue to work with Avendra to increase the number of responsible pork products available to hotels in support of our commitment to improve animal welfare throughout our supply chain.

- \* Avendra operates on behalf of a subset of managed and franchised Marriott hotels in North America, Central America, and the Caribbean.
- \*\* Cage-free eggs procurement data in Europe is based on centrally contracted and reported property-level contracts.

In 2018, Marriott signed on to the World Travel & Tourism Council (WTTC) <u>Declaration on Illegal Trade in Wildlife</u>, whereby we commit to not knowingly purchase, utilize, or facilitate the sale of wildlife products made with illegally harvested, produced, and/or traded materials.





Above: Marriott is working with the Clinton Giustra Enterprise Partnership, Walmart, Avendra, and World Central Kitchen to explore sourcing more produce locally from Puerto Rico's farmers.

#### **Responsible Seafood**

As one of the top 10 priority categories within our 2025 responsible sourcing goals, this enhanced focus on seafood will continue with additional guidance offered to hotels through our responsible seafood program, and expanded requirements for seafood suppliers to include rigorous environmental and social elements. These requirements will take effect as new seafood contracts are awarded in the coming years.

In support of our responsible sourcing goals, we launched our refreshed responsible seafood program and internal education and awareness campaign at all hotels globally. We partnered with the Anderson Cabot Center for Ocean Life at the New England Aquarium to develop an educational poster that designates specific banned species, purchasing recommendations, and a supporting toolkit to guide our culinary associates in making more responsible seafood choices. We also encourage hotels to consider alternative seafood species that can supply the market without having a negative impact on the environment.

In 2018, we also partnered with World Wildlife Fund (WWF) to focus on increasing the sustainability of two commonly used seafood species: farmed salmon and farmed shrimp. Through this partnership, we conducted an analysis of species-specific procurement data to better understand our purchasing patterns and opportunities for transitioning to certified products. In 2019, we plan to also provide fishery and aquaculture improvement support through our strategic procurement priorities and the needs of existing fishery improvement projects (FIPs) and aquaculture improvement projects (AIPs). This support contributes to ongoing efforts to address the issues of bycatch and traceability in order to develop responsible seafood markets around the world.



Above: A depiction of the responsible seafood poster found in the back-of-house.

Through our partnership with the Anderson Cabot Center for Ocean Life at the New England Aquarium, we developed a responsible seafood poster, available to all hotels in 15 different languages.



## Serve 360 Goal: Furniture, Fixtures, & Equipment

We have set a goal that by 2025, 95% of our Top 10 furniture, fixtures, and equipment (FF&E) product categories will be sourced in the top tier of the Marriott Sustainability Assessment Program (MSAP). During 2018, we added several of our legacy Starwood brand FF&E prototype packages to MSAP. We are continuing extensive efforts to raise MSAP products' scores to improve annual progress toward the top tier.

## 2018 Progress Made with North American FF&E Vendors



#### 95%

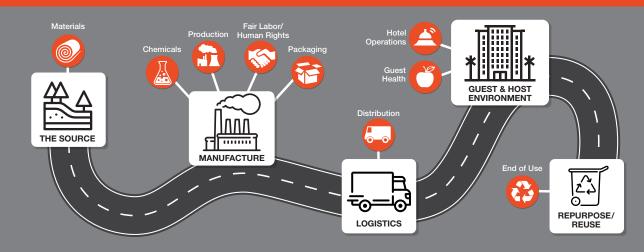
of furniture, fixtures, and equipment purchased from suppliers that reduce, reuse, or recycle packaging

### 82%

of furniture, fixtures, and equipment purchased from suppliers that engage in conservation measures

### SUSTAINABILITY ROADMAP

Tracking And Scoring the Stages of a Product's Lifespan



#### **Marriott Sustainability Assessment Program**

Led by MindClick in 2012, the U.S. Green Building Council (USGBC), Marriott and a 25-member consortium of suppliers, architecture firms, and sustainability experts created a unified rating methodology for interior furnishings. In 2014, after two years of testing and customization, Marriott and MindClick launched MSAP to evaluate the sustainability performance of furnishings, fixtures, and equipment across nine environmental and human health metrics throughout the product life cycle.

Since launching MSAP, Marriott's contracted FF&E suppliers have made improvements in materials, packaging, manufacturing practices, and product disposal to support healthy interiors, and the reduction of energy, water, waste, and greenhouse gas emissions in Marriott hotels. Concurrently, advances have been made to reduce greenhouse gas emissions in manufacturing and to provide greater assurance in support of fair labor practices and human rights. Based on the success of MSAP, we added

our legacy Starwood brand prototypes to the MSAP for 2018, which resulted in the evaluation and rating of over 1,000 incremental FF&E products (to over 3,000 total products in 2018). While the percent of our top rated "Leader" items stayed flat year-over-year (remained at 27%), we did see improvement with over 10% more products at the "Achiever" rating level (56%).

Marriott continues to work with our FF&E suppliers to pursue continued increases in product sustainability and achieve our related 2025 goal. Marriott's Global Design teams will continue to use MSAP ratings to inform vendor and product selections in the development of future prototypical design programs.

Above: MSAP SUSTAINABILITY ROADMAP – The MSAP for FF&E tracks and scores all the stages of a product's life cycle.

We aim to address some of today's most pressing issues, including unemployment and underemployment through our partnerships to ensure workplace readiness and access to opportunity through our business. This collaboration has allowed us to continue to expand our inclusive growth strategy and youth engagement programs, which also contribute to the success of our business by helping to ensure a future pipeline of talent. We launched several large-scale youth initiatives in several of our regions and continue to advance women across our value chain. We also aim to support local communities and other underserved groups, including veterans, refugees, and people with disabilities.



# Global Diversity and Inclusion

Embracing differences and putting people first is part of our culture of inclusion and the way we do business. We aim to support local communities and the advancement of underserved populations, including youth and women, throughout our business by collaborating with stakeholders to create opportunities, including those related to our supply chain.

UN Sustainable Development Goals relevant to our global diversity and inclusion efforts include:















### Serve 360 Goal: Investments, Programs and Partnerships

By 2025, we have committed to invest at least \$5 million to increase and deepen programs and partnerships that develop hospitality skills and opportunity among youth, diverse populations, women, people with disabilities, veterans, and refugees.

In 2018, funding has been invested extensively in programs and partnerships that develop hospitality skills and opportunity among youth, diverse populations, women, people with disabilities, veterans, and refugees.

We are currently ahead of schedule and have progressed over 92% toward our goal. In 2019, we plan to conduct an internal assessment to restate this goal.

#### 2018 Performance



\$4.6+ MILLION invested in programs and partnerships that develop hospitality skills and opportunity among youth, diverse populations, women, people with disabilities, veterans, and refugees (since 2016).

#### **Our Inclusive Growth Strategy**

We are focused on creating programs and opportunities that benefit our communities, help strengthen our business, and demonstrate how operating responsibly can create economic opportunity. Global diversity and inclusion is integral to not only how we provide an inclusive environment for associates, but also to how we do business every day. We have established a holistic approach to ensure a high level of engagement with associates, customers, owners, and suppliers. Our key stakeholders include:

Associates	Customers	
Our commitment to taking care of people and prioritizing their wellbeing is in our company's DNA and cultural legacy from our founders. We want our workforce to live their best lives and to feel good about themselves, their relationships at work, and about our company's role in the community.	Our commitment to welcoming all customers includes engaging with diverse groups, creating inclusive guest experiences, and supporting key diversity and inclusion initiatives. We train associates on cultural competency and understanding unconscious bias.	
Owners	Suppliers	

In 2018, Marriott ranked #2 on the DiversityInc Top 50 Companies for Diversity for its commitment to diversity and inclusion across all communities.



# Global Diversity and Inclusion

#### How We Approach Workforce Diversity and Inclusion

Marriott International's success begins with our commitment to help provide a world of opportunity and is powered by our core values, the most important of which is *Putting People First*. We are committed to providing equal opportunities in all aspects of employment, regardless of race, color, religion, sex (including pregnancy), sexual orientation, gender identity or expression, national origin, age, disability, genetic information, veteran or military status, or other basis protected by applicable law. Our commitment starts with our senior leaders who establish priorities and strategies that drive accountability throughout the organization.

#### **Our Objectives**

To mirror the diversity of the communities in which we operate and serve across the globe To establish a supportive and inclusive work environment where associates are empowered to experience success every day

To increase the presence of women in the highest level of management and other key decision-making positions

#### The Importance of Collaborations

We are an active and engaged corporate member of several global nongovernmental organizations (NGOs) across many different diverse segments that support the development of our key stakeholders including diverse and historically underrepresented suppliers, current and potential associates, hotel owners, and customers. To support our key stakeholders, Marriott partners with groups such as Asia Society, Asian American Hotel Owners Association (AAHOA), the Canadian Aboriginal and Minority Supplier Council, the Canadian Gay and Lesbian Chamber of Commerce (CGLCC), Capital Region Minority Supplier Development Council, Disability:IN, Human Rights Campaign, Out and Equal, National Association of Black Hotel Owners, Operators, and Developers (NABHOOD), National Black MBA Association (NBMBAA), National Hispanic Corporate Council, National LGBT Chamber of Commerce (NGLCC), National Organization on Disability, National Urban League, UnidosUS, VetFran, WEConnect International, Women's Business Enterprise National Council (WBENC), and Women Presidents' Educational Organization (WPEO-DC) to support our key stakeholders.

In 2018, Marriott spent **\$771 million** toward our \$1 billion annual inclusive purchasing goal with businesses owned by women, minorities, veterans, LGBT, and persons with disabilities across the globe.

#### Commitment, Oversight, and Accountability from the Highest Levels

President and CEO Arne Sorenson chairs the company's Global Diversity and Inclusion Council, established in 2010, that monitors the integration of our diversity and inclusion initiatives across all aspects of our global business strategy. Comprised of the entire C-suite, the senior executives on this Council are accountable for reviewing progress in their respective disciplines with their peers and sharing best practices. Diversity and inclusion goals are included in executives' annual Management Business Objectives (MBO) and compensation plans.

Additionally, Marriott's Board of Directors' Committee for Excellence (CFE), established in 2003, reviews the company's diversity and inclusion results and engages directly with our company's management team to discuss progress, future actions, and goals. The Committee establishes specific annual goals for each facet of diversity and monitors progress with a Diversity Excellence Scorecard.

Our President and CEO and senior leadership team have established comprehensive diversity and inclusion performance metrics, which are regularly reviewed and discussed at CEO staff meetings, board of directors' meetings and senior-level regional meetings. All continental presidents, who run global operations, have a diversity and inclusion MBO and strategy that are meaningful to their geography. Their incentive compensation reflects performance against this MBO and other objectives.

#### **Regional Councils and Talent Network Teams**

Associates comprise Regional Diversity and Inclusion Councils and network groups that help ensure we remain abreast of the needs and interests of individual diverse communities. Marriott's Talent Network Teams include associate networks and business challenge teams, where diverse, cross-discipline associates work together to solve challenges, promote collaboration, and strengthen relationships through informal networking. Recent business challenge team projects include "Creating a Better Guest Experience for People with Disabilities," "Creating a Sense of UNITY with My Co-Workers," and "Sustainability in Meetings & Events."

#### **Diversity and Inclusion Training**

We provide a variety of diversity and inclusion training offerings, which include the mandatory "Valuing Our World of Differences" training for all associates in the Americas to enhance and develop cross-cultural competence in our global work environment. The training emphasizes why inclusion is critical to our success from an associate, customer, supplier, and business perspective; establishes foundational concepts and techniques to build and value cultural differences; and defines associate roles in creating an inclusive work environment.

# Global Diversity and Inclusion

#### **Supplier Diversity**

By 2020, we aim to reach \$1 billion annually in inclusive purchasing, including \$500 million in purchasing with women-owned businesses. In 2018, Marriott spent a total of \$771 million in inclusive sourcing, including \$431 million with women-owned businesses, \$327 million with minority-owned businesses, \$5 million with veteran-owned businesses, \$6 million with LGBT-owned businesses, and \$860,000 (or \$860K) with businesses owned by people with disabilities, including service-disabled veteran-owned businesses.

We also leveraged our supplier diversity platform, Exchanges, to increase associate engagement, awareness, and education on the importance of supplier diversity. Associates participated in four diverse-supplier mentorship programs providing valuable strategic advice to diverse suppliers seeking to grow their businesses.

#### **Respect for All Initiative**

Our "Respect for All: Putting People First Since 1927" initiative offers a platform that leverages resources, training, best practices, and newly developed content related to diversity and inclusion. The Respect for All initiative also provides associates with a video series that illustrates unconscious bias and promotes inclusion. As part of the launch of this initiative, a video featuring Marriott's President and CEO was shared, encouraging respect and care for all associates and guests.

"Since 1927, Marriott has made the respect and care of associates and guests our top priority. Ensuring that everyone who walks through our doors feels welcome is who we are as a company—and for me personally, my most important leadership responsibility."

Arne Sorenson, President and CEO of Marriott International, Inc.





### **Living Our Core Values (LOCV)**

Our core values make us who we are. As we change and grow, the beliefs that are most important to us stay the same — putting people first, pursuing excellence, embracing change, acting with integrity, and serving our world. This year, our annual LOCV program features an engaging and flexible format with a new collection of core TakeCare content shared through videos and team discussions.

General managers, HR directors and TakeCare Champions work together to activate LOCV at their locations, through a series of interactive, on-demand videos featuring passionate associates, the company's senior-most leaders, and outside experts.

#### 2018 Awards and Recognition

- Alliance for Workplace Excellence Workplace Excellence Seal of Approval, Health & Wellness Seal of Approval, Diversity Champion Award, Best Practices Supporting Workers of All Abilities, Best Practices Supporting Workers 50+
- Aon Global Best Employer
- Asia Society Best Employer for LGBT Asian Employees
- Black Enterprise Best Companies for Diversity
- DiversityInc Top 50 Companies for Diversity
- Great Place to Work (U.S.) Fortune 100 Best Companies to Work For, Best Workplaces for Diversity, Women and Parents; Best Workplaces in Texas and New York
- Great Place to Work (Outside U.S.) Best Workplaces in Latin America and Brazil
- Human Rights Campaign Corporate Equality Index (100% score)
- LATINA Style 50 Best Companies for Latinas
- LGBTQ Business Equality Excellence Award
- National Association for Female Executives (NAFE) Top Companies for Executive Women and Hall of Fame
- National Business Inclusion Consortium (NBIC), Best-of-the-Best Corporations for Inclusion
- National Organization on Disability Leading Disability Employer
- Women's Business Enterprise National Council's Top Corporations for Women's Business Enterprises (Gold Level)
- Working Mother 100 Best Companies, Quarter Century Club and Hall of Fame

Above: "Living Our Core Values – To the Journey" Film Series provides associates with a collection of videos and team discussion guides to help activate LOCV among teams.

