Marriott International, Inc. - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Marriott International is a leading, global lodging company with more than 7,600 properties (as of year-end 2020) that we operate ("manage"), franchise or license under 30 brands in 133 countries and territories worldwide. As a global business, we recognize the unique opportunity we have the unique opportunity we have to be a force for good and we are committed to creating positive and sustainable impact wherever we do business.

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, we established our sustainability and social impact platform, Serve 360: Doing Good in Every Direction, in 2017. Serve 360 is guided by four priority-areas, or “coordinates” — each with dedicated focus areas and ambitious targets.

- Nurture Our World – Advancing the resiliency and sustainable 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 – Ensuring workplace readiness and access to opportunity across our business.
- Welcome All & Advance Human Rights – Creating a safe and welcoming world for associates and travelers alike.

The 2025 goals under the Sustain Responsible Operations coordinate include reducing water intensity by 15%, carbon intensity by 30%, waste to landfill by 45% and food waste by 50% (from a 2016 baseline; for water/carbon/waste/food waste). As part of Serve 360, Marriott aims to achieve a minimum of 30% renewable electricity use by 2025, and to analyze the opportunity to set a science-based carbon target.

Note: Under the operational reporting boundary, this report covers properties owned, managed, and leased by Marriott. As of year-end 2020, Marriott owned or leased 66 properties. For all managed properties, operational costs, including property investments, are the responsibility of property owners per management agreements. Under these varying agreements, Marriott earns a management fee that is typically composed of a base management fee (which is a percentage of hotel revenues), and an incentive management fee (based on hotel profits). Our management agreements also typically include reimbursement of costs of operations (both direct and indirect).

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1, 2020</td>
<td>December 31, 2020</td>
</tr>
</tbody>
</table>

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Algeria
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
Bahrain
Bangladesh
Barbados
Belgium
Bhutan
Bolivia (Plurinational State of)
Brazil
Cambodia
Canada
Cayman Islands
Chile
**W0.4**

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

**W0.5**

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

**W0.6**

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

**W1. Current state**

**W1.1**

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th></th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of</td>
<td>Vital</td>
<td>Important</td>
<td>Direct operations: A sufficient amount of good quality freshwater available is vital for hotel operations, as hotels require water for food service, cleaning, laundry operations, guest hygiene, and recreation. We anticipate future absolute water withdrawals to increase in line with growth; however we have set a target to reduce water intensity (per occupied room) 15% by 2025 over a 2016 baseline. We anticipate future dependency on freshwater to decrease as hotels continue to expand use of recycled water for landscaping, cooling towers, first wash laundry, and flushing. Indirect operations: A sufficient amount of good quality freshwater available is important for our food service operations/supply chain, as hotels are large consumers of food, and freshwater supply is required to support the agricultural supply chain of our food and beverage products. We anticipate future water dependency to decrease in our indirect operations as our suppliers become more water efficient.</td>
</tr>
<tr>
<td>good quality freshwater</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>available for use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sufficient amounts of</td>
<td>Important</td>
<td>Have not been evaluated</td>
<td>Direct operations: A sufficient amount of recycled, brackish and/or produced water available is important to our hotel operations, as many of our hotels use different sources of water to supplement freshwater withdrawal. These sources may include recycled water for landscaping needs, or desalinated water for various uses. We anticipate future recycled water dependency to increase in our direct operations as hotels continue to expand use of recycled water for landscaping, cooling towers, first wash laundry, and flushing. Indirect operations: Marriott has not yet evaluated the importance of recycled, brackish and/or produced water available for use across our supply chain because our supply chain is large, and we have prioritized our own operations to date. Primary use of non-fresh water in our supply chain may be for irrigation/agricultural use, cooling towers, and WASH services, depending on the supplier. We do not anticipate future recycled/brackish/produced water dependency in our supply chain to change as we assume business as usual.</td>
</tr>
<tr>
<td>recycled, brackish and/or produced water available for use</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**W1.2**
(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>100% 100% of water withdrawals in our portfolio are regularly measured and monitored through utility billing and estimations. Utility bills are required to be submitted to the Marriott Environmental Sustainability Hub (MESyH). Within the MESyH platform, withdrawal volumes consist of the water consumption amounts listed on municipal water invoices. Volumes are read and measured quarterly for our entire portfolio; where actual data is not available, we apply an extrapolation methodology to account for all water withdrawals.</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>76-99 Marriott regularly tracks water withdrawals in our portfolio through utility billing which is required to be submitted in the Marriott Environmental Sustainability Hub (MESyH). Marriott tracks several water sources within its MESyH platform, such as municipal water, irrigation, groundwater, and surface water. Marriott also tracks water sources per property using its sustainability survey, the Sustain Responsible Operations (SRO) Tracker. At this time, not all sources tracked in MESyH have been aligned with every hotel’s water source response in the SRO Tracker. There are also properties that haven’t yet responded to the SRO Tracker, and the water reported for those properties is listed under a general water category and reported here in the “third party sources” category. Volumes are read and measured quarterly for the sites that are monitored.</td>
</tr>
<tr>
<td>Entrained water associated with your metals &amp; mining sector activities - total volumes [only metals and mining sector]</td>
<td>&lt;Not Applicable&gt; &lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced water associated with your oil &amp; gas sector activities - total volumes [only oil and gas sector]</td>
<td>&lt;Not Applicable&gt; &lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>100% The quality of water withdrawals is monitored through our global water safety program, developed in partnership with NALCO that was initiated to improve water quality and water safety at our hotels. This program is linked to our Transcendent asset management platform, which provides visibility into property compliance with and performance against water quality standards. We stay in communication with water utility providers to ensure water quality is in compliance with local regulations. These data are available for monitoring as frequently as daily or weekly.</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>100% Marriott tracks sewer discharges in our managed portfolio through utility billing, but this is more typically a charge as a percentage of water purchased. Using estimates of water consumption for the CDP, water discharges are estimated at 65% of water withdrawals. Marriott tracks water withdrawals in our portfolio through utility billing which is required to be submitted in the Marriott Environmental Sustainability Hub (MESyH). Property performance data related to water consumption is monitored monthly and typically reported quarterly and annually as part of our Serve 360 Scorecards.</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>100% Marriott tracks sewer discharges in our managed portfolio through utility billing, but this is more typically a charge as a percentage of water purchased. Using estimates of water consumption for the CDP, water discharges are estimated at 65% of water withdrawals. Marriott tracks water withdrawals in our portfolio through utility billing which is required to be submitted in the Marriott Environmental Sustainability Hub (MESyH). Water discharges are made to third party municipal water and sewage treatment facilities. This is part of standard water and sewer charges included in MESyH. Property performance data related to water consumption is monitored monthly and typically reported quarterly and annually as part of our Serve 360 Scorecards.</td>
</tr>
<tr>
<td>Water discharges quality – total volumes</td>
<td>100% Not relevant Water discharges – volumes by treatment method are not relevant for our company because water discharges are made to third party municipal water and sewage treatment facilities who are responsible for following relevant guidelines for treatment. We do not expect this aspect to be relevant in the future because we will continue to discharge all water to third party municipal water and sewage treatment facilities.</td>
</tr>
<tr>
<td>Water discharges quality – by standard effluent parameters</td>
<td>&lt;Not Applicable&gt; &lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water discharges quality – temperature</td>
<td>&lt;Not Applicable&gt; &lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water consumption – total volume</td>
<td>76-99 Using guidance from EPA’s WaterSense program regarding typical water usage categories, we estimate water consumption for the purpose of CDP reporting at 35% of water withdrawals. Marriott tracks sewer discharges in our managed portfolio through utility billing, but this is not a metric that is captured in volume. Marriott is working on internal studies and sub-metering projects to further refine the understanding of consumptive uses of water in hotels, including irrigation and cooling towers.</td>
</tr>
<tr>
<td>Water recycled/reused</td>
<td>Not monitored Large, full-service hotels have water reuse systems in their laundry operations or use greywater in irrigation or cooling tower make-up water, but these figures are not tracked globally at this point.</td>
</tr>
<tr>
<td>The provision of fully-functioning, safely-managed WASH services to all workers</td>
<td>100% 100% of the hotels operated by Marriott have necessary hygienic facilities for associates. Those few hotels which house a portion of the workforce onsite have complete WASH services. Availability of water is monitored at least monthly through internal processes. Water quality is monitored through our global water safety program, developed in partnership with NALCO that was initiated to improve water quality and water safety at our hotels. This program is linked to our Transcendent asset management platform, which provides visibility into property compliance with and performance against water quality standards. Water quality data are available for monitoring as frequently as daily or weekly.</td>
</tr>
</tbody>
</table>