### Women

We work with a variety of stakeholders to advance women across our value chain. Our empowerment efforts focus on developing skills and opportunities, supporting women-owned hotels, purchasing from women-owned businesses, and providing development and advancement opportunities for our workforce.

UN Sustainable Development Goals relevant to our Women's efforts include:















### **Serve 360 Goal: Gender Representation Parity** in Global Company Leadership

We have set a goal to achieve gender representation parity in global company leadership by 2025. We recognize that a multiyear journey and a strong commitment is necessary to achieve this goal, but we are pleased with our progress to date — having achieved gender representation parity for our CEO's team in 2018.

#### 2018 Performance



of our CEO's direct reports were women

#### **Women's Empowerment**

We are focused on advancing women across our value chain:

### **Our Objectives**

Achieve gender representation parity in global company leadership by 2025

Increase spending with women-owned businesses toward 2020 goal of \$500 million in spend

Increase our number of women-owned hotels

Excel at serving and marketing to women travelers

### **Developing Leaders from Within**

Launched in 1999, Marriott's Women's Leadership Development Initiative is comprised of three pillars: leadership development, networking and mentoring, and work/life effectiveness. The initiative aims to increase the presence of women in management or decision-making positions by engaging senior leaders to ensure career development, as well as encouraging current women leaders to drive organizational success.

Marriott's Emerging Leader Program (ELP) is a key pillar of our Americas diversity and inclusion strategy to increase the number of women and minorities in leading roles. ELP participants are high performing, front-line leaders, senior leaders, and other management associates who have demonstrated the ability to excel to higher levels of responsibility. Participants are exposed to a yearlong

customized, cross-discipline, cross-brand leadership development experience. Following graduation, participants mentor the next cohort.

Marriott's Women in Leadership and Learning is a four-day program developed by SHAMBAUGH Leadership. Participants are immersed in an intensive development curriculum and executive coaching that focuses on how to assess and determine leadership and business challenges, develop successful leadership profiles, identify development expectations, define the impact of cultural issues, and create measures of success.

In 2018, our Asia Pacific region expanded its diversity and inclusion initiatives by encouraging more women to assume leadership roles within the company.

## Women

#### **Focusing on Pay Equity**

Marriott is committed to ensuring that associates' compensation is equitable and competitive. Our policies and practices are designed to avoid pay inequities throughout an associate's career. Associates can raise issues regarding pay equity through their manager, Human Resources, or the Business Integrity Line.

Marriott regularly conducts pay equity reviews in the U.S. and makes pay adjustments where appropriate.

To ensure that our recruitment process reflects fair and equitable pay practices, we use a competitive local market wage scale and establish a starting rate of pay with fixed or defined pay increases based on tenure for the vast majority of our U.S. based hourly paid hotel positions. We also removed compensation inquiries from the U.S. employment application process and stopped considering salary history when establishing starting pay for new associates in the U.S. and Canada.

#### **Benefits That Support Families**

In 2018, we continued to enhance our portfolio of benefits and initiatives that support all families. Effective January 1, 2019, Marriott offers industry-leading paid parental leave in the U.S. that includes eight fully paid weeks for birth and adoptive moms and dads. Full-time and part-time associates, who work a minimum number of hours, are eligible. Birth moms will continue to receive an additional seven weeks of partial pay for a total of 15 weeks of leave benefits. We also provide financial assistance to help with adoption fees of up to \$12,000.

Other work/life support includes flexible work arrangements, work-at-home, paid and unpaid time off, lactation support, breast milk shipping reimbursement, new-parent coaching, infertility coverage, on-site childcare, child and elder care discounts, and flexible staffing for professional career breaks.



### **Purchasing from Women-Owned Businesses**

By 2020, we aim to reach \$500 million annually in purchasing with women-owned businesses. In 2018, Marriott spent \$431 million with women-owned businesses — a 24.9% increase over the prior year. We have also taken leadership roles in a number of supplier diversity nonprofits including board roles in the two largest supplier diversity organizations focused on women-owned businesses, WEConnect International and Women's Business Enterprise National Council (WBENC).

Through our supplier diversity program, Exchanges, we are able to highlight and celebrate our supplier diversity milestones and successes. For example, Marriott has partnered with DevMar, which provides cleaning and safety products to create healthier work environments for employees and guests at Marriott properties. DevMar is also recognized as a recommended partner of Marriott's Global Food Safety operations due to its unique, environmentally-conscious products.

Above: Associates at The Westin Mission Hills Golf Resort & Spa in Rancho Mirage, California, celebrate International Women's Day.

### **Supporting Women-Owned Hotels**

By 2020, we aim to have 1,500 diverse- and women-owned hotels open, a goal we are currently on track to meet.

Since 2014, the number of diverse- and women-owned open hotels nearly doubled from 699 to 1,346. During 2018, we opened 136 hotels and added 93 new hotel projects to the pipeline with diverse and women partners.

Our progress to date is the result of cultivating relationships and partnerships with industry, women, and diverse organizations; identifying opportunities to conduct hotel ownership and investment sessions at their meetings and conferences; and providing the opportunity to interested individuals to participate in Marriott's biannual Diversity Ownership Educational Summits hosted at our corporate headquarters. In 2018, we also hosted a Women's Hotel Ownership Networking Luncheon at our corporate headquarters, in partnership with the National Association of Black Hotel Owners, Operators and Developers (NABHOOD) to provide an additional opportunity for networking and hotel ownership discussions.

## Youth

According to the International Labour Organization, the "Lack of employment opportunities for youth (i.e., those under 25 years of age) presents another major global challenge ... with the global youth unemployment rate standing at 13 percent, or three times higher than the adult rate." At the same time, the travel and tourism industry's demand continues to outpace the talent supply. We work to address these global issues and ensure a brighter future by partnering with nonprofit organizations to identify, train, and mentor youth for meaningful careers in our industry.

UN Sustainable Development Goals relevant to our Youth efforts include:









#### **A World of Opportunity**

Marriott recognizes the importance of our role in helping to prepare young people for post-secondary and technical training, as well as careers in our industry. We have a long history of investing in programs that help young people — especially those from challenging backgrounds, underserved populations, or developing countries — gain marketable skills leading to meaningful work.

Because of the diversity of our operations and number of jobs available in hotels, our business is uniquely able to provide educational and work-study opportunities, such as training, mentoring, job shadowing, internships, and more. By doing so, we can change young peoples' lives and help propel economies.

#### **Our Objectives**

Attract young people to our global workforce by offering a range of career opportunities, apprenticeships, training and development Help young people from disadvantaged backgrounds prepare for and find meaningful employment through the assistance of a network of nonprofit organizations Advance Marriott's numerous partnerships and hotel-level engagement to help support preparing youth for jobs in our industry and across the globe

Above (left): Marriott collaborates with Mahindra Pride to prepare disadvantaged youth for jobs in our industry.

Above (right): Marriott's partnership with SOS Children's Villages International in Europe helped a young asylum seeker find employment as a culinary apprentice at the Courtyard by Marriott Linz in Austria.





#### Hospitality Training for Youth, Including Disadvantaged Youth

The travel and tourism sector contributed to 319 million jobs, representing one in 10 jobs globally in 2018, and is continuing to grow, according to the World Travel & Tourism Council. In 2018, Marriott conducted a survey across our regions to better understand local challenges and opportunities to preparing and recruiting youth, including disadvantaged youth, for jobs in the hospitality sector. Globally, a lack of awareness and understanding of the industry were noted as key challenges to hiring youth. Marriott supports several programs to address these issues, including the Global Travel and Tourism Partnership (GTTP). The GTTP program annually strives to inspire and enable hundreds of thousands of young people in secondary schools and universities across 14 countries and territories around the world to build careers in travel and tourism. We continue to work to further connect GTTP teachers and students with our local hotels in these regions for engagement opportunities.

## Youth

In 2017, Marriott and several other hotel companies collaborated with the International Tourism Partnership (ITP) to create an industry goal to collectively impact 1 million youth through employability programs by 2030. As of year-end 2018, the industry has impacted 155,000 youth in support of this goal. To support industry and company efforts in this space, globally we support the Youth Career Initiative (YCI), a three-to-six month employability program of ITP, equipping vulnerable young people with the skills and experience they need to take the first step in their career. Our Asia Pacific hotels, as well as those in the Caribbean and Latin America, remain our lead supporters of the program, with each supporting over 100 YCI graduates in 2018.

The J. Willard and Alice S. Marriott Foundation's China Hospitality Education Initiative (CHEI) impacted nearly 360,000 students from project launch in 2013 through 2018. More than 2,000 teachers from 103 vocational schools and universities have participated in CHEI programs, such as field trips and faculty internships at Marriott hotels. Marriott leaders have presented over 690 guest lectures at CHEI partner schools.

The Voyage program, initially launched in 2013, was designed with the next generation of university graduates in mind. This innovative program is a combination of hands-on, discipline-specific training and a leadership-focused curriculum, all accessed through custom technology. In 2018, 739 Voyagers were hired into full-time jobs, and over 3,800 Voyagers have been hired since the program's inception globally.



Above: Students from the first "Spark" class in Puerto Rico, which is helping youth to prepare for jobs in the hospitality industry.

#### We have also established numerous regional partnerships in our markets:

#### **Americas**

We continue our decades-long efforts to support workforce readiness programs for youth and adults, including programs for disadvantaged youth, such as the Marriott Foundation for People with Disabilities' Bridges from School to Work® program, NAF, DECA, the Youth Career Initiative, and The Ritz-Carlton's Succeed Through Service program.

DECA is our oldest partnership, at 39 years. In 2018, we engaged with more than 7,000 youth. Through our partnership with NAF, we also reached over 700 students. In 2018, more than 7,800 students have benefited from the hands-on youth engagement curriculum of The Ritz-Carlton's signature program, Succeed Through Service.

In 2017, we pledged to provide \$50,000 each year over the next five years to the American Hotel & Lodging Association Educational Foundation's (AHLEF) Opening Doors to Opportunity campaign to support academic scholarships, professional development, and research programs in the travel and tourism industry. In 2018, the program launched hospitality training efforts for disadvantaged youth in Baltimore, the Washington, DC-area, Chicago, and Los Angeles. In 2018, over 150 youth graduated from the AHLEF pilot and, at year-end, 60% of these youth had secured full-time jobs either in the industry or in retail. In 2019, the pilot will expand to Dallas and Orlando, with an increased focus on helping youth secure more jobs in the hospitality sector.

In 2018, we partnered with the National Restaurant Association Education Foundation's ProStart® program to establish a pilot program in five states including Texas, Florida, California, Colorado, and Maryland. ProStart is a nationwide program that unites the classroom and industry to prepare high school and post-secondary youth to become future restaurant and culinary arts professionals. Nearly 20 Marriott hotels connected with local high school ProStart programs for engagement opportunities including mentoring, tours, presentations, and work-study opportunities in 2018, and the pilot will continue into 2019.

In 2018, we launched "Spark," a new *Empower Through Opportunity* program in partnership with the Puerto Rico Department of Education and Department of Labor. "Spark" aims at raising awareness about the hospitality industry among young students from vocational schools and low-income families, while developing their skills and offering internship and future job opportunities at our properties. Twenty-two students graduated from the first "Spark" class in 2018.

## Youth

We continue to support the World Central Kitchen Culinary School in Port-au-Prince, Haiti, which was established after the 2010 earthquake to help uplift the local community; we continue to mentor and hire youth from the program. In 2018, Marriott Port-au-Prince Hotel hosted 15 interns from the program.

In 2018, hotels in Canada embarked on a pilot in Toronto, Ontario, with Prince's Trust Canada, offering hospitality training and job shadowing to young people (ages 18-30) from underserved backgrounds. In 2018, we hired five students, and are committed to hiring 50% of all program participants.

#### **Asia Pacific**

In Asia, we are collaborating with universities and other institutions to support youth in the next steps of their careers. This includes hands-on training, scholarships, school talks, and internship programs. In 2018, more than 33,500 youth were engaged through various China-specific programs and initiatives. Through our partnership with the Yaowawit School Project in Thailand, nearly 150 youth were also engaged.

Beginning in 2017, the region supported Asian University for Women (AUW) in Bangladesh through mentoring, internships, and scholarships, with more than 50 of the region's women leaders serving as mentors for professional and career development and placing three AUW students in short-term internships in Marriott's Asia Pacific office in Hong Kong.

#### Europe

In Europe, we strengthened our commitment to support young people with career opportunities by progressing toward our continent-wide goal of providing 40,000 opportunities by 2020. Our partnerships with establishments such as local schools, government initiatives as well as organizations, inclusing SOS Children's Villages, Caritas, UNICEF, Prince's Trust, and similar charities helped us to continue our focus on including young people from more

diverse backgrounds through specially designed programs, including employment skills training and vocational opportunities.

At the end of 2018, we had progressed to 62% of our goal, and provided 24,845 career opportunities. In addition, Marriott properties across the continent supported the initiative with nearly \$900,000 in cash and in-kind donations and more than 10,000 volunteer hours. Since 2012, hotels have provided nearly \$4.5 million and over 70,000 volunteer hours to support youth employability programs in Europe.

#### Middle East & Africa

We enhanced our efforts to support youth across the Middle East and Africa through large-scale initiatives, as well individual market and hotel-driven collaborations.

In 2017, Marriott launched Tahseen, a hospitality management development plan focused on fast tracking Arab nationals as the next generation of leaders and General Managers within the regions hospitality industry. In Saudi Arabia, Tahseen focused on leadership development in partnership with Cornell University. In 2018, the program celebrated its first graduating class with over 30 candidates completing the course and moving onto full-time, managerial positions across Marriott's properties in the country. Marriott also launched Tahseen in Egypt, where it has partnered with Helwan University to provide hands-on training and theoretical learning for the country's first ever reciprocal Bachelor of Hotel Operations Management degree. In 2018, Tahseen in Egypt featured over 100 students.

We also continued to partner with the Akilah Institute for Women, a Kigali-based women's college, in Rwanda. Through this partnership, we aim to recruit and train potential candidates for management positions, some of whom prepared by interning at Marriott properties in the Middle East. In 2018, the Kigali Marriott Hotel hosted nine Akilah students, and the hotel continues to engage with Akilah hospitality students regularly through site visits and presentations.



In South Africa, we remain involved in programs that prepare disadvantaged youth for jobs in the hospitality industry. The Accelerate program recruits high school students for a five-year training program focusing on either hospitality management or culinary skills. In 2018, over 150 students were engaged through Accelerate.

Several of our properties in Jordan continued to support the Pathways to Professionalism program and engaged with 88 students in 2018. The program was launched in 2016 as a joint effort between United States Agency for International Development's (USAID's) Building Economic Sustainability through Tourism project, Ministry of Tourism & Antiquities in Jordan and the Vocational Training Corporation to help meet the industry's growing demand for qualified workers.

In 2018, we engaged with over 40 Voyagers through the Voyage program, a 12- to 18-month, award-winning global leadership development program that offers students from universities the resources and support to become future leaders of the company. We've worked with more than 200 Voyagers in the region since the start of the program. The program was launched in Algeria where it partnered with École Supérieure d'Hôtellerie et de Restauration d'Alger to develop students into junior leaders post-graduation.

Above: Roma, a newcomer from Bangladesh and Prince's Trust student, works in the Housekeeping Department at The Westin Calgary, Canada.

# People with Disabilities

The transformative power of a job is one of the most impactful ways to serve people with disabilities. Through our work with leading organizations, such as the Marriott Foundation for People with Disabilities' Bridges from School to Work® program, we support skills development, training, and job placement for young people with disabilities, making a positive impact by creating and supporting opportunities.

UN Sustainable Development Goals relevant to our People with Disabilities efforts include:











In 2018, Marriott hired 21 Bridges students.

#### **Bridges from School to Work**

Established in 1989 by the Marriott Foundation for People with Disabilities, Bridges from School to Work is a 501(c)(3) nonprofit organization supported by The J. Willard and Alice S. Marriott Foundation, Marriott and other donors.

Bridges from School to Work engages employers, schools, community resources, youth, and their families to help businesses meet their workforce needs while offering young people with disabilities the opportunity to learn, grow, and succeed through employment.

Each year, Bridges from School to Work helps nearly 1,000 young people — most of whom are transitioning out of high school special education — prepare for the workplace and find a job with an employer in need of qualified, entry-level applicants. The program creates opportunities for employment for youth while driving bottom-line results for business.

In 2018, we also launched the Bridges "Project Arch" pilot program in the Atlanta market to increase the number of students recruited for the Bridges hospitality training program and hired at local Marriott properties and other employment partners.

Our properties in the UK were accredited with 'Disability Confident Level 2' status, acknowledging the job opportunities hotels develop for people with disabilities.

Left: A graduate from the Bridges from School to Work program.

### Veterans

When it comes to taking care of our communities, we have a "spirit to serve." We help support our U.S. military veterans by providing access to meaningful careers, purchasing from veteran-owned small businesses, and providing donations and volunteer support to leading veteran and military organizations.

UN Sustainable Development Goals relevant to our Veterans efforts include:







### **Careers in Hospitality for Veterans**

Our company culture and values are well-suited and aligned for those who have served and we actively work to recruit U.S. military veterans. In 2018, we hired 1,343 veterans — exceeding our goal to hire at least 1,000 veterans annually. To support our veteran hiring goals and objectives, we created various media highlights, including a <u>video featuring our veteran associates</u>, and a Veterans Day social media campaign showcasing our commitment to providing access to meaningful careers.

#### **Supporting Leading Veteran and Military Organizations**

We work with organizations, including VetFran and VET-Force, to promote working with veteran-owned businesses to source products for hotels and engage veterans in hotel ownership opportunities. In 2018, VetFran, the Small Business Administration, and the Marriott Supplier Diversity team partnered to host Veteran Business events to provide small veteran-owned businesses with key insights on topics such as doing business with large companies, obtaining financing, franchising opportunities, and networking.

In 2018, we hired **1,343** veterans — exceeding our goal to hire at least 1,000 veterans annually.

Right: Jim, Director of Engineering at Gaylord Rockies Resort, joined Marriott following his service in the Navy.



# Refugees

We aim to provide opportunity to those living in our local communities, including vulnerable populations. By providing skills development and training for jobs in our industry, we help empower resettled refugees to create a positive future for themselves, their families, and their communities.

UN Sustainable Development Goals relevant to our Refugee efforts include:









## Our Collaboration with the International Rescue Committee

Marriott is a top 10 employer of International Rescue Committee (IRC) clients in the United States. The IRC responds to the world's worst humanitarian crises and helps individuals survive, recover, and rebuild their lives. Their programming supports economic recovery, education, heath, and skills training to help resettled refugees recover and thrive. In 2018, Marriott hired 104 clients of the IRC.

#### **Hospitality Link Pilot Programs**

In 2018, Marriott continued to support IRC's Hospitality Link program in Dallas, Texas and San Diego, California, and expanded the program into Elizabeth, New Jersey. The program is designed to provide skills development training to resettled refugees, while introducing them to careers in the hospitality industry, as well as providing life skills and English language classes. In 2018, Hospitality Link's Dallas, San Diego, and Elizabeth programs served 152 resettled refugees. Fifty-five percent of the participants were women representing nearly 20 countries. Of these participants, 109 received job placements, while others continue to work with the IRC on employment opportunities.

In 2018, for example, an International Rescue Committee client found his way to a hospitality career at Marriott though the Hospitality Link program. This client was displaced as an Iranian refugee and resettled in the United States. After enrolling in IRC's Hospitality Link in Dallas in July 2018, he received an offer to work at the Dallas Marriott Downtown.

## Introducing Resettled Refugees to the Hospitality Industry in Europe

Marriott properties in Germany have also established partnerships to provide development and employment opportunities for resettled refugees. For example, the Heidelberg Marriott partners with local organizations to provide internships to resettled refugees, helping to introduce individuals to hospitality careers. In January 2018, 18 resettled refugees attended an information day at the hotel, and more than half were offered internships. To promote culinary opportunities in the industry, hotels in Essen and Frankfurt offer cooking sessions for resettled refugees, and internships at the hotels following the lessons.

Right: Haben, a resettled refugee from Ethiopia, is now the housekeeping manager at the Marriott Marquis Washington, DC.





Through collaboration with our nonprofit partners, we are committed to uphold and respect human rights and address forced labor risks, across our value chain. In support of our Serve 360 Goals, we continue to advance our human trafficking awareness and prevention program, through associate training at managed and franchised properties globally, resulting in over 500,000 associates trained as of year-end 2018. We also became the first corporate partner of the Global Fund to End Modern Slavery to co-create a hospitality curriculum for survivors of human trafficking.

As a leader in the travel and tourism industry, Marriott International has prioritized the fight against some of the industry's highest-risk and most pressing issues, including human trafficking, child sexual exploitation, and forced labor. We remain committed to upholding and respecting human rights through our human trafficking awareness and prevention initiatives and collaboration with key partners.

UN Sustainable Development Goals relevant to our Human Rights efforts include:











#### Serve 360 Goal: Human Rights Training

We've set an important goal to have 100% of on-property associates complete human rights training, including human trafficking awareness, responsible sourcing, and recruitment policies and practices. We are currently on track to have 100% completion of our human trafficking awareness training by 2025.

Since 2017, human trafficking awareness training has been a requirement for all on-property associates across both managed and franchised properties. Marriott's comprehensive training addresses human trafficking, child exploitation, and forced labor. The "Your Role in Preventing Human Trafficking: Know the Signs" training is available in 17 languages. The purpose of the training is to raise awareness of all forms of human trafficking and educate associates on the indicators and what they can do should they suspect potential issues.

As part of the company's efforts to promote responsible sourcing, associates with procurement and purchasing responsibilities are required to complete the Procurement 101 online training, which includes information on Marriott's human rights policies. In 2018, an additional 5,000 associates globally completed the procurement training.

#### 2018 Performance



At year-end 2018, **over 500,000 associates** across managed and franchised properties completed human trafficking awareness training. Additionally, **over 80% of associates** across managed properties globally completed human trafficking awareness training.

#### Policies, Principles, and Oversight

Marriott aims to protect human rights within the company's sphere of influence and to conduct business in a manner consistent with the principles contained within the Universal Declaration of Human Rights. Marriott's executive-level Human Rights Council advances Marriott's human rights policies and programs including driving accountability and leading successful execution of the company's broad human rights strategy.

In addition to having a human rights policy that extends to our overall business, Marriott includes human rights criteria and information within our Business Conduct Guide, Supplier Conduct Guidelines, Marriott Sustainability Assessment Program (MSAP), Quality Audit Property Certification Survey, and ongoing risk management processes.

In 2018, we became a signatory of the ECPAT Code of Conduct, reaffirming our commitment to prevent human trafficking.



#### Serve 360 Goal: Promoting Ethical Recruitment

As part of our 2025 Sustainability and Social Impact Goals, we seek to enhance and highlight human rights criteria in our recruitment and sourcing policies to prevent forced labor. As stated in our human rights policy, Marriott has a "no fees" policy.

Marriott recognizes that some individuals try to exploit or fraudulently recruit applicants using our company's name in order to obtain sensitive personal information or solicit recruitment fees. To raise awareness of and prevent recruitment scams, we have developed guidance and a list of approved Marriott email domains for job seekers. Additionally, Marriott managed hotels do not require payment of a fee to be considered for employment. We also do not accept job applications via email or fax, and we have produced a public warning statement of the dangers of recruitment scams.

In 2018, as a member of International Tourism Partnership (ITP), along with other hotel companies, Marriott helped develop and launch the industry's first Principles on Forced Labor at the Global Forum for Responsible Recruitment and Employment in Singapore. Our Chief Executive Officer's video message supporting this milestone and the "no fees" pledge can be found <a href="here">here</a>. Throughout the year, we engaged with and learned from expert organizations such as the Institute for Human Rights and Business, Business and Human Rights Resource Centre, and the International Labour Organization, by providing specific details on our ethical recruitment policies and practices through surveys and public forums.

#### Serve 360 Goal: Industry Collaboration on Construction Phase Risks

As part of our 2025 Sustainability and Social Impact Goals, we've also committed to work with our industry to address human rights risks in the construction phase.

Through our participation in the International Tourism Partnership's (ITP's) Human Rights Working Group, we conducted a risk-mapping that highlighted the construction phase as a high-risk area for human trafficking. In 2017, Marriott and other hotel companies collaborated as part of ITP to develop and launch a new industry human rights goal. This aims to address human rights risks during development and construction phases of hotels, as well as risks pertaining to supply chain and procurement, recruitment, and the potential use of hotels as venues for human trafficking.

For the past 20 years, Marriott has implemented a crisis reporting protocol that includes a 24-hour Crisis Hotline managed by independent third parties and available for global properties to access.

#### The Importance of Incident Reporting

We provide associates with a variety of means, including anonymous channels, to report illegal or unethical behavior. This includes a toll-free international Business Integrity Hotline. The company does not tolerate any retaliation against individuals who raise concerns in good faith and has policies in place to protect such individuals.

For the past 20 years, Marriott has implemented a crisis reporting protocol that includes a 24-hour Crisis Hotline managed by independent third parties and available for global properties to access. Since 2006, Marriott has implemented the Marriott Incident Reporting Application (MIRA), which is an internal online system for gathering and reporting security-related incidents, including human trafficking, for properties managed by Marriott outside of the United States. These managed properties are required to enter incidents into MIRA within 24 hours after the incident occurred or was reported. Critical incidents, including suspicious activity around human trafficking, are flagged in the system for follow-up and investigated by regional Global Safety and Security Directors.

#### **Ongoing Risk Assessments and Compliance Monitoring**

Marriott implements an ongoing risk management process to identify, prevent, and mitigate relevant human rights risks. Our internal audit department conducts an annual Ethical Conduct Survey across a broad section of associates, including officers and senior managers. Since 2017, we have included human rights criteria in our internal quality audit property certification survey to ensure compliance with the human trafficking awareness training requirement. These surveys are conducted on a biannual basis to ensure that our properties are meeting specific requirements.

#### We Know That We Can't Do It Alone

Marriott engages and collaborates with strategic external partners to support and develop programs that address the root causes of exploitation. Marriott continues to support and promote global efforts to prevent human trafficking through our engagement with our industry peers and diverse organizations focused on human rights, including collaborative efforts to address human trafficking.

In 2018, Marriott became the first corporate partner of the Global Fund to End Modern Slavery to co-create a hospitality curriculum for survivors of human trafficking. Marriott also established a new partnership with Polaris wherein Polaris advised on the development of public-facing human trafficking awareness signage to educate hotel guests and the broader public on the issue and what to do should they come across suspicious activity that could be potential modern slavery.



In 2018, Marriott became the first corporate partner of the Global Fund to End Modern Slavery to co-create a hospitality curriculum for survivors of human trafficking.

#### **Key Partners to Uphold Human Rights**

#### American Hotel & Lodging Association (AHLA)

We continue to partner with the American Hotel & Lodging Association to make the human trafficking awareness training we developed widely available to other hospitality companies and academia; part of the proceeds from the training are donated back to ECPAT-USA and Polaris.

#### **ECPAT-USA**

Marriott has collaborated with ECPAT-USA to co-develop the content of our comprehensive human trafficking awareness training. In 2018, Marriott signed The Tourism Child-Protection Code of Conduct (ECPAT Code) further deepening our commitment to fight human trafficking and modern slavery.

#### **Polaris**

Marriott has continued to engage with Polaris for their expertise on human trafficking. In 2018, we established a formal partnership wherein Polaris advised on the development of public-facing human trafficking awareness signage to educate hotel guests and the broader public on the issue and what to do should they come across suspicious activity that could be potential modern slavery. These public-facing assets will be made available and deployed in 2019.