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>101325 Lower</td>
<td>Water withdrawals for Marriott’s managed portfolio decreased by 31,858 megaliters from the previous reporting year. This is primarily due to the impact of COVID-19 on our global hotel occupancy. We anticipate future volumes to increase next year due to decreased COVID-19 restrictions, then decrease because of our target to reduce water intensity (per occupied room) 15% by 2025 over a 2016 baseline.</td>
</tr>
<tr>
<td>Total discharges</td>
<td>65861 Lower</td>
<td>Marriott tracks sewer discharges in our managed portfolio through utility billing, but this is not a metric that is captured in volume. Using estimates of water consumption for CDP-reporting purposes, water discharges are estimated at 65% of water withdrawals. Since overall water withdrawals decreased in 2020 compared to 2019, estimated discharges also decreased. We anticipate future volumes to increase next year due to decreased COVID-19 restrictions, then decrease because of our target to reduce water intensity (per occupied room) 15% by 2025 over a 2016 baseline.</td>
</tr>
<tr>
<td>Total consumption</td>
<td>35464 Lower</td>
<td>Using guidance from EPA’s WaterSense program regarding typical water usage categories, we estimate water consumption for the purpose of CDP reporting at 35% of water withdrawals. Since overall water withdrawals decreased in 2020 compared to 2019, estimated consumption also decreased. We anticipate future volumes to increase next year due to decreased COVID-19 restrictions, then decrease because of our target to reduce water intensity (per occupied room) 15% by 2025 over a 2016 baseline.</td>
</tr>
</tbody>
</table>
(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26-50</td>
<td>About the same</td>
<td>WiR Aqueduct</td>
<td>Marriott used the WiR Aqueduct Water Risk Atlas to determine the percent of water withdrawals from owned, managed, and leased properties in areas with water stress. Our process included uploading our active 2020 property list for relevant sites to WiR Aqueduct, exporting results, and evaluating the list of sites to identify those properties located in areas of ‘High’ or ‘Extremely High’ baseline water stress. We determined that approximately 30% of our water withdrawals from owned, managed, and leased properties are located in areas of ‘High’ or ‘Extremely High’ baseline water stress, as defined by WiR. We used WiR’s classification of sites located in areas of ‘High’ or ‘Extremely High’ baseline water stress to define which sites withdraw water from areas with water stress. Based on this assessment, we have applied internal criteria (e.g., number of rooms, validated data) to determine which of these sites collectively could have an impact on our business. We have preliminarily identified 15 sites vulnerable to risk.</td>
</tr>
</tbody>
</table>

(W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>134</td>
<td>Much lower</td>
</tr>
<tr>
<td>Brackish surface water/seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Relevant</td>
<td>1552</td>
<td>About the same</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant</td>
<td>99,639</td>
<td>Lower</td>
</tr>
</tbody>
</table>

(W1.2i) Provide total water discharge data by destination.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not water&gt;</td>
</tr>
<tr>
<td>Brackish surface water/seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not applicable&gt;</td>
</tr>
<tr>
<td>Third-party destinations</td>
<td>Relevant</td>
<td>65861</td>
<td>Lower</td>
</tr>
</tbody>
</table>

(W1.4) Do you engage with your value chain on water-related issues?
Yes, our suppliers
Yes, our customers or other value chain partners
(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number
26-50

% of total procurement spend
26-50

Rationale for this coverage
Marriott encourages suppliers to surpass environmental regulations where feasible and demonstrate continuous improvement in reducing the environmental impact of operations, products and services across all lifecycle stages, related to greenhouse gas emissions, resources and waste. Marriott expects suppliers to mitigate negative impacts, such as deforestation and pollution, affecting biodiversity and ecosystems. To this end, in 2020, we continued our focus on procuring more environmentally and socially responsible products within our top 10 categories. In collaboration with our Americas procurement provider, Avendra, we started a formal process to assess the environmental and social business aspects of our existing Americas suppliers, representing over 80% of our Americas-based food and beverage, engineering, rooms, office and spa supplies, within the top 10 categories, via the EcoVadis platform. We aim to source 95% of each of our top 10 categories 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. The information submitted in the EcoVadis platform will be used to develop improvement plans for suppliers to ensure they are on track to successfully meet the responsible sourcing requirements that have been determined for each of the top 10 categories. Avendra requires all suppliers to submit a sustainability policy and provide relevant information on product attributes such as Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications for sustainable seafood. We incorporate our responsible sourcing requirements into request for proposals (RFPs) that are administered by Avendra to identify the most responsible suppliers with the highest quality products. We worked closely with Avendra to ensure the responsible sourcing requirements and our preferred third-party certifications were communicated to potential suppliers and supplier responses were aligned with our responsible sourcing goals. Per Marriott’s Global Procurement Supplier Conduct Guidelines, we may take steps to assess a supplier’s adherence to the principles, standards, and guidelines (this is how suppliers are incentivized to report).

Impact of the engagement and measures of success
As part of our Serve 360 sustainability and social impact strategy, Marriott has set the following procurement goal: Responsibly source 95% in our Top 10 priority categories by 2025. These priority categories include: animal proteins, bottled water, cleaning supplies, cocoa, coffee, guest room amenities, paper products, seafood, sugar, and textiles. We have established responsible sourcing requirements for each category that suppliers will have to comply with in the future. Additional goals for supplier engagement include: by 2020, require all contracted suppliers in the Top 10 categories to provide information on product sustainability, inclusive of social and human rights impacts; and by 2025, require all centrally-contracted suppliers to provide this information (note: procurement goals are delayed due to COVID19). Supplier engagement success will be determined by evaluating our performance against these targets annually and ultimately achieving our targets.

Comment
In 2019, we selected a 3rd-party vendor to survey our existing suppliers within the top 10 categories to understand the relevant environmental aspects of their businesses. We have set a goal to survey all suppliers outside of the top 10 categories by 2025. We will assess what elements of our suppliers’ businesses do not meet Marriott’s responsible sourcing guidelines and assist them in making improvements.

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Innovation & collaboration

Details of engagement
Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number
Less than 1%

% of total procurement spend
Less than 1%

Rationale for the coverage of your engagement
Description of the engagement: Marriott supported Generation Water in developing and implementing a service that produces an average of 4,000 liters per day of alkaline drinking water made 100% from the air. The JW Marriott in Phuket, Thailand was the pilot facility for the system that uses condensation technology to extract moisture from the air to generate potable water. The Generation Water system also dispenses water in reusable glass bottles, which eliminates the use and expense of plastic water bottles.

Impact of the engagement and measures of success
We determined this supplier engagement pilot was a success because, in 2019, the system eliminated the use of more than two million plastic bottles, significantly contributing to the ability of the properties in Phuket to meet waste reduction and responsible sourcing goals.

Comment
What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

As an operator and franchisor of hotel properties, Marriott has important relationships with other businesses in our value chain. We collaborate closely with our property owners in advancing the sustainability of both the physical properties we manage (equipment, building envelope), and the way we manage them (preventative maintenance, laundry and food service operations, landscaping). Working with our larger property owners provides opportunities to bring solutions to scale. Marriott provides Capital Planning and Project Management (CPPM) services to some hotel owners in the Americas as they implement infrastructure improvements. The CPPM team identifies short/long-term property needs and leverages Marriott’s procurement power to provide cost savings to property owners and engineered solutions that conserve energy and water. We measure success by tracking and calculating energy and water reductions and related cost-savings.

In 2017, our Americas Engineering Team worked with CPPM to develop a showerhead replacement project with significant water and energy savings. This project was implemented across a property owner’s portfolio. Because of this program’s success (measured in terms of water, energy and cost-savings), in 2018 and 2019, this project was expanded to other property owners’ portfolios.

Marriott’s Serve 360 sustainability and social impact goals include franchised operations. With increased emphasis on the GHG emissions, water, and waste metrics from franchised properties, our engineering leadership will focus on sharing best practices with franchised property managers. We are developing regional advisory engagements to represent the voice of the ownership/franchise/management company community and provide input, feedback and advice. Meeting frequency will be determined based on conferences/committees to discuss owner-relevant initiatives, collaboration opportunities and overall progress and learnings around sustainability and social impact efforts.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.
Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment
More than once a year

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Databases
Other

Tools and methods used
Ecolab Water Risk Monetizer
WRI Aqueduct
Regional government databases
Internal company methods
External consultants

Comment
Monitoring of water risks occurs at regular intervals and levels dependent upon the nature of the risk and risk drivers are included in our annual enterprise risk management exercise. Risks related to regulation, customer preference and corporate reputation are evaluated regularly by relevant departments. Property performance data related to water withdrawal is monitored monthly, reported quarterly, and typically reviewed quarterly and annually. Our global water safety program, developed in partnership with NALCO (an Ecolab company), a water treatment and process improvement company, is designed to improve hotel water quality and water safety. We conduct rigorous testing and developed asset management checklists to support quality assurance. We conduct property-level water risk analyses using Ecolab's Water Risk Monetizer and WRI Aqueduct to identify key properties in areas of water stress. Beginning in 2019, we performed a quantitative scenario analysis to identify physical climate change risks to hotels in the continental US. Water-related risks assessed include present/ future exposure to acute/ chronic hazards from temperature and precipitation changes, coastal/inland flooding, and drought. We used Localized Constructed Analog (LOCA) downscaled climate model projections of temperature and precipitation that informed the 4th US National Climate Assessment and sea level rise projections and flood mapping developed by National Oceanographic and Atmospheric Administration.

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed in an environmental risk assessment

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Other

Tools and methods used
Other, please specify (Marriott Sustainability Assessment Program (MSAP) administered by MindClick and EcoVadis)

Comment
The supplier assessment program for the furniture, fixtures, and equipment (FF&E) supply chain includes evaluation of nine different aspects across the full life-cycle of these supplies. This assessment covers material sourcing, production and distribution, many of which relate to water risks. In 2020, Marriott also continued our focus on procuring more environmentally and socially responsible products within our top 10 categories (including animal proteins, bottled water, cleaning supplies, cocoa, coffee, guest room amenities, paper products, seafood, sugar and textiles). In collaboration with our Americas procurement provider, Avendra, we started a formal process to assess the environmental and social business aspects of our existing Americas suppliers within the top 10 categories via the EcoVadis platform. EcoVadis is a ratings platform that assesses corporate social responsibility and sustainable procurement. In 2020, roughly 100 existing suppliers completed the assessment, and the remaining 200+ suppliers will be asked to complete the assessment by the end of 2021. In 2022, after completion of the Americas assessments, we will begin to assess our remaining global suppliers. The information in the EcoVadis platform will be used to develop improvement plans for suppliers to ensure they are on track to successfully meet the responsible sourcing requirements that have been determined for each of the top 10 categories.
Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment

W3.3b
<table>
<thead>
<tr>
<th><strong>Relevance &amp; Inclusion</strong></th>
<th><strong>Please explain</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water availability at a basin/catchment level</strong></td>
<td>Relevant, always included</td>
</tr>
<tr>
<td><strong>Water quality at a basin/catchment level</strong></td>
<td>Relevant, always included</td>
</tr>
<tr>
<td><strong>Implications of water on your key commodities/raw materials</strong></td>
<td>Relevant, always included</td>
</tr>
</tbody>
</table>
Marriott considers water utilities to be relevant and they are included in our water-related risk assessments. We strive to ensure the comfort, satisfaction, health and safety of our stakeholders. Access to fully-functioning water utilities is a basic human right and ensuring that all employees have access to safe drinking water is a fundamental responsibility. Marriott provides fully-functioning WASH services for all employees worldwide. Marriott’s water conservation target is part of our Serve 360 sustainability and social impact platform, which aligns with the SDGs. Water risk issues are included in our sustainability policy, which was published in 2019. The updated policy specifically references Marriott’s commitment to measure and minimize the impact of company operations on water risk issues. In addition, Marriott’s hotel workers are vital to the success of our environmental strategy, providing essential pull-through to meet our standards and goals. Marriott engages its associates in the risk assessment process through surveys and our Serve 360 Champions. Serve 360 Champions rally their fellow associates, organize events, educate and communicate within the property, report and share best practices, and collaborate with various departments to achieve the Serve 360 goals.

**Investors**

Relevant, always included

Marriott considers investors relevant, and they are included in our water-related risk assessments. We are committed to reporting our environmental strategy and progress towards our goals to our investors through our annual Serve 360 Report, the CDP, and ESG surveys among other reporting mechanisms. In 2019, our Investor Relations (IR) team continued to engage with investors around ESG and conducted a survey to understand investor priorities and their key tools for tracking our performance, risks and opportunities, including sustainability and social impact. Building on the findings of this survey, in 2020, the IR team distributed our Serve 360 Report to its distribution list for the first time, demonstrating Marriott’s commitment to provide transparent updates to this important stakeholder group. Additionally, Marriott’s Vice President of Sustainability and Supplier Diversity had several conversations with investors regarding the company’s ESG efforts, including Marriott’s approach to managing and mitigating water risk.