#### Global Fund to End Modern Slavery (GFEMS)

In January 2018, Marriott became the first corporate partner of GFEMS to co-create a hospitality curriculum for survivors of human trafficking. In March, we hosted a partnership launch event bringing together dozens of external and expert speakers and participants from the service provider, survivor, and nonprofit communities to provide input into the development and direction of a new skills-based training program for survivors of human trafficking. This new curriculum will be made available in 2019.

Left: Marriott associates attending human trafficking awareness training.



Jozsef, Director of Loss Prevention at the St. Pancras Renaissance Hotel London, ensures that his security team is trained and aware of every associate's role in maintaining security. He distributed flyers of a suspect previously convicted of human trafficking, which led to the suspect's apprehension and the rescuing of a young girl. Jozsef has been awarded the JW Marriott Award of Excellence, one of Marriott's highest honors.

#### **Key Partners to Uphold Human Rights**

#### International Tourism Partnership (ITP)

Marriott is a founding member of ITP. Through our membership, we collaborate with other global hospitality companies to address critical issues that affect our industry. Recent key industry initiatives have included the creation of the Industry Position Statement on Human Trafficking, Supply Chain Working Group risk-mapping that highlighted agency and construction workers as a high-risk area for trafficking, and internal and external stakeholder surveys and engagement. Marriott also supports and strategically aligns with ITP's 2030 Goal on Human Rights. In 2017, Marriott contributed to the development of new industry human rights goals to prevent forced labor and human trafficking in support of the United Nations Sustainable Development Goals as part of ITP's human rights working group, which can be found <a href="here.">here.</a> In June 2018, along with other hotel companies, we helped launch the hotel industry's first Forced Labor Principles at the Global Forum for Responsible Recruitment and Employment in Singapore. Our CEO video message supporting this milestone can be found <a href="here.">here.</a>

#### Youth Career Initiative (YCI)

For over 20 years, Marriott has offered ITP's Youth Career Initiative, a 3 to 6-month education program enabling vulnerable young people to build a better future, at hotels in nine countries and territories within Asia, Latin America, Africa and Eastern Europe. To date, thousands of students have graduated from YCI programs around the world and have gone on to pursue careers in hospitality, banking, and health care, or have continued with further education. More than 1,400 of those graduates were trained at Marriott hotels, including over a dozen students who are survivors of human trafficking.

#### Immigration Equality (IE)

Marriott partners with IE, a national nonprofit, based in New York, that provides free legal and advocacy services globally for LGBTQ and HIV-positive people seeking asylum in the U.S. or relief from deportation due to the dangers of returning to their home country. Our partnership focuses on supporting IE's critical work providing full legal representation to LGBTQ refugees seeking asylum in the United States.

In 2018, IE served over 830 individuals seeking support. Marriott's partnership enabled IE to respond to a higher volume of clients requesting help through their hotline and website. The organization provides the highest quality of representation, maintaining a 99% win rate.

# Cultural Understanding

Travel is one of the most powerful tools for promoting peace and cultural understanding. With a global presence, it is imperative that we respect and welcome all. Through partnerships, training, and education, we work to elevate travel as a catalyst for peace and cultural understanding — ensuring hotels are a place of inclusion and comfort for all people.

UN Sustainable Development Goals relevant to our Cultural Understanding efforts include:









We believe that providing inclusive guest experiences is a competitive advantage in every market that we serve. Around the world, Marriott's Multicultural Affairs team collaborates with hotels' sales and events teams and staff to grow cultural competence and deliver tailored, inclusive experiences for the diverse populations of guests that we serve. From planning bar and bat mitzvahs to hosting Diwali, the "Festival of Lights," we customize our services and welcome all guests and cultures.

#### **Creating Unique Local Experiences for Guests**

Among our many efforts, Marriott is focused on building partnerships and developing the technology to deliver immersive, personalized experiences. Marriott Bonvoy™ Tours and Activities allow our guests to choose from more than 200,000 local experiences in 1,000 destinations worldwide.

At hotels, we also strive to increasingly infuse the uniqueness of local cultures into the guest experience. In 2018, one of our Miami Residence Inn hotels engaged with a local rabbi to conduct a review of the hotel operations to better serve Jewish guests. The hotel partnered with a preferred Kosher caterer for events, implemented 'hard keys' in

lower floor guest rooms, added Kosher items to breakfasts during holidays, and created a front desk display to recognize holidays.

#### Providing a Home for the Holidays

In 2018, one of our Dallas Marriott Select Brand hotels hosted 15 extended-stay guests from India during Diwali. The hotel took the opportunity to acknowledge the cultural traditions of the Diwali holiday. They added traditional Indian items to breakfast offerings, including an assortment of teas, chutney, samosas, and dosa. For the celebration of Diwali, they invited in-house guests to a special Diwali night at the hotel restaurant. Many guests attended the event in their traditional Indian attire and shared stories from their culture with associates and other guests.

## Enhancing the Guest Experience for Travelers with Disabilities

Marriott continues to support and collaborate with Disability:IN and U.S. Access Board to ensure business inclusion for people with disabilities, including holding focus groups in our test rooms for travelers with disabilities. In 2018, we launched the "Room For All," a concept room located at



our corporate headquarters to help us understand what the "accessible room of the future" might look like. The "Room for All" will help us glean learnings from design, operations, owners — and from individuals with disabilities who travel frequently — to ultimately innovate rooms in Marriott hotels.

#### **Marriott's Cultural Competence Program**

In 2018, Marriott's Cultural Competence program reached approximately 15,000 associates, delivering nearly 90 culture sessions, forums, and webinars to provide associates with cultural overviews, best practices, and field trips to "taste, smell, see, hear, and feel" various cultures. In 2018, we expanded our 'Culture Days' program, aimed at fostering multicultural understanding to ensure welcoming environments and increase guest satisfaction, to include 13 countries and cultures, including Brazil, China, Germany, India, Japan, Mexico, Middle East, Russia, South Korea, and U.S., as well as curriculum around Jewish, LGBTQ, and Native American cultures. In 2018, Marriott's Multicultural Affairs team hosted 30 sessions in more than 20 cities.

Above: The "Room For All" concept room located at Marriott corporate headquarters is the product of Marriott's study around accessibility solutions that go beyond code requirements. The solutions are meant to be smart and functional to address guests' comfort and experience, in addition to their well-being.

# Cultural Understanding



## Serve 360 Goal: Investments, Programs, and Partnerships

As part of the launch of our 2025 Sustainability and Social Impact Goals, we set a goal to invest at least \$500,000 in partnerships that drive, evaluate, and elevate travel and tourism's role in cultural understanding. Our intention behind the goal is to promote a peaceful world through travel. In 2018, we identified potential partners and aligned internally on investment approach for this goal.



Above: Marriott's Culture Day program provides associates with cultural overviews for 13 countries and cultures, including overviews on Indian weddings. Right: Marriott associates celebrate Pride month in Miami, Florida.



## Expanding Our Capabilities to Build Cultural Competence into the Guest Experience

As part of welcoming all, we strive to support and delight our guests around the world. Marriott hotels collaborate with the Multicultural Affairs team to develop customized amenities and welcome materials, as well as marketing materials, for our guests. In New York, a hotel engaged the Multicultural Affairs team to learn about Japanese business and social protocols, including topics such as greetings, gift giving, and communications styles, in advance of welcoming a large Japanese customer group meeting. The team provided cultural tips that could then be shared each morning in associate huddles leading up to the group's arrival. This training was well-received by associates and helped the hotel continue to welcome all.

### **#LoveTravels Beyond Barriers Grant Recipients**

In 2018, we launched #LoveTravels Beyond Barriers and provided \$500,000 to groups and individuals advocating for inclusion, equality, peace, and human rights.

The inaugural class of Beyond Barriers Social Innovators included <u>ConPRmetidos</u> Co-Founder Isabel Rullán, <u>PERIOD</u> Founder Nadya Okamoto, <u>VideoOut</u> Founder Jordan Reeves and <u>Weird Enough Productions</u> Founder Tony Weaver, Jr. Each received \$50,000 for actively championing strategies to promote inclusion, human rights, equality, and peace.

The remaining \$300,000 in grants will be awarded to winners of the #LoveTravels Contest, celebrating and supporting individuals who are actively breaking down the barriers that divide, making the world a more inclusive and peaceful place.

## Success Is Never Final

At Marriott, we strongly believe that "success is never final." Since our humble beginnings as a nine-stool root beer stand in 1927, this belief has helped us to transform Marriott into the world's leader in hospitality.

Guided by our Serve 360 platform and goals, we will continue to collaborate with key stakeholders, including NGOs, industry peers, associates, guests, corporate customers, owners, suppliers, and other business partners to address significant global issues, by implementing actionable solutions and enhancing impactful programs for our environment and the communities where we do business.

Through our efforts, and with support from our partners, we will continue to fulfill our commitment to "do good in every direction."

#### Connect with Us

We invite you to connect, learn more, and partner with us on our journey to *Serve Our World* and achieve our 2025 Sustainability and Social Impact Goals.





Instagram



<u>Twitter</u>



LinkedIn



**YouTube** 

Heart of the House

Chairman Bill Marriott's Blog

CEO Arne Sorenson's Blog

#### Serve 360 Coordinates

#### 2019-2022 Priorities



#### **Nurture Our World**

- Identify and provide training that supports volunteerism reporting
- Launch skills-based volunteer activity planning toolkit with turnkey solutions to provide skills-based volunteer hours in communities
- Engage with Business Councils and their associated hotels to set year-over-year goals to support regional Serve 360 Goals
- Continue to identify, evaluate, and pursue opportunities to support longer-term disaster relief efforts that foster resiliency and economic development in our local communities



#### **Sustain Responsible Operations**

- Finalize assessment of a science-based target, as set forth by the Science Based Targets initiative (SBTi)
- · Apply new tools and technologies to further food waste reduction strategies at our properties
- Continue to partner with certifying bodies to encourage properties to pursue third-party sustainability certifications and increase LEED or equivalent certification at a property level
- Develop a tracking and compliance process system for suppliers
- Conduct water risk assessment to move our efforts beyond conservation



## **EMPOWER**

### **Empower Through Opportunity**

- Partner with stakeholders to engage women entrepreneurs in developing countries
- Evaluate long-term community and business needs to better align and identify investments for greater impact
- Identify and implement new technology, internal HR systems, and guidelines to better track progress toward our goals



#### **Welcome All and Advance Human Rights**

- Launch additional human rights-related training programs, including an updated Procurement
   101 training with enhanced content around human rights, supplier diversity, and sustainability
- Embed human rights criteria in sourcing policies
- Expand Marriott's cultural competency programs to include additional markets and cultures
- Develop scenario-based human trafficking awareness trainings to enhance our human rights education to associates and managers
- Launch public-facing trafficking awareness posters



# GRI Index: General Disclosures

Our General Disclosures aim to provide stakeholders with information on our operations, strategy, and governance, as well as our approach to stakeholder engagement and reporting on environmental, social, and governance topics.

### Organizational Profile

Number	Description	Response and/or Report Lo	cation		Additional References
102-1	Name of the organization	Marriott International, Inc. ("N	Marriott")		2018 Annual Report
102-2	Activities, brands, products and services	properties under numerous  Consistent with our focus or our lodging properties.	ator, franchisor, and licensor of hotel, brand names at different price and so management, franchising, and licens of hotels — Classic and Distinctive — emium, and Select:	ervice points. sing, we own very few of	2018 Annual Report ("Corporate Structure and Business," pp. 3-4, "Brand Portfolio," pp. 5-7)
		Luxury Hotel Brands	Premium Hotel Brands	Select Hotel Brands	
		JW Marriott® The Ritz-Carlton® W® Hotels The Luxury Collection® St. Regis® EDITION® Bulgari®	Marriott Hotels® Sheraton® Westin® Renaissance® Hotels Le Méridien® Autograph Collection® Hotels Delta Hotels by Marriott™ (Delta Hotels®) Gaylord Hotels® Marriott Executive Apartments® Tribute Portfolio® Marriott Vacation Club Design Hotels™	Courtyard by Marriott® Residence Inn by Marriott® Fairfield by Marriott® SpringHill Suites by Marriott® Four Points® by Sheraton TownePlace Suites by Marriott® Aloft® Hotels AC Hotels by Marriott® Protea Hotels by Marriott® Element Hotels Moxy® Hotels	
102-3	Location of headquarters	Our corporate headquarters	are located in Bethesda, Maryland, i	n the United States.	2018 Annual Report ("Corporate Information" p. 101)
102-4	Location of operations	At year-end 2018, Marriott o	perated or franchised hotels and reso	orts in 130 countries and territories.	2018 Annual Report

## Organizational Profile continued

Number	Description	Response and/or Report Location	Additional References
102-5	Ownership and legal form	Marriott is a publicly traded corporation.	2018 Annual Report  Corporate Overview
		Founded by J. Willard and Alice Marriott and guided by Marriott family leadership for more than 90 years, we were organized as a corporation in Delaware in 1997 and became a public company in 1998.	Corporate Overview
102-6	Markets served	We serve global consumers in the luxury, premium, and select hotel markets across the world.	2018 Annual Report ("Business and Overview," p. 24)
		We group our operations into segments: North American Full-Service, North American Limited-Service, Asia Pacific, and Other International.	<u>Corporate Overview</u>
		The United States is our largest market. The hotels we operate or franchise outside of the United States and its territories represented more than a third of the rooms in our system at year-end 2018.	
102-7*	Scale of the organization As of year-end 2018, Marriott operated, franchised, or licensed 6,906 properties worldwide with 1,317,368 rooms.	2018 Annual Report ("Brand Portfolio", "Employee Relations" and "Selected Financial Data",	
		In 2018, we earned over \$20.7 billion in revenue, and at year-end 2018 we employed approximately 176,000 employees. In addition, Marriott manages approximately 260,000 associates at non-U.S. hotels, who are owner employees. Approximately 730,000 associates at managed and franchised properties wear the Marriott name badge globally.	pp. 7, 9, and 23)  Investor Fact Book
		*Related SASB Indicator: SV-HL-000.A, SV-HL-000.B, and SV-HL-000.D	
102-8	Information on employees and other workers	A breakdown of our global and United States workforce can be found on page 5 in the "Our Company and Stakeholders" section of this Report.	2018 Annual Report ("Employee Relations" p. 9)
102-9	Supply chain	Globally, our hotels procure from thousands of suppliers. Products and services are centrally contracted and locally sourced by hotels. Key procurement categories include furniture, fixtures, and equipment; operating supplies and equipment; food and beverage; hotel amenities; and corporate services.	Global Procurement Supplier Conduct Guidelines
		In 2018, our contracted supply chain and hotel spend was approximately \$10 billion.	
102-10	Significant changes to the organization and its supply chain	Our 2018 boundary reflects Marriott's acquisition of Starwood Hotels & Resorts, which closed on September 23, 2016. The information in this Report reflects the combined company, except where specifically stated.  Marriott's acquisition of Starwood increased the size of our supply chain but not its primary components.	2018 Annual Report ("Acquisition of Starwood Hotels & Resorts Worldwide", p. 3)
		marriates adjustion of starwood increased the size of our supply chain but not its printary components.	