**Local communities**

Relevant, always included

Marriott considers local communities relevant, and they are included in our water-related risk assessments. Our hotels are important members of the communities in which they are located, supporting both established and developing economies and providing job training and opportunities. With the goal of locally sourcing 50% of our produce by 2025, our hotels around the globe continue to identify opportunities to work with local suppliers. In conjunction with our responsible sourcing goals, we will continue to identify local products that are higher priority, and we still maintain ongoing dialogue, website research, communications via emails and newsletters. Marriott engages water utilities at the local level through ongoing dialogue, website research, and communications via emails and newsletters.

**NGOs**

Relevant, always included

Marriott considers NGOs to be relevant, and they are included in our water-related risk assessments. Marriott has been and is working with NGOs partners in developing and pursuing our sustainability and social impact strategy. We selected a broad range of NGOs to obtain perspectives on issues, including labor, climate change, water, biodiversity, sustainable aquaculture, health and wellness, human rights, women’s empowerment, and workforce readiness, especially among underserved youth. Our goal is to ensure that all Marriott properties are in alignment with the UN’s Sustainable Development Goals in addressing the right sustainability and social impact topics and to learn how we can continue to improve our sustainability and social impact strategies, programs, and reporting. We are also engaging with NGOs for natural capital projects and employee volunteer events such as beach and mangrove cleanups. For example, in 2020, The Ritz Carlton, Abuja worked with dunes from an NGO called Tresorer at the beach and mangrove cleanup. Together with the city council and their Community Footprints volunteers, volunteers worked to rake the sea beds clean of litter, while the land team cleaned the beach.

**Other water users at a basin/catchment level**

Relevant, always included

Marriott considers other water users at a basin/catchment level to be relevant, and they are included in our water-related risk assessments. Some water management districts prioritize “other water users” for allocation of freshwater resources (e.g. residential customers will receive priority over business customers) in the event of a scarcity event. Properties would be responsible for ensuring that their impacts are kept at a minimum and more sustainable. Marriott will continue to engage with the local water utility agencies to understand the local regulations and how to implement these guidelines in our properties. In addition, Marriott has a global water safety program developed in collaboration with NALCO that includes the WASH program. Marriott continues to monitor risks arising from increases in water-related risk, which is extensively covered in the annual Serve 360 Report. The information in the EcoVadis platform will be used to develop improvement plans for suppliers to achieve Marriott’s Serve 360 goals.

**River basin management authorities**

Relevant, always included

Marriott considers river basin management authorities to be relevant, and they are included in our water-related risk assessments. Relevant departments at Marriott work with property managers and owners to ensure that our properties are aware of current and proposed emerging regulations, especially those that might impact HVAC systems, water quality, or other valuable building assets. This process varies across the global portfolio and relevant government entities. Our global design team relies on local input to determine the impact of changing codes on our design standards. The impact of new legislation on existing properties would be included in the annual capital planning process. Marriott engages regulators through ongoing dialogue, website research, and communications via emails and newsletters.

**Regulators**

Relevant, always included

Marriott considers regulators to be relevant and they are included in our water-related risk assessments. Relevant departments at Marriott work with property managers and owners to ensure that our properties are aware of current and proposed emerging regulations, especially those that might impact HVAC systems, water quality, or other valuable building assets. This process varies across the global portfolio and relevant government entities. Our global design team relies on local input to determine the impact of changing codes on our design standards. The impact of new legislation on existing properties would be included in the annual capital planning process. Marriott engages regulators through ongoing dialogue, website research, and communications via emails and newsletters.

**Statutory special interest groups at a local level**

Relevant, always included

Marriott considers statutory special interest groups at a local level to be relevant and they are included in our water-related risk assessments. Local water conservation management districts and watershed management organizations are important resources for our properties to receive education around local issues and applicable laws. These organizations can also offer our properties financial incentives for water conservation and storm water management projects. Marriott engages with statutory special interest groups at a local level through ongoing dialogue, website research, communications via emails and newsletters and meetings and as needed.

**Suppliers**

Relevant, always included

Marriott considers suppliers to be relevant and they are included in our water-related risk assessments. We engage with various parts of our supply chain on sustainability policies and actions and include a discussion of these topics in the procurement process. Our Supplier Conduct Guidelines and Serve 360 responsible sourcing goals include further engagement with suppliers on water risk. Through responsible sourcing, we have the opportunity to reduce our environmental impacts, mitigate risk, and support positive change in our global supply chain. Marriott works within its supply chain to help develop innovative products and programs that deliver superior performance while meeting our 2025 responsible sourcing goals. We collaborate with suppliers to conserve energy, reduce water use, reduce packaging waste and incorporate more sustainable materials. We also work to understand our suppliers’ social risks such as labor, human rights, and community engagement. An example of supplier engagement includes the supplier assessment program for the furniture, fixtures, and equipment (FF&E) supply chain which incorporates evaluation of nine different aspects across the full life cycle of these supplies. This assessment covers material sourcing, production, and distribution. Marriott also continued to monitor which relate to water risks. In 2020, Marriott assessed over 50,000 suppliers of products within our top 10 categories (including animal proteins, bottled water, cleaning supplies, cocoa, coffee, guest room amenities, paper products, seafood, sugar and textiles). Working with our Americas procurement provider, Avendra, we started a formal process to assess the environmental and social business aspects of our existing Americas suppliers within the top 10 categories via the EcoVadis platform. EcoVadis is a ratings platform that assesses corporate social responsibility and sustainable procurement. In 2020, roughly 100 existing suppliers completed the assessment and the remaining 200 suppliers will be asked to complete the assessment by the end of 2021. In 2022, after the completion of the Americas assessments, we will begin to assess our remaining global suppliers. The information in the EcoVadis platform will be used to develop improvement plans for suppliers to ensure they are on track to successfully meet the responsible sourcing requirements that have been determined for each of the top 10 categories.

**Water users at a local level**

Relevant, always included

Marriott considers water utilities at the local level to be relevant and they are included in our water-related risk assessments. Marriott continues to monitor risks arising from increases in water charges, water surcharges or fines during drought periods. Water-related regulations are relevant to all properties as users of municipal water and sewer services. Property managers, owners and relevant departments at Marriott work in tandem to ensure that our properties meet regulatory obligations. Additionally, in the US, our local water utility agencies and national landscaping partners help properties understand and abide by local irrigation water regulations in areas stricken by drought. Water discharges from hotels are similar to a storm drain and are made to third party municipal water and sewage treatment facilities. Hotels in locations using district steam may track and adjust temperature discharges to the sea beds clean of litter, while the land team cleaned the beach.

**Other stakeholder, please specify**

Not relevant, explanation provided

No other stakeholders are relevant to water-related risk assessments for Marriott.
(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Marriott's Internal Audit discipline typically coordinates an annual Enterprise Risk Assessment process through which senior leadership and the Board of Directors identify the top business and emerging risks facing the company, along with key mitigating action plans for addressing those risks. Due to COVID-19 however, the annual Enterprise Risk Assessment did not take place in 2020. The results of this process are reported to the board of directors and outcomes inform business strategy and risk mitigation efforts at the regional and property-level. Priorities for addressing these risks are determined within the context of corporate business strategy. As a part of our goal setting process used in developing our Serve 360 sustainability and social impact platform, we reviewed data from Ecolab's Water Risk Monetizer, WRI Aqueduct and internal company tools to assess the performance of our properties in water-stressed regions. Our analysis showed that the water intensity of properties in those regions was in line with our average global water intensity value. As a result, we included these properties in the goal setting process and provided water targets in 2019.

In 2019, Marriott kicked off the Marriott Infrastructure Resilience Adaptability (MiRA) program. This program is focused on evaluating climate-related risks to the physical assets managed by Marriott and creating resiliency strategies, programs, and training to help mitigate losses associated with climate-related events. The program also includes developing an assessment of climate-related risks for each individual hotel. Phase 1 of the project began in 2020 with a physical risk and resilience assessment for all US properties and markets. The assessment includes the evaluation of physical climate risk indicators, climate and resilience scorescards, long-term vulnerability risk projections, coordinated risk management with the Marriott insured property program, and revisits CAPEX budgets. For phase 1 of the project, Marriott performed a scenario analysis to identify physical climate change risks to its hotels in the continental US. The desktop analysis was based on publicly available data sets developed using methods that have undergone scientific peer review. For over 5,000 open hotels and over 1,000 pre-opening hotels in the continental U.S., and with future plans to assess the rest of the global portfolio, Marriott evaluated present and future exposure to acute and chronic hazards from temperature and precipitation changes, energy demand, coastal flooding, inland flooding, drought, and wildfire. All assets were ranked by hazard exposure at three future time horizons: 2030, 2050 and 2080. The 2030 and 2050 time horizons span the likely lifetimes of most of Marriott's hotels and the 2080 horizon encompasses the potential lifetime of the longest-lived hotels. The asset ranking considered future exposure at each time horizon under each climate change scenario.

Our continental operating structure gives us close-to-market leadership, which supports risk management for localized risks such as those relating to water supply and quality. Performance to our water efficiency goals is part of the Serve 360 Scorecards, which are typically updated and reviewed quarterly by the Serve 360 Executive Leadership and Advisory Councils.

For hotels under development, Marriott assesses environmental resources, including feasibility studies during site development and the choice of construction materials during design. Once open, each hotel will have a water conservation action plan to manage and reduce water usage. As needed, Marriott might use various methodologies and resources to assess risk, such as WRI's Aqueduct Water Risk Atlas, U.S. Drought Monitor, the Maplecroft Global Risk Analysis and the Circle of Blue.

In addition, the Cornell Hotel Sustainability Benchmarking (CHSB) study included pilot data for measures from the Hotel Water Measurement Initiative for the first time in 2017. The publicly available data helps provide water footprint ranges by hotel type and market.

Within our furniture, fixtures, and equipment (FF&E) supply chain, we have implemented the Marriott Sustainability Assessment Program (MSAP), administered by MindClick, to evaluate the environmental and social practices of the suppliers in this category. We have also worked with our Americas procurement provider, Avendra, to implement a formal process to assess the environmental and social business aspects of our existing Americas suppliers within our top 10 priority categories via the EcoVadis platform. EcoVadis is a ratings platform that assesses corporate social responsibility and sustainable procurement. The information in the EcoVadis platform will be used to identify at risk suppliers and develop improvement plans to ensure they are on track to successfully meet the responsible sourcing requirements that have been determined for each of the top 10 categories.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Marriott does not use a single definition of or financial threshold for "substantive impact" in its risk assessment process. Risks are reviewed annually by the top executives across the company, as well as by the board of directors. All of the risks evaluated may be considered to have the potential for substantive impact, and as a part of the annual review, the risks are prioritized, and data is gathered about current and long-term mitigation efforts, challenges, and performance tracking mechanisms. Marriott is a global lodging company with more than 7,600 properties (as of year-end 2020) that we operate ("manage"), franchise or license under 30 brands in 133 countries and territories worldwide. This diversification offers some resilience against localized water risks. A substantive financial impact would be one that would impact overall revenue significantly.

W4.2b
(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>While the scale and geographic diversification of our business make it unlikely that localized water risks could generate a substantive change in our overall business, we regularly evaluate some of the more prevalent and pressing water risks that do impact properties in our managed portfolio. Marriott conducted a preliminary assessment using the WRI Aqueduct Water Risk Atlas to evaluate owned, managed, and leased properties vulnerable to baseline water stress, and coastal and riverine flooding. Our process included uploading our active 2020 property list for relevant sites to WRI Aqueduct, exporting and filtering results based on a set of criteria (e.g., number of rooms, % revenue, validated data) to determine which sites are business critical. We determined that 15 properties are located in areas of 'High' or 'Extremely High' baseline water stress and flooding, as defined by WRI; however these properties, collectively, represent no more than 5% of total annual revenue so we do not consider these risks to have a potentially substantive financial or strategic impact on our business. Even if these risks do not currently have the potential to reduce our overall revenue by more than 5%, they impact the communities in which we operate and the health and safety of our associates. We not only work to comply with regulatory action but also strive to help address these issues where possible. To address flooding risks, we have enterprise-wide business continuity plans, task forces, an executive-led Crisis Relief Committee, our Marriott Disaster Relief Fund and 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 in regions where we operate hotels. In 2019, Marriott kicked off the Marriott Infrastructure Resilience Adaptability (MiRA) program. This program is focused on further evaluating climate-related risks to physical assets managed by Marriott and creating resiliency strategies, programs, and training to help mitigate losses associated with climate-related events such as coastal flooding, tropical cyclones, wildfires, inland flooding, heat stress, cold stress, and drought. We expect to share outcomes in future reports.</td>
</tr>
</tbody>
</table>

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks exist, but no substantive impact anticipated</td>
<td>A sufficient amount of good quality freshwater available is important for our food service operations/supply chain, as hotels are large consumers of food, and freshwater supply is required to support the agricultural supply chain of our food and beverage products. The scale and geographic diversification of our business makes it unlikely that localized water risks, including freshwater availability, could generate a substantive change in our global supply chain. That said, as part of our Serve 360 sustainability and social impact strategy, Marriott has set the following company-wide procurement goal: Responsibly source 95% in our top 10 priority categories by 2025. Bottled water and seafood purchases are included in these top 10 priority categories. This goal is important to Marriott so we can reduce our supply chain risks and impacts and identify the most responsible suppliers with the highest quality products. Working with our Americas procurement provider, Avendra, we started a formal process to assess the environmental and social business aspects of these suppliers, among others within the top 10 categories, via the EcoVadis platform. Avendra requires all suppliers to submit a sustainability policy and provide relevant information on product attributes such as Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications for sustainable seafood. We incorporate our responsible sourcing requirements into request for proposals (RFPs) that are administered by Avendra to identify the most responsible suppliers with the highest quality products. We worked closely with Avendra to ensure the responsible sourcing requirements and our preferred third-party certifications were communicated to potential suppliers and supplier responses were aligned with our responsible sourcing goals. As of 2020, approximately 100 suppliers had been assessed in the Americas. All Americas suppliers that are contracted through Avendra will be assessed by the end of 2021. We will be surveying all contracted suppliers within the top 10 categories first, and then the remainder of contracted suppliers by 2025 to increase transparency and traceability. We have plans to continue to work with suppliers to increase education and awareness of our goal and include contract clauses with responsible sourcing requirements.</td>
</tr>
</tbody>
</table>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized
Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