## Organizational Profile continued

Number	Description	Response and/or Report Location	Additional References
102-11	Precautionary principle or approach	Marriott has set 2025 Sustainability and Social Impact Goals to reduce its water intensity, carbon intensity, waste to landfill intensity, and food waste by 15%, 30%, 45% and 50%, respectively, from a 2016 baseline.	CDP Climate Change Response  CDP Water Response
		Additional information on how Marriott applies a precautionary approach to reduce environmental impacts can be found on the "Sustain Responsible Operations" page on our corporate website, as well as in our CDP Climate Change and Water responses.	
		Management approach disclosures for environmental topics are also included in the "Sustain Responsible Operations" section of this Report on pages 28-42.	
102-12	External initiatives	Marriott acknowledges and respects the principles contained in the Universal Declaration of Human Rights. Marriott also participates in leading industry initiatives, including our affiliations with the International Tourism Partnership and World Travel & Tourism Council, to advance sustainability and social impact within the travel and tourism industry. Additionally, Marriott has helped to launch the Hotel Owners for Tomorrow Coalition, which sets forth commitments and five actions to promote sustainability. Marriott also belongs to the U.S. Council for International Business and participates in their CSR and Human Rights Committee, as well as the U.S. Chamber of Commerce Task Force to Eradicate Human Trafficking.  Marriott also supports the United Nations Sustainable Development Goals, and has listed relevant goals	Human Rights Policy Statement  International Tourism Partnership — Industry Position Statement on Human Rights
102-13	Membership of associations	alongside our sustainability and social impact coordinates on our <u>Serve 360 website</u> .  Our company and our executives regularly engage with allied trade associations and	CDP Climate Change Response
		nongovernmental organizations (NGOs) through leadership roles on boards and executive committees. Marriott executives hold outside leadership roles at the World Economic Forum, World Travel & Tourism Council (WTTC), the International Tourism Partnership (ITP), U.S. Council for International Business (USCIB), U.S. Travel Association, U.S. Travel and Tourism Advisory Board, Brand USA and the American Hotel & Lodging Association (AHLA), including its state-level affiliates. Marriott also holds membership in numerous organizations to promote diversity and inclusion.	Partners in Diversity and Inclusion

### Strategy

Number	Description	Response and/or Report Location	Additional References
102-14	Statement from senior decision-maker	This Report begins with a letter from Marriott's President and CEO Arne M. Sorenson, which can be found on page 3 of this document. Mr. Sorenson also provides statements on the relevance of economic, social, and environmental topics on an ongoing basis through his LinkedIn blog. Additionally,	2018 Annual Report ("Letter to Shareholders")
		Mr. Sorenson provides a statement each year in our Annual Report.	Voice of Marriott: Arne Sorenson's Blog
		Mr. Sorenson co-founded Marriott's Global Sustainability Council in 2007 (which has now evolved into the Serve 360 Executive Leadership Council), and in 2008 he launched Marriott's rainforest preservation partnership with the Amazonas Sustainable Foundation and the government of the state of Amazonas, in Brazil. Mr. Sorenson also chairs Marriott's Global Diversity and Inclusion Council.	
102-15 Key impacts, risks, and opportunities	Marriott actively manages and measures key impacts from our programs to address business ethics; human rights; global diversity and inclusion; health, safety and wellbeing; responsible sourcing; women's empowerment; workforce development; carbon, energy & water use; waste & food waste management;	2018 Annual Report ("Risk Factors", pp. 10-19)	
		sustainable buildings & operations; natural capital & resource use; community engagement and work- force readiness, especially for youth coming from challenging backgrounds, underserved populations, or developing countries.	2025 Sustainability and Social Impact Goals
			CDP Climate Change Response
		We provide details on specific economic, environmental, and social risks in our annual 10-K and quarterly 10-Q filings, CDP Climate Change response, CDP Water response, and CDP Forest response.	CDP Water Response
		To further act upon our key sustainability and social impact risks and opportunities, Marriott developed 2025 Sustainability and Social Impact Goals, which support the following company priority areas, or	CDP Forest Response
		coordinates: Nurture Our World, Sustain Responsible Operations, Empower Through Opportunity, and Welcome All and Advance Human Rights.	Serve 360 Microsite

## Ethics and Integrity

Number	Description	Response and/or Report Location		Additional References
102-16	Values, principles, standards, and norms of behavior.	Our core values make what we do more meaningful. the foundation for our success:	hese values power our purpose and provide	Business Conduct Guide  Core Values & Heritage
		Put People First  We provide opportunity to and take care of our associates, even in the most challenging times.  Pursue Excellence  We have an unwavering passion	Embrace Change  We are committed to innovate and remain relevant to meet the evolving needs.  Act with Integrity  We are proud of our reputation	Our Commitment to Human Rights  Serve 360 Policies and Position Statements
		Our purpose and global reach g	for honesty and fairness.  ur World  ve us real opportunities to make nities around the world.	
		At Marriott, our compliance program's theme is "How Business We Do." This motto enunciates our company business dealings.  We also define our principles, standards, and norms of We make our associates aware of the company's ethic training programs. We distribute the company's Busine all managed properties, to all managers worldwide. All distributed in 31 languages, at managed properties, to required to adhere to the standards set forth in the Business Conduct Guine and Senior leaders. Marriott's General Counsel and Glexecutive responsibility for our Business Conduct Guine Additional policies include our Human Rights Policy, Signidelines, among other documents, available on our	f behavior in our Business Conduct Guide. cal policies, compliance programs, and related ess Conduct Guide, available in 15 languages at a abridged pocket companion to the Guide is also all nonmanagerial associates. All associates are siness Conduct Guide.  al and Ethical Conduct Survey across all officers obal Compliance Counsel provide oversight and de.  ustainability Policy, and Supplier Conduct	
102-17	Mechanisms for advice and concerns about ethics	We provide associates with a variety of means, some unethical behavior, including Marriott's Business Integ  Marriott respects the confidentiality of associates who violations and has a No Retaliation policy for associate	report potential Business Conduct Guide	Business Conduct Guide  Business Integrity Line

### Governance

Number	Description	Response and/or Report Location	Additional References
102-18	Governance structure	Structure and Committees: Marriott's Board of Directors is our highest governance body, and includes the following committees: Audit Committee, Compensation Policy Committee, Executive Committee, Nominating and Corporate Governance Committee, and the Committee for Excellence.  Our Board of Directors oversees management and, through this oversight, enhances the long-term value of the company. A formal infrastructure of a range of councils comprised of executives and associates (assisted by external experts) guides us in making everyday decisions that affect our work environment, our sustainability and social impact practices, and our business strategy.  The councils that govern our Serve 360 platform are described on page 8 in the "Management and Governance" section of this Report.	Board of Directors  Committee Membership  Committee Charters
102-23	Chair of the highest governance body	J.W. Marriott, Jr. is Executive Chairman and Chairman of the Board. Mr. Marriott was elected Executive Chairman in 2012, having relinquished his position as Chief Executive Officer.	Board of Directors
102-24	Nominating and selecting the highest governance body	In addition to identifying individuals who have the highest personal and professional integrity and demonstrated exceptional ability and judgment, criteria regarding personal qualifications for Board membership such as background experience, technical skills, affiliations, and personal characteristics are considered.  Our Governance Principles also require that at least two-thirds of the directors shall be independent, and the Board has established guidelines to assist it in determining director independence.	Governance Principles  Nominating and Corporate Governance Committee Charter
102-28	Evaluating the highest governance body's performance	The Board and each of its committees perform an annual self-evaluation. Each February, the directors are asked to provide their assessments of the effectiveness of the Board and the committees on which they serve. This annual self-evaluation will be used by the Nominating and Corporate Governance Committee to assess whether to recommend changes to the Board practices or composition.	Governance Principles
102-36	Process for determining remuneration	Each year, we describe our process for determining executive and director compensation in our annual Proxy Statement.	2019 Annual Proxy Statement (pp. 37-63)

# Stakeholder Engagement

Number	Description	Response and/or Report Location	Additional References
102-40	List of stakeholder groups	As a global travel company with managed and franchised lodging operations, Marriott has a range of stakeholder groups, including associates, customers, guests, investors, hotel owners and franchisees, suppliers, business partners, community organizations and industry associations, as well as governmental and nongovernmental entities.	Serve 360 Microsite
		Additional information can be found on pages 4-6 in the "Our Company and Stakeholders" section of this Report.	
102-41	Collective bargaining agreements	At year-end 2018, we employed approximately 176,000 employees, approximately 22,000 of whom were represented by labor unions in the U.S.	2018 Annual Report ("Employee Relations", p. 9)
			Serve 360 Policies and Position Statements
102-42	Identifying and selecting stakeholders	We identify stakeholders in consideration of our business impacts and activities. Our stakeholders are diverse—some operating globally and others operating at the regional and local levels.	Serve 360 Microsite
		Further information can be found on pages 4-6 in the "Our Company and Stakeholders" section of this Report.	
102-43	Approach to stakeholder engagement	We inform stakeholders about our priorities and actions, seek to understand evolving expectations and viewpoints, and create opportunities to address substantive issues through partnerships and collaboration.	Serve 360 Microsite
		As such, Marriott actively:	
		<ul> <li>Engages with guests, customers, and associates through management processes, such as the Guest Satisfaction Survey and our annual Associate Engagement Survey, to help drive continuous improvement.</li> </ul>	
		<ul> <li>Collaborates with stakeholders to understand their priorities through global forums and industry associations in order to develop policies and programming that address some of their most critical social and environmental concerns.</li> </ul>	
		<ul> <li>Educates and communicates with key influencers to ensure they understand our business and create an environment conducive to travel growth.</li> </ul>	
		Our executives also regularly engage with allied trade associations and nongovernmental organizations through leadership roles on boards and executive committees.	
		Further information can be found on pages 4-6 in the "Our Company and Stakeholders" section of this Report.	

## Stakeholder Engagement continued

Number	Description	Response and/or Report Location	Additional References
102-44	Key topics and concerns raised	Understanding the needs, key issues, and priorities of our stakeholders helps inform the development of our business strategy, products, and services as well as our sustainability and social impact programming and reporting.  To develop our 2025 Sustainability and Social Impact Goals, we interviewed executives and hosted workshops with more than 80 internal subject matter experts to brainstorm specific goals. We then presented our goals to key stakeholders for review. We also conducted a materiality assessment to inform our GRI disclosures as well as how we plan to execute on our 2025 Sustainability and Social Impact Goals.	Serve 360 Microsite

## Reporting Practices & Materiality

Number	Description	Response and/or Report Location	Additional References
102-45	Entities included in the consolidated financial statements	A list of subsidiaries is provided in our annual Form 10-K.	Exhibit 21
102-46	Defining report content and topic boundaries	This Report was informed by a sustainability and social impact materiality assessment, which included interviews representing owners, customers, industry associations, and nongovernmental organizations. We also considered topics and information prioritized by Environmental, Social, and Governance research firms, which represent the investment community.  We selected a broad range of nongovernmental organizations to obtain perspectives on issues, including labor, climate change, water, waste, biodiversity, sustainable aquaculture, health and wellness, human rights, women's empowerment, and workforce readiness, especially for disadvantaged youth.  Our goal for the assessment was not only to ensure that Marriott is addressing the right sustainability and social impact topics but also to identify how we can continue to improve our sustainability and social impact strategies, programs, and reporting.  The topic-specific disclosures in the GRI Report reflect the outcomes from our sustainability and social impact materiality assessment.	2019 Serve 360 Report (Management Approach Disclosures and Indicators), pp. 72-85

## Reporting Practices & Materiality continued

Number	Description	Response and/or Report Location	Additional References
102-47	List of material topics	In this Report, we provide management approach disclosures for the following topics:	2019 Serve 360 Report
		Economic: Economic Performance, Indirect Economic Impacts, and Anti-Corruption	(Management Approach Disclosures and Indicators), pp. 72-85
		<ul> <li>Environmental: Energy, Water, Biodiversity, Emissions, Effluents &amp; Waste, and Supply Chain Environmental Assessment</li> </ul>	una maieators), pp. 72 00
		<ul> <li>Social: Employment, Occupational Health &amp; Safety, Training &amp; Education, Diversity and Equal Opportunity, Human Rights Assessment, Local Communities, Supply Chain Social Assessment, Customer Health &amp; Safety, and Data Privacy</li> </ul>	
		Through our 2025 Sustainability and Social Impact Goals, we aim to address the four coordinates that we have prioritized within our sustainability and social impact strategy.	
102-48	Restatements of information	The 2016 baseline data for energy, carbon, and water were restated in the 2019 Serve 360 Report due to the availability of more comprehensive data, leading to a more accurate baseline. Unless otherwise noted, there are no other known, significant restatements of information.	2019 Serve 360 Report (Goals and Performance), pp. 9-10
102-49	Changes in reporting	Our reporting boundary reflects our 2016 acquisition of Starwood, and subsequent inclusion of those hotels.	2019 Serve 360 Report (Goals and Performance), pp. 9-10
102-50	Reporting period	Unless otherwise noted, our reporting period is calendar year 2018.	2019 Serve 360 Report (Goals and Performance), pp. 9-10
102-51	Date of most recent report	In 2019, we published our most recent Sustainability and Social Impact Report.	2019 Serve 360 Report (Goals and Performance), pp. 9-10
102-52	Reporting cycle	We provide economic, environmental, and social performance data on an annual basis.	
		Please note that we now publish GRI reports annually.	
102-53	Contact point for questions regarding the report	For more information, contact us at <u>Social.Impact@Marriott.com</u> .	
102-56	External assurance	We received third-party assurance for our greenhouse gas emissions, energy, and water	CDP Climate Change Response
		performance data during the reporting period.	Statement of Assurance

# Management Approach Disclosures: Economic

As the world's largest hotel company, it is important that we manage our economic impacts to provide value to stakeholders such as our associates, guests, and communities, owners and franchisees, and shareholders as well as support inclusive growth in our global markets.