**Type of opportunity**  
Efficiency

**Primary water-related opportunity**  
Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**  
Marriott’s water conservation initiatives address various aspects of hotel operations, including: laundry and linen/terry re-use programs; dishwashing and water service at restaurants and events; central plant operations; landscaping/irrigation; and golf course maintenance/operation. Marriott managed properties are typically required to set an annual signature project, which can be energy or water focused. Examples of water conservation signature projects have included the installation of low-flow toilets and showerheads, smart irrigation controllers, laundry water reuse systems, and high-efficiency irrigation spray nozzles (the signature project program was paused in 2020 due to COVID-19). Many hotels use recycled water for landscaping, cooling tower makeup water, first wash laundry, and flushing. In addition to water-use efficiency efforts, there are also systems in place to capture greywater and rainwater for appropriate uses. Another example of efforts Marriott takes to improve water efficiency in our operations is 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. In 2019, the Anomaly Management Program helped identify water leaks at 25 properties and saved an estimated 20,963 cubic meters of water.

**Estimated timeframe for realization**  
Current - up to 1 year

**Magnitude of potential financial impact**  
Low-medium

Are you able to provide a potential financial impact figure?  
Yes, a single figure estimate

**Potential financial impact figure (currency)**  
5000000

**Potential financial impact figure – minimum (currency)**  
<Not Applicable>

**Potential financial impact figure – maximum (currency)**  
<Not Applicable>

**Explanation of financial impact**  
Marriott has set a target to reduce water intensity at its managed and franchised properties 15% by 2025, over a 2016 baseline. In pursuit of our water conservation goals, we have implemented a number of owner-funded projects designed to enhance the efficient use of water at the hotels we manage. These include low-flow faucet and toilet fixtures, water sub-meters and more efficient laundry and dishwashing formulations. The potential financial impact represents the anticipated annual savings properties could realize from resource water conservation efforts in the reporting year.

**Type of opportunity**  
Markets

**Primary water-related opportunity**  
Improved staff retention

**Company-specific description & strategy to realize opportunity**  
New recruits in the hotel industry are more likely to cite environmental leadership as a factor in choosing employers. Employee engagement is a key factor in driving the success of our business and sustainability strategy. One way Marriott engages our associates is through our Serve 360 Champions. Serve 360 Champions are passionate individuals or teams 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 partnering 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.

**Estimated timeframe for realization**  
Current - up to 1 year

**Magnitude of potential financial impact**  
Low-medium

Are you able to provide a potential financial impact figure?  
Yes, a single figure estimate

**Potential financial impact figure (currency)**  
7528

**Potential financial impact figure – minimum (currency)**  
<Not Applicable>

**Potential financial impact figure – maximum (currency)**  
<Not Applicable>

**Explanation of financial impact**  
Marriott’s hotel workers are vital to the success of our sustainability strategy. We constantly develop new ways of engaging our associates in sustainability as a mindset and a way of working. We typically provide standards and training on practices such as sustainable meetings, operational best practices, recycling and waste reduction, and linen and terry reuse to associates worldwide. Associates who are particularly passionate about sustainability & social impact can further get involved through the Serve 360 Champion opportunity. According to a study by Cornell University’s School of Hospitality Management in 2006, employee turnover costs hospitality companies an average of 5,864 USD. (7,528 in 2020 USD) per employee. These figures align with a 2012 report by the Center for American Progress estimating typical cost of turnover for positions earning less than 30,000 USD annually is sixteen percent of an employee’s annual salary and up to twenty percent for employees earning over 75,000 USD.
Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available.
(W6.2b) Provide further details on the board’s oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency (that water-related issues are a scheduled agenda item)</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled meetings - some agenda items</td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td>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 Board-level Inclusion &amp; Social Impact Committee oversees, encourages, and evaluates efforts undertaken by the company to address environmental, social, and governance (ESG) issues. In 2020, the Committee for Excellence was renamed the Inclusion and Social Impact Committee and its charter was revised to make express its oversight of efforts undertaken by the company to reduce Marriott’s environmental impact and promote positive social impact in the communities Marriott serves throughout the world. Today, Marriott’s Inclusion and Social Impact Committee assists the Board in carrying out its commitment and responsibilities relating to Marriott’s people-first culture and the company’s efforts to foster associate wellbeing and inclusion, and to promote this focus with customers, owners, vendors, communities, and other key stakeholders, while also overseeing, encouraging, and evaluating Marriott’s efforts to address ESG issues. Marriott’s sustainability and social impact strategy is guided by our Serve 360 coordinates and 2025 goals. To meet the responsibility of a global business, such as Marriott, we must grow and operate more sustainably, taking an equitable and accountable approach. This includes identifying related environmental and social risks and opportunities, establishing policies, setting targets, driving performance, and reporting transparently, along with engaging a wide variety of stakeholders to ensure we are connecting our ESG strategy to the issues of and the impacts on society and the environment, including water-related issues. Our Serve 360 Report is shared with the Board annually and includes progress against goals.</td>
</tr>
</tbody>
</table>

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on water-related issues</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Both assessing and managing water-related risks and opportunities</td>
<td>Half-yearly</td>
<td>At Marriott, the Chief Executive Officer (CEO) is responsible for water-related issues through leadership of the company’s sustainability and social impact platform, Serve 360. Marriott’s CEO is a member of the Serve 360 Executive Leadership Council which typically meets twice per year (half-yearly) to discuss sustainability-related investment decisions and to analyze recommendations and review Serve 360 Scorecards which report progress against sustainability and social impact goals, including reducing the water intensity of hotel operations. Scorecards are typically produced quarterly but not in 2020 (nor 2021) due to COVID. The CEO is also a member of the Board’s Inclusion and Social Impact Committee. The CEO, along with the rest of the Executive Leadership Council, provide strategic direction and make investment decisions to guide the achievement of the Serve 360 sustainability and social impact goals.</td>
</tr>
<tr>
<td>Corporate responsibility committee</td>
<td>Both assessing and managing water-related risks and opportunities</td>
<td>Annually</td>
<td>Serve 360 is Marriott’s sustainability and social impact platform. The Serve 360 Executive Leadership Council is chaired by the Global Officer Communications &amp; Public Affairs and the Global Officer of Operations and includes the CEO, group and continent presidents within each regional business division, and C-level executives representing each global discipline, including Brand, Design, Development, E-Commerce, Finance, Human Resources, IT, Legal, Marketing, Sales, Owner/Franchise Services, Global Operations (co-Chair), and Global Communications and Public Affairs (co-Chair). This representation ensures that every functional discipline within Marriott is involved in guiding and implementing the sustainability and social impact strategy. It also ensures that as water-related issues arise, they are assessed by the relevant business functions. The participation of the Presidents and the accountability to the Serve 360 Scorecards help drive performance across the portfolio of properties.</td>
</tr>
<tr>
<td>Sustainability committee</td>
<td>Both assessing and managing water-related risks and opportunities</td>
<td>Annually</td>
<td>TheServe 360 Advisory Council consists of direct reports of executive leaders, representing each region and each global discipline. This council typically 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 Executive Leadership Council. The Advisory Council helps to develop the regional and global Serve 360 Scorecards, which track progress against the company’s sustainability and social impact goals, including reducing the water intensity of hotel operations.</td>
</tr>
</tbody>
</table>
(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td>Other, please specify (Vice President, Sustainability)</td>
<td>Marriott incentivizes activities that help us progress on our Serve 360 sustainability and social impact goals. Activities incentivized include achievement of water reduction targets. All performance goals were temporarily suspended in 2020 due to the COVID-19 pandemic.</td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td>&lt;Not Applicable&gt;</td>
<td>Marriott does not have non-monetary reward incentives.</td>
</tr>
</tbody>
</table>