In this section, we provide management approach disclosures for the following GRI topics: Economic Performance, Indirect Economic Impacts, and Anti-Corruption.

### Economic

Number	Description	Response and/or Report Location	Additional References
201	Economic Performance	Strategy and Approach: We remain focused on doing the things that we do well; that is, selling rooms, taking care of our guests, and making sure we control costs both at company-operated properties and at the corporate level ("above-property"). Our brands remain strong due to our skilled	2018 Annual Report ("Business and Overview", p.24)
		management teams, dedicated associates, superior guest service with an emphasis on guest and	2025 Sustainability and
		associate satisfaction, significant distribution, loyalty program, multichannel reservation systems, and desirable property amenities. We strive to effectively leverage our size and broad distribution. We,	Social Impact Goals
		along with owners and franchisees, continue to invest in our brands by means of new, refreshed, and reinvented properties, new room and public space designs, and enhanced amenities and technology	CDP Climate Change Response
		offerings. We address, through various means, hotels in our system that do not meet standards.  We continue to enhance the appeal of our proprietary, information-rich, and easy-to-use websites, and	<u>CDP Water Response</u>
		of our associated mobile smartphone applications, through functionality and service improvements.	Serve 360 Microsite
		<b>Business Model:</b> We earn base management fees and, in many cases, incentive management fees from the properties that we manage, and we earn franchise fees from the properties that others operate under franchise agreements with Marriott. Our emphasis on long-term management contracts and franchising tends to provide more stable earnings in periods of economic softness. Adding new hotels to our system generates growth, typically with little or no investment by the company. This strategy has driven substantial growth while minimizing financial leverage and risk in a cyclical industry. In addition, we believe minimizing our capital investments and adopting a strategy of recycling our investments maximizes and maintains our financial flexibility.	
		<b>Productivity:</b> Our profitability, as well as that of owners and franchisees, has benefited from our approach to property-level and above-property productivity. Properties in our system continue to maintain very tight cost controls. We also control above-property costs, some of which we allocate to hotels, by remaining focused on systems, processing, and support areas.	

#### Economic continued

Number	Topic	Management Approach Disclosure	Additional References
201	Economic Performance continued	Sustainability and Social Impact Strategy: Our strategy supports business growth while reducing negative impacts and protecting and enhancing our communities and planet. Our sustainability and social impact strategy is driven by a wide range of initiatives that have been fostered throughout our history of putting people first, giving back to communities, and operating more sustainably to Serve Our World. This includes efforts such as creating resource-efficient hotels, providing job readiness training to underserved youth, empowering diverse business owners through our supply chain, advocating for policies that facilitate travel, purchasing sustainable products, training our associates on human rights and the protection of children, and supporting innovative environmental initiatives.  Our 2025 Sustainability and Social Impact Goals build upon these efforts and target environmental and social impact based on our business model and greatest opportunities. The goals also support our newly developed sustainability and social impact platform: Serve 360: Doing Good in Every Direction.  These are next-generation goals that build upon our many years of progress achieved across our portfolio to improve environmental and social performance and develop targeted sustainability and social impact programs.  Engagement on Environmental and Social Impact Issues: To support our sustainability and social impact strategy, we actively engage with industry associations — including the World Travel & Tourism Council (WTTC), the International Tourism Partnership (ITP), American Hotel & Lodging Association (AHLA), U.S. Chamber of Commerce, U.S. Council for International Business and the Global Business Travel Association (GBTA) — and participate in their industry working groups to more robustly address and measure issues critical to our planet and industry, including carbon emissions, water risk, human rights, and youth employment.	
203	Indirect Economic Impacts	Marriott's Serve 360: Doing Good in Every Direction sustainability and social impact platform is anchored by a keen awareness of the opportunity that exists for us to maximize positive indirect economic impacts from our business.  Our 2018 management approach disclosures can be found in the "Nurture Our World," "Empower Through Opportunity," and "Cultural Understanding" sections of this Report, on pages 19-26, 27-42 and 60-61, respectively.	2025 Sustainability and Social Impact Goals  Nurture Our World  Empower Through Opportunity  Creating an Inclusive Environment  Global Diversity and Inclusion  Welcome All and Advance Human Rights ("Cultural Understanding")

#### Economic continued

Number	Topic	Management Approach Disclosure	Additional References
205	Anti-Corruption	<b>Boundary and Importance:</b> It is critical that Marriott engages in responsible business practices and complies with laws and regulations that address bribery and corruption. Unless otherwise noted, the	Business Conduct Guide
		boundary of this topic applies to all brands and business activities across our global operations in 130 countries and territories as of year-end 2018.	Business Ethics Reporting Page
		Policies and Procedures: We aim to observe our fundamental values and ethical standards in everything we do in order to provide our associates with an honest and ethical work environment. We distribute the company's Business Conduct Guide, in multiple languages, to all managers at managed locations, worldwide. We also distribute the "Business Conduct Guide—Quick Reference Companion" that is designed for all nonmanagement associates to ensure that they are aware, understand, and comply with all of Marriott's legal and ethical standards when carrying out their job responsibilities.	
		We train our associates on the company's relevant policies, including ethics, supplier conduct, anti-corruption laws, and the economic and trade sanctions laws administered by the U.S. Treasury Department's Office of Foreign Assets Control, also known as OFAC. We also perform due diligence on key business partners in order to maintain our integrity worldwide, including in regions where corruption is perceived to be pervasive.	
		<b>Training:</b> We deliver annual online anti-corruption training globally to all managers at managed hotels (outside of the United States) as well as an in-person, instructor-led training program, which is delivered periodically to key managers at managed locations. These training programs help to ensure that all Marriott managers in key positions such as General Managers, Directors of Finance, and Sales & Marketing leaders worldwide, attend in-person trainings, in small group sessions.	
		2018–2019 Focus Areas: In 2018, our primary focus was the continued management post-merger and continuing the successful transition and integration of Starwood compliance operations into Marriott's compliance program. We launched a new online training module to educate our on-property and above-property managers on dealing with the economic and trade sanctions laws administered by the U.S. Treasury Department's Office of Foreign Assets Control, OFAC. In 2019, we will continue to evaluate and seek ways to continuously improve Marriott's compliance posture by focusing on opportunities, methods, tools for measuring, assessing and auditing effectiveness of the compliance program; assessing compliance risks; reviewing and revising existing policies and promulgating policies based on new legal requirements or new business needs; and looking for increased opportunities for training and heightening awareness of compliance program objectives. We will continue to respond to issues that require investigation, remediation, and corrective action as necessary.	

# Management Approach Disclosures: Environmental

We remain committed to reducing our environmental impacts, building more sustainable hotels, and sourcing responsibly. We also actively support natural capital initiatives across the globe.

In this section, we provide management approach disclosures for the following GRI topics: Energy and Emissions, Water, Biodiversity, Effluents & Waste, and Supply Chain Environmental Assessment.

#### Environmental

Number	Description	Response and/or Report Location	Additional References
302*	Energy	Marriott's 2018 management approach disclosures can be found in the "Energy and Emissions" section of this Report, on pages 30-31.  *Related SASB Indicator: SV-HL-130a.1	2025 Sustainability and Social Impact Goals  CDP Climate Change Response  Sustainability Policy  Sustain Responsible Operations
303*	Water	Marriott's 2018 management approach disclosures can be found in the "Water" section of this Report, on pages 32-34.  *Related SASB Indicator: SV-HL-140a.1	2025 Sustainability and Social Impact Goals  CDP Water Response  Sustainability Policy  Sustain Responsible Operations
304*	Biodiversity	Marriott's 2018 management approach disclosures can be found in the "Natural Capital" section of this Report, on pages 24-26.  *Related SASB Indicator: SV-HL-160a.2	Amazonas Sustainable Foundation  IUCN and Marriott Partnership  CDP Forest Response  Nurture Our World  Sustainability Policy

#### Environmental continued

Number	Topic	Management Approach Disclosure	Additional References
305	Emissions	Marriott's 2018 management approach disclosures can be found in the "Energy and section of this Report, on pages 30-31.	Emissions"  2025 Sustainability and Social Impact Goals  CDP Climate Change Response  Sustainability Policy  Sustain Responsible Operations
306	Effluents and Waste	Marriott's 2018 management approach disclosures can be found in the "Waste" section of this Report, on pages 35-37.	2025 Sustainability and Social Impact Goals  Sustainability Policy  Sustain Responsible Operations
308	Supplier Environmental Assessment	Marriott's 2018 management approach disclosures can be found in the "Responsible section of this Report, pages 38-42.	2025 Sustainability and Social Impact Goals  Marriott Sustainability Assessment Program  Sustainability Policy Sustain Responsible Operations

# Management Approach Disclosures: Social

Our 2025 Sustainability and Social Impact Goals help drive our efforts to inspire our guests and associates, invest in communities, and align with the United Nations Sustainable Development Goals.

In this section, we provide management approach disclosures for the following GRI topics: Employment, Occupational Health & Safety, Training & Education, Diversity and Equal Opportunity, Human Rights Assessment, Local Communities, Supplier Social Assessment, Public Policy, Customer Health & Safety, and Data Privacy.

#### Social

Number	Description	Response and/or Report Location	Additional References
401	Employment	<b>Strategy and Objectives:</b> At Marriott, we are focused on being an employer of choice and providing a world of opportunity to our associates.	Awards of Excellence
		Policies and Procedures: Fair policies and procedures, including our Global Employment Principles, are	Awards and Recognition
		in place to protect our associates' rights, promote safe and respectful working conditions, and promote positive relationships between labor and management.	Careers
			Global Employment Principles
		Benefits That Support Families: In 2018, we continued to enhance our portfolio of benefits and initiatives that support all families. Effective January 1, 2019, Marriott offers industry-leading paid parental leave in the U.S. that includes eight fully paid weeks for birth and adoptive moms and dads. Full-time and part-time associates, who work a minimum number of hours, are eligible. Birth moms will continue to receive an additional seven weeks of partial pay for a total of 15 weeks of leave benefits. We provide financial assistance to help with adoption fees of up to \$12,000.	Heart of the House
		Other work/life support includes flexible work arrangements, work-at-home, paid and unpaid time off, lactation support, breast milk shipping reimbursement, new-parent coaching, infertility coverage, on-site childcare, child and elder care discounts, and flexible staffing for professional career breaks.	
		Engagement Survey: Associates globally in all managed hotels, contact centers, and corporate offices participated in the 2018 Associate Engagement Survey to share their feedback on their work environment and the company. Survey results are used to drive improvements at all levels, enabling Marriott to innovate and better serve associates and customers. Marriott was recognized for the 5th consecutive year as an Aon Global Best Employer, the only company to receive this recognition every year since the inception of this certification program in 2014. The Associate Engagement Survey is also used to assess our sustainability programs. Our 2018 Associate Engagement Survey results indicated that 86% of associates are aware of the company's sustainability commitments.	
		We hold managers accountable for sharing survey results, conducting feedback sessions, and creating action plans to deliver continued improvement.	

Number	Topic	Management Approach Disclosure	•		Additional References
401	Employment continued	Long-standing, Robust Employee A Marriott launched a groundbreaking associates who might not be well se continue to offer myARL, "my Assist families 24/7 access to consultation Marriott associates accessed myAR  TakeCare: TakeCare is a branded of wellbeing, and improve our busines centers, and corporate associates the personal, and relevant. TakeCare er connections for associates around to	g resource and referral service to merved by a traditional employee assance and Resources for Life," provis, resources and referrals for virtual L more than 37,000 times in 2018.  ollection of resources helping to fusion performance. We engage and subtrough TakeCare, ensuring that ouncompasses three distinct pillars the	neet the specific needs of hourly sistance program. Today, we ding all associates and their illy any work or life need.  The lour culture and commitment to poor managed hotels, contact r people-first culture is vibrant,	
		Pillars of As	sociate Wellbeing, Happiness, and	Satisfaction	
		Me	You + Me	We	
		Living my best life by nurturing my body, mind, and career, and building a secure future	Building genuine and supportive relationships at work as part of the Marriott family	Joining Marriott in doing good in our communities and promoting wellbeing around the world	
403	Occupational Health and Safety	In addition to providing a safe environment that a healthy workforce leads to a lead t	healthy bottom line. Our manageme		Heart of the House ("TakeCare") Safety & Security
		Our "Be Safe" Occupational Health to enhance the Be Safe program ini leadership level for implementing a	tially rolled out in 2017, which has in	ncreased accountability at the	Sexual Harassment Prevention
		Our Global Safety and Security tean in safety and security management properties. Our staff is trained to ass and our hotels work closely with loc	to help minimize harm and losses t sess and respond appropriately to	o our associates at managed potential threatening situations	
		Training and Awareness to Preven program, we have introduced safety and recognition programs. In 2018, of quarterly webinars focused on vawe introduced daily task-management.	y training for all U.S. associates, as we successfully introduced the Be arious aspects of hotel safety progr	well as observation, reporting, Safe learning series consisting ams. For international associates,	

Number	Topic	Management Approach Disclosure	Additional References
403*	Occupational Health and Safety continued	In 2018, we reaffirmed our approach to safety for associates and guests by making associate alert devices a new standard across managed and franchised hotels in the U.S. and Canada, with an ongoing technology roll out through 2020. Additionally, Marriott has well-defined and long-standing policies and practices to ensure that our associates are treated with dignity and respect. A central part of those policies is Marriott's commitment that associates will work in an environment free from sexual harassment by any associate, supervisor, manager, guest, vendor, client, or customer. Marriott's policy is to train non-management and management employees in harassment prevention and the Company offers online and classroom training courses. Marriott does not require mandatory arbitration of sexual harassment claims.	
		On-site and Telephonic Medical Services: Since 1985, we have maintained an Occupational Health Services program, which employs a team of dedicated nurses that serve the health needs of our associates in the United States. Our team of nurses provides telephonic care and case management services to associates at managed properties around the country. At several managed properties around the country on-site nurses provide care to associates, including emergency response, treatment of work-related and non-work-related injuries and illnesses, travel health consultations and immunizations, and health screenings. They assist with case management for associates at managed properties and complete health promotion programs at these properties and at our corporate headquarters.	
		<b>Health Coaching:</b> In 2018, our on-site health coach program expanded to include an on-site health concierge at our headquarters location. Additionally, more than 50 properties across the U.S. have on-site health coaches who offer in-person counseling to help associates stay on track with their physical and emotional wellbeing, host on-site health education sessions, and sponsor group health activities. Marriott medical plan participants have access to free personalized health coaching by phone.	
		TakeCare: In 2010, we created TakeCare for our associates as a primary focus of Marriott's healthcare strategy. TakeCare empowers the journey of our associates to feel inspired to better their physical and emotional health, pursue their career goals, strengthen relationships among coworkers, and promote Serve 360 activities. TakeCare improves self-confidence, morale, and helps our associates feel motivated to work each day feeling fully accepted, respected, and supported. Our associates know they truly matter to the company, and are part of a greater purpose. Today, TakeCare has evolved from its roots in physical wellness to become that and so much more. TakeCare was activated by our hotels at an all-time high level in 2018. As legacy Starwood hotels were immersed in TakeCare as a primary mechanism for pulling the Marriott culture forward to these locations, TakeCare initiatives are now being utilized like never before. Through the efforts of operational integration in 2018, TakeCare has served as a counterbalance and a source of invigoration for our associates.	
		The Role of our TakeCare Champions: The reach of TakeCare is magnified by the grassroots efforts of nearly 15,000 TakeCare Champion volunteers around the world who are passionate about wellbeing, relationship building, and sustainability & social impact. Champions are encouraged to get creative and to adapt TakeCare tools and resources to meet the needs of their local culture. Champions can be pillar-specific or lead efforts across all three pillars — from planning Challenges and coordinating teambuilding activities to collaborating on Serve 360 projects. Many properties form a Champion committee to ensure Champions represent multiple disciplines at each location, share the planning, and encourage involvement. Champions stay in-the-know via the Happiness Hub, our digital home to inspire and connect the Champion community, as well as virtual town halls and a monthly package of digital and printable resources to help spread the word and build momentum locally.	

\*Related SASB Indicator: SV-HL-310a.4

Number	Topic	Management Approach Disclosure	Additional References
403	Occupational Health and Safety continued	<b>2018 TakeCare Milestones:</b> In 2018, we continued our focus on keeping our Champion network connected, inspired, and engaged through Happiness Hub, our digital community for Champions around the world. The Happiness Hub is a home base for almost 15,000 Champions to connect with one another and hear from TakeCare leaders around the world. Additionally, we held the TakeCare Triathlon, our annual global Challenge, which was designed to help associates meet their personal wellbeing goals over a four-week period by participating in one of three wellbeing tracks: Move, Nourish, or Balance. Over 29,000 associates from 425 locations around the globe participated, the highest engagement in any TakeCare Challenge to date.	
		We also enhanced the activation of TakeCare programming at Marriott headquarters including Associate Appreciation Week events, an on-site dedicated Health Coach provided by Anthem, and TakeCare Unplugged — an event attended by headquarters' associates.	
		<b>Healthy Hotel Certification:</b> Healthy Hotel Certification is an annual award that recognizes Marriott properties all over the world that prioritize wellbeing and inspire associates to live their best lives. In 2018, 95% of all globally managed hotels submitted Healthy Hotel Applications. Over 1,600 applicants received either a platinum-, gold-, or silver-level Healthy Hotel Certification.	
404	Training and Education	For Marriott to grow and continue to be successful, our associates must also be committed to training for professional advancement. Training is also an essential way to maintain our renowned culture that focuses on associate engagement, participative management, and outstanding customer service. To meet the demands of Marriott's global growth, we also need to continue our investment in a strong leadership pipeline to ensure associates are ready to assume advanced leadership roles.	Awards of Excellence  Awards and Recognition  Careers
		<b>Strategies and Programs:</b> Through skills training programs, professional development opportunities, other learning experiences, and growth in the number of hotels, we provide associates with a multitude of choices for career and personal growth.	Global Employment Principles  Heart of the House
		In 2018, Marriott created an unparalleled learning experience for associates that focuses on building digital learning paths customized for their role. This helped to streamline and focus systems training for numerous roles on property, including Front Office, Event Management, and property leadership associates. A new learning site, the Digital Learning Platform, was also built to support this experience, with functionality such as auto assigning learning paths, the ability to earn medals, and bite-sized learning videos.	
		Performance Reviews: Performance development is accomplished through ongoing conversations between associates and their managers and periodic formal reviews conducted with all associates. In 2018 and moving forward, under our newly updated Leadership Performance Acceleration program, managers and associates are encouraged to have ongoing performance conversations throughout the year to help them develop career plans, chart a course for achieving those plans, and monitor progress. These process updates also allow for just-in-time feedback that any leader or peer can include directly on the associate's review.	
		We also have a variety of vehicles in place to encourage open dialogue with associates, such as Living Our Core Values/Living Our Employee Promise meetings, walk-around management, daily stand-ups, and world tour town hall meetings.	

Number	Topic	Management Approach Disclosure	Additional References
404	Training and Education continued	<b>Training and Development:</b> Associates have access to more than 20,000 formal, self-paced and informal learning options for developing professional and personal skills. More than 85% of our formal learning programs are eLearning, with the balance being instructor-led or blended programs.	
		In 2018, Marriott launched the Digital Learning Zone to help support property leaders and learners through integration and the new loyalty program training. The site includes leadership dashboards with completion and progress results, as well as an Interactive Planning tool properties can leverage to view exactly what loyalty, systems, and guest experience training associates need to complete. To support Marriott's global presence, the Learning Management System is available in 16 languages: English, Spanish, Chinese Traditional, Chinese Simplified, Japanese, Korean, Thai, Russian, Turkish, Arabic, French, German, Italian, Polish, Portuguese, and Vietnamese, and features an app for smartphones and tablets.	
		<b>Functional-Based Training:</b> We provide functional-based training to our associates, including our sales, front-of-house, engineering & facilities management, food & beverage and culinary teams.	
		<b>Tuition Reimbursement and Support for Continuing Education:</b> We offer tuition reimbursement and flexible schedules to attend school and cross-training to gain experience and skills in various departments as well as work-at-home options.	
		Succession Planning: To help prepare leaders for more senior positions with greater scope and complexity, Marriott conducts structured talent development discussions to provide our senior management team with information on bench strength with profiles that include each individual's past accomplishments, current contributions, areas for development, and readiness for new or expanded responsibilities. Additionally, we maintain a series of proprietary programs to develop our high-potential talent.	
		Innovation: We organize Innovation Days where corporate headquarters transforms to host thought leaders, innovation challenges, and creative skill building. During multiday events, associates participate in interactive sessions to learn design-thinking approaches to problem solving, and experience brand storytelling and rapid prototyping of physical and digital ideas. We also have an Innovation Speaker Series and utilize Underground U, a peer-to-peer learning and teaching exchange. Part design garage, part research lab, part test track, Underground U enables real-time experimentation and feedback from our customers before we go to market.	
405	Diversity and Equal Opportunity	Marriott's 2018 management approach disclosures can be found in the "Empower Through Opportunity" section of this Report, on pags 43-54.	2019 UK Gender Pay Gap Report
	Service 3		2025 Sustainability and Social Impact Goals
			Awards and Recognition
			Creating an Inclusive Environment
			Empower Through Opportunity
			Global Diversity and Inclusion

Number	Торіс	Management Approach Disclosure	Additional References
412	Human Rights Assessment	Marriott's 2018 management approach disclosures can be found in the "Human Rights" section of this Report, on page 56-59.	2025 Sustainability and Social Impact Goals
			Global Procurement Supplier Conduct Guidelines
			Human Rights Policy Statement
			Our Commitment to Human Rights
			<u>UK Human Trafficking Transparency Statement</u>
413	Local Communities	Marriott's 2018 management approach disclosures can be found in the "Nurture Our World" section of this Report, on pages 19-26.	2025 Sustainability and Social Impact Goals
			Nurture Our World
			Empower Through Opportunity
			Welcome All and Advance Human Rights
			TakeCare Relief Fund
			Marriott Disaster Relief Fund
			The Ritz-Carlton Community Footprints
			Partnership with Children's Miracle Network Hospitals

Number	Торіс	Management Approach Disclosure	Additional References
414	Supplier Social Assessment	Marriott's Global Employment and Human Rights principles are guided by those contained in the United Nations Universal Declaration of Human Rights and related international covenants.	2025 Sustainability and Social Impact Goals
		As such, Marriott's Global Procurement Supplier Conduct Guidelines set forth our expectations that our suppliers uphold the following:	Global Procurement Supplier Conduct Guidelines
		<ul> <li>Anti-Harassment: Provide a fair and safe workplace that is harassment-free, secure, and that creates a hospitable environment.</li> </ul>	Sustain Responsible Operations ("Responsible Sourcing")
		<ul> <li>Anti-Discrimination: Promote an inclusive environment that fosters mutual respect, diversity, inclusion, and equal opportunity with employees and other stakeholders, including customers and business partners.</li> </ul>	Marriott Sustainability Assessment Program
		<ul> <li>Prevention of Forced Labor and Human Trafficking: Support the elimination of all forms of human trafficking and forced, bonded, or compulsory labor, as well as the exploitation of children.</li> </ul>	
		<ul> <li>Prevention of Child Labor: Adhere to minimum age provisions of applicable laws and employ only workers who are of the applicable minimum age for employment or the applicable age for completion of compulsory education.</li> </ul>	
		<ul> <li>Prevention of Unethical Recruitment: Do not charge recruitment fees as part of the application process or use fraudulent recruitment practices.</li> </ul>	
		<ul> <li>Freedom of Association and Collective Bargaining: Respect an employee's freedom of association and right to bargain collectively.</li> </ul>	
		<ul> <li>Workplace Conditions: Provide employees with a safe and healthy working environment that meets applicable legal standards or industry workplace standards.</li> </ul>	
		Based on the Sustainability Index developed by the Hospitality Sustainable Purchasing Consortium (which Marriott helped to develop), the Marriott Sustainability Assessment program is a required annual assessment of approved Marriott furniture, fixture, and equipment suppliers and their products. Fair labor and human rights practices are part of the assessment.	
		Suppliers complete surveys assessing the social and environmental practices and sustainability attributes associated with the products sold to Marriott, based on the framework established by the Hospitality Sustainable Purchasing Consortium. Reports by product are provided to both the reporting supplier and to Marriott. Supplier reports are consolidated for overall supply chain analysis for Marriott's use in tracking and selection criteria.	
		We also work through our procurement services provider, Avendra, on supplier screening. As part of a five-year plan with Avendra, a nonprofit environmental group conducted a risk and opportunity assessment, which includes potential child and forced labor risks. As a result of the assessment, more than 20 potential products have been identified as opportunities for responsible sourcing efforts.	
		Further detail can be found in the "Responsible Sourcing" section of this Report, on pages 38-42.	

Number	Topic	Management Approach Disclosure	Additional References
415	Public Policy	As a large global company, we engage in public policy advocacy, both directly and indirectly. We aim to be transparent in our practices.	Political Activity — Policies, Oversight, and Disclosure
		We aim to be transparent in our practices.  Boundary: The boundary for our management approach covers corporate public policy advocacy undertaken by Marriott's public affairs department and the company's political action committee.  Approach and Objectives: Our overarching public affairs strategy is to educate and communicate with key influencers to create an environment conducive for growth and understanding of our business.  Public Policy Priorities: Our objective is to maintain a robust public policy agenda, engaging leaders on a wide range of issues, including visa and entry policies that facilitate travel, travel promotion programs, immigration reform, civil rights and nondiscrimination policies, consumer protections, human rights, and infrastructure.  Political Action Committee: The Marriott International, Inc. Political Action Committee (MARPAC) maintains a nonpartisan PAC (funded by voluntary donations made by associates.) We strive for a 50/50 split in contributions to Democratic and Republican candidates.  Executive Participation in Public Policy: Marriott's Chief Global Communications & Public Affairs Officer serves as a member of the U.S. Travel & Tourism Advisory Board. Annually, over 50 Marriott executives visit Washington, D.C. for meetings with congressional offices advocating for Marriott's policy priorities.  Support for LGBTQ Rights: Marriott is a member of the HRC Global Business Coalition, for major multinational businesses to advance workplace protections for LGBTQ employees worldwide. Our CEO has also spoken out publicly against discriminatory laws.  Support for Dreamers: In 2018, Marriott joined business leaders from across the country to sign an open letter calling for the immediate passage of legislation to protect "dreamers." Marriott advocates for a permanent legislative solution to this issue as a member of the Coalition for the American Dream.  Industry Associations: Marriott is a member of industry associations, including the Business Roundtable, U.S. Chamber of Commerce, the Worl	Oversight, and Disclosure  State & Local Contributions  527 Contributions  Trade Associations Payments