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td>Improvements in efficiency - direct operations</td>
<td>Marriott incentivizes activities that help us progress on our Serve 360 sustainability and social impact goals. Activities incentivized include achievement of emission reduction targets, energy reduction targets, energy reduction project, and efficiency project. Progress against Marriott's Serve 360 water intensity reduction goal of 15% (per occupied room) is an annual goal for Marriott's Vice President, Sustainability.</td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td>&lt;Not Applicable&gt;</td>
<td>Marriott does not have non-monetary reward incentives.</td>
</tr>
</tbody>
</table>

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

MAR-Q4 2020-10K.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Long-term business objectives</th>
<th>Yes, water-related issues are integrated</th>
<th>Marriott's long-term business objectives include growth across the global portfolio of brands. Our ability to grow our management and franchise systems may be affected by a variety of factors influencing real estate development generally, such as a lack of adequate infrastructure, including the availability of freshwater resources. Strategies have been developed to provide independent water sourcing at some properties. An example of how water-related issues are integrated into our long-term (5-10 years) business objectives is in Marriott's global water strategy, we include deploying programs and initiatives that are tailored for each property. As part of this, new hotels are added to our portfolio, we aim to consider water-related risks across the lifecycle of properties, from site development to construction and operations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy for achieving long-term objectives</td>
<td>Yes, water-related issues are integrated</td>
<td>From design to the guest experience, sustainability is embedded into our business strategy. We collaborate with our associates, hotel owners, franchisees, brands, suppliers, customers and guests to reduce the environmental impact of and risk to our business. Water use efficiency and water quality are both issues that are integrated into our business strategy over the short-, medium-, and long-term (5-10 years). An example of how water-related issues are integrated into our long-term business objectives is our target to reduce water intensity (per occupied room) 15% by 2025 over a 2016 baseline. This will allow us to decrease our water needs per occupied room as our portfolio grows.</td>
</tr>
<tr>
<td>Financial planning</td>
<td>Yes, water-related issues are integrated</td>
<td>Under our business model, we typically manage or franchise hotels, rather than own or lease them. A management fee is typically composed of a base management fee, which is a percentage of the revenues of the hotel, and an incentive management fee, which is based on the profits of the hotel. Under our hotel franchising arrangements, we generally receive an initial application fee plus continuing royalty fees. Our expertise in implementing projects that create operational efficiencies, including water savings, helps lower operating costs and offset risks. Successfully addressing reputational risks and opportunities can increase market share through attracting additional guests and group business customers and our ability to secure additional management and franchise contracts. Our commitment to responsible operations includes water conservation and a water intensity reduction target for all hotels in our portfolio. As of year-end 2020, ~1.1% of rooms in our global portfolio were in properties owned/leased by Marriott. Implementing operational efficiencies helps reduce our own operating costs. Financial planning is considered over a short-, medium- and long-term horizon (5-10 years).</td>
</tr>
</tbody>
</table>

W7.2
What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

<table>
<thead>
<tr>
<th>Row</th>
<th>Water-related CAPEX (+/- % change)</th>
<th>Anticipated forward trend for CAPEX (+/- % change)</th>
<th>Water-related OPEX (+/- % change)</th>
<th>Anticipated forward trend for OPEX (+/- % change)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Please explain

Does your organization use climate-related scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>We are using the 2°C Scenario to model and evaluate a science-based GHG emissions reductions target, using the pathway modelled for the Service Buildings sector of Sectoral Decarbonization Approach (SDA). SDA requires inputs for area growth, which we are in the process of projecting for the longer-term. Beginning in 2019, Marriott performed a quantitative scenario analysis to identify physical climate change risks to our hotels in the continental US. Water-related risks assessed include present and future exposure to acute and chronic hazards from temperature and precipitation changes, coastal and inland flooding, inland flooding, and drought. We used the Localized Constructed Analog (LOCA) downscaled climate model projections of temperature and precipitation that informed the 4th US National Climate Assessment and sea level rise projections and flood mapping developed by National Oceanographic and Atmospheric Administration.</td>
</tr>
</tbody>
</table>

Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization’s response?

<table>
<thead>
<tr>
<th>Climate-related scenarios and models applied</th>
<th>Description of possible water-related outcomes</th>
<th>Company response to possible water-related outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (RCP 4.5 and RCP 8.5)</td>
<td>Marriott used the Representative Concentration Pathway (RCP) scenarios RCP 4.5 and RCP 8.5 to evaluate the exposure to climate change risks under a range of potential futures. For over 5,000 open hotels and over 1,000 pre-opening hotels in the continental U.S., and with future plans to assess the rest of the global portfolio, Marriott evaluated present and future exposure to acute and chronic hazards from temperature and precipitation changes, energy demand, coastal flooding, inland flooding, drought, and wildfire. All assets were ranked by hazard exposure at three future time horizons: 2030, 2050 and 2080. The 2030 and 2050 time horizons span the likely lifetimes of most of Marriott’s hotels and the 2080 horizon encompasses the potential lifetime of the longest-lived hotels. The scenario analysis showed potential impacts from both acute and chronic climate changes. For example, some of Marriott’s coastal hotels along the East and Gulf coasts are exposed to acute storm surge and wind hazards from tropical cyclones. Rising sea levels are projected to increase these hotels’ exposure to storm surge hazards over time. Rising temperatures pose a chronic risk to Marriott’s hotels through health hazards to staff working outside and through increases in cooling needs that are likely to drive up cooling costs.</td>
<td>Marriott is currently evaluating the adaptive capacity of each site to the hazards identified in the scenario analysis in order to determine each site’s vulnerability to identified climate hazards. The results of this assessment will be used to drive site-specific adaptation/resilience planning efforts.</td>
</tr>
</tbody>
</table>

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Currently Marriott does not use an internal price on water because this has not been a key priority for us, and we do not plan on doing so within the next two years.

Targets
Describe your approach to setting and monitoring water-related targets and/or goals.