Number	Topic	Management Approach Disclosure	Additional References
416	Customer Health and Safety	In addition to protecting the safety and security of guests, we also aim to enable guests to promote their health and wellbeing during their stay with us.	Safety and Security
		Global Safety & Security: Marriott's Global Safety & Security team provides training, policy enforcement, and technical expertise in safety and security management to help minimize harm and losses to our customers, associates, stakeholders, and business. The team is trained to assess and respond appropriately to potential threatening situations and our hotels work closely with local, state, federal, and international authorities. In the United States, Marriott's new Be Safe program also aims to increase accountability at the leadership level for implementing and supporting safety initiatives.	
		Stakeholder Engagement and Key Issues: We also work with local security authorities, including the U.S. Department of State and Department of Homeland Security when establishing security protocols for some of our hotels. Because each property is unique, including configuration and location, we tailor individual security measures to each hotel and review those measures often. We also focus on food safety and the quality and supply chain integrity of the food we serve to our associates and guests.	
417	Data Privacy	Marriott International, Inc. takes data privacy and security very seriously. As such, we have a comprehensive data privacy and data security program in place to protect the personal data of our guests and associates.	2018 Annual Report ("Technology, Information Protection and Privacy Risks", pp. 16-18)
		<b>Privacy Program Overview:</b> As part of its privacy program, Marriott is committed to privacy principles that are consistent with the essential legal and regulatory standards embedded within privacy laws around the world. The company has standard operating procedures, policies, and guidelines governing the collection, use, disclosure, transfer, storage, and retention of personal data. Marriott's Privacy Center, located on our company websites, includes the company's Global Privacy Statement, which explains how the company collects, uses, discloses, transfers, and retains data. The Privacy Center also provides individuals an opportunity to exercise their privacy rights and update communication preferences.	Global Privacy Statement  Privacy Shield Guest Policy
		Marriott International, Inc. and certain of its U.S. affiliates have certified to the EU-U.S. and Swiss-U.S. Privacy Shield <u>frameworks</u> . Our certifications can be found <u>here</u> . More information about the Privacy Shield principles can be found <u>here</u> . Our Privacy Shield Guest Privacy Policy can be found <u>here</u> .	
		<b>Security Program Overview:</b> Marriott seeks to use reasonable organizational, technical, and administrative measures to protect personal data. Marriott has a dedicated Global Information Security Organization, which focuses on application, network, and system security. This team is also responsible for security compliance, education, and incident response.	
		The security program is designed to implement a layered approach to security and employs various technologies and processes to control and protect user access to the Marriott network, applications, and information, as well as other security capabilities such as monitoring, alerting, and incident response. Marriott is Payment Card Industry (PCI) compliant where required, conducts internal security compliance monitoring, and has annual SSAE 18 reports from its service providers.	
		Policies, Training, and Awareness: Marriott is committed to education and awareness about the importance of data privacy and security throughout the company. Marriott reviews and updates its privacy and information security policies at least annually. Relevant employees must acknowledge policies on an annual basis. Marriott has a mandatory privacy, security, and PCI training program for all individuals who have access to personal data for work purposes.	

## Indicators

Marriott reports on GRI indicators to provide our stakeholders with comparable information on our economic, environmental, and social performance.

#### Economic

Number	Topic	Description	Response and/or Report Location	Additional References
201-1	Economic Performance	Direct economic value generated and distributed	In 2018, over \$20.7 billion in revenue was generated. Revenue is distributed to our share-holders through dividends, and share repurchases, associates through wages and benefits, suppliers through procurement activities, and communities through charitable contributions.  2018 cash and in-kind contributions are estimated at \$47.9 million. More than 43 million loyalty points were also donated to support featured Marriott charitable causes. Additionally, our associates contributed 1.5 million volunteer hours in 2018.	2018 Annual Report (pp. 23)  Nurture Our World
201-2	Economic Performance	Financial implications and other risks and opportunities due to climate change	In our CDP Climate Change disclosures, we provide details on the potential financial implications of physical, regulatory, and other risks and opportunities associated with climate change.	CDP Climate Change Response
203-1	Indirect Economic Impacts	Infrastructure investments and services supported	This information can be found in the "2018 Performance Highlights" section of this Report, on pages 11-18.	Creating an Inclusive Environment Empower Through Opportunity Global Diversity and Inclusion Loyalty Points Donation Program Nurture Our World Welcome All and Advance Human Rights ("Cultural Understanding")
205-2	Anti-corruption	Communication and training about anti-corruption policies and procedures	As of year-end 2018, more than 32,000 of our managers in the Americas, Asia Pacific, Europe, Middle East and Africa have received our Global Anti-Corruption training, and approximately 35,000 managers have received our OFAC training.	Business Conduct Guide

#### Environmental

Number	Topic	Description	Response and/or Report Location	Additional References
302-1*	Energy	Energy consumption within the organization	In 2018, our energy consumption was 18.63 million megawatt hours. (7.00 million megawatt hours were direct energy. 11.63 million megawatt hours were indirect or purchased energy.)	CDP Climate Change Response (Question CC8)
		ASSURED by third-party verifier	Breakdown of energy consumption from low carbon sources and from electricity, heating, cooling, and steam can be found in our CDP Climate Change response.	Statement of Assurance
		vermer	*Related SASB Indicator: SV-HL-130a.1	
302-3	Energy	Energy intensity	In 2018, our global energy intensity was 334.19 kilowatt hours per square meter of conditioned space.	Statement of Assurance
		ASSURED by third-party verifier	Regional energy intensity figures can be found on page 31 of this Report.	
302-4	Energy	Reduction of energy consumption	We actively track the percentage of hotels that report participation in energy reduction practices, including the use of high-efficiency lighting.	CDP Climate Change Response (Question CC4.3)
			We also report on annual energy reduction projects in our CDP Climate Change response.	
302-5	Energy	Reductions in energy requirements of products and services	In 2018, our global energy intensity per square meter of conditioned space decreased by 0.06%.	CDP Climate Change Response
303-1*	Water	Water withdrawal by source	In 2018, total water consumption was 129.2 million cubic meters.	Statement of Assurance
		ASSURED	Data is based on municipal consumption at owned, leased, and managed hotels.  Some of our properties source water outside municipal water withdrawal, such as from	
		by third-party verifier	wells and desalination plants, as well as rainwater and condensate capture for irrigation and/or cooling towers.	
			*Related SASB Indicator: SV-HL-140a.1	
304-3*	Biodiversity	Habitats protected or restored	Impact metrics for key biodiversity programs, including the Juma Sustainable Development Reserve in the Amazon rainforest, our Thailand mangrove habitat restoration efforts, and our North American reforestation activities can be found on pages 12 and 24-26 of this Report.	
			*Related SASB Indicator: SV-HL-160a.2	
305-1	Emissions	Direct (Scope 1) GHG emissions	In 2018, Marriott's Scope 1 emissions were 1.35 million metric tons.	CDP Climate Change Response
		ASSURED by third-party verifier		Statement of Assurance

#### Environmental continued

Number	Topic	Description	Response and/or Report Location	Additional References
305-2	Emissions	Energy indirect (Scope 2) GHG emissions ASSURED	In 2018, Marriott's Scope 2 emissions were 5.48 million metric tons.	CDP Climate Change Response Statement of Assurance
		by third-party verifier		
305-3	Emissions	Other indirect (Scope 3) GHG emissions	Marriott measures its Scope 3 emissions from franchised properties and business travel, which were estimated at 4.79 million metric tons in 2018.	CDP Climate Change Response
		ASSURED by third-party verifier		Statement of Assurance
305-4	Emissions	GHG emissions intensity	In 2018, Marriott's Scope 1 and 2 emissions intensity was 1115.57 kilograms per square meter.	CDP Climate Change Response
		ASSURED by third-party verifier		Statement of Assurance
305-5	Emissions	Reduction of GHG emissions	In 2018, completed emissions reduction projects are estimated to have resulted in 133,260 avoided metric tons of greenhouse gas emissions.	Statement of Assurance  CDP Climate Change Response Statement of Assurance  CDP Climate Change Response Statement of Assurance  CDP Climate Change Response (Question CC4.3)  Sustainability Policy  Marriott Sustainability Assessment Program Global Procurement Supplier Conduct Guidelines Sustainability Policy 2025 Sustainability and Social Impact Goals CDP Climate Change Response
			Investments include those in LED lighting retrofits, HVAC and chiller upgrades, building automation systems, smart technologies, variable frequency drive pumps, fans, air handling units, and other energy efficiency projects.	
306-2	Effluents and Waste	Waste by type and disposal method	In 2018, over 40,000 tons were diverted from landfills for managed North American hotels (based on recycling/organics only and representing a 1.74% (5.71# POR to 5.61# POR) annual decrease in waste-to-landfill per occupied room).	
307-1	Environmental Compliance	Noncompliance with environmental laws and regulations	In 2018, there were no known material instances of noncompliance with environmental laws and regulations.	Sustainability Policy
308-1	Supplier Environmental	New suppliers that were screened using	On an annual basis, we review our approved Marriott furniture, fixtures, and equipment vendors' environmentally responsible manufacturing efforts and product sustainability	
	Assessment	environmental criteria	practices using the Marriott Sustainability Assessment program for metrics and reporting.  Additionally, our Supplier Conduct Guidelines provide environmental and social guidelines that our vendors should abide by in order to do business with Marriott.	
				Sustainability Policy
				CDP Climate Change Response (Question CC12)



### Social

Number	Topic	Description	Response and/or Report Location	Additional References
401-1*	Employment	New employee hires and employee turnover	In 2018, approximately 130,000 new hires were made and global voluntary turnover (including retirements) was 20%.	<u>Careers</u>
			Please note that the number of global new hires as well as the voluntary turnover calculation includes associates at Marriott managed hotels outside the U.S. who are owner employees. Neither metric includes associates at franchised hotels.	
			*Related SASB Indicator: SV-HL-310a.1	
403-1	Occupational Health and Safety	Workers representation in formal joint management—worker health and safety committees	When Safety Committees are formed, it is common practice that associates from various departments participate in the committees.	Marriott Safety and Security
404-1	Training and Education	Average hours of training per year per employee	On average, employees complete 50 hours of training per year.	
404-2	Training and Education	3 13 3	Through skills training programs, professional development opportunities, other learning experiences, and growth in the number of hotels, we provide associates with	Awards and Recognition
		assistance programs	a multitude of choices for career and personal growth.	Awards and Recognition  Careers  Global Employment Principles
			Our Build a Learning Plan platform personalizes and simplifies the identification and	Global Employment Principles
			assignment of required training by region, brand, and associate role. Marriott's innovative Learning Management System offers the ability to assign online courses to associates based on location, brand, and job role.	Careers  Global Employment Principles
			Associates also have access to more than 20,000 formal, self-paced, and informal learning options for developing professional and personal skills. More than 85% of our formal learning programs are eLearning, with the balance being instructor-led or blended programs.	
			In 2018, Marriott furthered the investment with Rosetta Stone and deployed the newest version of their platform that provides learners with a pre-test and self-assessment to appropriately place them in the correct level. The new platform and mobile app also enable learners to learn at their own pace, a few minutes a day, progressing intuitively through the language-learning process. Learners can also choose to focus on only certain areas such as reading or writing to suit their needs.	
			Additionally, we offer tuition reimbursement and flexible schedules to attend school and cross-training to gain experience and skills in various departments, as well as work-at-home options.	

Number	Topic	Description	Response and/or Report Location	Additional References
404-3	Training and Education	Percentage of employees receiving regular performance and career development reviews	Performance development is accomplished through ongoing conversations between associates and their managers and periodic formal reviews conducted with all associates. In 2018 and moving forward, under our newly updated Leadership Performance Acceleration program, supervisors and associates are encouraged to have ongoing performance conversations throughout the year to help them develop career plans, chart a course for achieving those plans, and monitor progress. These process updates also allow for just-in-time feedback that any leader or peer can include directly on the associate's review.	
405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	At year-end 2018, of the direct reports to our CEO, 50% were women. In the U.S., 56% of all management were women. Our Board of Directors is comprised of 14 members: 9 are men, 5 are women.	Board of Directors
412-1	Human Rights Assessment	Employee training on human rights policies or procedures	In 2017, we made human trafficking awareness training a requirement for all on-property associates across both managed and franchised properties. At year-end 2018, approximately 280,000 additional associates globally had completed human trafficking awareness training; bringing the total to over 500,000 since the training launched in 2017.  Associates with procurement and purchasing responsibilities are required to complete the Procurement 101 online training, which includes information on Marriott's human rights policies. In 2018, over 5,000 additional associates globally completed the procurement training.	UK Human Trafficking Transparency Statement
413-2	Local Communities	Operations with local community engagement, impact assessments, and development programs	Community engagement activities occur across our portfolio. We have also established a network of Marriott Business Councils comprised of General Managers and other hotel leaders working together in a given city, state, country, or region to perpetuate corporate culture and drive macro business initiatives, including sustainability, industry advocacy, and social impact efforts. Further information can be found on pages 8 and 20 of this Report.	2025 Sustainability and Social Impact Goals  Empower Through Opportunity  Marriott Disaster Relief Fund  Nurture Our World  Partnership with Children's Miracle Network Hospitals  TakeCare Relief Fund  The Ritz-Carlton Community Footprints  Welcome All and Advance Human Rights

Number	Topic	Description	Response and/or Report Location	Additional References
414-1	Supplier Social Assessment	New suppliers that were screened using social criteria	Based on the Sustainability Index developed by the Hospitality Sustainable Purchasing Consortium (which Marriott helped to develop), the Marriott Sustainability Assessment Program is a required annual assessment of all approved Marriott furniture, fixtures, and equipment suppliers and their products. Fair labor and human rights practices are part of the assessment. Additionally, our Supplier Conduct Guidelines provide environmental and social guidelines that our vendors should abide by in order to do business with Marriott.	2025 Sustainability and Social Impact Goals  Global Procurement Supplier Conduct Guidelines  Marriott Sustainability Assessment Program
415-1	Public Policy	Political contributions	In 2018, Marriott International, Inc. Political Action Committee (MARPAC) total disbursements were \$277,483.00.  MARPAC is a nonpartisan federal PAC in the U.S. and we strive for a 50/50 split in contributions between Democratic and Republican candidates.	527 Contributions  Political Activity — Policies, Oversight, and Disclosure  State & Local Contributions  Trade Associations Payments
416-1	Customer Health and Safety	Assessment of the health and safety impacts of product and service categories	Through our Global Food Safety program, we tailor individual safety and security measures to each hotel. We also focus on food safety and the quality and supply chain integrity of the food we serve to our associates and guests.	Marriott Safety and Security
417-1	Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Marriott International takes data privacy and security very seriously and maintains a comprehensive privacy and security program to protect the personal information of our guests and associates.	2018 Annual Report ("Technology, Information Protection and Privacy Risks", pp. 16-18)  Global Privacy Statement  Privacy Shield Guest Policy