### Levels for targets and/or goals

<table>
<thead>
<tr>
<th>Company-wide targets and goals</th>
<th>Business level specific targets and/or goals</th>
<th>Site/facility specific targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets are monitored at the corporate level</td>
<td>Goals are monitored at the corporate level</td>
<td>Goals are monitored at the corporate level</td>
</tr>
</tbody>
</table>

In 2019, we introduced energy and water reduction targets for all managed Marriott properties globally. The target development process factors in average annual energy and water reduction from 2016 (the baseline year) to present-day and compares each hotel's energy and water intensity to that of similar hotels within the same climate zone, region, and hotel type. Additionally, all global franchised hotels received suggested energy and water reduction targets for the first time in 2019. In developing our next generation sustainability and social impact platform, Serve 360, Marriott engaged internal and external stakeholders and partners and reviewed water consumption in water-stressed regions. Group and continent presidents within each regional division have a Serve 360 Scorecard to drive performance on all targets, including water intensity reduction, across the portfolio of properties. The scorecards are typically reviewed quarterly by the Serve 360 Executive Leadership and Advisory Councils.

### W8.1a

#### (W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**

**Target 1**

**Category of target**

Product water intensity

**Level**

Company-wide

**Primary motivation**

Other, please specify (Cost savings and Water Stewardship)

**Description of target**

Reduce water intensity (per occupied room) 15% by 2025 over 2016 baseline.

**Quantitative metric**

% reduction per product

**Baseline year**

2016

**Start year**

2016

**Target year**

2025

**% of target achieved**

0

**Please explain**

COVID-19 had a significant impact on Marriott's operations and performance for the 2020 reporting year. COVID-19 led to unprecedented levels of low occupancy and hotel closures at its hotels in most regions across the world. As such, total water consumption fell dramatically at those hotels that were closed or that were experiencing low occupancy. However, progress towards Marriott's water reduction target saw a large increase due to Marriott’s targets being based on a water per occupied room basis. Since water consumption did not decrease as dramatically as occupancy, Marriott saw a large year-over-year increase in its water per occupied room calculations.

### W8.1b

---

CDP
(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

**Goal**
Engagement with suppliers to help them improve water stewardship

**Level**
Other, please specify (Top 10 priority procurement categories in the Americas)

**Motivation**
Corporate social responsibility

**Description of goal**
As part of our Serve 360 sustainability and social impact strategy, Marriott has set the following company-wide procurement goal: Responsibly source 95% in our top 10 priority categories by 2025. Bottled water and seafood purchases are included in these top 10 priority categories. This goal is important to Marriott so we can reduce our supply chain impacts and identify the most responsible suppliers with the highest quality products. Working with our Americas procurement provider, Avendra, we started a formal process to assess the environmental and social business aspects of these suppliers, among others within the top 10 categories, via the EcoVadis platform. Avendra requires all suppliers to submit a sustainability policy and provide relevant information on product attributes such as Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications for sustainable seafood. We incorporate our responsible sourcing requirements into request for proposals (RFPs) that are administered by Avendra to identify the most responsible suppliers with the highest quality products. We worked closely with Avendra to ensure the responsible sourcing requirements and our preferred third-party certifications were communicated to potential suppliers and supplier responses were aligned with our responsible sourcing goals.

**Baseline year**
2019

**Start year**
2019

**End year**
2025

**Progress**
As of 2020, we are at the beginning of our journey. We have started assessing suppliers within the top 10 categories (including bottled water and seafood) in the Americas via the EcoVadis platform to get information about their environmental and social business practices. As of 2020, approximately 100 suppliers had been assessed in the Americas (this is the indicator used to assess progress and progress against our goal). All Americas suppliers that are contracted through our procurement provider, Avendra, will be assessed by the end of 2021 (threshold of success). We will be surveying all contracted suppliers within the top 10 categories first, and then the remainder of contracted suppliers by 2025 to increase transparency and traceability (threshold of success). We have plans to continue to work with suppliers to increase education and awareness of our goal and include contract clauses with responsible sourcing requirements. If we achieve our goal to responsibly source 95% in our top 10 priority categories by 2025, we will be successful.

**Goal**
Other, please specify (Promotion of sustainable seafood supply chain and healthy ocean ecosystems)

**Level**
Company-wide

**Motivation**
Corporate social responsibility

**Description of goal**
Working with our Americas procurement provider, Avendra, we started a formal process to assess the environmental and social business aspects of suppliers in our top 10 priority categories, via the EcoVadis platform. Avendra requires all suppliers to submit a sustainability policy and provide relevant information on product attributes such as Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications for sustainable seafood. In 2019, we made our Responsible Seafood and Animal Welfare Position Statements public to communicate our continued commitment to improving our procurement practices and raising the standard of animal welfare across our operations and supply chain.

**Baseline year**
2019

**Start year**
2019

**End year**
2025

**Progress**
Based on data from our procurement provider, Avendra, as of 2020, 25% of our seafood purchases at managed properties in the Americas is Marine Stewardship Council- or Aquaculture Stewardship Council-certified. If we achieve our overall procurement goal to responsibly source 95% in our top 10 priority categories by 2025, we will be successful. As of year-end 2019, 99% of hotels globally complied with our responsible seafood program requirement to ban the purchasing of specific species including bluefin tuna, Chilean sea bass, marine mammals, orange roughy, sea turtles, and sharks (inclusive of shark fin).

**W9. Verification**

**W9.1**

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

UQA00000478_AR_Marriott_Report_Verification_CY2020_Final.pdf
W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

<table>
<thead>
<tr>
<th>Disclosure module</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>W1 Current state</td>
<td>Water withdrawals</td>
<td>Other, please specify (LRQA's Verification Approach)</td>
<td>On page 3 of LRQA's assurance statement, &quot;Total Water Consumption&quot; in million cubic meters is included. This is the figure reported as total water withdrawals in this disclosure in megaliters.</td>
</tr>
<tr>
<td>SW Supply chain module</td>
<td>Global Water Intensity in SW 3.1</td>
<td>Other, please specify (LRQA's Verification Approach)</td>
<td>On page 3 of LRQA's assurance statement, Water Intensity is included.</td>
</tr>
</tbody>
</table>

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Vice President of Global Engineering &amp; Facilities</td>
<td>Business unit manager</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>10571000000</td>
</tr>
</tbody>
</table>

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2
**SW1.2** Are you able to provide geolocation data for your facilities?

<table>
<thead>
<tr>
<th>Are you able to provide geolocation data for your facilities?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, for all facilities</td>
<td>While Marriott does track the geolocation data for all facilities, the size of Marriott's portfolio does not make the exercise of providing that data here feasible.</td>
</tr>
</tbody>
</table>

**SW1.2a**

**(SW1.2a) Please provide all available geolocation data for your facilities.**

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Latitude</th>
<th>Longitude</th>
<th>Comment</th>
</tr>
</thead>
</table>

**SW2.1**

**(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.**

**SW2.2**

**(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?**

No

**SW3.1**

**(SW3.1) Provide any available water intensity values for your organization’s products or services.**

- **Product name**
  - Global Water Intensity
- **Water intensity value**
  - 1.58
- **Numerator:** Water aspect
  - Water withdrawn
- **Denominator**
  - Occupied room night
- **Comment**
  - The numerator is cubic meters, not megaliters.

Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>I am submitting to</th>
<th>Public or Non-Public Submission</th>
<th>Are you ready to submit the additional Supply Chain questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am submitting my response</td>
<td>Investors, Customers</td>
<td>Public</td>
<td>Yes, I will submit the Supply Chain questions now</td>
</tr>
</tbody>
</table>

**Please confirm below**

I have read and accept the applicable Terms